



## Editorial Board

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*Chairman's desk:*

*Dear All,*

*Finally, the world can heave a sigh of relief that Covid Vaccine has arrived and our country stands foremost in helping the neighbouring countries also by sending tons of vaccine which has been very well appreciated by the World Leaders. That shows how much our country cares for the world humanity.*

*Understand that being a student of CA is entirely different from becoming a CA. Just by passing the CA exams, you will not become an effective CA. Once you step out as a qualified CA, the work environment you face will be mind boggling. Over there, only the fittest as well as the toughest can survive. Only such persons can face the challenges that lie ahead in her professional career. You will realise your inadequacy only when you step out and get exposed to the real corporate world as well as professional practice.*

*So, when one finally qualifies as a CA, she should make herself competent to take on the career. For that, in addition to the professional qualification of CA, one should also strive to take an additional qualification like DISA, Insolvency Professional, Forensic Audit, CISA, etc. etc. which will give you an edge over other professionals.*



*You are aware that technology is growing at a faster rate. Without embracing technology you cannot move on. You may remain stagnant. At the same time, be strong on your subject and be updated.*

*Any growth in you career is possible only if you are able to work as a team leader. Team leadership and management is essential to your moving up in the hierarchy. You will be required to manage people and also to manage the team as a whole. One should develop leadership skills along with commanding respect at all levels.*

*You should develop ability to do multi tasking along with communication skills. What you do during your articleship lay the basic structure to enable you to move forward in your career upon becoming a CA. Taking responsibility is the key.*

*Wish you all the best.*

*Regards,  
Mahadevan*

## I. TAXATION :

### 1. UNION BUDGET 2021-22 – ANALYSIS

As expected this year's Union Budget was more focussed on Macro Management to manage, control and limit the impact of COVID Pandemic.

FM stressed that Union Budget rests on 6 Pillars:

1. Health & Wellbeing
2. Physical % Financial Capital, and Infrastructure
3. Inclusive Development for Aspirational India
4. Reinvigorating Human Capital
5. Innovation and R&D and
6. Minimum Government and Maximum Governance.

To reinvent after Pandemic in a country like ours is not an easy task. FM has used all her weapons from her arsenal to tide over the crisis. The stress on Infrastructure Development is heartening. So do the budgetary provisions for Health and Innovation. The allocation for Capex will also fuel growth and provide employment to unskilled and semi skilled.

Under inclusive development for Aspirational India, FM has banked heavily of Agriculture by providing higher funds for Agricultural credit and rural infrastructure. The reduction of Margin Money under the Stand Up India for SCs, STs and Women will be received well in the sector. And for Financial Inclusion, Margin Money is reduced to these section for activities allied to Agriculture. This is also a welcome move.

With the National Research Foundation becoming a reality with the modalities worked out, can do alt in the Innovation and R&D. This will further develop digital payments.

### DIRECT AND INDIRECT TAX PROPOSALS

All the proposals in Direct Taxes leads to the confidence Government has in Technology. This is the base for many amendments.

Reducing the Time Limits for filing returns or assessment or revision or reopening of assessment or completion of assessment or TDS on Purchases or abolition of Settlement Commission or introduction of Faceless Tribunal with dynamic jurisdiction describe this. This also underlines with

digitalisation, transparency has increased manifold resulting in improved Tax collections. The proposals also lead one to understand that compliance level has also reached the targets Government has in mind. This has resulted in no revision of Tax Slabs and basic exemption limit.

Amendments made in Sec10(23C) and Sec 11 states the intention of Government to clear all interpretations involved in Application of Income out of Corpus Contribution and Loans availed. These amendments will hurt some of the organisations who have been interpreting the laws to suit them more, as far as their Application of Income is concerned.

Similarly the controversy revolving upon Depreciation on Goodwill is also laid to rest. Hereafter law is made clear that Goodwill whether self created or acquired cannot claim depreciation. Another amendment which has significant impact in Taxation is the amendment brought in Sec 45. With this any amount received in excess of his Capital balance as available in the books of the firm, by a person at the time of his retirement or dissolution of the Firm, from the Partnership, hereafter will be taxable as Capital Gains in the hands of that Partnership Firm. These amendments also settle various litigations and interpretations.

Various amendments are brought in Sec 129 of GST Act clears many practical inconveniences and ambiguities in its interpretations. Pre deposit of 25% of the disputed Penalty has been made mandatory to prefer Appeal.

Interest is chargeable only on the net Tax liability. This is a welcome amendment and is also made retrospectively w.e.f. 1/7/2017. However, hereafter Input Tax Credit can be availed only when the same is reflected in the GSTR 2A. This will cause lot disputes amongst the Buyers and Sellers as far as their transactions settlement is concerned. But, this is a correct move looking from the Macro Level, which indirectly ensure filing of returns by all dealers on time.

**CA Sivarajan.P**

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## 2. BUDGET 2021-22-CHANGES IN GST

### AMENDMENTS IN CGST ACT

#### 1. Section 7 of CGST Act

**Retrospective amendment to include activities by an association to its members**

**(Clause 99 and 113 of Finance Bill, 2021)**

#### **Provision prior to amendment**

Prior to amendment Taxability of Supply made by registered clubs, associations etc to its members were contested under the principles of mutuality.

#### **Amendment**

The following clause has been inserted to expand the meaning of the term supply under section 7(1) of CGST Act, 2017 w.e.f. 01 st July 2017

*“(aa) the activities or transactions, by a person, other than an individual, to its members or constituents or vice versa, for cash, deferred payment or other valuable consideration.”*

An explanation has also been included to the effect that notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another.

Further, entry 7 of Schedule II which classified the following activity as supply of goods has been omitted w.e.f. 01st July 2017.

Supply of goods by any unincorporated association or body of persons to a member there of for cash, deferred payment or other valuable consideration.

### Impact

*With the amendment, the concept of principles of mutuality is invalid with retrospective effect.*

#### 1. Section 16(2)

**Additional condition for availing Input Tax Credit**

**(Clause 100 of Finance Bill, 2021)**

#### **Provision prior to amendment**

Rule 36(4) of the CGST Rules, 2017 had been inserted vide Notification No.49/2019 - Central Tax dated 09.10.2019 with effect from 09.10.2019, where the credit was restricted to 120% of the inputs reflected in GSTR-2A. Subsequently vide Notification No 75/2019 - Central Tax dated 26.12.2019 the credit was restricted to 110% of the inputs reflected in GSTR-2A with effect from 01.01.2020. Subsequently vide Notification No 94/2020 - Central Tax dated 22.12.2020 the credit was restricted to 105% of the inputs reflected in GSTR-2A with effect from 01.01.2021.

Writ Petitions have been filed before various High Courts, challenging the legal validity of the said rule as there is no specific condition provided under section 16(2) of the CGST Act, 2017 and thereby it can be said that the condition imposed under rule 36(4) of the CGST Rules, 2017 is an additional requirement which increases the scope of the principal Act.

Though Section 43A was inserted vide the CGST Amendment Act, 2018 stating the procedure for filing returns and availing Input Tax Credit, the same has not been notified till date and thereby not effective as on date to enable the rule 36(4) ibid to derive the power.

There is a scope for litigation with the concept that Act prevails over rule only until the notification is published.

## Amendment

Section 16 of the CGST Act provides eligibility and conditions for availing the input tax credit. A new clause has been added under section 16 requiring the details of the invoice has been furnished by the supplier in the statement of outward supplies (GSTR-1) and such details have been communicated to the recipient (GSTR-2A).

### Impact

Taxpayer could avail ITC pertaining to the invoices reflecting in the GSTR-2A/2B, only

## 2. Section 35(5)

### Self-certification of Reconciliation Statement instead of Auditor

**(Clause 101 and 102 of Finance Bill, 2021)**

#### Provision prior to amendment

35(5) Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.

### Amendment

omits Section 35(5) of the CGST Act so as to remove the mandatory requirement of getting annual accounts audited by a chartered accountant or a cost accountant and reconciliation statement (GSTR-9C) to be submitted for registered person whose turnover during a financial year exceeds the prescribed limit, which is Rs. 2 Crore & for FY 2018-19 & 2019-20, notified as Rs. 5 Crore.

Section 44 of CGST Act 2017 has been amended to furnish annual return along with a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, along with the audited annual financial statement electronically.

The taxpayer would be required to submit a self-certified reconciliation statement.

### Impact

Earlier the responsibility was on the auditor. The responsibility of correctness of reconciliation & GST Law compliances has been shifted from the Auditor to the taxpayer himself.

## 3. Section 50(1)

### Interest payable on net cash liability made effective from 1st July 2017

**(Clause 103 of Finance Bill, 2021)**

#### Provision prior to amendment

Provides that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.”

### Amendment

Proviso to Section 50(1) of the CGST Act has been substituted retrospectively w.e.f 01st July 2017, as under

*“Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger”.*

### Impact

Interest u/s 50(1) is payable on Net Tax liability with retrospective effect.

## 4. Section 74 Explanation 1(ii)

### **Delinking of proceedings under section 73 or 74 from the proceeding under the Section 129 and 130**

**(Clause 104 of Finance Bill, 2021)**

#### **Provision prior to amendment**

where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under sections 122, 125, 129 and 130 are deemed to be concluded.

#### **Amendment**

In Explanation 1(ii) provided under section 74 of the CGST, for the words and figures “sections 122,125, 129 and 130” the words and figures “*section 122 and 125*” shall be substituted.

#### **Impact**

The proceedings initiated against other persons under Section 129 and 130 would still continue even after conclusion of proceedings under Section 73 or 74 against the main person.

## 5. Section 75(12) Explanation

### **Insertion of explanation for self assessed tax under section 75**

**(Clause 105 of Finance Bill, 2021)**

#### **Provision prior to amendment**

Notwithstanding anything contained in section 73 or section 74, where any amount of self-assessed tax in accordance with a return furnished under section 39 remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered under the provisions of section 79.

## **Amendment**

Explanation has been inserted under sub section (12) of Section 75 for the word ‘Self assessed tax’ would include the tax payable on supplies declared in GSTR-1 returns but not included and paid GST liability in GSTR-3B returns.

#### **Impact**

Earlier such instances were routed through Section 73 & 74, i.e., time period to issue show cause notice was present and the opportunity of being heard was provided to the assessee.

## 7. Section 83(1)

### **Extension of validity for provisional attachment of property, bank account**

**(Clause 106 of Finance Bill, 2021)**

#### **Provision prior to amendment**

Where during the pendency of any proceedings under **section 62 or section 63 or section 64 or section 67 or section 73 or section 74**, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue, it is necessary so to do, he may, by order in writing attach provisionally any property, including bank account, belonging to the taxable person in such manner as may be prescribed.

#### **Amendment**

Subsection (1) of Section 83 of CGST Act, 2017 amended that, if Commissioner is of the opinion that to protect the interest of revenue, to attach provisionally property including bank account of the taxable person or any person who retains the benefit. From the initiation of the proceeding under the provisions of Chapter XII (Assessment), Chapter XIV (Inspection, Search, Seizure & Arrest) and Chapter XV(Demand & Recovery) till the expiry of one year from the date of the order made there under.

## Impact

This enables the Commissioner to attach the property including bank account of the taxable person or any person who retains the benefits from initiation of the above proceedings, without opportunity of being heard.

## 8. Section 107(6) proviso

### Insertion of new proviso to Section 107(6) - Appeals to Appellate Authority

(Clause 107 of Finance Bill, 2021)

#### Provision prior to amendment

Pre-deposit requirement prior to this amendment was only to the extent of 10% of the disputed tax liability.

#### Amendment

*Provided that no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to twenty-five per cent. of the penalty has been paid by the appellant*

#### Impact

In case of appeal filed against order under section 129(3) Pre-deposit of 25% of penalty is required in addition to 10% of the disputed tax liability.

## 9. Section 129(1)(a) &(b)

### Tax replaced with increase in Penalty under Section 129

(Clause 108(i) of Finance Bill, 2021)

#### Provision prior to amendment

129(1)(a) on payment of the applicable tax and penalty equal to one hundred per cent. of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to two per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty

129(1)(b) on payment of the applicable tax and penalty equal to the fifty per cent. of the value of the goods reduced by the tax amount paid

thereon and, in case of exempted goods, on payment of an amount equal to five per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such tax and penalty;

#### Amendment

*129(1)(a) on payment of penalty equal to two hundred per cent of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to two per cent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such penalty.*

*129(1)(b) on payment of penalty equal to fifty per cent. of the value of the goods or two hundred per cent of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to five per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such penalty;*

#### Impact

Currently, the release of goods and conveyance is allowed on payment of tax and penalty equal to 100% of tax payable on such goods. However, as per the proposed amendment, the goods and conveyance so detained and seized are now subject to release **on payment of penalty equal to 200% of tax payable on such goods.**

Similarly, in cases where the owner of the goods does not come forward to make payment for release of such goods, the owner would be required to make payment of applicable tax and penalty equal to 50% of the value of goods. As per the proposed amendment, the release on goods would be allowed **on payment of penalty equal to 50% of the value of goods or 200% of tax payable, whichever is higher.**

[to be contd...]

CA Beena.K

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### 3. BUDGET 2021-22- HIGHLIGHTS ON COMPANY LAW MATTERS

As the Honorable Finance Minister Smt Nirmala Sitaraman quoted in her Budget Speech, the famous quote of Rabindranath Tagore "'Faith is the bird that feels the light and sings when the dawn is still dark", Budget 2021-22 was more focusing on Macro Level overall development of the country under the pandemic situation.

Budget 2021-22 through light to the concept of minimum government with maximum governance trusting more on law abiding citizens and technology for compliance of law.

While analyzing the amendments with regard to Company Law, there are welcome provisions which encourage micro level corporates. Here is a brief analysis of those amendments.

#### Impact of Change in Definition of Small Company

With the change in definition of Small Company by increasing the threshold limit of Paid up Capital from Rs. 50 Lakhs to Rs.2 Crore and Turnover from Rs. 2 Crore to Rs. 20 Crore, many companies would enjoy the benefit and relaxation with respect to statutory compliances like preparation of Cash Flow Statement, Rotation of Auditors, Holding of board meeting etc. As said by the Honorable Finance Minister in her budget speech, more than 2 Lakh companies will enjoy the benefit due to this amendment.

#### Boundless Incorporation for OPCs

Incentivized the incorporation of One Person Companies (OPCs) by

- Withdrawing all restrictions with respect to Turnover, Paid up capital etc
- Allowing their conversion into any other type of company at any time withdrawing restriction for voluntary conversion.

➤ Reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days

➤ Allowing Non Resident Indians (NRIs) to incorporate OPCs in India

On a tax planning view, for OPCs maximum tax rate is only 29.12% whereas for an Individual it is 42.744%. With the withdrawal of restrictions, government promotes transformation of comparatively less organized Proprietorship Concern to Corporate Culture of OPCs.

#### Decriminalization of LLPs

Honble Finance Minister has proposed Decriminalisation of LLP Act 2008. The objective of the decriminalisation exercise is to remove criminality of offences from business laws where no malafide intentions are involved. The government will decriminalise 12 compoundable offences under the Act and will omit section 73, which relates to penal provisions in case of non-compliance with orders of a tribunal.

#### Trust over Technology

MCA will be launching data analytics, artificial intelligence, machine learning driven MCA21 Version 3.0. This Version 3.0 will have additional modules for e-scrutiny, e-Adjudication, e-Consultation and Compliance Management. On an overall analysis of the budget it is evident that government is placing immense trust over technology for implementation of its goals.

CA Dhanya.G

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## II. INTERNAL AUDIT :

### Physical Verification of Inventory :

Inventory is one of the most important financial asset for a trading or a manufacturing concern. The amount invested in inventory by the organisation directly impact their profitability. Hence, the internal audit team plays a crucial role in maintaining an efficient system of internal control in inventory.

To carry out an efficient system of internal control in inventory, the Internal Audit Team shall ensure mainly the following :

1. Surprise physical verification of Inventory
2. Verification of damaged stock / expired goods
3. Verification of stock records
4. Verification of documentation and movements of stock

#### 1. Surprise physical verification of Inventory :

The Internal Audit Team shall carry out surprise verification of inventory at different frequencies. The inventory to be physically verified can be selected on a random basis based on value, quantity and movement of items. The stock to be verified on random basis can be from raw materials, trading goods, packing materials, consumables, etc. The system stock and physical stock to be compared and variances if any to be reported specifying the value involved. The reason for shortage / excess of stock if any, may be noted down from the stores personnel and the same also can be included in the report. The physical verification report shall be prepared in a standard template covering all the required details including SKU / EU of the items verified. The report shall be got acknowledged by the respective stores personnel and the internal audit team, who carried out the stock audit prior to submission before the management. Irrespective of variances in stock, the Internal Audit Team should also report on the internal controls to be adopted for proper stacking, loss or damage, if found, or any other measures required to safeguard the inventory system of the organisation.

#### 2. Verification of damaged / expired goods :

Internal Audit Team can take up the responsibility of verifying the damaged goods / expired goods, mainly in a FMCG company. Those goods which are damaged or expired, i.e. which cannot be sold or used in future to be identified in each category of stock maintained. The said stock to be segregated, counted and kept separately in the stores. The report on the damaged / expired stock to be prepared including the count in numbers and the value involved. This report shall be acknowledged by the store-in-charge, Internal Audit Team and the respective Materials Head, if any, in the organisation, prior to be submission before the Management. Upon

approval from the management, these damaged / expired goods shall be destroyed in the presence of Internal Audit Team and stores personnel and necessary entries to be passed in books of account, for removing these damaged / expired goods from the books stock. These entries shall be well documented with the damaged stock approval report obtained from the management for destroying the goods in physical.

#### 3. Verification of stock records :

As a part of stock audit, Internal Audit Team shall also verify all the stock records maintained by the stores personnel. The recording of inward, outward, closing and opening entries of stock records in chronological order shall be verified in detail and any discrepancy observed shall be reported. Internal Audit Team should see that the records are updated simultaneously with the movement of stock and if not, then the same shall also be reported. Maintenance of proper stock records is one of the best internal control that can be implemented in an organisation, with respect to Inventory.

#### 4. Verification of documentation and movement of stock :

The Internal Audit Team shall observe and verify the documentation and movement of goods. All inwards, outwards or transfer shall be verified and ensured that the same is well documented and updated in the stock records. The GRN, Invoices, Stock transfer delivery notes, sales invoices, material requisition slip for inter department transfer, etc. shall be verified and ensure that the same is in order and any discrepancy observed in movement of goods and its documentation shall be reported in detail with facts and evidences and the measures to be taken for improving the same for the proper inventory control.

#### General :

Internal Audit Team plays an important role in maintaining proper internal control in the inventory system in the organisation. The Audit Team shall report and ensure that steps are taken to implement proper internal control system and thereby lapses are not repeating. Any lapse on the part of Internal Audit Team, to report on the inventory control system of the organisation, will directly impact on the profitability of the organisation and thereby revenue loss to the concern. Hence, inventory should be one of the important area of verification and reporting at regular frequencies of Internal Audit in an organisation, being one of the high value investment of working capital.

SrikalaRenjith

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## III. Notifications / News :

### 1. QRMP Scheme for Small Tax Payers :

GST Council, in its 42<sup>nd</sup> Meet held on 5.10.2020 had proposed new GST Return filing system for small tax payers having aggregate annual turnover of upto Rs. 5 cr. in the preceding financial year – ie. 2019-20. This will come into effect from 01.01.2021. The Government has issued necessary notification to implement this scheme.

The tax payers who opt for QRMP [Quarterly Return Monthly Payment] Scheme can avail the option of **IFF** [Invoice Furnishing Facility] ie., Details of invoices can be submitted on a monthly basis, so that the same will get reflected in GSTR-2A and GSTR-2B of the recipients. The same should be furnished by the 13<sup>th</sup> of the subsequent month.

Taxes to be worked out monthly and paid either in a 'fixed sum marked' or as a 'self-assessment' method.

Such opted person need file return – GSTR-3B only quarterly.

### 2. Mandatory Payment of 1% GST Liability in Cash : Rule 86B :

With effect from 01.01.2021, a new rule 86B has been inserted to impose restriction on availment of ITC upto 99% and make cash payment of 1% of GST tax liability mandatory for businesses whose taxable supply value exceeds Rs. 50 lakhs.

But, not applicable where :

- (i) The assessee pays Rs. 1 lakh or more as income-tax or
- (ii) He has ITC of more than Rs. 1 lakh on account of zero rated supplies; or

- (iii) He has refund of ITC of more than Rs. 1 lakh on account of inverted-duty structure.

etc.

It is applicable only for large tax payers and will not have much impact on micro and small businesses.

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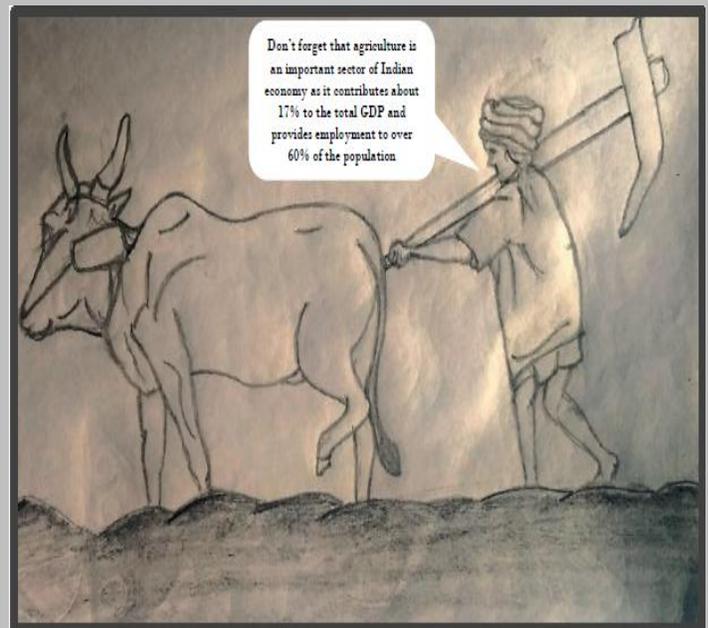
### 3. Budget 2021 : Proposal :

#### No need for GST Audit :

The budget proposes to do away with the requirement of GST audit and, therefore, filing of GSTR-9C is not required. Self-declaration is enough. This provision is proposed to be made applicable from the Financial Year 2020-21 onwards.

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## IV. Cartoon :



Naveen – Trainee

## V. STUDENTS' SECTION :

### 1. HOW ACCOUNTING CAN BE ENJOYABLE

As an article accounting is a part of our training and it is a regular work that we must do in Article ship Period. As we know accounting is the basis for all that we do in the entire process of Auditing, One mistake costs too much time and effort so avoiding them as much as possible is necessary. Lack of interest in accounting is a common problem. Hence here are the tips to avoid boredom in accounting

- ❖ **Understanding work-** One of the basic strategy is to understand the work what we are doing. Mere data entry will make accounting boring.
- ❖ **Bonding with Fellow-** More interaction with colleagues while doing the work will make it more interesting and engaging and will help us to involve in it.
- ❖ **Interest-** Arouse a particular interest and greed towards the work we are doing.
- ❖ **Enjoy the work-** Enjoy the process of whole accounting process as a result will make us more participative and enjoyable.

**Vishnu Soman – Article**

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### 2. THE BEAT OF LIFE...

Music has the power to heal even the most painful wounds not of the body but of the heart. There can be no words sufficient to describe what influence music makes in one's life. With abundant genres to choose from, there is a song for every soul.

The upbeat music for the young, melodies for the middle age and nostalgic songs for the old. A fun fact about music is that, a song becomes our

favorite due the reason that there is a particular memory that we associate with it. Maybe, that is the reason why some songs invoke nostalgia in us, while others give off the feeling for a better future - it brings us hope.

“Music knows no boundaries” the quote is undeniable. It is not restricted to any particular age, country, language, gender, believes etc...it flows as free as the wind, transcending all boundaries. At present, music therapy is becoming widely popular in many places, both in & outside India, where pain in a patient is relieved through use of music. It is scientifically proven.

This is evidence that, music does possess healing powers. Each person's interest in music differs as in the case of tunes in music.

The impact of music in one's life is so deep that, on the loss of a singer, whose songs you used to adore, becomes a very personal loss.

Music spreads its influence on studies as well. For example, while taking a break from continuous studies, especially in higher classes & professional courses. It is advisable that you spent the leisure time listening to melodies instead of on the TV or Mobile. The result is that, such songs relaxes the brain & muscles relieving them of pressure from continued exercise in studying. It also does not distract the thought process as in the case of a movie, where a scene gets stuck in the head, long after you've seen it or the mobile, which once you pick up there will be no putting down.

The above also applies, after a long day at work – it makes you feel refreshed.

Listen to music, cherish them, because as memories are made songs become the storage system where they will forever be stored for you to replay them, as they bring the fragrance of a past filled with joy.

**Aneesha P.B.–CMA Trainee**

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### 3. CAREER OPTIONS IN COMMERCE

Educational career directly links with professional career. Some case it is not true but in most cases one who opts for a particular academic program wants to do jobs in that field. Hence the decision should be taken at the very beginning.

Students who have an interest in working with numbers, and enjoy reading and analyzing numerical data and who aspire to make a career in the financial and business world are ideally suited for commerce.

One who prefers commerce as a field of study can make career in the following subjects:

- Economics
- Mathematics and statistics
- Accounting
- Banking
- Finance
- Stock broking
- Agriculture economics
- Management

The Government of India has setup several apex organizations and institutions to regulate commerce and commerce related education in the country, in addition to other education viz. arts, humanities and science. The prime purpose of such institutes is elevation of the society and making nation stand among other countries called “developed countries”.

**AthiraM B – Trainee**

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### 4. COMMERCE EDUCATION IN INDIA

In India, commerce as an education stream is first opted at an intermediate level i.e.; at 10 +2 level or after class 10th. B.com graduation is first awarded to students if he/she pursues commerce at the under graduation level. For example, if a candidate chooses to study accountancy as major at Bachelors level the b.com (hons) in accountancy is awarded. The student who makes outstanding performance in the final examination is awarded with distinction.

As part of post graduation candidate chooses to do specialization from the subjects that he/she has studied as part of under graduation studies. Master of commerce (M.com) is awarded in the relevant subject. There after one can go for research studies viz M Phil and PhD.

Honorary doctorate degrees are awarded for outstanding contribution in particular field of study/work.

Commerce opens a lot of possibilities to students in India. One can pursue a course in Chartered Accountancy, Cost Accountancy and Company Secretaryship etc...

The number of universities offering traditional programs in commerce in India is more than 300. A number of apex organizations both in India and overseas are also involved in providing education & training in commerce at various levels. The qualification earned from a professional organization makes a person eligible to practice the profession.

**AiswaryaR.–CMA Trainee**

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## 5. The Union Budget 2021-22

The Union Budget 2021-22 presented by Finance Minister, NirmalaSitharaman on 1<sup>st</sup> February 2021, was one of the approaching event for each and every citizen of India as it was very important to know the government plans to repair, restore and rebuild India's finances which has been facing many difficulties during the corona virus pandemic. It was the first ever digital union budget. NirmalaSitharaman announced a total spend of around Rs. 2 lakh crore on healthcares, among which Rs. 35000 crore was for the covid-19 vaccine.

### CHANGES IN TAX SYSTEM

One of the main expectation among people was on the introduction of a new cess called the "covidcess", but fortunately nothing of such was introduced; meanwhile Rs 2.5 per litreagri infra cess on petrol and Rs 4 on diesel was introduced.

- Senior citizens who are above 75 years of age do not have to file tax returns if they have only pension and interest income.
- Small charitable organizations whose revenue is less than 5 crores have been granted exemption from audit.
- The reassessment period has been reduced from six to three years.
- Digitalisation of cases in Income Tax Apellate Tribunal.
- For persons having less than 5% cash sales, tax audit limit has been increased from 5 crores to 10 crores.
- The share trading profits, losses, TDS will also be pre-filled in Income Tax Return.

**NeetuSantosh – Article**

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## VI. Save the Dates – FEBRUARY 2021

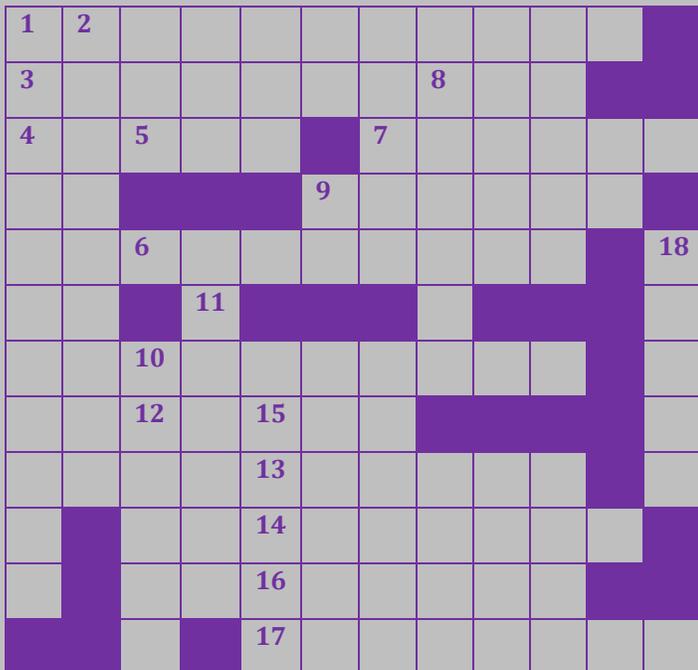
STATUTORY DATES	
<b>Income Tax</b>	
07/02/2021	Due date for E-payment of TDS deducted for January, 2021
	Due date for filing of Return of income for the assessment year 2020-21(FY 19-20) for all assessee other than
	(a) corporate-assessee or
	(b) non-corporate assessee (whose books of account are required to be audited) or
	(c) Partner of a firm whose accounts are required to be audited or
15/02/2021	(d) An assessee who is required to furnish a report under section 92E.
<b>GST</b>	
11/02/2021	Due date of filing GSTR 1 who do not opt QRMP scheme under GST for the period of January 2021
20/02/2021	Taxpayers having an aggregate turnover of More than Rs. 5 Crores (>Rs 5 Cr) or opted to file Monthly Return of GSTR 3B (January 2021))
22/02/2021	Taxpayers having an aggregate turnover of upto 5 Crores or opted to file Monthly Return of GSTR 3B (January 2021)
28/02/2021	GST Annual return and Reconciliation statement (GSTR 9 & 9C) FY 2019-2020

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## VII. TEST YOUR SKILL :

1. Minimum threshold prescribed for applicability of SARFAESI Act on NBFC is
  - a. 1 Crore
  - b. 10Crore
  - c. 100Crore
  - d. 500Crore
2. According to the Companies Act 2013,the draft minutes of a Board Meeting held through audio visual means shall be circulated among all the directors within ..... of the meeting.
  - a. 10 days
  - b. 15days
  - c. 30days
  - d. One Month
3. AB Ltd declared 12%dividend to its Equity Shareholders .However ,Company missed to transfer unpaid dividend to bank account even after 40days from declaration of Dividend . Insuch case how much interest will be payable
  - a. 8%p.a
  - b. 16%p.a
  - c. 10%p.a
  - d. 12%p.a
4. Mr.B,director of XRL Company from 2006.He got his DIN allotted to him on May 6,2017.By what date he should have intimated his DIN to XRL Company
  - a. Before May 20,2017
  - b. Before June 6,2017
  - c. Before July 6,2017
  - d. Before August 6,2017
- 5 . First auditor appointed by Comptroller and Auditor-General of India (CAG)/ Board of Directors/EGM shall hold the office till of .....meeting
  - a. Statutory meeting
  - b. First Annual General Meeting
  - c. Second Annual General Meeting
  - d. subsequent Extra Ordinary General Meeting
6. The auditor of a company can be removed by the.....
  - a. The Board of directors of the company
  - b. Audit committee
  - c. company in general meeting by ordinary resolution and previous approval of CG
  - d. company in general meeting by special resolution and previous approval of CG
7. The officer attached Property of Mr A as per Section 5(1) of Prevention of Money Laundering Act 2002. Upto how many days from such attachment, the officer is required to file complaint before the adjudicating authority?
  - a. 45 days
  - b. 60days
  - c. 90days
  - d. 30 days
8. For making an IPO, the company should have minimum average pre-tax operating profit of Rs. -----during 3 profitable years out of immediately preceding ----- years.
  - a. Rs 15 Crore&2years
  - b. Rs 10 Crore&4years
  - c. Rs 15 Crore&5years
  - d. Rs 20 Crore&5years
9. Which of the following cannot be corrected while processing the return of income for A.Y.2020-21under section 143(1)
  - a. any arithmetical error in the return
  - b. an incorrect claim apparent from any information in the return
  - c. disallowance of expenditure indicated in the audit report but not taken into account in computing total income in the return
  - d. addition of income appearing in Form 26AS which has not been included in computing total income in the return
10. In which of the following transfers, the benefit of indexation is available in case the asset is a long -term capital asset.
  - a. Transfer of securities by a foreign institutional investor u/s 115AD
  - b. Transfer of undertaking or division in a slump sale u/s 50B
  - c. Transfer of shares in an Indian Company purchased in foreign currency by a non - resident assessee
  - d. None of the above
11. A Foreign Institutional Investor (FII)has total income which includes short term capital gains on sale of preference shares of Rs 50Lakh .The rate of tax for charging such income to tax is
  - a. 10%
  - b. 15%
  - c. 30%
  - d. 40%
12. The provisions relating to presumptive taxation scheme prescribed under section 44AD are not applicable to \_\_\_\_\_.
  - a. A company
  - b. Residential individual
  - c. Non-Resident partnership firm
  - d. (a) and (c) both
13. What shall be the proper classification of Renting of Immovable property under supply.
  - a. Supply of Goods
  - b. Supply of Services
  - c. Does not qualify as supply
  - d. None of these

## VIII. CROSSWORD PUZZLE



### ACROSS

1. Who presented India's first ever budget?
3. The amount of minimum subscription may be learnt from the .....
5. A person cannot act as managing director of more than ..... Company/companies at a time.
6. The Articles of a company conflict with the memorandum the ..... shall prevail.
7. under the Indian Companies act, 1956 a person can be a director in ..... company.
9. The total managerial remuneration to the directors and the manager in respect of any financial year must not exceed ..... percent of the net profit.
10. The ..... on equity shares is not cumulative

13. A ..... is a combination of two companies to form a new company.
14. An association of 30 persons not registered under the companies Act but carrying on a business is a/an ..... association.
15. Where a company has three directors , the maximum remuneration payable to all of them is ..... % of the annual net profit.
16. An exception to the doctrine of constructive notice is the doctrine of ..... management.
17. The debenture holder of a company are Company's .....

### Downward

1. Which Country has the second highest GST rate of 27%.
4. The Reserve Bank of India is an example of a ..... company.
8. Ayurvedic Products comes under in which GST rate structure.
11. A directors election takes place in a general meeting through a separated resolution passed by a ..... majority.
12. Share Premium received by issuing shares can be used for issue of ..... share.

*AmruthaThilakan- Article*

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**Saranya K  
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**Ria Nair  
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Exemption : Paper 6 D**



**JintoJohny  
CA Intermediate**



**Bharath A A  
CA Intermediate**



**NeelimaSanthosh  
CMA Foundation  
(Reachout Scholarship Holder)**

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