



Editorial Board

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Chairman's desk;

Dear All,

Finally CA exams are being held in July and I wish success for all those students who are appearing in the exam, although one can out of for reasons stated by ICAI.

In this issue, I wish to discuss about a topic which I happened to read in a book, "The Economics of Small Things" written by Sri. Sudipta Sarangi, wherein there is an interesting article on 'Complementarities and Coordination'. This theme is very important while creating teams and task forces to get the desired results. Unless there is 'coordination' between the 'complementarities', one will not be getting the optimum results. Not only that it may result in wastage or loss also.

There is a story to this :

"In Sweden, the police nabbed two people who were found stealing designer shoes from shoe windows (displayed). But, the funny thing was that the windows displayed only 'left foot' and, therefore, could be of no worthy use to a normal person, unless he is a one legged person. The cops were naturally puzzled and got the puzzle solved only when they were able to nab a gang involved in theft from Sweden as well as Denmark. So, what was the difference in stealing shoes in Denmark? They found that in Denmark shoes exhibited in display windows are of the 'right foot' Members of the gang were stealing 'left' shoes from stores in Sweden and 'right' shoes from stores in Denmark and sell in both countries."



Now, how is it connected to 'Economics'?

Take for eg: Railways : Here, rail, steel and coal industries have to help each other and, therefore, they are called 'complementarities'. But, if investment in either of those sectors lag behind, it will pull other sectors down. Thus, the need for 'co-ordination'. If not so, the whole economy will experience losses.

Another example is – today in almost all mid-sized or bigger sized cities, **traffic jam** is one thing one has to deal with every single day. There were times, when we had limited cars, very few two-wheelers and most people used public transport system. Roads were relatively empty. Then came the 'auto-rikshaws' which were driven as they pleased without bothering about traffic rules resulting in cursing by other fellow travelers on the road. All this happened because of 'Liberalisation' process which started in 1991 which brought about unprecedented growth in economy. Car Loans became easier to get without any corresponding infrastructure on roads resulting in traffic-jam. An excellent example of lack of 'co-ordination with complementarities.

The above examples show that any team work has to understand the significance of 'complementarities and co-ordination' in each of the activities, since its failure will result in not getting the desired outcome.

Regards,
Mahadevan

I. AUDITING:

SA: 520: ANALYTICAL PROCEDURES [Contd....]

Financial Status Ratios : contd....

4. Fixed Assets to Long-term Liabilities Ratio :

(a) Purpose :

It indicates how long-term Finance has been utilized for acquisition of Property, Plant and Equipments. A high score may indicate that current liabilities are also being used to acquire assets, which indicate shortage of funds, ultimately affecting the 'going concern' concept.

(b) How computed :

$$\frac{\text{Property, Plant \& Equipments :}}{\text{Long-term Liabilities.}}$$

(c) Inference :

A ratio of > 1 indicates high leverage.

5. Interest Coverage Ratio :

(a) Purpose :

This ratio shows the extent to which profits are available to service borrowing costs.

(b) How Computed :

$$\frac{\text{Earnings Before Interest \& Tax [EBIT] :}}{\text{Interest Payable.}}$$

(c) Inference :

The higher the ratio, more likely that the entity will be able to meet its interest costs. Lesser the ratio, will cast significant doubt on its ability to service its interest cost.

II. Asset Utility Ratios :

1. Inventory Turnover Days :

Purpose :

To know whether there is optimum usage of inventories.

How to compute :

$$\frac{\text{Inventories}}{\text{Purchases}} \times 365$$

Inference :

A low figure indicates excess levels of inventories giving rise to high storage & finance costs, slow moving and obsolete costs, etc. Similarly, a high figure indicates insufficient stock and give rise to inability to supply and thereby leading to losing credibility with the customers.

III. Profitability Ratios :

1. Gross Profit Ratio :

$$\frac{\text{Gross Profit}}{\text{Turnover}} \times 100$$

2. Net Profit Ratio :

$$\frac{\text{Profit Before Tax}}{\text{Turnover}} \times 100$$

The above two ratios indicate the profitability of the entity which has to be compared with the industry standard. Also to be compared with previous years. Any significant variance to be further analysed to find out the reason for the variance.

TREND ANALYSIS

It involves analysis of changes in a given item over a period of time.

REASONABLENESS TEST :

Test are made by reviewing the relationship of certain balances for reasonableness of amounts. Normally, the following accounts are considered for reasonable test :

1. Interest expenses and interest bearing obligations;
2. Raw-material consumption to actual production (Quantity);
3. Leakage / Shortage to actual quantity purchased;
4. Sales Discounts / Commissions to Sales Volume;
5. Rental revenues to premises occupied;
6. Power Consumption to productivity;
7. Interest income to investments;
8. Comparison with external data – GSTR-2A; Form No. 26AS.

DOCUMENTATION :

Analytical procedures should be documented in order to provide valid support for the auditor's opinion. It should include :

- a) Objectives of the tests;
- b) Sources of the information used;
- c) Basis of calculations & the expected standard of comparison;
- d) Assumptions, if any, used;
- e) Reasons for huge variances;
- f) Conclusions reached.

SUMMARY :

- It is to be noted that every paragraph of SA-520 is **mandatory** :
- Attention to be given to :
 - ↳ - Suitability for an assertion;
 - Reliability of data;
 - Precision of the Value;
 - Determination of acceptable deviation; and
 - Analysing the reasons for the deviation.
- Analytical Procedures include :
 - ↳ - Ratio analysis;
 - Trends analysis; and
 - Reasonableness tests.
- Lastly, there should be documentation to prove the analysis carried out, deviation noticed and valid explanations for the deviation, and overall conclusion.

II. Case Laws :

GST :

Health Care Services :

The medicines, consumables and implants used in the course of providing health care services to in-patients for diagnosis or treatment for patients opting with or without packages along with allied services, ie., (room rent, food, doctor fees, etc.) provided by hospital is 'composite supply'. Supply of inpatient health care services by the hospital is, therefore, eligible for exemption under the category 'Health Care Services'.

Thus held the Gujarat Bench of the AAR vide (2021) 99 ITPJ (SG) 753 (AAR).

Income-tax :

Payment for purchase of software to a non-resident by the Indian Resident, is not taxable in India and, therefore, no liability to deduct tax also :

In the case of M/s Engineering Analysis Centre of Excellence (P) Ltd. Vs. C.I.T. [2021] 432 ITR 471 (SC), the Hon'ble Supreme Court has held s under :

"The amounts paid by resident Indian end-users/distributors to non-resident computer software manufacturers/suppliers, as consideration for resale/use of the computer software through End-User Licence Agreements (EULA) or distribution agreements, is not the payment of '**royalty**' for the use of copy right in the computer software. On the other hand, such payment is actually a '**consideration**' for resale or use of software.

Further, the same does not give rise to any income taxable in India, as a result of which, the persons referred to in Sec. 195 of the Income-tax Act, 1961 are not liable to deduct any TDS u/s 195 of the said Act".

III. Internal Audit:

STATUTORY COMPLIANCE – GST : (continued from previous edition)

PROCEDURE FOR OBTAINING REGISTRATION:

1. Documents Required :

The following is the checklist of documents required for obtaining GST registration:

| | |
|--|--|
| Proof of Constitution of Business (Any One) | Certificate of Incorporation/Partnership Deed |
| Passport size photo of the applicant | Passport size photo of Promoter/Partner |
| Photo of the Authorised Signatory | Photo |
| Proof of Appointment of Authorised Signatory (Any One) | Letter of Authorisation |
| | Copy of Resolution passed by BoD/ Managing Committee and Acceptance letter. Digital signature of authorized person in case of company |
| Proof of Principal Place of business (Any One) | Electricity Bill |
| | Legal ownership document |
| | Municipal Khata Copy |
| | Property Tax Receipt |
| Proof of Details of Bank Accounts (Any One) | The first page of Pass Book |
| | Bank Statement |
| | Cancelled Cheque |

Step-by-step Guide explaining GST Registration Process Online

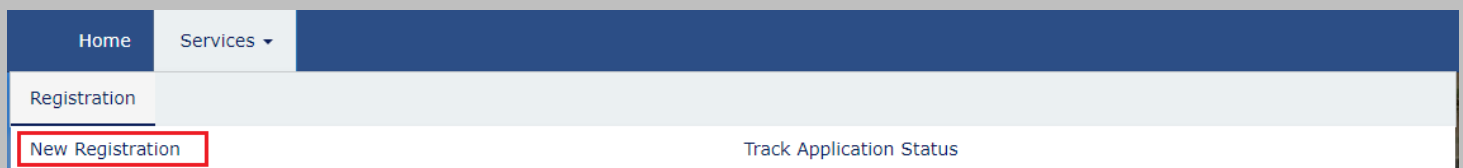
The Ministry of Finance simplified the GST registration procedure online. The applicant can process the GST registration procedure through the GST Portal. After submission of the application, the portal generates GST ARN immediately. Using the GST ARN, the applicant can check the application status and post queries if necessary. Within 7 days of ARN generation, the taxpayer shall receive a GST registration certificate and GSTIN.

- Step 1: Go to the GST Portal
- Step 2: Generate a TRN by Completing OTP Validation
- Step 3: OTP Verification & TRN Generation
- Step 4: TRN Generated
- Step 5: Log in with TRN
- Step 6: Submit Business Information

- Step 7: Submit Promoter Information
- Step 8: Submit Authorized Signatory Information
- Step 9: Principal Place of Business
- Step 10: Additional Place of Business
- Step 11: Details of Goods and Services
- Step 12: Details of Bank Account
- Step 13: Verification of Application
- Step 14: ARN Generated
- Step 15: Aadhaar verification or Physical verification of premises

Step 1: Go to the GST Portal

Access the GST Portal -><https://www.gst.gov.in/> > Services -> Registration > New Registration option.



GST Registration – Step 1

Step 2: Generate a TRN by Completing OTP Validation

The new GST registration page is displayed. Select the New Registration option. If the GST registration application remains uncompleted, the applicant shall continue filling the application using TRN number.

- Select the Taxpayer type from the options provided.
- Choose the state as per the requirement.
- Enter the legal name of the business/entity, as mentioned in the PAN database. As the portal verifies the PAN automatically, the applicant should provide details as mentioned in the card.
- In the Permanent Account Number (PAN) field, enter PAN of the business or PAN of the Proprietor. GST registration is linked to PAN. Hence, in the case of a company or LLP, enter the PAN of the company or LLP.
- Provide the email address and mobile number of the Primary Authorized Signatory. (Will be verified in next step)
- Click the PROCEED button.

Home > Registration English

1 — 2
 User Credentials OTP Verification

New Registration

• Indicates mandatory fields

New Registration Temporary Reference Number (TRN)

I am a *

Taxpayer

State / UT *

Select

District *

Select

Legal Name of the Business (As mentioned in PAN) *

Enter Legal Name of the Business

Permanent Account Number (PAN) *

Enter Permanent Account Number (PAN)

📌 If you don't have PAN, Click here to apply

Eg: A B C D E 1 2 3 4 X

Email Address *

✉ Enter Email Address


📌 OTP will be sent to this Email Address

Mobile Number *

+91 Enter Mobile Number

📌 Separate OTP will be sent to this mobile number

Type the characters you see in the image below *


↻

PROCEED

GST Registration – Step 2

Step 3: OTP Verification & TRN Generation

On submission of the above information, the OTP Verification page is displayed. OTP will be valid only for 10 minutes. Hence, enter the two separate OTP sent to validate the email and mobile number.

- In the Mobile OTP field, enter the OTP.
- In the Email OTP field, enter the OTP.

Step 4: TRN Generated

On successfully completing OTP verification, a TRN will be generated. TRN will now be used to complete and submit the GST registration application.

Home Services Notifications & Circulars Acts & Rules Grievance

Home > Registration > Verify English

You have successfully submitted Part A of the registration process. Your Temporary Reference Number (TRN) is 291700001721TRN.

Using this TRN you can access the application from My saved Applications and submit on GST Portal. Part B of the application form needs to be completed within 15 days, i.e. by ' 09/07/2017 ' using this TRN.

PROCEED

GST Registration – Step 3

Step 5: Log in with TRN

Upon receiving TRN, the applicant shall begin the GST registration procedure. In the Temporary Reference Number (TRN) field on the GST Portal, enter the TRN generated and enter the captcha text as shown on the screen. Complete the OTP verification on mobile and email.

Dashboard Services Notifications & Circulars Acts & Rules Grievance

Dashboard English

My Saved Application

| Creation Date | Form No. | Form Description | Expiry Date | Status | Action |
|---------------|------------|----------------------------------|-------------|--------|---|
| 24/06/2017 | GST REG-01 | Application for New Registration | 09/07/2017 | Draft |  |

Track Application Status
You do not have any submitted applications

GST Registration – Step 4

Click on the icon marked in red to start the GST registration process.

Step 6: Submit Business Information

Various information must be submitted for obtaining GST registration. In the first tab, business details must be submitted.

- In the Trade Name field, enter the trade name of the business.
- Input the Constitution of the Business from the drop-down list.
- Enter the District and Sector/ Circle / Ward / Charge/ Unit from the drop-down list.
- In the Commissionerate Code, Division Code and Range Code drop-down list, select the appropriate choice.
- Opt for the Composition Scheme, if necessary
- Input the date of commencement of business.
- Select the Date on which liability to register arises. This is the day the business crossed the aggregate turnover threshold for GST registration. Taxpayers are required to file the application for new GST registration within 30 days from the date on which the liability to register arises.

Dashboard > Business Details English

| Application Type | Due Date to Complete | Last Modified | Profile |
|------------------|----------------------|---------------|---------|
| New Registration | 08/07/2017 | 24/06/2017 | 24% |

* Indicates mandatory fields

Details of your Business

Legal Name of the Business: **PALSIN SHIRA** Permanent Account Number (PAN): **GDDPS5083K**

Trade Name: Constitution of Business (Select Appropriate)*:

Name of the State: **Delhi** District*: State Jurisdiction ward

Sector / Circle / Ward / Charge / Unit*:

Center Jurisdiction ([Refer the link](#) for Center Jurisdiction)

Commissionerate Code*: Division Code*: Range Code*:

Are you applying for registration as a casual taxable person? No

Option For Composition No

Reason to obtain registration*: Date of commencement of Business*: From Date on which liability to register arises*:

Indicate Existing Registrations

| Type of Registration | Registration No. | Date of Registration | |
|-------------------------------------|--|---|--|
| <input type="text" value="Select"/> | <input type="text" value="Enter Registration Number"/> | <input type="text" value="DD/MM/YYYY"/> | <input type="button" value="+ ADD"/> <input type="button" value="X CANCEL"/> |

GST Registration – Business Information

Step 7: Submit Promoter Information

In the next tab, provide promoters and directors information. In case of **proprietorship**, the proprietors' information must be submitted. Details of up to 10 Promoters or Partners can be submitted in a GST registration application.

The following details must be submitted for the promoters:

- Personal details of the stakeholder like name, date of birth, address, mobile number, email address and gender.
- Designation of the promoter.
- DIN of the Promoter, only for the following types of applicants:

- Private Limited Company
- Public Limited Company
- Public Sector Undertaking
- Unlimited Company
- Foreign Company registered in India
- Details of citizenship
- PAN & Aadhaar
- Residential address

In case the applicant provides Aadhaar, the applicant can use Aadhaar e-sign for filing GST returns instead of a **digital signature**.

Dashboard - Promoter / Partners English

| Application Type | Due Date to Complete | Last Modified | Profile |
|------------------|----------------------|---------------|---------|
| New Registration | 08/07/2017 | 24/06/2017 | 24% |

Business Details Promoter / Partners Authorized Signatory Authorized Representative Principal Place of Business Additional Places of Business Goods and Services Bank Accounts State Specific Information Verification

Details of Proprietor * Indicates mandatory fields

Personal Information

Name of Person

First Name* Middle Name Last Name

Name of Father

First Name* Middle Name Last Name

Date of Birth* Mobile Number* Email Address*

Gender* Male Female Others

Telephone Number (with STD Code)

Identity Information

Designation / Status* Director Identification Number Are you a citizen of India? Yes No

Permanent Account Number (PAN)* Passport Number (In case of Foreigner) Aadhaar Number

Residential Address

Building No. / Flat No.* Floor No. Name of the Premises / Building

Road / Street* City / Town / Locality / Village* Country*

State* District* PIN Code*

Document Upload

Upload Photograph (of person whose information has been given above)*

File with JPEG format is only allowed.
Maximum file size for upload is 1 MB

No file chosen

You can use your device camera to take selfie photograph.

Other Information

Also Authorized Signatory No

GST Registration – Promoter Information

Step 8: Submit Authorized Signatory Information

An authorized signatory is a person nominated by the promoters of the company. The nominated person shall hold responsibility for filing GST returns of the company. Further, the person shall also maintain the necessary compliance of the company. The authorised signatory will have full access to the GST Portal. The person shall undertake a wide range of transactions on behalf of the promoters.

(... to be continued)

Srikala Renjith

IV. INCOME TAX :

(A) TDS U/S 206AB

The concept of TDS was introduced with an aim to collect tax from the very source of income. As per this concept, a person (deductor) who is liable to make payment of specified nature to any other person (deductee) shall deduct tax at source and remit the same into the account of the Central Government. The deductee from whose income tax has been deducted at source would be entitled to get credit of the amount so deducted on the basis of Form 26AS or TDS certificate issued by the deductor.

Where tax is deducted/collected by government office, it can remit tax to the Central Government without production of income-tax challan. In such case, the Pay and Accounts Officer or the Treasury Officer or the Cheque Drawing and Disbursing Officer or any other person by whatever name called to whom the deductor reports the tax so deducted and who is responsible for crediting such sum to the credit of the Central Government, shall submit a statement in Form No. 24G.to NSDL with prescribed time-limit.

INCOME TAX RETURN: TDS RULES CHANGE

During Union Budget 2021, the finance ministry has introduced a new rule to deduct Tax Deducted at Source (TDS) at higher rates for non-filers. "In Budget 2021, a new Section 206AB was introduced to deduct TDS at a higher rate on cases with certain nature of income. Starting from July, some taxpayers need to pay TDS at higher rates if they come under a certain category.

WHO HAS TO PAY TDS AT HIGHER RATES?

Until now, a higher TDS rate was deducted only for those who didn't have PAN. But from July 1st, a higher rate would be deducted if you have not filed IT returns in the last two previous years under the newly inserted Section 206AB (for TDS) and 206CCA (for TCS) in the Income-Tax Act, 1961.

The new rate will be higher of the following rates:

- > Twice the tax rate specified under the relevant provision of the Act; OR
- > Twice the rate or rates in force; OR
- > Rate of 5%.

HOW TO CHECK IF A TAXPAYER NEEDS TO PAY HIGHER TDS OR NOT?

To check whether a taxpayer is required to pay Tax Deducted at Source (TDS) at higher rates from next month, the Income Tax department has introduced a new functionality on the tax portal. The finance ministry introduced a new section 206AB in the Budget 2021 to deduct TDS at higher rates for certain non-filers. If a taxpayer has not filed Income Tax Return in the last two years and aggregate of TDS/TCS exceeds Rs 50,000 in each year, then TDS will be deducted at higher rates w.e.f. 1/07/2021. The rate of TDS will be either twice the rate specified under the relevant section or provision or five per cent, whichever is higher.

Now, the tax collector or tax deductor has to check whether a person is eligible to pay TDS at higher rate from July. "This can lead to extra compliance burden on such tax deductor or tax collector," the Central Board of Direct Taxes (CBDT) said in a statement. To ease the burden, the regulator has issued a new functionality "Compliance check for Sections 206AB & 206CCA". "The tax deductor or the collector can feed the single PAN (PAN search) or multiple PANs (bulk search) of the deductee or collectee and can get a response from the functionality if such deductee or collectee is a specified person," the CBDT mentioned. This functionality is made available through reporting portal of the Income-tax department, it further added.

HOW WILL IT WORK?

"The tax deductor or the collector can feed the single PAN (PAN search) or multiple PANs (bulk search) of the deductee or collectee and can get a response from the functionality if such deductee or collectee is a specified person," the CBDT mentioned. This functionality is made available through reporting portal of the Income-tax department, it further added.

For single PAN Search, the response will be visible on the screen. The tax department will allow the deductors to download the result in the PDF format. For bulk search of PAN details, the result will be available as downloadable file.

HOW INCOME TAX DEPARTMENT IS MAKING A LIST OF TDS NON-FILERS

The tax department has prepared a list as on the start of the financial year 2021-22, taking previous years 2018-19 and 2019-20 previous years. The list contains name of taxpayers who did not file return of income for both assessment years 2019-20 and 2020-21 and have aggregate of TDS of Rs 50,000 or more in each of these two previous years.

A fresh list will be prepared at the start of each financial year following all the norms mentioned by CBDT. The tax department will not add any new names in the list during the financial year 2021-22.

"The deductor or the collector may check the PAN in the functionality at the beginning of the financial year and then he is not required to check the PAN of non-specified person during that financial year," said CBDT.

SECTION 206AB WILL NOT BE APPLICABLE FOR THESE TRANSACTIONS

The newly implemented Section 206AB will not be applicable for TDS deducted under Section 192 for salary or withdrawal from Provident Funds under Section 192A. TDS on winning from the card game, crossword, lottery, puzzle or any other games and horse race under Section 194B or 194BB will not come under the purview of new section. It will not be applicable for TDS on cash withdrawal over Rs 1 crore under Section 194N and income against investment in the securitisation trust under Section 194LBC.

It will not be applicable for deducting TDS on lottery under Section 194B and horse race under Section 194BB. The Non Resident Indians, who do not have any permanent establishment in India, will also be exempted.

**Deepika R - Article
M&S, Palakkad**

(B) TDS ON PURCHASE :

SECTION 194Q TDS APPLICABILITY ON PURCHASE OF GOODS

Section 194Q

Any person, being a buyer who is responsible for paying any sum to any resident for purchase of any goods of the value or aggregate of such value exceeding Rs. 50 Lakhs in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 percent of such sum exceeding 50Lakhs rupees as TDS.

TIME DEDUCTION OF TDS

- To be deducted at the time of Payment or credit, whichever is earlier
- TDS shall be deducted on advance payments made

TDS ON PURCHASE OF GOODS BUDGET 2021

Purchase of Goods- In the **Budget 2021-22**, a new section 194Q introduced which will come in to force 1st July **2021**.

Such deduction shall lie only on the persons whose turnover exceeds Rs. 10CRORES. The budget has proposed to insert the new provision with effect from 1st July 2021.

DIRECT TAX TDS ON PURCHASE OF GOODS 2021

- Buyer has to deduct TDS on Purchase of all goods@0.1% exceeding INR 50LAKHS from a single supplier in a Financial year.
- Tax to be deducted at 5% if the seller does not provide PAN
- TDS obligation will be on buyers who have gross receipt/turnover exceeding INR 10Crores in preceding financial year
- To be deducted at the time of Payment or credit, whichever is earlier
- TDS shall be deducted on advance payments made

Conclusion

Post budget 2021 since now there will be two sections which will deal on same transaction of sales/purchase above 50 lakhs from party whose turnover in P.Y exceeds Rs 10 crore

- (1) TDS u/s 194Q to deduct TDS of 0.10% on purchase above 50 lakhs
- (2) TCS u/s 206C (1H) to collect TCS @ 0.10% on sales above 50 lakh

The confusion is whether TCS u/s 206C (1H) of Income Tax Act is to be collected on sales of goods above 50 lakh or TDS u/s 194Q is to be deducted by the buyer?

It is proposed to provide that the provisions of section 194Q shall not apply to,-

- (i) a transaction on which tax is deductible under any provision of the Act; and
- (ii) a transaction, on which tax is collectible under the provisions of section 206C other than transaction to which sub-section (1H) of section 206C applies.

This means if on a transaction a TDS or tax collection at source (TCS) is required to be carried out under any other provision, then it would not be subjected to TDS under this section.

In the Memorandum explaining the provisions in the Finance Bill, 2021 it is clarified that if on a transaction TCS is required under section 206C(1H) as well as TDS under section 194Q, then in respect of that transaction only TDS under section 194Q shall only be carried out.

**Neethu. K - Trainee
M&S, Palakkad**

V. THE SIMPLE THINGS IN LIFE

Often in this fast changing world, we tend to be caught in a rip tide, of work, studies & other duties, that we scarcely notice our life passing through. Move with the flow has become our mantra for so long that we rarely have time for things the rest of the regards as mundane. But when we step out of this never ending chaos that we've chosen to call life, that's where you'll find that all those "mundane" things were a treasure house of memories, waiting to be explored.

As we are all aware, the on-going pandemic continues to force us into seclusion time & time again that it's no less than a routine these days. Well, since this disease insists on keeping us off the race, when not put it to good use. Now it may sound poetic or like cliché, but the birds do still sing their morning songs, the dew still remains in grass sparkling in the rays of the rising sun, there is silence at noon that lulls the mind (unless you can keep a cool head under stress & meeting work targets) to a slight nap, the evening paint the sky in colors of hope – hope for a better future, the stars went nowhere, we just forgot to look up head bowed down over smart phones. It's not the world outside that has become alien to us.

When was the last time you hummed to a familiar song? Repeated a famous dialogue from an old blockbuster? Teased by parents or kids about your lack of taste & blamed it all on the generation gap? Tried your hand at what once used to be your passion? Caught up with an old friend? Bonded as a family? Let's think shall we?

We are forced indoors but that does not mean withdrawing from the world, in fact this is the time to get closer to the world, for world is not merely a bunch of people & technology – it has various other elements, feelings, passion, emotions, family, fun ...and the list goes on. While studies, work & daily duties are essentials for survival they do not define life. Not that it matters whether you experience it or not life will pass, but as it does wouldn't it be nice to feel as you lay in a warm, comfy bed that you're at the end of a life that was worth living?

Thailambal V - Trainee

VI. THE CA STORY :

In this edition, we would like to share a very inspiring CA story of Ms. Welma Du Preez – a 35 year old lady Chartered Accountant and an entrepreneur.



- Hey, all! I am **Welma Du Preez**. A 35-year-old Chartered Accountant, mom with 2 adorable children and an entrepreneur.
- I am the **Managing Director and 50% Co-owner** of a 40-year-old Accounting and Auditing Firm in South Africa - **Burger & Buurman Inc.** I did my articles in this company, and later became a shareholder and a Partner in the same firm. *Amazing, isn't it?*
- Currently, I manage the **growth of the business and am working on incorporating digital systems**, so that everyone in the company can work remotely while still delivering the best services that help us scale high.
- We are hustling. Each day is different, filled with challenges. And we are ready to take on to anything that comes our way.
- **Here's my journey to inspire other professionals, especially women.**

Humble Beginnings

I was born and raised in a small city in **South Africa**. I lost my dad when I was just 7 years of age. **My very ambitious and entrepreneurial mom raised me and my 3 sisters.** We were a full-house of women. *Go girl power!*

I was an average student, when one day, aged 15, I resolved consciously to become one of the top 10 academic students of my grade. I put all my efforts in

that direction, and you know what? Within 3 months, I was one of the top 4 students.

Important lesson here - *"When you want something, you must decide that you are worthy of having it, and combined with fair effort, anything you want to achieve is within your reach."*

My mum was and continues to be a huge inspiration to me. She was so organized and somehow, seemed to be in control of everything around her. Such a supportive and positive person. And most of all, she never gave up. She kept trying. **Growing up, I watched her. And tried to imbibe this entrepreneurial, go-getter attitude.**

Pursuing Chartered Accountancy: My Journey

I did not want to become a Chartered Accountant. In fact, **I always told people that I will become anything, but I would never be an Accountant.** *I just didn't want to, no particular reason.*

I was unsure of what I wanted to study after school. So, **I started working with my mother** as an estate agent. But, **instead of selling property, I ended up doing a lot of interest calculations** and spreadsheet work (*you know all those number-work and documentation*).

Soon, I started working as an admin for a recruitment company. But, I got really bored with that. Instead, I enjoyed doing the payroll and other calculations. Thereafter, I worked in a few more roles, where again, *you guessed it right*, I was doing bank reconciliations and profit/loss calculations.

"What you resist, persists!"

It then dawned on me, finally. **I was running away from numbers, but the numbers had chosen me. CA had chosen me.** I started studying part-time for an accounting degree. And there was no turning back ever since. I was dedicated. I was committed. *Thanks, mom, for instilling this in me.*

Due to my hard work, dedication and support system, my CA journey was smooth. But, it certainly wasn't easy at all.

I was really ambitious. And I was committed like crazy. **Passing my CA exams in the shortest possible time was my only priority.** As a result, I wasn't able to devote that much time to personal pursuits.

I even neglected the relationship I had with myself. I became so unaware of my own thoughts that it felt as if **I was operating on autopilot.** It is just recently that I

have hit the pause button and reflected on the time gone by and became conscious about my life, especially my thoughts.

So, here's my advice:

"Be driven and ambitious, but at the same time, don't forget to pay attention to the people and life around you. This will help you to make conscious, well-evaluated decisions while you work towards your dream."

Becoming A Co-owner At A Firm Where I Did my CA Articles

So, the firm where I completed my articles saw the passion and potential in me and offered me a big opportunity to become a Co-Owner and Director!

This was HUGE for me as the company has been operating since the 1960s - so all the systems (even though they were manual at the time) and the client base was well-established. We were profitable.

Also, I had fallen in love with the company; the staff, clients and everything about it - it didn't make any sense to leave this amazing firm. Plus, the opportunity was big. So, I took responsibility.

The existing partners made it possible for me to pay for my shares on very reasonable terms. Compare this to the stress and exhausting investment into starting a firm from scratch - *Hah! Talking about it made me tired.*

So, I became the co-owner and the Director of the company where I did my articles.

Learning And Becoming A Leader

For the first couple of years, I was focused on learning as much as possible from my business partner. He mentored me and taught me everything about the business. Even though I was a partner in the firm, at that time, he was practically running everything in the company with very little input from my side.

I didn't know much. So, I had to watch and learn.

Being a leader does not come with a job title. To be able to lead someone, or guide someone, you need to learn and practice those things.

"If you want to be a leader, the good news is that you can do it. Everyone has the potential, but it isn't accomplished overnight. It requires perseverance. And you absolutely cannot ignore that becoming a leader is a process. Leadership doesn't develop in a day. It takes a lifetime." - **John C. Maxwell**

It is a lifetime learning experience. So, even though I am a Partner at a successful firm, I admit that I have just started my journey as a leader. There's much to learn and much to experience.

Forging My Own Path - Transforming A Traditional Accounting Firm Into A Modern Company

Times were changing. Things were changing. **We had to transform too.**

And I soon realized that we needed some guidance throughout **the process of transforming from a traditional accounting firm to a modern, digitally-aware company.** So, we appointed a dedicated full-time business coach. That was a great decision. We have progressed incredibly with his inputs.

Our clients and staff had been accustomed to doing things in a certain way for the last 30-40 years. But, **here was a 30-something-woman**, who had just started - **telling them to change things**, to do them in another way, a better way. **That was challenging.**

So, here's the thing. **When you start something from scratch, you are in control of everything** and can implement a system according to what you deem is the best. And people accept it because it is just the start. More so, they are open to change; **you can choose which way to steer.**

However, try telling someone this: **"What you've been doing for 30 years works, but there is a better way to do the same thing."** *Just imagine that! Wooh... It's a whole different story.*

If things are working well with the old way, people don't like to see it change. But, what they don't understand is that the company can hit a plateau. So, even though it works, it gives the same results. **Where's the growth?**

You need to embrace change and adapt to a better way if you want to break that plateau and grow as a company. *Together, my business partner and I, showed them that way :)*

Making It Big Without Going To The Big 4 - *"Trust Me, It Is Fine!"*

Many CAs might feel inferior qualifying from smaller firms as compared to those who qualify from a bigger firm (especially Big 4s).

But, people, IT IS FINE. **I never went into any Big 4 or a typical corporate.** I have lived in a small city and am practicing CA here. **I love it all. And I am doing well.**

Small, big or super-big... **What matters is learning and your ability to soak in the knowledge.**

See, **each environment is different and has its benefits.** But, neither one is inferior or superior in comparison. **Some people thrive better in a certain environment. Call it preferences.** And that does not make a CA smaller or bigger than the other. They are all working and **everyone is putting in just as much effort.**

I never planned to move to a different (or bigger) city. I am a mom, a family person and an entrepreneur. **I wanted to own a manageable-sized firm that would allow me the freedom to spend as much time with my family** and kids as I wanted, without any burdening pressure. Working for a big corporate wouldn't allow me that - which wasn't what I wanted. **That was my preference.**

Balancing Work With Family

"You have to balance your passions, not your time."

I lived a life of complete imbalance, which I feel is fine. People talk about perfect balance and keeping things in place and yada yada. They may be right, maybe not. I don't know. But, according to me, **living a balanced life is exhausting. And impractical.**

I am not kidding. **If you want to grow your business, you ABSOLUTELY NEED to spend more time working on the business** rather than taking time off or indulging in your hobbies or something else. **THAT'S THE TRUTH.** So, the imbalance is fine.

Here again, I am not talking about a complete imbalance. Like give 100% of your time to your business and forget about the world. No. **Be in control of what you spend time on.**

I plan ahead and am all for time management. I write down my schedule for the day, the week, and there's even a master plan for the month and the year. This helps a lot in prioritizing and dividing time.

Yes, there are times when plans get derailed too. But, that's life! I tackle whatever comes my way, refocus and get back on track.

During office hours, I am dedicated to my work. A really useful tip here: **For efficient work, I recommend planning things in advance. It helps you to keep track of time too.**

So, usually, I work for about 8 hours a day, that's when my kids are at school. In the evening, I spend time with

them for ~3 hours before they go to bed, and 1 hour in the morning before seeing them off to school. When I am with my kids, I don't think about work. I am focused on them alone.'

This is not in 'perfect balance', I know. But, we are happy. That's what matters at the end. Ultimate Happiness.

In Conclusion...

Even though I have lead a team of accountants of all ages, I am inclined towards inspiring the younger generation of prospective CAs - encouraging them to dream and have the determination to fulfill them all.

Summing up my journey till date, **here's what I have learned and I want you to have it:**

- Think big and be goal-oriented. **Have a crystal clear vision about what you want to achieve.** And work towards it each day, every day.
- **Give it time.** You won't conquer the mountain in a day. Work towards it. *The man on the top of the mountain didn't fall there.*
- **It's okay if you don't have it all figured out from the start.** Life is a journey. Keep discovering. And keep learning.
- **Aim for progress, not perfection.** Move forward and the path becomes clearer with each step you take and your goal would be so much more closer.
- Ensure that you do at least 1 thing every day towards achieving your goal. **One step at a time.** These all add up. In a year, you would have done 365 things towards your goal.
- **Have a lifestyle that embraces personal development.** There is no ceiling to personal growth and you can always better yourself. Keep trying.

To those who work full-time and are studying alongside, please know that this hustle, **the hard work you are putting in is not for vain.** It is all adding up that would sum up into the amazing future you want. Be positive. Stay motivated.

"It won't be easy. But, it would be worth it, I promise!"

[Source : Google]

VII. Save the Dates – JULY 2021

| STATUTORY DATES | |
|-----------------|--|
| INCOME TAX | |
| 07/07/2021 | Due date for deposit of Tax deducted/collected for the month of June, 2021. |
| 07/07/2021 | Due date for deposit of TDS for the period April 2021 to June 2021 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H |
| 15/07/2021 | Due date for issue of TDS Certificate for tax deducted under section 194-IA, section 194-IB and section 194-M in the month of May, 2021 |
| 15/07/2021 | Due date for Quarterly statement of TCS deposited for the quarter ending 30 June, 2021 |
| 15/07/2021 | Due date for Uploading of Form No. 15G/15H received from recipients during the quarter ending June 30, 2021 |
| 15/07/2021 | Due date for Quarterly Statement of TDS for the quarter ended on March,2021 |
| 30/07/2021 | Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, section 194-IB and section 194M in the month of June, 2021. |
| 31/07/2021 | Due date for Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2021 |
| 31/07/2021 | Due date for Quarterly statement of TDS deposited for the quarter ending June 30, 2021 |
| 31/07/2021 | Due date for Issue of TDS certificate in form 16 for the Financial Year 2020-2021 |

| GST | |
|------------|--|
| Due Date | Statement/Return/Certificates to be issued/Furnished |
| 11/07/2021 | Due date for filing GSTR 1(JUNE 2021) whose aggregate turnover exceeding Rs.5crore in the previous financial year |
| 13/07/2021 | Due date for filing GSTR 1 (April 2021to June 2021)whose aggregate turnover up to Rs.5 crore in the previous financial year and who opted quarterly return |
| 18/07/2021 | Due date for filing CMP 08(April to June 2021) |
| 20/07/2021 | Due date for filing GSTR 3B (June 2021)whose aggregate turnover exceeding Rs.5 crore in the previous financial year |
| 22/07/2021 | Due date for filing GSTR 3B (June 2021) whose aggregate turnover upto Rs.5 crore in the previous financial year |
| 31/07/2021 | Due date for filing GSTR 4 for the fy 2020-21 |

VIII. TEST YOUR SKILL:

1. Minimum threshold prescribed for applicability of SARFAESI Act on NBFCs is
 - a. 1 crore
 - b. 10 crore
 - c. 100 crore
 - d. 500 crore
2. The offences under the Prevention of Money Laundering Act, 2002 shall be:
 - a. Cognizable and Bailable
 - b. Non-cognizable and non-bailable
 - c. Cognizable and non-bailable
 - d. Cognizable and non-bailable
3. Under what circumstances the meeting of the creditors may be dispensed by the NCLT?
 - a. if 70% of the creditors in value agree and confirm to the scheme by way of affidavit
 - b. if 80% of the creditors in value agree and confirm to the scheme by way of affidavit
 - c. if 90% of the creditors in value agree and confirm to the scheme by way of affidavit
 - d. None of the above
4. A company having minimum turnover of Rs. ----- crores is required to constitute a Nomination and Remuneration Committee.
 - a. 25
 - b. 50
 - c. 100
 - d. 200
5. Who can initiate Corporate Insolvency Resolution Process (CIRP)
 - a. Only Corporate Debtor
 - b. Financial Creditor and Operational Creditor.
 - c. Financial Creditor, Operational Creditor and Corporate Debtor.
 - d. Corporate Debtor and Financial Creditor.
6. Who is a Financial Creditor under IBC
 - a. Any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to.
 - b. Any person that has a claim on the services of a second party
 - c. Any person to whom a financial debt is owed
 - d. Any person who owes financial debt to another..
7. FCRA 2010 regulates:
 - a. Foreign Hospitality
 - b. Foreign Contribution
 - c. Both a. and b.
 - d. Neither: as they are regulated by FEMA
8. Foreign Contribution means donation delivery or transfer by foreign source of :
 - a. Article (not gift for personal use) >25000/-
 - b. Currency
 - c. Security
 - d. All of these
9. Who is the Regulator under IBC:
 - a. Reserve Bank of India.
 - b. Any person to whom a financial debt is owed
 - c. INSOL India.
 - d. Indian Board for Insolvency and Bankruptcy Board of India.
10. Who can make a request to convene a meeting of the committee of creditors under IBC
 - a. Members of the Committee representing 50% of the voting rights.
 - b. Members of the Committee representing 75% of the voting rights.
 - c. Members of the Committee representing 33% of the voting rights.
 - d. Members of the Committee representing 85% of the voting rights.
11. What are special Courts under Prevention of Money Laundering Act, 2002?
 - a. Designated one or more Courts of Session
 - b. Designated Municipal Corporation
 - c. Designated Committee
 - d. Designated High Court
12. Mr. X was found guilty of money laundering as per provisions of Money Laundering Act, 2002. What are the possible actions which can be taken against Mr. X?
 - a. 3 to 7 years Imprisonment and Fine
 - b. 3 to 7 years Imprisonment
 - c. Only Fine
 - d. upto 3 year Imprisonment
13. For banking companies using inputs and input services partly for taxable supplies and partly for exempt supplies, which of the statement is true?
 - a. ITC shall be compulsorily restricted to credit attributable to taxable supplies including zero rated supplies
 - b. 50% of eligible ITC on inputs, capital goods, and input service shall be mandatorily availed in a month and the rest shall lapse.
 - c. Banking company can choose to exercise either option (a) or option (b)
 - d. None of the above
14. A supplier takes deduction of depreciation on the GST component of the cost of capital goods as per Income- tax Act, 1961. The supplier can-
 - a. avail only 50% of the said tax component as ITC
 - b. not avail ITC on the said tax component
 - c. avail 100% ITC of the said tax component
 - d. avail only 25% of the said tax component as ITC
15. In case of taxable supply of services, invoice shall be issued within a period of _____ from the date of supply of service.
 - a. 30 days
 - b. 45 days
 - c. 60 days
 - d. 90 days

IX. CROSSWORD PUZZLE

| | | | | | | | | | | | | |
|----|----|---|----|----|--|---|---|---|---|--|----|----|
| 1 | | | | | | | | | | | 10 | 11 |
| | 2 | 3 | | 5 | | 6 | 7 | 8 | 9 | | | |
| 4 | | | | | | | | | | | | |
| | | | 17 | | | | | | | | | |
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| | 13 | | | | | | | | | | | |
| | | | | 19 | | | | | | | | |
| 14 | | | | | | | | | | | | 12 |
| | | | 15 | | | | | | | | | |
| | | | 16 | | | | | | | | | |
| 18 | | | | | | | | | | | | |

Across

1. Kambala sport is held in which state?
4. India held a virtual Business Mission on food processing along with which country?
14. Which entrepreneur has topped the forbes list of richest Americans?
15. Which country celebrates Bastille day ceremony also called as Fete nationale?
16. The auditor should evaluate the of deficiencies identified in the migration process.
18. Amar singh who passed away was related to which field?
19. Which organization in India conducts the sero survey?

Downward

1. Which district has been selected for the Best Marine District award by the ministry of fisheries animal husbandry and dairying?
2. system of money transfer is primarily used for large transactions
3. Ensures that all combination of sampling units in the population have an equal chance of selection
5. The COVID 19 RT-PCR test kits of which Indian company has received validation from Drug Controller of India.
6. Sonam Tshering Lepcha, who has passed away was associated with which field?
7. Mahatma Gandhi Setu (bridge) is located in which state?
8. What is the rank of Mukesh Ambani in the world's billionaire's list as per human research?
9. Business rules for implementing segregation of duties are defined by
10. One way of auditor enquiring about unusual activities at a client location is to ask questions?
11. Space exploration Day celebrated on July 20 is otherwise called as which day?
12. Till now the preamble of constitution of India has been amended for how many times?
13. The young champions of the earth prize is awarded by which organization?
17. Which state plays host to the conference on Afghan Peace negotiations?

Amrutha Thilakan- Article

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