



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

# **CA STUDENTS PULSE**

**To the students- By the students- For the students**

## **E NEWSLETTER, JULY'2020**



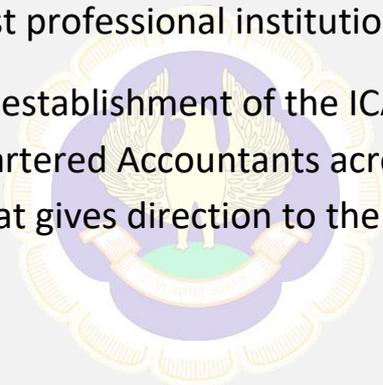
**SOUTHERN INDIA CHARTERED ACCOUNTANTS STUDENTS ASSOCIATION**

**HYDERABAD**

# ***“A very Happy CA Day to all the Members, CA aspirants and entire Fraternity”***

July 1<sup>st</sup> is celebrated as National Chartered Accountant Day in India. The day is observed in order to celebrate the formation of Institute of Chartered Accountants of India (ICAI) on July 1st, 1949. ICAI is the sole licensing and regulatory body for the financial audit and accounting profession in India. ICAI was formed a year before the Constitution of the country was formalized, and counts itself among the oldest professional institutions in the country.

Every year, on the day of the establishment of the ICAI, National CA Day is celebrated to honour the Chartered Accountants across the nation. A chartered accountant is a profession that gives direction to the financial condition of any country.



## **ICAI: The History**

The genesis of the CA profession can be traced back to the pre-independence days. Back in 1913, the British government in India passed the Companies Act, which had a prescribed list of books that every company registered under the Act had to maintain. The Act also provided for the appointment of an Auditor who had the power to audit these books. Five years later, the Government Diploma in Accountancy course was launched in Bombay (present-day Mumbai). This course had a pattern similar to today's CA course, complete with a three-year training period. Those who completed the course could practice as an Auditor throughout India.

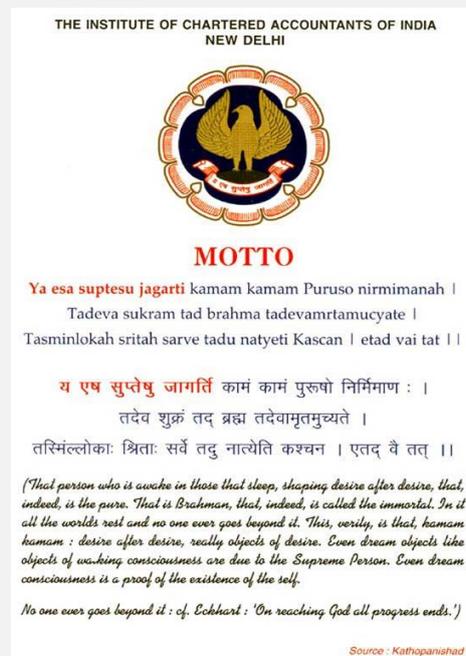


In 1930, the then Government of India decided to maintain a register of accountants and proffered the title of Registered Accountant to those accountants whose name was entered into this roster. However, even with all

these practices, the accountancy profession remained unregulated until an expert committee created in 1948 suggested that an autonomous body should be formed, for enhanced regulation. By then though, many Indians had already become members of the Institute of Chartered Accountants in England and Wales (ICAEW) and were known by the term Chartered Accountants. Despite the controversy surrounding the term, it was retained as it was already widely used. Thus, when the Chartered Accounts Act of 1949 was passed and the ICAI came into being, the term Chartered Accountant became the preferred title instead of the previously used Registered Accountant. Since then, 1st July has been commemorated as the ICAI Foundation Day or CA Day in India.

Unlike in other Commonwealth countries, the word 'Chartered' when used for Indian accountants, has no relation to the royal charter of the British (as India is a republic)!

## The ICAI Motto and What It Means



The ICAI has a very strict code of ethics. Its official motto is a quote from the Upanishad which reads "Yaeshasupteshujagriti". It translates as "the one who is awake in those that sleep". A CA is honour-bound to follow the ICAI's regulations and to always be compliant and vigilant. Even when a client is lax about their taxes, it is the CA's duty to help them become better tax-paying citizens of the country. Businesses small and large need an expert's help, and a CA is always willing to come to the rescue. It's something that is ingrained in their DNA, and the CA Day is just a ruse to celebrate and acknowledge the profession's importance to the country's economy.

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## SICASA OFFICE BEARERS



**CA RAJAMBAL MS**  
**CHAIRPERSON**



**CA SATISH KUMAR MYLAVARAM**  
**CO- CHAIRMAN**

### STUDENT REPRESENTATIVES

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Manvitha Katla- {Finance Head}

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## JOINT MESSAGE FROM THE CHAIRPERSON AND CO- CHAIRMAN



### From the Editorial Desk



Dear Learners,

Welcome to the news letter for the Month of June. Happy CA Day on July 01. I still remember the day when the result was out and I was on cloud 9. That day was the day which changed my life; although it was 17 years ago the memories are fresh like it was yesterday. Then there was no looking back in life.

The amount of excitement for profession which was there on the day one is still living with me. Profession has never stopped challenging me. Initially as student the number of hours with books was like the beginning or I must say training for the rest of life. Now there is no count on the number of hours that I put in with Books. Thanks to the CA course it increased my ability with work with books tremendously. Today with exams getting postponed again and again, I would urge all the student to make the most out of the extra time given to you, not all the batches are as fortunate as you guys are. Please hang out with books more and more.

We have come out with the results of the competitions that were held for you sprits to stay high are out in this issue. We would come up with more and more interactive stuff for you all. Please participate actively. We would want more suggestions on the cultural club and also articles for the news letter.

I request students to participate and engage with the newsletter by way on contributions of articles for the news letter. Finally I thank my editorial team, technical team, authors and well wishers, who are promoting this journal. With these words, I conclude and promise that the professional standards will be maintained and promoted for the betterment of each one of us.

Best wishes,  
At your services always,

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**ARTICLES OVERVIEW****TOPICS**

- **Quarantine Learnings.**
- **Supply Chain management Drop shipping & E- commerce.**
- **Cashless Economy- Pros & Cons.**
- **Margin Trading- Stock Market.**

Send your articles at  
[sicasahyderabad@outlook.com](mailto:sicasahyderabad@outlook.com)

**We invite suggestions for topics of Newsletters for any month of SICASA Hyderabad**

# QUARANTINE LEARNINGS

Oh!!!! A small protein coated particle which is not even visible to our naked eyes has created chaos in the entire world and brought the life to a standstill. This one silly virus has the ability to bring the human civilization to an end, if Man dared to act unwisely and unconsciously. The outbreak of this virus has left the present generation trapped with unprecedented questions and situations. It has given Man the much needed moment to sit back and cerebrate. It's time for all of us to put thinking cap and figure out the purpose of our existence, figure out what is it that we are actually striving for? and also figure out ways in which he can live in harmony with nature.

As we all know life is unpredictable. But this 2020 made us realise that life is “ PRETTY MUCH “ unpredictable. This is my major quarantine learning. Well, in today's world A man identifies himself or someone by his profession, religion, culture or gender. Now these rich, poor, gender, religion nothing is going to help us. Due to this pandemic we realised the real identity is "THE EXISTENCE " of human being. Love, belongingness, innocence, simplicity are the core existence or nature of human beings. But due to these so called EGO comparisons, hatredness, and dissatisfaction we are just forgetting our real existence. We all are just blind behind a screen called "MAYA" which is unnatural or illusionary thing.

That means we all can live without all these extravagance, absurdity or luxuries and just can live simple life. We are just habituated to these and forgetting the purpose we are here for and which destroy our self existence and Mother Nature.

The biggest lesson taught by this year is our mind and body are not aligned. That is why we all are going through depression, trauma which are resulting into suicides, cardiac arrests etc.... Both physical fitness and mental fitness plays a very important role in one's life. They are complementary. So it is very important to practice yoga and meditation to bring our body and mind into alignment.

Success and failures are just part of our life. Don't allow them to cost our life for that.

## **Conclusion:**

(Quarantine learning's, I better call them as life changing lessons)

- Make sure to give some time from our busy schedules to ourselves and family.
- Spend some time for others unconditionally.
- Don't depend too much on things which are not real (that gives you satisfaction on that moment).
- Do respect others irrespective of their age, gender, profession, religion, culture.
- Develop savings attitude.
- Don't waste or destroy or hurt anything which we cannot make.(water, electricity, food, nature, emotions)

- Don't be greedy towards anything.
- Unity is strength
- Appreciate others
- Practice yoga and meditation
- Develop adaptability

“Life is not what we get; life is all about what we make.”

**By**  
**Soumya Tumuluri**  
**SRO0514844**

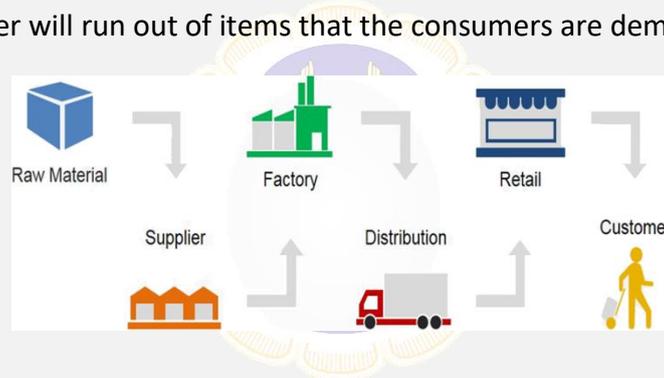


# SUPPLY CHAIN MANAGEMENT- DROPSHIPPING & E COMMERCE

It sounds fancy, but the phrase “supply chain” basically refers to the process that brings products from the manufacturer to the consumer. Supply chain management, or SCM, is not a new concept, but it really came into prominence when the market became globalized. Because retail is no longer strictly a local operation, the manufacturers, wholesalers, and retailers must find a system that can handle the expanded scope of the market, without losing money to inefficiency. That's where SCM comes in.

Think of SCM as the processor of a computer, which delivers the end product by retrieving, collating (collecting and combining the data), coordinating, and calculating data in the back end—before presenting it on the monitor. Exactly like a processor SCM has no physical part in the supply chain. Rather, it's the controller.

Without effective supply chain management, the manufacturer could end up making too much of one thing and not enough of the other, the wholesaler could be stocking up on slow-moving items that no one needs, and the retailer will run out of items that the consumers are demanding.



## E-Commerce:

E-Commerce stands for Electronic Commerce or Internet Commerce. It deals with the sale and purchase of goods and services, exchange of information and money. A customer browsing through the catalogue of items or services available with the online seller, selecting the item or service as per his requirement refers to the purchase of goods and services. Providing delivery address details is exchange of information and making payment through different payment options provided is exchange of money.



E-commerce has been classified into four categories based on the end users of the application.

- Business to Business (B2B): It refers to the online transaction between two businesses. Udaan and India MART are India's largest B2B online marketplaces.
- Business to Consumer (B2C): It refers to the online transactions between a business and a customer directly. The most commonly known B2C companies are the e-commerce giants like Amazon, Flipkart, Snapdeal etc.
- Consumer to Consumer (C2C): It refers to the online selling and buying of used goods between two customers. No company is part of this transaction. The most prominent examples of C2C include eBay, OLX etc.
- Consumer to Business (C2B): It refers to the online transactions between a customer and a business wherein a customer provides services to the business. The best examples for this model are the job portals. In India websites like Monster.com, TimesJobs.com etc can be put in this category.

Apart from the above mentioned 4 categories, Business to Government (B2G), Consumer to Government (C2G) and Government to Business (G2B) are also the categories of E-commerce according to parties involved.

Here's one example of how a totally computerized yet complicated E-commerce platform works. Not all E-commerce systems work precisely this way:

- Sitting at her computer, a client tries to order a book online. Her browser communicates back-and-forth over the web with an internet server that manages the store's web site.
- The Web server then sends that order to the order manager. This is often a central PC that sees orders through each stage of the process from submission to dispatch.
- The order manager queries a database to seek out whether or not what the client wants are available.
- If the item isn't available, the stock database system will order new provides from the wholesalers or manufacturers. This would possibly involve communication with order systems at the manufacturer's headquarters to seek out estimated supply times, whereas the client continues to be sitting at her PC (in alternative words, in "real-time").
- The stock database confirms whether or not the item is available or suggests an estimated delivery date once provides are going to be received from the manufacturer.
- Assuming the item is available; the order manager continues to process it. Next, it communicates with a merchant system (run by a credit-card processing firm or linked to a bank) to require payment using the customer's credit or identification number.
- The bank computer confirms whether or not the client has enough funds.
- The order manager confirms that the transaction action has been successfully processed and notifies the online server.
- The web server shows the client a web page confirming that her order has been processed and also the transaction action is complete.
- The order manager sends a request to the warehouse to dispatch the products to the client.
- A truck from a dispatch firm collects the products from the warehouse and delivers them.

- Once the products are sent, the warehouse computer e-mails the client to confirm that her product is on their way.
- The products are delivered to the client

All of those things are invisible—"virtual"—to the client, except the PC she sits on and also the dispatch truck that arrives at her door.

### **Advantages of E-Commerce:**

- E-Commerce facilitates the sale and purchase of goods and services irrespective of the geographical location of the seller or the customer.
- It ensures faster delivery of goods and services with minimal effort from the customer. The customer grievances are also sorted out faster.
- The application is functional 24/7 and allows for unperturbed shopping experience.

### **Disadvantages of E-Commerce:**

- The cost involved in setting up and maintaining an E-Commerce business is very high.
- Security of customer information is another major concern which needs to be addressed in the E-Commerce application.
- Operational challenges like problems in shipping, wrong deliveries, late deliveries etc. have to be taken care of in order to attain complete customer satisfaction.

### **Drop shipping:**

Imagine that you are running an E-Commerce business. You are getting a lot of orders, from across the world. These products are shipped to customers without your intervention and you are getting paid instantly after every fulfilment.

Best part – You don't even have a warehouse or have any inventory!

### ***Sounds interesting?***

A process of running an e-commerce business without owning any inventory is called drop shipping. When the customer places an order for a product with the business, the order is redirected to a supplier who in turn supplies the ordered goods it provides suppliers extra business with minimal cost and effort. However, the drop shipping company's reputation is completely dependent on the quality of the goods or services provided by the supplier. Therefore, it is very essential for the business to find the right suppliers providing quality goods/services at affordable prices.





The working process of drop shipping is quite simple. It includes 3 simple steps as follows:

- The store owner publishes products he wishes to sell on his online store. The customer sees the product and places an order on the website.
- The retailer receives details about the order and forwards the details of the customer and order manually or automatically to the drop ship supplier.
- The supplier then packages and ships the required products directly to the customer with the store owner's branding. Hence the end user will not know that the product was sent by the drop ship supplier.
- Trade India, Baapstore are wholesale drop shipping companies in India.

### **Advantages of Drop shipping:**

- Minimal investment is required to start the business as no products and inventory are purchased beforehand.
- The business can be run from any geographical location with internet connection. The retailer should be in contact with the supplier and the customer all the time in order to manage his/her business effectively.
- A wide variety of products can be offered to the potential customers as the products need not be physically available with the business at that point of time.
- The scalability of the drop shipping business is easy and the load is shared by the suppliers.

### **Disadvantages of Drop shipping:**

- The profit margins in the drop shipping business are minimal due to heavy competition in the market.
- As the business does not maintain its own inventory, it becomes difficult to manage and keep track of the inventory obtained from the supplier.
- The shipping issues and charges should be discussed with the suppliers from time to time.
- If the quality of the products provided by a supplier is low, the business needs to take responsibility for the same in case of a customer complaint.



**Difference between E-Commerce business and a Drop shipping business:**

- E-Commerce marketplaces are specifically consumer-centric businesses where different brands can market and sell their products along with other brands. However, the Drop shipping business focuses on marketing specific goods from different suppliers by the retailers.
- E-Commerce marketplaces have specific quantity of goods in stock. Drop shipping businesses do not maintain any products or inventory till an order is received.
- E-Commerce businesses have higher profit margins compared to Drop shipping business. Once the business gets a clear idea of the demand for a specific product, it can reduce its money spent on stock accordingly and hence maximize profits.
- The E-Commerce business has greater control over the order fulfilment process as it allows the business to customize its services offered to the customer. However, in the Drop shipping business, the retailer has no control over the speed, cost and quality of the services provided as it is taken care of by the respective supplier.

**Conclusion:**

The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. The E-commerce market is expected to reach Rs 13, 97,800crore (US\$ 200 billion) by 2027 from Rs 2, 69,076.5crore (US\$ 38.5 billion) in 2017, supported by rising income and surge in internet users. Online shoppers in India reached 120 million in 2018 and are expected to reach 220 million by 2025. It was estimated that one in every three Indian shopped via a smart phone.

The Government of India's policies and regulatory frameworks such as 100 per cent Foreign Direct Investment (FDI) in B2B E-commerce and 100 per cent FDI under automatic route under the marketplace model of B2C E-commerce are expected to further propel growth in the sector. Through its Digital India campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025.

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# CASHLESS ECONOMY- PROS & CONS

## INTRODUCTION:

We come across a common saying 'Cash is King,' however idle cash can never generate any interest income, therefore channelizing the idle money into digital mode shall generate income. The Cashless economy is a system where majority of transactions take place by modes other than cash. These modes may be credit cards, debit cards, wallets or digital modes where flow of cash is non-existent or is bare minimum. Cashless economy can be an effective gimmick to curb grey economy, terror-financing, corruption etc. It is considerable to note that cashless economy is a phenomenon that can be earmarked to bring a sea change in any country's economy by transforming a cash-based economy into cashless economy through digital means. Cashless transactions have not only saved time by speeding up the transaction completion time but also saved lot of money by reducing costs associated with handling and accounting cash.

## PROS OF CASHLESS ECONOMY:

1. INCREASED LIQUIDITY IN BANKING SYSTEM: Cashless transactions shall require people to keep all their cash with banks and hence liquidity in the banking system shall increase. Liquidity of banks is of vital significance as they are important to financial system. The proximate cause of a bank's demise is mostly liquidity issue when they fail to meet their payment and settlement obligations.
2. INCREASE IN TAXNET: All the transactions shall be monitored and unearthed for individuals resulting in a check on tax evasion, increased tax revenue and wiping away black money from the economy. The existence of cashless economy shall definitely lead to development of a country by collecting surplus taxes and spending them towards the development of the economy.
3. CHECK ON NEFARIOUS OPERATIONS: Curtailing flow of cash in economy shall enable a check on criminal activities, money laundering, terrorist activities and other illegal activities as these are highly funded by cash. Predominantly use of digital modes shall help in keeping a tight rein on such activities, making them easily traceable and tracked.
4. MOBILITY OF FUNDS: Physically carrying of money will not be required therefore reducing the risk of theft. Just carrying mobile phones or cards will be required to carry out any transaction.
5. TRANSPARENCY OF TRANSACTIONS: Going cashless shall bring transparency and accountability in the hands of the senders and receivers, thereby going cashless shall eradicate corruption to some extent. Digital transactions are completely traceable and can be reconciled.
6. SAVINGS IN MAINTENANCE COST: Flow of cash in an economy involves printing of currency and allied expenses like maintenance cost in the form of storage cost, transportation cost of transporting currency to distant places and security cost. Also, another important cost involved is distribution cost of currency.

**CONS OF CASHLESS ECONOMY:**

1. **SECURITY AND PRIVACY ISSUES:** Cyber security is one of the major challenges for a cashless economy. Adequate security measures are required to safeguard online transactions against fraud. Cashless transactions give rise to security and privacy concerns as there is unending vulnerability to hacking and data breach. In cases where account is hacked, all the savings may be drained in a fraction of seconds. Activities such as phishing, duping money shall be easier in digital transactions.
2. **LACK OF DIGITAL LITERACY:** Everybody doesn't have the knowledge required for doing digital transactions and therefore, it is very difficult to implement a cashless economy where the demographic profile is centred towards rural areas.
3. **SCALABLE INFRASTRUCTURE:** Digital infrastructure requires lucrative investment for overcoming power outages, incessant access of network connectivity, increased POS terminals. 100 percent uptime can never be guaranteed resulting in failed transactions, blocking of funds. A strong and reliable backup system is required for loss or malfunctioning or electronic payment system or devices.
4. **RESISTANCE TO CHANGE:** Regardless of how effectively people are made aware of benefits associated with cashless economy; there shall be a section of people who would resist change. For e.g. Elderly section of society are not as much tech savvy as compared to the younger blood.
5. **INCREASED TRANSACTION COST THROUGH POS TERMINALS:** Digital modes of payment involve transaction fee which is not incurred while carrying out cash-based transactions which may prove to be a hindrance to the cashless economy.

**CONCLUSION:**

While there are many pros of a cashless economy still the cons need to be addressed and straightened out. We can conclude that the idea of cashless economy can only be streamlined through sufficient and scalable infrastructure in place available everywhere including remote and rural areas at all times accompanied by adequate speed. The phenomenon of cashless economy can only be brought in a systematic manner by educating people through robust training programs by primarily focusing the rural people as to how to use the required technology and benefits of cashless transactions. Also, the laws and regulations should be precise and defined to prevent stealing of data and breach of security.

**Supriya Dewan**  
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# MARGIN TRADING- STOCK MARKET

In our day to day life we observe many investment options like investment in direct equity, equity mutual funds, deposits, stocks etc. However every investment has some risk attached to it, high or low. Likewise margin trading is one of those investment options which involve high risk factors.

## **INTRODUCTION:**

In order to take leverage out of borrowed funds from brokers for trading in securities over and above the owned funds, stock market regulator viz., SEBI has introduced the concept called “Margin Trading”.



Buying on margin is borrowing money from a broker in order to purchase stock. You can think of it as a loan from your brokerage. Margin trading allows you to buy more stock than you'd be able to normally. This provides resources to buy more quantities of stock than the investor can afford at any point of time. For this purpose, the broker would lend the money to buy shares and keep them as collateral

Before understanding what exactly margin trading is and how its mechanism works, let us first discuss few important terms used in margin trading.

1. **MARGIN ACCOUNT:** In order to do margin trading the investors require margin account, for which they may have to place a request to their broker to open this account by paying an upfront fee. This is a brokerage account that allows investors to buy securities by borrowing a portion of the purchase price. Margin accounts are governed by the National Association of Securities Dealers (NASD), the New York Stock Exchange (NYSE) and the lending brokerage firm.
2. **MAINTENANCE MARGIN:** Maintenance margin is the minimum amount of equity that an investor must maintain in the margin account after the purchase has been made. Maintenance margin is currently set at 25% of the total value of the securities in a margin account as per NYSE and FINRA requirements.
3. **INITIAL MARGIN:** Initial margin is the percentage of the purchase price of a security that must be covered by cash or collateral when using a margin account. The current initial margin requirement set by the Federal Reserve Board's Regulation is 50%.

4. **MARGIN CALL:** A margin call refers specifically to a broker's demand that an investor deposit additional money or securities into the account so that it is brought up to the minimum value, known as the maintenance margin. A margin call is usually an indicator that one or more of the securities held in the margin account has decreased in value. When a margin call occurs, the investor must choose to either deposit more money in the account or sell some of the assets held in their account.

### WHAT IS MARGIN TRADING?

- In Stock market, margin trading refers to the process whereby individual investor can buy more stocks than he can afford. This involves buying and selling of securities in one single session.
- In simple words, margin trading refers to the practice of using borrowed funds from a broker to trade a financial asset that is to buy or sell a stock.
- Margin Trading is the best solution for those traders who have small capital but want to make money.
- It is a leverage mechanism that provides lending facility to their clients and is available in every stock exchange.



There are two ways to purchase stocks:

- a) The buyer can pay the purchase price in full

(OR)

- b) Using a margin account. In a margin account purchase, the buyer pays a portion of the purchase price and the broker lends the difference. The buyer in turn pays interest on the broker's loan in addition to the usual commission fees. For collateral, the broker holds onto the stocks. Dividends earned from the stocks are used to help offset the interest payments.

Margin is determined by the following equation:

$$M = \frac{V - L}{V} \times 100$$

Where, M = Margin

V = Market value of the security

L = Broker's Loan

The ratio is expressed as a percentage. The lowest initial margin, or the margin at the time of the purchase, is 50% (as set by the Federal Reserve Board). After the purchase of the stock on margin, there is a maintenance margin below which the margin is not allowed to fall. On the New York Stock Exchange, the maintenance margin is 25%, but brokers can set their own margins (30% is common). If the margin falls below the maintenance margin, the broker calls for additional cash from the investor. If the money does not come within the specified time, the broker immediately sells the stock.

Buying on margin is a technique that many investors use. It allows better utilization of available resources. But as the investor, you must be completely aware and positive about buying before you actually do so.

When you trade on margin, you can gain buying power by borrowing a major portion of the investment amount.

#### **Example of a Margin Account:**

Assume an investor with \$2,500 in a margin account wants to buy Nokia's stock for \$5 per share. The customer could use additional margin funds of up to \$2,500 supplied by the broker to purchase \$5,000 worth of Nokia stock, or 1,000 shares. If the stock appreciates to \$10 per share, the investor can sell the shares for \$10,000. If they do so, after repaying the broker's \$2,500, and not counting the original \$2,500 invested, the trader profits \$5,000.

Had they not borrowed funds, they would have only made \$2,500 when their stock doubled. By taking double the position the potential profit was doubled.

Had the stock dropped to \$2.50, though, the entire customer's money would be gone. Since 1,000 shares \* \$2.50 is \$2,500 the broker would notify the client that the position is being closed unless the customer puts more capital in the account. The customer has lost their funds and can no longer maintain the position. This is a margin call.

In the above example it is assumed that there is no fees, however interest is paid on the borrowed funds. If the trade took one year, and the interest rate is 10%, the client would have paid 10% \* \$2,500, or \$250 in interest. Their actual profit is \$5,000, less \$250 and commissions. Even if the client lost money on the trade, their loss is increased by the \$250 plus commissions.

#### **SECURITIES ELIGIBLE FOR MARGIN TRADING:**

SEBI vide circular dated March 11, 2003 has categorized the securities under 3 groups, namely, Group 1, Group 2 and Group 3. The securities having mean impact cost of less than or equal to 1 and having traded on at least 80% (+/-5%) of the days for the previous eighteen months, have been categorized as Group 1. The securities in Group 1 would be eligible for margin trading facility.

#### **ELIGIBILITY REQUIREMENTS FOR BROKER TO PROVIDE MARGIN TRADING FACILITY TO CLIENT:**

Only corporate brokers with a "net worth" of at least Rs.3.00 crore would be eligible to offer margin trading facility to their clients. The "net worth" for the purpose of margin trading facility would mean "Capital" (excluding preference share capital) plus free reserves less non allowable assets, i.e fixed assets, pledged securities, member's card, non-allowable securities, bad deliveries, doubtful debts and advances (including debts and advances overdue for more than 3 months or given to associates), pre paid expenses, intangible assets and 30% of the marketable securities."

The broker shall submit to the stock exchange a half-yearly certificate, as on 31st March and 30th September of each year, from an auditor confirming the net worth as specified in clause 1.3.1. Such a certificate shall be submitted not later than 30th April and 31st October of the year.

### **MAINTENANCE OF RECORDS:**

The broker shall maintain separate client wise accounts of the securities purchased on margin trading with depositories and shall enable the client to observe the movement of securities from his account (through internet). The broker shall also maintain a separate record of details (including the sources) of funds used for the purpose of margin trading.

The books of accounts, maintained by the broker, with respect to the margin trading facility offered by it, shall be got audited on a half yearly basis. The broker shall submit an auditor's certificate to the exchange/s, within one month from the date of the half year ending 31st March and 30th September of a year certifying, inter alia, the extent of compliance with the conditions of margin trading facility. This certificate is in addition to the certificate on net-worth specified in clause 1.3.2.

SEBI and the stock exchange/s shall have the right to inspect the books of accounts and/or any other documents maintained by the broker with respect to the margin trading facility.

### **STEPS TO BE REMEMBERED BEFORE STARTING TRADING:**

Step 1: Investor need to maintain minimum margin required throughout the session.

Step 2: Investor need to square off his position at the end of every trading session. This means if the investor has bought shares then he has to sell them before the session ends and vice versa.

Step 3: Convert the shares into delivery order after trade, for which the investor is required to keep the cash ready to buy all the shares he had bought throughout the session. Investor needs to pay broker's fee and additional charges if any.

Even if one of these steps is missed, the broker will automatically square off the position in the market.

### **FEATURES OF MARGIN TRADING:**

- Only authorised brokers can offer margin trade accounts as per Securities Exchange Board of India's (SEBI) regulations.
- Securities that are margin traded are pre-defined by SEBI & respective stock exchange.
- Investors can create positions against the margin in the form of cash or collateral through shares.

### **BENEFITS OF MARGIN TRADING:**

- Marginal Trading is most suitable for those who are looking at encashing on short term price fluctuations.
- Securities in demat account or portfolio can be used as collateral.
- Purchasing Power of investor is enhanced by margin trading facility.
- This facility improves the rate of return on capital invested.

**RISKS OF MARGIN TRADING:**

- Magnified losses: Investor is supposed to maintain a minimum balance in their margin trading account. If he is unable to maintain minimum balance then he will be forced to sell some or all of the assets to maintain the balance amount.
- Borrowing: It is a normal tendency of all the investors to think that borrowing from brokers is much better and simpler than borrowing from banks. But it is as binding as it is with banks.
- Liquidation: If investor fails to meet a margin call then the broker can liquidate investor's assets to recover the sum.

**GOOD MARGIN TRADING PRACTICES:**

- Invest Wisely: Margin Trading can magnify both losses and profits, so investors should invest only if they have sufficient cash to withstand a momentary move against their position and meet the margin call.
- Borrow less than the limit: Investors should refrain from borrowing the full allowed limit. Give a try with smaller amounts and if they are confident enough then they can continue.
- Borrow for short duration: If investors are liable to pay interest on margin amount (i.e., loan amount provided by broker or exchange) then it is better to settle the margin at the earliest.

**CONCLUSION:**

Margin Trading Provides a platform for earning high return and create a good portfolio of securities out of leveraged position if cautiously invested. It also increases investors buying positions. However, margin trading creates a systematic risk that can lead to sharp volatility in the stock market. Therefore as it has many risk factors it would be good if the investor chooses it to be in an organized manner.



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## GENERAL AWARENESS

### LOVE FOR PETS- SAFEGUARDING WILD LIFE

#### LOVE FOR PETS



A pet, or companion animal, is an animal kept primarily for a person's company or entertainment rather than as a working animal, livestock or a laboratory animal. Popular pets are often considered to have attractive appearances, intelligence and relatable personalities, but some pets may be taken in on an altruistic basis (such as a stray animal) and accepted by the owner regardless of these characteristics.

Two of the most popular pets are dogs and cats; the technical term for a cat lover is an ailurophile and a dog lover a cynophile. Other animals commonly kept include: rabbits; ferrets; pigs; rodents, such as gerbils, hamsters, chinchillas, rats, mice, and guinea pigs; avian pets, such as parrots, passerines and fowls; reptile pets, such as turtles, alligators, crocodiles, lizards, and snakes; aquatic pets, such as fish, freshwater and saltwater snails, amphibians like frogs and salamanders; and arthropod pets, such as tarantulas and hermit crabs. Small pets may be grouped together as pocket pets, while the equine and bovine group include the largest companion animals.



People most commonly get pets for companionship, to protect a home or property or because of the perceived beauty or attractiveness of the animals. A 1994 Canadian study found that the most common reasons for not owning a pet were lack of ability to care for the pet when traveling (34.6%), lack of time (28.6%) and lack of suitable housing (28.3%), with dislike of pets being less common (19.6%). Some scholars, ethicists and animal rights organizations have raised concerns over keeping pets because of the lack of autonomy and the objectification of non-human animals.

Here are some advantages and disadvantages of having pets for their owners:

**Health benefits:**

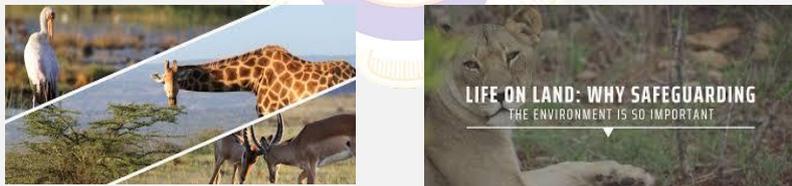
It is widely believed among the public, and among many scientists, that pets probably bring mental and physical health benefits to their owners; a 1987 NIH statement cautiously argued that existing data was "suggestive" of a significant benefit. A recent dissent comes from a 2017 RAND study, which found that at least in the case of children, having a pet *per se* failed to improve physical or mental health by a statistically significant amount; instead, the study found children who were already prone to being healthy were more likely to get pets in the first place. Unfortunately, conducting long-term randomized trials to settle the issue would be costly or infeasible.

**Health risks:**

- Aggravation of allergies and asthma caused by dander and fur or feathers
- Falling injuries. Tripping over pets, especially dog's causes more than 86,000 falls serious enough to prompt a trip to the emergency room each year in the United States. Among elderly and disabled people, these falls have resulted in life-threatening injuries and broken bones.
- Injury, mauling, and sometimes death caused by pet bites and attacks
- Disease or parasites due to animal hygiene problems, lack of appropriate treatment, and undisciplined behaviour (faeces and urine)
- Stress caused by the behaviour of animals
- Anxiety over who will care for the animal should the owner no longer be able to do so

**SAFEGUARDING WILD LIFE**

***"HUMANS HAVE A DUTY TOWARDS NATURE AS WE MUST GIVE BACK TO REPAY THE DEBT  
.PROTECTING WILDLIFE AND FORESTS IS ONE WAY OF DOING THIS."***



The Wild Life Protection Act, 1972 is an Act of the Parliament of India enacted for protection of plants and animal species. ... The Act provides for the protection of wild animals, birds and plants; and for matters connected there with or ancillary or incidental thereto. It extends to the whole of India.

India has some of the finest provisions to safeguard animals in the world. For example, did you know it is illegal to relocate stray dogs that have been spayed? Or that it is illegal to incite or organize animal fights? Many people may be unaware of the laws compassionate lawmakers have passed to safeguard animals.

Here, Humane Society International/India gives you the lowdown on legislation in relation to animal welfare in India so you can be informed of what protections are available to animals.

1. It is the fundamental duty of every citizen of India to have compassion for all living creatures. Article 51A (g).

2. To kill or maim any animal, including stray animals, is a punishable offence. IPC Sections 428 and 429.
3. Abandoning any animal for any reason can land you in prison for up to three months. Section 11(1)(i) and Section 11(1)(j), PCA Act, 1960.
4. No animal (including chickens) can be slaughtered in any place other than a slaughterhouse. Sick or pregnant animals shall not be slaughtered. Rule 3, of Prevention of Cruelty to Animals, (Slaughterhouse) Rules, 2001 and Chapter 4, Food Safety and Standards Regulations, 2011.
5. Stray dogs that have been operated for birth control cannot be captured or relocated by anybody including any authority. ABC Rules, 2001.
6. Neglecting an animal by denying her sufficient food, water, shelter and exercise or by keeping him chained/confined for long hours is punishable by a fine or imprisonment of up to 3 months or both. Section 11(1)(h), PCA Act, 1960.
7. Monkeys are protected under the Wildlife (Protection) Act, 1972 and cannot be displayed or owned.
8. Bears, monkeys, tigers, panthers, lions and bulls are prohibited from being trained and used for entertainment purposes, either in circuses or streets. Section 22(ii), PCA Act, 1960.
9. Animal sacrifice is illegal in every part of the country. Rule 3, Slaughterhouse Rules, 2001.
10. Organizing of or participating in or inciting any animal fight is a cognizable offence. Section 11(1)(m)(ii) and Section 11(1)(n), PCA Act, 1960.
11. Cosmetics tested on animals and the import of cosmetics tested on animals is banned. Rules 148-C and 135-B of Drugs & Cosmetics Rules, 1945.

By adhering the above rules we can minimise the loss for wildlife and we can protect the environment.

**By**  
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**Satheesh & Associates**



# QUARANTINE TALENT HUB

We appreciate each and every student for their participation in this talent hub.

Here we present some of the best talents:

## Painting Competition



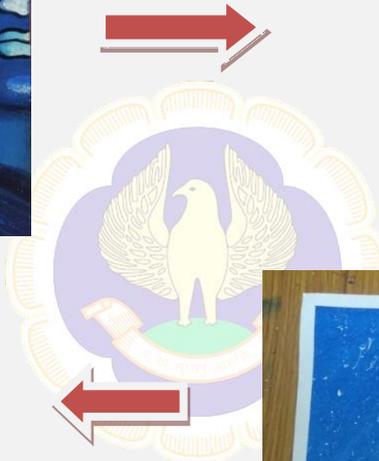
**Niharika Phalod**

**SRO 0465214**



**Vasihali Kruthi**

**SRO 0385417**



**Prashanth Momuluri**

**SRO 0418296**



## Essay Writing Competition

### Topic: Technology- Impact on Students

#### Essay no 1

“Technology is just a tool. In terms of getting the kids working together and motivating them, the teacher is most important.” - Bill Gates At present scenario Covid-19 is the best example for Impact of technology in students Some of the people build there carrier in taking classes through online and they will become a kingmakers in their own life And most of the people playing PUBG and Viewing web series they destroy their life.

#### Advantages of Technology in student life

The positive effect of technology can't be understand. It has brought a new way for students and teachers to interact. it has also changed and still changing the education system for the better.

1. Coaching: Teachers play more of a coaching role these days. They aren't just instructors who deliver a lesson. Rather, they support and guide student activities as coaches do. They provide feedback and coaching to the class so that students receive the appropriate information and academic training. Teachers guide students in developing skills in problem solving, research, and decision-making. At present Covid-19 is the example, most of the students taking coaching classes through online and most of the institutes provide the classes through online only. “Any teacher that can be replaced with a computer deserves to be.” - David Thornburg.

2. Technology encouraged self-preparation of students: In a traditional classroom, students who were struggling to learn new concepts would quickly fall behind their peers. With online assignments, however, students can advance at their own pace. Those who need more time or extra help can practice outside of class with guided exercises or additional coursework. So, too, can learners who want more of a challenge.

3. Technology can promote innovative learning methods of students: Using the technology we are tried to prepare our own materials and thinking innovative. Most of us thinking more efficiently to do new things and they don't dependent on peoples or lectures for better understanding of subject.

4. Discussion and debate boards and forums: By using the Internet or software tools, students can create online groups, Web pages, and virtual communities that connect them in real time with students and teachers anywhere around the world. They can receive feedback from their teachers and share questions and concerns about their lessons. By listening to and reading

about others' opinions and feedback, students refine their thinking, reaching higher levels of comprehension and deeper understanding. Online communities also present the opportunity for students to interact with others around the world.

5. Students are learning not only the concepts, but also how to use the technology resources they have. Technology-focused activities mostly require critical-thinking and problem-solving skills.

6. Readily available knowledge: Use of latest technology-based learning aids greatly helps student to improve their knowledge daily at school. Kids are able to retrieve all different types of information quickly than ever before. Using the technology, we are updated on day to day activities and amendments. Most of the students now a days likely to read in E-newspapers.

In a recent study on "2016 Digital Study Trends Survey" prepared by Hanover Research in October 2016, many students have claimed that digital learning technology improves their grades. The survey was conducted on over 3,300 students wherein they were asked to reveal their study habits and the role technology plays in learning. 84% of the students reported that use of technology improves their education. While 81% reported that digital learning technology saves their time and improves efficiency in learning. 81% claimed that digital learning technology helps them in boosting up their grades.

### **Negative Impact on Technology**

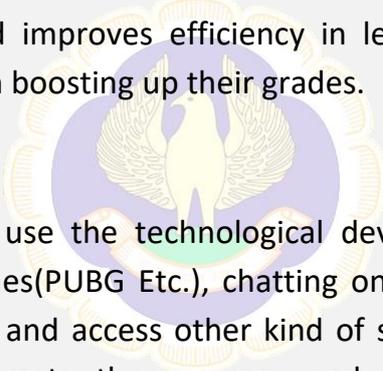
1. Distraction: Not all students use the technological device in the right way. There are students who use it to play games(PUBG Etc.), chatting on social networking websites(Face book, Instagram), playing music and access other kind of stuff (Tiktok) in the middle of the learning session. This just distracts them career and most of the students are not concentration on the studies.

2. Kills their creativity: Now a day's everything like project etc. readily available in the internet which kills the students creative mind. Best example of this most of the B.Tech students purchase their projects in the readymade market and submit the same in the colleges.

3. No practical Learning: Students may theoretically fit in learning through internet but they are not solve the practical problems. In India 75% of the Engineering students not having practical exposure in their subjects and they become now Jobless people in India.

4. Mis-information: Every time technology will not give correct information. In many times technology spreads misinformation. It means rumours spread very speedily compare to truth. Every information available in the Internet not correct and we need to analyze which one is correct and which one is wrong.

5. Traditional environmental classes : Student will interact with teachers through online only so they might miss traditional classroom environment.



Using this technology most of the persons are billionaires in their own life and most of the persons destroyed their life Steve Jobs, Mark Zuckerberg and Bill gates is the best example for using the technology and billionaires now and we cant estimate how many peoples destroy their own life using this technology.

Technology neither create student carrier nor destroy their life. We are not judge about technology whether it is good or bad in our life but depend on using of this technology we can judge whether it is good or bad in our life. During this Covid -19 pandemic situation, information plays a key role in spreading information very quickly now we are able to see minute to minute situation in the world and most of the students able to learn new classes through internet. From 21st Century we will mostly listen the classes using technology only..

**By**  
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## Essay no 2

Now a days in the decades of 20's Technology have become most advanced which impacts people, jobs, education and many others, but among the others it made a huge impact on Students.

Few of them are listed below:

### **Technology affords better access to resources**

With an Internet connection, we have access to information at our fingertips 24 hours a day. We can find almost anything online, in its most up-to-date version. For students, this means access to everything from research materials and educational apps, e-books, live classes to interactive edutainment and open resources from prestigious universities, institutes and more even to professional courses providing institutes around the world. They may, however, need instruction on how to find credible resources and direction on providing proper attribution when they use them.

Students can also supplement their learning by connecting with online groups and virtual communities and classes in real time, or by collaborating on group projects with tools such as wikis and cloud-based apps. And instructors can provide access to course material and other related resources by setting up portals through learning management systems or providing access to course-specific software for each learner. Blended learning a mixture of classroom technology and face-to-face learning is a popular way of organizing this.

### **Technology can improve student engagement**

Education technology can make learning more interactive and collaborative and this can help students better engage with course material. Rather than memorizing facts, they learn by doing. This could be as simple as taking an interactive quiz in class or participating in tech-enabled group discussions or as involved as playing educational games, practicing science experiments in a virtual lab or taking a virtual field trip.

For teachers, the possibilities are endless: from using simulation tools to demonstrate how a hurricane develops, to using virtual reality to practice medical procedures. “As a growing number of medical schools bring virtual reality into the classroom, students are finding it an effective way to learn complex subject matter, such as anatomy, that’s often easier to understand with hands-on practice”.

### **Technology can expand classroom boundaries**

Thanks to technology, the classroom no longer has walls. The learning environment no longer has boundaries. And instruction can be provided by any number of subject matter experts in addition to the person teaching the course.

“For example, Students can learn about the Arctic by following the expedition of a team of scientists in the region, read scientists’ blog posting, view photos, e-mail questions to the scientists, and even talk live with the scientists via a videoconference. Students can share what they are learning with students in other classrooms in other states who are tracking the same expedition”. Technology can encourage self-paced learning.

In a traditional classroom, students who were struggling to learn new concepts would quickly fall behind their peers. With online assignments, however, students can advance at their own pace. Those who need more time or extra help can practice outside of class with guided exercises or additional coursework. So, too, can learners who want more of a challenge.

Thanks to the always-on nature of technology, students can access resources online whenever they need to, and instructors can see which students might need extra help. The exercise of self-paced learning also helps students learn digital literacy and 21st century skills, which will be useful when they enter the workforce

### **Technology can promote innovative teaching techniques**

Technology changes the way we access information, but also how we’re taught that information. The instructor becomes less of a ‘sage on stage’ and more of a ‘guide on the side.’ From accessing course materials online to watching video-recorded lectures, technology opens up the possibility for teaching innovation: from collaborative group work to flipped and hybrid

classrooms. Instructors can also use classroom response systems to assess students' understanding of course material and adjust the pace or content as needed in real time.

### **How does technology impact students? A summary**

While technology is sometimes seen as a threat and it does have its limits integrating it into your teaching practice offers a new way for students to interact and engage with course material. Thanks to technology, education is no longer confined to the walls of your classroom. YouTube videos and social media don't have to be a distraction; they can be part of your course material. The math is easy: it adds up to better learning outcomes. Mostly it is also effecting the students quite opposite to the benefits like they have been addicted to Social Medias, Few Applications that entertain them in the ways of Dramas, Cinemas, Shows, Games etc. and many others which make them distracting from studying during their preparations for exams.

I want to conclude this by, if we use Technology within the limits in the sense of positivity, it will enhance the opportunities, resources, skills, talents and give more benefits. Definitely this will gives a positive impact on Students.



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**Navya Ambica**  
**SRO 0505881**



## INSTITUTE INFORMATION ACCESS

- Extension of time period for commencement of practical training on or before 31st May, 2020 to 31st July for appearing in Final examination to be held in Nov, 2022.

[https://www.icai.org/new\\_post.html?post\\_id=16526&c\\_id=347](https://www.icai.org/new_post.html?post_id=16526&c_id=347)

- 'Virtual Coaching Classes' commencing from 1st July, 2020 for students of Foundation, Intermediate and Final appearing in November 2020 examination.

[https://www.icai.org/new\\_post.html?post\\_id=16629](https://www.icai.org/new_post.html?post_id=16629)

Students can attend the classes at: <http://ecpl.live/icai/bos/vcc/>. The classes can also be viewed at ICAI YouTube.

- Extension of time period for registration in Foundation Course from 30th June, 2020 to 31st August, 2020 for appearing in Foundation Examination to be held in November, 2020

<https://www.icai.org/post/extension-registration-foundation-course>

## THANK YOU

