



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

# CA STUDENTS PULSE

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

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AUGUST'2020



SOUTHERN INDIA CHARTERED ACCOUNTANT STUDENTS ASSOCIATION

HYDERABAD

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## UPCOMING ATTRACTIONS

**A “CuLtUrAl BaNg” from Hyderabad branch for all the CA students:**

***Includes many attractions like online LUDO, Chess and many more!!!!***



## **SICASA HYDERABAD OFFICE BEARERS**



**CA RAJAMBAL MS  
CHAIRPERSON**



**CA SATISH KUMAR MYLAVARAM  
CO- CHAIRMAN**

## **STUDENT REPRESENTATIVES**

**Kumar Savara- {Cultural head}**

**Manvitha Katla- {Finance Head}**

**Madhu Babu Yanamala- {Academic Head}**

**Rekha Esalu- {Technical Head}**

**Sai Manoj Katla- {Study circle Head}**

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## JOINT MESSAGE FROM SICASA HYDERBAD CHAIRPERSON AND CO CHAIRMAN



### From the Editorial Desk



Dear Learners,

Welcome to the news letter for the Month of August. Happy Independence day in Advance to all the readers. This newsletter has come out when the uncertainties with regards to the exam being held are sorted once in for all. Now we all are set to prepare for the November exams that would be held. In a way a happy announcement that came out at the end of uncertain postponement and midst of Pandemic where writing exams would be equivalent to risking life.

This month holds a special place for me in my heart, it marks beginning of lot of festivals around, and I urge one and all to be careful in the festivities around. We at Hyderabad branch have also thought through and are bringing a range of celebrations and festivities to the entire students along with the student representatives. I would love to mention the hard work put by the team here without them the possibilities also would have been remote. We are coming out with online cultural celebrations for students, I urge students to participate in these activities and win exciting prizes. The details of the contest are inside the journal, please read carefully and participate.

Hyderabad branch has also designed a conference which would be a weeklong for the two hours every day on the digital focus which would help students to understand the dynamic change in the world scenario today. Details of the same are also enclosed in the newsletter.

Last month a couple of programs that we conducted went very well, but we still have to improve our engagement with the branch and increase student participation in numbers. I thank the student leaders who participated in the CA day celebration at the branch, and we envisaged a program for students who could not attend in person to interact on an online platform.

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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## STORY BEHIND SUCCESS

# CA RAGUNATH AKASAM

*-A Person with Joy, Happiness and Inspiration*



CA Raghunath Akasam is a Director and partner of Akasam Consulting, a professional group of Chartered accountants operating from Hyderabad since 1992. He started his career being a financial consultant to varied businesses. He also enjoys working with emerging businesses and closing deals in debt, equity and M&A sphere and also a guest faculty in the areas of banking, finance and investment banking at reputed institutions.

**My Career Highlight** is ----- says CA Raghunath Akasam

“One of my previous client who changed to another audit firm which is a reputed one (one of the BIG 4’s) has given a best compliment for our work as they got better services than the present one. This is informed by one of my friend working in that firm.”

Sir suggests current CAs to look into investment banking and fund management and other areas where MBAs are proving themselves whereas we CAs being capable to do all these things are not showing interest.

### **Strengths and Weakness**

**Strength** – I don’t know exactly what my strength is but what people say is “communication is my Strength and a good story teller too”, so I feel it as my strength.

Apart from that I am known in circle as a “Hard worker”, and I also feel myself as a “Good Team worker”.

**Weaknesses** – I have many weaknesses in me. Well, I am not a good Multi –tasker compared to this generation and not good at balancing things.

### **What you want to become when you were a kid?**

“When I was a kid we don’t have that much exposure, so I thought of becoming an Actor. But when I got a chance to choose between BIPC and CEC in the reputed institution APRJC, Nagarjuna sagar,

I thought of becoming a doctor but somehow I missed my BIPC seat and got into CEC. So, for me CA is an accidental study)

**When sir was asked -----**

**Did you experience any failures? If so, what did you learnt from them??**

I had many Failures. So whenever you are unable to achieve the things, Failure happens& it gives us an Opportunity to look back at the things so that we can find where the gaps are.

So, I had this habit of looking back at the things, that how else I could have attempted it and was there a gap in my attempt & whether there was any solution to fill that gap so that next time there shouldn't be any gap.

Most of the times I used to get the solution and many times I find a gap to work upon and that only strengthened my resolve and belief.

**Are there any mistakes that you have committed in the past and wanted to resolve them now?**

I don't say mistakes but I feel that many things that we do can be done on a Global Scale. I feel that we could have offered our services globally from the past with a better use of technology.

**So you have said that you are more interested in Investment Banking. What motivated you to really to go to that area???**

During My CA – Inter, I got attracted towards FM paper more because of its practicality nature. I found it very interesting as it teaches us how to value business & how to maintain debt – equity etc.

When I came to Hyderabad I wanted to work with a professional so I joined a small organisation ( because I want to meet my boss daily and want to learn from him directly), and he incidentally provided these services ( Investment banking) and I liked this more and I was more effective here. I never got bored to do this because of my interest.

As we are taught Finance we apply all our knowledge and expertise in the business by providing investment banking services. It is one area where we can see our efforts getting succeeded very faster and the relevance of our efforts can be found in the success of the business.

**Is Communication important for CA's?? And as everyone say, are MBA's good at their communication than CA's?**

I defer with this. MBAs are not taught communication separately; there are no separate sessions as such. CA is not a campus stream and In our time there was no internet, at that only physical congregation has to happen if you want to meet people, share your ideas or whatever we wanted to do and even to learn many things.

Information acquisition today is very very easy. Today, we have lot of conferences that are held by institute as a student body, where you attend, participate and you interact. We never had these at that time.

Now, MBA has its advantage in campus driven, where students are given lot assignments, to do these in industries practically which gives a slight advantage to MBA professionals.

In CA this generation are very communicative when compared to our generation as you have all the opportunities but people in this generation are lacking belief in themselves and preparation.

**What made you to choose practice over Employment?**

I did not think much on this. I wanted to feel how a practice will be as it over's a slight independence because it is all my work which I have to do.

People in employment will also be independent. When I was working with my boss I was damn independent and I was assessing the things. Then, I found the gap that there were very less firms which were offering the financial services and then seeing that gap I thought why not I exploit that gap and my flair for that subject, these two things made me do that.

**Who is your Inspiration?**

*My Inspiration is my Dad because of his simplicity, belief, hard work and his personal ethics. He was always positive and I call him as my Moral power.*

The inspiration for the partnership for me and my friends also came from him, He used to say that "If you are all good then the partnership will be good", which means individually each one of you has to be good not the partnership. He is a great example for me and I live my life mostly on his principles and though it is tough to match I always try to on par with him.

**If you could rewind and replay your career/life is there any particular thing that you wanted to do which you couldn't do?**

In life I feel that I should have tried acting. I Also feel that I should have started playing tennis during school/ college days which I started little late i.e., after passing CA I started playing tennis.

**There is usually a belief that we can still follow our dreams even after choosing/becoming CA, but there are some people who disagree with this saying that there will be no time and all CAs will be busy with their daily work. What are your comments?**

I say that these all are excuses. I started acting after becoming CA and started playing tennis too and now am working on fitness using this COVID crisis time.

There was this incident happened during my CA exams. World cup was happening at that time during my CA exams and being a cricket fan I never wanted to miss a single match. So , what I did was I bought the sports magazines everyday and kept them safe and after completing my exams I read all the magazines one by one in a chronological manner with some video footage and newspaper magazines which made me feel like as if I was reliving in those moments. Till that time I never watched a match.

So, what am trying to tell is CA is not the end of life. There will be always an opportunity to learn many things even at a older age if we are really passionate about it. Only we lose those 3-5 years because of the depth of the course and we have to learn it 100% as this course needs it. Once this study is done you will have all world time to do many things so there are no excuses, *CAs can do anything.*

**If in future you were given a choice to choose one ie., your profession where you are standing now or your passion where you wanted to reach. Which one will you choose?**

I will not lose my profession , my preference goes to it because I like this, and I will definitely squeeze in time to do rest of the things along with my profession.

In simple, follow the passion but no compromise on the efforts that you put in just to give an excuse.

***What are the changes that you have observed in today's education system. Whether it is good or bad? What are your suggestions?***

To be in particular with CA , its good I see a good exposure and I see question papers more practical when compared to our time paper.

The subject changes that have happened were also relevant to the outside world that you face the moment you come out after passing. But I would definitely feel that some sort of campus engagement would be more useful with practical orientation. Say, in COE we have residential programme we learn practical things in a campus environment. We can do those things where we can improve our communication and interpersonal skills so that we can compete MBAs in soft skills as earlier discussed.

***Lastly- A message to students!!!***

**"Pursue the passion, have more belief in yourself and follow your profession".**

**By**

**Team SICASA Hyderabad 2019-20**

## **ARTICLES OVERVIEW**

### **TOPICS:**

- ❖ GST on Real Estate Sector
- ❖ Reduction in TDS Rates- Impact & Benefits
- ❖ Comparison b/w Mutual funds & other investment options
- ❖ Emerging Technologies and benefits

Send your articles at  
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**We invite suggestions for topics of Newsletters for  
any month of SICASA Hyderabad**

# GST on Real Estate sector

Real Estate Sector plays an important role in the development of an economy. With the introduction of GST, it has a greater scope for levy. Many concerns were raised by builders/developers/promoters regarding high GST rates on the properties.



The Government has granted relief to some extent by reducing the GST rates on Real Estate Projects w.e.f 01/04/2019

These rates apply where the supply of services involves transfer of land or undivided share of land and its charges are included in the amount charged to customer. There were many controversial issues raised in this sector and rather than questioning the policy given by the Govt, first we need to understand the



- ◆ Issues presented
- ◆ Compliances to be followed
- ◆ Tax Planning
- ◆ Obligations on the Builder/Promoter/Developer and Landlord
- ◆ When will the liability arise & circumstances in which ITC can be claimed

## Types of Construction Projects

1. Builder purchases the Land & Constructs flats for the purpose of Sale
2. Works Contract or Service
3. Labour Contractor Service
4. Joint Development Agreement (JDA)/ Transfer of Development Rights (TDR)

### 1. Builder purchases the land & constructs flats for the purpose of sale

#### **Sale during construction phase**

- Ongoing projects shall attract GST at a rate of 1%/5%/12% respectively
- No ITC for Tax rates- 1%/5%
- ITC is allowed for Tax Rate– 12% (r.w.r42 of CGST Rules, 2017)

#### **Sale after completion of construction**

- No GST shall be levied for the purpose of
  - a) Sale of Land
  - b) Sale of Building

Where the entire consideration is received after completion certificate as per Schedule-III (Negative List) of the CGST Act, 2017.

- No ITC

#### Example for better understanding:

Amount received

Before/ During Construction (Advance Booking) – 5Lakhs

After Construction – 45Lakhs

Since entire consideration of 50Lakhs is not received after completion- GST shall be levied



**Metropolitan Cities**

(Bangalore, Chennai, Delhi, Noida, Ghaziabad, Gurgaon, Faridabad, Hyderabad, Kolkata & Mumbai)

- a) Carpet Area <= 60 Sq.mts and
- b) Cost of Flat <= 45Lakhs



**Non-Metropolitan Cities**

- a) Carpet Area <= 90 Sq.mts and
- b) Cost of Flat <= 45Lakhs

Any project exceeds the above limits shall be regarded as **Non-Affordable Housing Project**

- ◆ GST @1% shall be charged for Affordable Housing Project
- ◆ GST @5% shall be charged for Non-Affordable Housing Project

Note: Lower Tax Rates (1% & 5%) shall be discharged by debiting the electronic cash ledger (tax shall be paid in cash)

**Commercial Buildings/Projects**

**5%**  
Commercial Projects as a part of Residential Project where the Carpet Area does not exceed 15% of the total Carpet Area

**12%**  
In case of Purely Commercial Project/Complex



**Carpet Area:**

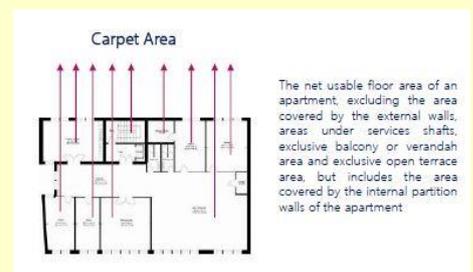
- ◆ Total Carpet Area (TCA) = Residential Space (RS) + Commercial Space (CS)
- ◆ Carpet Area of Commercial Project = Carpet Area of CS \* 100 / Total Carpet Area
- ◆ Values are based on the registered Stamp duty value in the document

**Points to be noted**

◆ Where Input and Input Services cannot be bifurcated, the builder has apply Rule-42 of the CGST Rules, 2017.

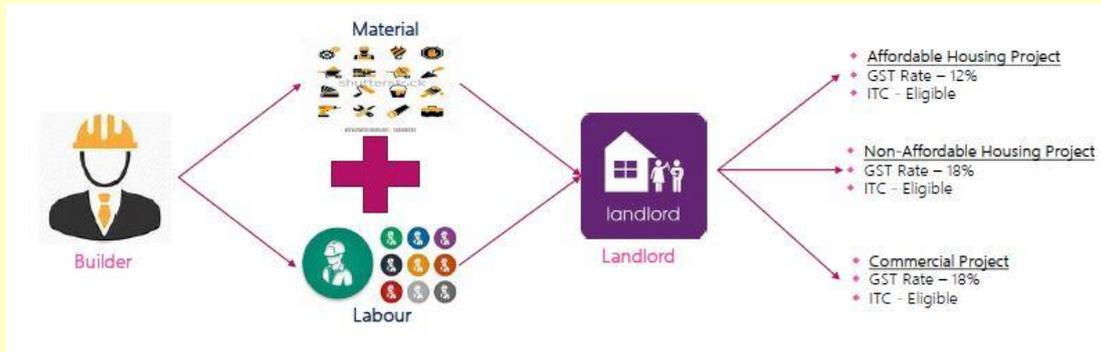
◆ Rule-42:

1. First avail full ITC in GSTR-3B (All other ITC/Common ITC)
2. Later reverse the ITC as per below formula (Ineligible)
3. Reversal of ITC u/r 42= Common ITC\* Carpet Area of Residential Project / Total Carpet Area



## 2. Works Contract or Service

Builder provides both Material and Service without purchase of land (i.e Land is held with Landlord only)



## 3. Labour Contract or Service

Builder provides only Labour service (i.e, Material Cost is incurred by the Landlord)



## Joint Development Agreement



## 4. Joint Development Agreements (JDA) or Transfer of Development Rights (TDR)





No GST on TDR when the total flats are sold before completion

**Exemption on TDR entry vide 41A/B Notification No 04/2019 CT(R) Dated: 07/03/2019**

GST is no longer payable on TDR/FSI/Additional FSI provided the following conditions are met

- Transfer shall take place on or after 1<sup>st</sup> Apr 2019
- Development rights are transferred for construction of residential building and is intended for sale wholly or partly
- Consideration or part thereof for the residential building has been received before issuance of Completion Certificate or its First occupancy whichever is earlier

**GST on Transfer of Development Rights (unsold flats)**

- The Builder is required to pay GST on the unsold flats under RCM
- Value of Supply– SDV as on the date of agreement
- Rate of GST -18% (Commercial– ITC is allowed)
  - -1%/5% (Residential– No ITC)

1. Notification No 04/2019CT(R) dated 29/03/2019- GST rate on TDR along with conditions
- 2 .Notification No05/2019CT(R) dated 29/03/2019– RCM u/s 9(3)
3. Notification No06/2019CT(R) dated29/03/2019– Time of Supply for TDR
4. Q.No7of FAQs (II) on Real Estate released by the CBIC dated 14<sup>th</sup> May 2019

**Supply-2: Construction of Flats (sold by Landlord)**

Service Provider –Builder  
 Service Recipient–Landlord  
 Type of charge - Forward Charge

- It is a supply of service from Builder to Landlord
- Value of Supply= SDV of Flat including land value
- Tax Payable by the Landlord= Sale Consideration of Flats(-) ITC on tax paid by the builder
- Rate of Tax= 1%/5% (No ITC), 12% (Full ITC)
- Landlord shall pay the GST to builder
- Builder is obliged to pay GST on the flats unsold by the Landlord



Note: Builder has to pay GST on the flats assigned to landlord irrespective of the sale of flats by the Landlord to the customers

**Why builder has to pay GST on the flats sold by the Landlord**

- ◆The Builder will not receive any monetary consideration and there might be a question arises
- ◆Why the Builder has to pay GST on the flats sold by the Landlord?
- ◆Since the Builder is getting a non monetary consideration in the form of development rights hence liable to pay GST on the flats sold by the Landlord
- ◆In this case the Landlords liability would be Nil (Net of ITC)
- ◆Net Liability to Landlord= Sale Consideration on flats– ITC on Tax paid by the Builder (GSTR-2A)
- ◆Builder has to deposit the GST to the Govt on the flats sold by the Landlord



Notification No 03/2019 CT(R) dated 29th March, 2019

**Whether landlord is required to register under GST**

Do Landlord required to get registered under GST

If the Landlord does not sell any flats during construction

If the Landlord sells any flats during construction

Not required to get GST registration

GST registration is mandatory

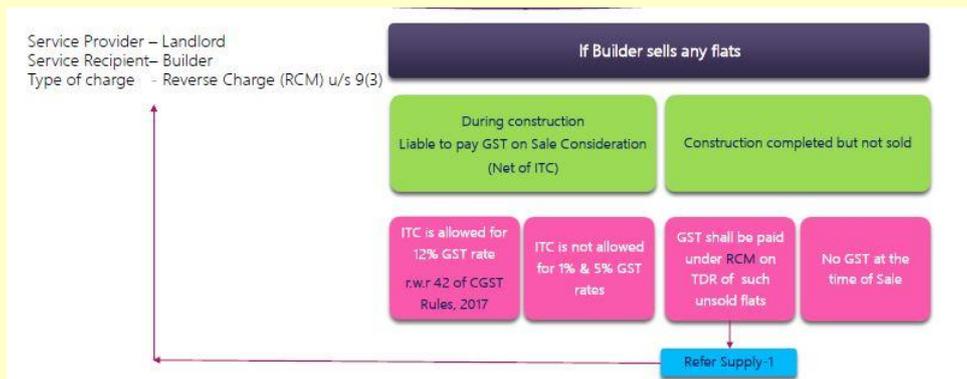
The term business has been assigned a very wide meaning in the CGST Act and also includes pecuniary benefits



The activity of transfer of TDR by a Landowner, whether an individual or not, to a Promoter is a supply of service u/s 7 of CGST Act, 2017

Q. No 39 of FAQs(I) on Real Estate released by the CBIC dated 07<sup>th</sup> May 2019

**Supply- 3: Sale of Flats (sold by Builders to Customers)**



**Conditions for availing ITC**

- ◆ITC cannot be availed for the projects on which tax paid reduced rates
- ◆80% of value of Input and Input services would be procured from registered supplier only
- ◆In case of Capital Goods procured from Unregistered persons, the Builder has to pay GST on RCM basis
- ◆Shortfall of 80% shall be paid under RCM @ 18%
- ◆Such shortfall shall be computed at the year end and shall be paid at the end of the quarter following the FY
- ◆Tax on Cement shall be paid in all cases (RCM & FCM)

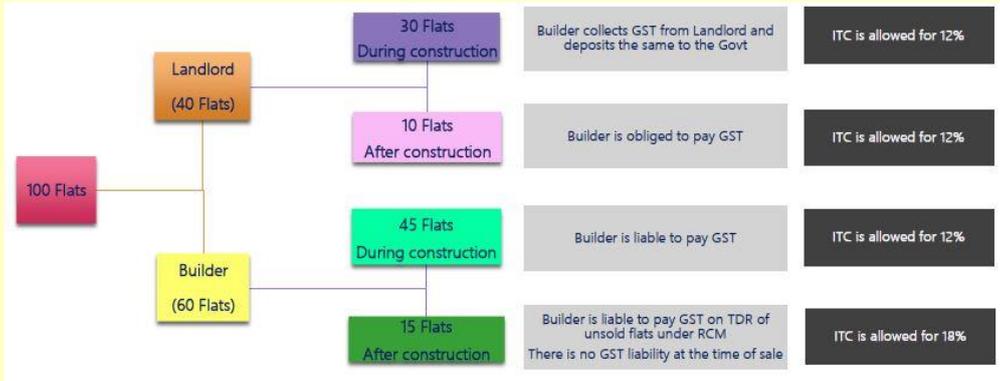
Purchases from Registered Persons	Purchases from Unregistered Persons	Cement from unregistered Persons	Amount to be paid under RCM	Tax Rate
50	50	0	30	18%
80	20	10	10	28%
50	30	20	Cement: 20 URP: 10	28% 18%
80	20	0	Nil	Nil

@28% on monthly basis

- ◆The promotor shall maintain Project Wise accounts in all outward supplies
- ◆ Promoter shall submit the DPR electronically on the common portal by end of the quarter following the FY

◆JDA & TDR with an Example:

A Landlord has entered into a Joint Development Agreement with Builder and has given a Transfer of Development Right (TDR) for construction of 100 flats at an agreed ration of 40:60



- ◆It can be understood that GST shall be levied on total 100 flats
- ◆Builder is responsible to pay GST on the whole flats to the Govt



Thank You

By  
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## **Reduction in TDS Rates- Impact & Benefits**

### **INTRODUCTION:**

TDS stands for Tax deducted at Source. The provisions of TDS are derived from the Income Tax Act, 1961 in conjunction with the Official Gazettes, Press Releases, Notifications etc. as announced by the Central Government.

As the name itself implies TDS directs at deducting the taxes as and when the income is generated (deducted at Source), despite of expecting the deductee to make the tax payment on filing their Income tax returns. Hence, TDS is a way to avoid tax evasion by the taxpayers.

### **BACKGROUND :**

The Parties involved in the transactions of TDS Applicability shall be:

**Deductor** -The person who deducts taxes from the specified payments to be made and shall deposit such deducted amount with the Government.

**Deductee** - The party whose tax is being deposited.

### **MECHANISM OF TDS :**

- The deductor shall deduct TDS on specified payments made to the deductee on the date of deduction which shall be the date of payment or date of credit in books of Deductor whichever is earlier.
- The deductee shall furnish details as his Pan Number which ultimately the deductor quotes in his TDS returns as the tax to be deposited to the respective PAN.
- The deductor shall deposit such TDS deducted for all the applicable transactions on or before 7 days from the end of the month in which the deduction is made, in essence 7th of the succeeding month to the Government's credit. However for the month of March, TDS can be deposited on or before 30th day of April.  
TDS can be deposited through the NSDL website and on successful transfer of funds it shall be updated in Government's OLTAS Application.
- Hence, the deductee shall be liable to receive the net amount after deducting the taxes from the gross amount of actual liability raised.
- The deductor is also bound to file the applicable quarterly TDS returns of Form-24Q or Form 26Q or Form 27Q etc. as the case maybe by the end of the succeeding month of every quarter by furnishing PAN of deductee , Section under TDS is deducted, date of deduction, challan details of tax paid, rate of TDS etc.
- In case of any defaults raised in furnishing incorrect PANs, Short Payments, Short deductions etc. in original TDS returns, the Deductor shall also file the corrections/ revision (if any) through e-filing website.
- After successful verification of TDS Return by the Government, deductor is bound to issue TDS certificate as Form-16,Form-16A,Form-16B,Form-16C,Form-16D etc. as the case maybe which shall subsequently be updated in FORM-26AS of deductee upon which he can claim the TDS on filing the IT Return for such Assessment year.

**CONSEQUENCES:**

❖ Non-Deduction of TDS : Where the deductor has not deducted the TDS which he is bound to, then it shall attract interest @ 1% for whole month or part of the month on such amount of tax which shall be calculated from the date on which such tax is deductible to the date on which such tax is deducted.

In addition to above, such payment shall be disallowed as an expenditure @ 30% for the purpose of computing income under the head "Profits and gains of Business or Profession".

❖ Non-Deposit of TDS to Government's credit: As per Sec 201(1A), Interest shall be levied at 1.5% for every month or part of a month from the date on which such tax was deducted to such later date on which tax was actually remitted to the Government.

The deductor shall pay the interest on TDS first, then file the quarterly statement.

**RECENT REDUCTION OF TDS RATES:**

As a part of Athmanirbhar Package, our Honourable Finance Minister has announced that the TDS rates on Non-Salaried transactions shall be reduced by 25% with effect from 14/05/2020 to 31/03/2021. It is a measure taken to provide more funds at the disposal of taxpayers amidst the COVID-19 Outbreak.

Hence the New rates of TDS shall be old rate less 25% for the transactions falling from 14-05-2020 to 31-03-2021.

However, for the transactions from 01/04/2020 to 13/05/2020 the old TDS rates shall prevail. Excerpt of the Press release by Ministry of Finance on reduction of TDS rates:

S. No	Section of the Income-tax Act	Nature of Payment	Existing Rate of TDS	Reduced rate from 14/05/2020 to 31/03/2021
1	193	Interest on Securities	10%	7.5%
2	194	Dividend	10%	7.5%
3	194A	Interest other than interest on securities	10%	7.5%
4	194C	Payment of Contractors and sub-contractors	1% (Individual/HUF) 2% (others)	0.75% (Individual/HUF) 1.5%(others)
5	194D	Insurance Commission	5%	3.75%
6	194DA	Payment in respect of life insurance policy	5%	3.75%
7	194EE	Payments in respect of deposits under National Savings Scheme	10%	7.5%
8	194F	Payments on account of re-purchase of Units by Mutual Funds or UTI	20%	15%
9	194G	Commission, prize etc., on sale of lottery tickets	5%	3.75%
10	194H	Commission or brokerage	5%	3.75%

11	194-I(a)	Rent for plant and Machinery	2%	1.5%
12	194-I(b)	Rent for immovable property	10%	7.5%
13	194-IA	Payment for acquisition of immovable property	1%	0.75%
14	194-IB	Payment of rent by individual or HUF	5%	3.75%
15	194-IC	Payment for Joint Development Agreements	10%	7.5%
16	194J	Fee for Professional or Technical Services (FTS), Royalty, etc.	2% (FTS, certain royalties, call centre) 10% (others)	1.5% (FTS, certain royalties, call centre) 10% (others)
17	194K	Payment of dividend by Mutual Funds	10%	7.5%
18	194LA	Payment of Compensation on acquisition of immovable property	10%	7.5%
19	194LBA(1)	Payment of income by Business trust	10%	7.5%
20	194LBB(i)	Payment of income by Investment fund	10%	7.5%
21	194LBC(1)	Income by securitisation trust	25% (Individual/HUF) 30% (Others)	18.75% (Individual/HUF) 22.5% (Others)
22	194M	Payment to commission, brokerage etc. by Individual and HUF	5%	3.75%
23	194-O	TDS on e-commerce participants	1% (w.e.f. 1.10.2020)	0.75%

However it may be noted that in the cases of non-availability of PAN, this relaxation won't apply and hence the TDS rate shall be same as earlier of 20% for all such cases pertaining to the current previous year.

### **IMPACT OF REDUCED TDS RATES:**

It can be assessed by considering 3 points of views:

1. Deductee
2. Deductor
3. Government

#### **a) Deductee:**

- Lower TDS rates are beneficial to Self-employed, Professionals, Senior Citizens as no reduction of tax rates is emphasized on the salaried payments.
- As the TDS rates are lowered, the deductor shall be deducting at such prescribed lower rates which helps the deductee in receiving higher amounts and increases current liquid funds.

- However the deductee should keep on tracking the estimated tax liability for the year as the TDS deposited is lowered the chances of him ending up paying the tax liabilities at the end of the year are more, hence he need to make proper estimations of his total income and pay advance taxes or utilise Chapter-VIA deductions etc. accordingly which helps him to arrive at nil tax liability or lesser tax liability or even can claim refund on the day of filing their income tax returns.
- Proper due care must be taken by the deductee at the time of investments or expenditures made in relation to amounts specified in Chapter VIA deductions as it does not mix up with the relaxation provided in light of preceeding Assessment year (AY 2020-21) to invest upto July 31st 2020 which to be shown in Schedule-DI of Income Tax return.

**b) Deductor :**

- As the TDS rates are lowered any interests arising on defaults of late payment, short deduction etc. will also be lowered as the interest calculation is ultimately done on TDS amount defaulted.
- The deductor shall also be able to make up to the compliances as per the laws.

**c) Government :**

- As the net amounts received by deductee is comparatively higher as otherwise it had been with the previous TDS rates, he shall be spending it on various aspects which enhances cash flows in the economy.
- Many of the businesses are in financial crunch due to lockdown & non operations, such decreased TDS rates shall ensure reasonable amounts of taxes with the government which it would otherwise might not be deposited if the earlier TDS rates are applicable.
- The relaxations provided shall also helps to maintain Fiscal policy of the nation.

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## Comparison b/w Mutual funds and other Investment options

The life we lead in the modern days became highly uncertain. The best example for this is the current situation we are encountering due to the pandemic. The deadly virus caused the world economy to standstill by creating unemployment in almost all sectors, even the large business giants and government organisations are opting for the pay-cuts and curtailments. The only financial weapon with the individuals to fight these financial crises is the "Savings". India is a country that is known for its propensity to save (As per a survey, Indian households contribute about 60 per cent of the country's saving).

There are many ways in which you can save your earnings. Generally, savings are kept aside as investments. Prime objectives of investments are to earn optimum return whether it maybe capital appreciation or interest income. Every investment will have their own risk and the return from such investment is commensurate with that risk. Some of the popular saving plans are investment in fixed deposits, government bonds, debt securities, equity instruments, gold, land and mutual fund.

Now we will discuss about the investment in mutual funds from a laymen perspective. Mutual fund is a kind of investment fund that is maintained and managed by the experienced professionals. This professional pools the money from the small investors (say public) and invests the said money in the stock markets. The name itself suggests that a 'Mutual fund' is like an investment channel that helps several investors to combine their resources to purchase stocks, bonds, and other securities. The mutual fund company is called as an Asset Management Company (AMC).

This combined underlying holding of the fund is called the 'portfolio' and each investor owns some portion of this portfolio and this portion which the person holds is in the form of units.



Mutual fund earns dividend income and capital appreciation from the investment made in the stock markets. Return so earned are given back to investors after keeping a certain per cent of the return as commission to meet the day to day expenses.



As the mutual funds directly invest funds in the stock market, the return from the mutual fund is subjected to market risk i.e, if market conditions are favourable then the return from the mutual fund will be high or vise-versa. Based on your risk appetite you can choose between the different types of funds offered by the mutual fund

Equity Fund – High Risk – High Return

Debt Fund – Low Risk – Low Return

Balanced Fund – Normal Risk – Normal Return

### **Advantages of Mutual Funds**

1. Mutual Fund investors can save tax under Sec 80C of the Income Tax Act. (Equity Linked Tax Saving Scheme)
2. Individual can invest lump sum amount or can opt of SIP's.
3. Provides increased diversification. This means, the AMC invest in a large number of securities to mitigate the investment risk.
4. Provides ability to participate in investments that may be available only to larger investors. For example, individual investors often find it difficult to invest directly in foreign markets.
5. Mutual Funds are operated in a highly regulated environment under the supervision of many laws and regulations, making the investors money more safe and secure.
6. Managed by professional investors who have rich experience in investment and can understand the market sentiments.

### **Disadvantages of Mutual Funds**

1. Higher professional management fee.
2. Entry and exist loads and lock in period.
3. As the return is subjected to market risk, AMC cannot guarantee a fixed percentage return.

### **Other Investments:**

There are wide ranges of options where you can park your savings. Some of the examples are Fixed deposits, Debt securities, Equity shares, Gold etc

Let us understand the difference between mutual fund and some of the other kind of investment

### Mutual Fund Vs Fixed Deposit

Mutual Fund	Fixed Deposit
1.Offered by AMC	1.Offered by banks
2.Do not guarantee fixed return	2.Has a fixed return
3.Return is subjected to the market risk	3.Return is not subjected to the market risk
4.Some equity linked schemes are eligible for tax saving under Sec80C	4.FD are also eligible for tax saving under Sec80C
5.Return will be in the form of a. Capital Appreciation b. Dividend Income	6.Return will be in the form of interest.

### Mutual Fund Vs Equity Shares

Mutual Fund	Equity Shares
1.No need to hold a demat account.	1.Demat account is mandatory
2.AMC's invest in shares on behalf of the mutual fund investors and those investments are managed by experienced professionals.	2.This is a direct investment into the share market by the individual. You have to manage your own portfolio.
3.Regulated by SEBI	3. Regulated by SEBI
4. Do not guarantee fixed return	4. Do not guarantee fixed return
5. AMC will take care of your money according to the rapidly changing environment	5.One should be aware of the active market conditions and take appropriate decision whether to hold or sell the investment.
6.AMC will charge a cost for its professional charges	6.Share broker charge account maintenance charges and levy a transaction charges.
7.Return will be in the form of a. Capital Appreciation b. Dividend Income	7.Return will be in the form of a. Capital Appreciation b. Dividend Income
8.Mutual Fund units can be in decimals	8. Shares cannot be decimals.

Finally, investor need to choose between the different alternatives based upon his/her risk appetite and their financial needs and goals.

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# Emerging Technologies and Benefits

## INTRODUCTION:

**Emerging technology** is a term generally used to describe a new technology, but it may also refer to the continuing development of an existing technology. Emerging digital technologies have generated new opportunities while creating new legal challenges, particularly related to copyrights, trademarks, patents, royalties, and licensing. Some of the hottest trends in Information Technology today are:

- (a) Virtualization
- (b) Grid Computing
- (c) Cloud Computing

## (a) VIRTUALIZATION:

Virtualization refers to the technologies designed to provide a layer of abstraction between computer hardware systems and the software running on them. The core concept of Virtualization lies in Partitioning, which divides a single physical server into multiple logical servers. Once the physical server is divided, each logical server can run an operating system and applications independently.

### Why Virtualization:

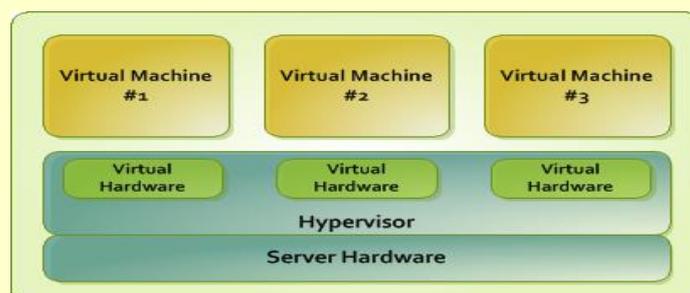
- Underutilized Hardware
- Data centres run out of space
- Green initiatives demand better energy efficiency
- System administration costs mount

## COMMON TYPES OF VIRTUALIZATION:

### (i) Hardware Virtualization:

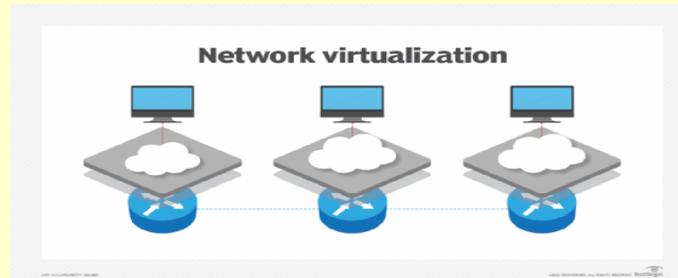
Hardware Virtualization refers to the creation of a virtual machine that acts like a real computer with an operating system. Software executed on these virtual machines is separated from the underlying hardware resources.

For Ex: a computer that is running Microsoft windows may host a virtual machine that looks like a computer with the Linux operating system; based software that can be run on the virtual machine. The basic idea of Hardware Virtualization is to consolidate many small physical servers into one large physical servers so that the processor can be used more effectively.



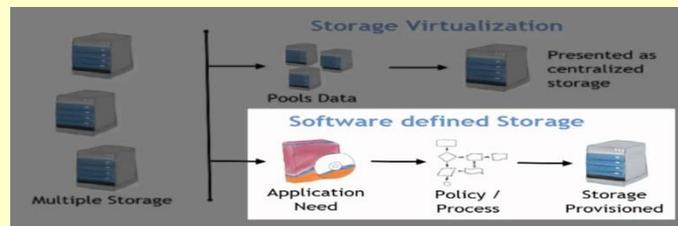
### (ii) Network Virtualization:

Network Virtualization is a method of combining the available resources in a network by splitting up the available bandwidth into the channels, each of which is independent from the others, and each of which can be assigned to a particular server in real time. This allows a large physical network to be provisioned into multiple smaller logical networks and conversely allows multiple LANs to be combined into a larger logical network. Network Virtualization is intended to optimize network speed, reliability, flexibility, scalability and security.



### (iii) Storage Virtualization:

Storage Virtualization is the apparent pooling of data from multiple storage devices, even different types of storage devices, into what appears to be a single device that is managed from central console. Storage Virtualization helps the storage administrator perform the tasks of backup, archiving and recover more easily and in less time by disguising the actual complexity of a Storage Area Network.



### BENEFITS OF VIRTUALIZATION:

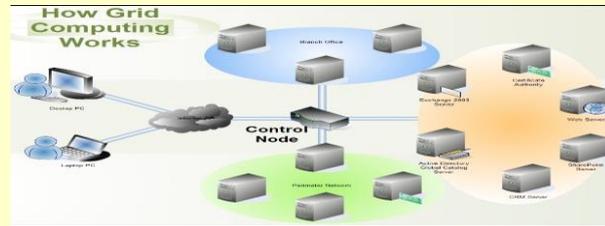
There are many benefits to consolidating the number of Windows servers in your environment by taking advantage of the many different server virtualization products on the market. These include:



### (b) GRID COMPUTING:

Grid Computing is a computer network in which each computer resources are shared with every other computer in the system. It is a distributed architecture of large numbers of computers connected to solve a complex problem. In the Grid Computing model, servers or

personal computers run in independent tasks and are loosely linked by the internet or low speed networks. It is a special kind of distributed computing. In distributed computing, different computers with in the same network share one or more resources. Every authorised computer would have access to enormous processing power and storage capacity.



### **BENEFITS OF GRID COMPUTING:**

Computer Grids are based on a very specifically defined architecture and offer equally closely defined benefits. Some of those benefits are:

- Making use of underutilised resources.
- The Grid can offer a Resource Balancing effect by scheduling grid jobs on machines.
- The potential for usage of massive Parallel CPU Capacity is the most common visions.
- Virtual resources and virtual organization for collaboration.
- In addition to CPU and storage resources, grid can provide access to additional resources.
- High end conventional computing systems use expensive hardware to increase reliability.

### **(c) CLOUD COMPUTING:**

Cloud Computing is the use of various services, such as software development platforms, servers, storage and software, over the internet, often referred to as cloud. The Cloud Computing Environment can consist of multiple types of clouds based on their deployment and usage. These are depicted and explained in the following figure as types of clouds:



### **Considerations of Cloud Computing Architecture:**

Cloud Computing Architecture refers to the components and subcomponents that typically consist of a front end platform, back end platforms, a cloud based delivery and a network. Combined, these components makeup Cloud Computing Architecture. The Cloud Computing Architecture consists of two parts:

- Front End
- Back End

### Service models of Cloud Computing:

The service models are dynamically changing as cloud providers come out with new offerings focused on being competitive, increase market share, each with the aim to becoming one stop shop. Mainly, there are five Cloud Computing Service based models. They are given as below:



### Characteristics of Cloud Computing:

The following is a list of characteristics of a Cloud Computing environment. Not all characteristics may be present in a specific cloud solution. However, some of the key characteristics are given as follows:

- Elasticity and Scalability
- Pay per use
- On Demand
- Resiliency
- Multi Tenancy
- Workload Movement

### BENEFITS OF CLOUD COMPUTING:

If used properly and to the extent necessary, working with data in the cloud can vastly benefit all types of business. Mentioned below are some of the benefits of this technology:

- Cloud Computing is the most cost efficient method to use, maintain & upgrade.
- Storing information in the cloud gives us almost unlimited storage capacity.
- Since all the data is stored in the cloud, backing and restoring is relatively easier.
- In the cloud, software integration is usually something that occurs automatically.
- Once we register in the cloud, we can easily access the information from anywhere.
- Quick deployment once we opt for this method of functioning.

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## GENERAL AWARENESS

### How to deal with Anxiety & Depression

let us understand them one by one:

#### Anxiety:

I would like to walk you through a situation I witnessed. Here we go.... there was a friend of mine who was both intelligent & hardworking. It was our 1st attempt at IPC examination and we friends were confident about her clearing the exam. It was around 2 weeks prior to the exams, when I received a call from her and that was the first time I sensed fear and nervousness in her voice while conversing about skipping that attempt as her preparation did not feel good enough. Initially, I ignored her thought and stated it to be quite normal and suggested her to give it a hard try to atleast be able to figure out her capability. Despite all, she managed to give her 1st exam on accounts but once she finished the exam, she started crying believing that it did not go as expected. She was tensed about the 2nd exam yet prepared well for it too, but as soon as she visited the exam centre, her inner fear rushed so hard that she left home without giving the exam.

In the above situation, the condition which my friend was going through is nothing but "Anxiety". Virtually every human can relate to these symptoms because everyone has experienced anxiety at one time or another. Anxiety is a normal human experience. In fact, it can be a potentially beneficial response in anticipation of certain dangerous situations. The physical symptoms of anxiety are coming from your autonomic nervous system response. on the other hand, when it tends to be chronic, irrational, and interferes with many life functions. Avoidance behavior, incessant worry, and concentration and memory problems may all stem from problem anxiety.

#### Depression:

The story of my friend did not end there. This time it was her second attempt and to my shock, she skipped the attempt again because of her anxiety. Upon knowing the issue, my friends and I motivated and helped her to overcome the fear. Finally, she gave her 3rd attempt and cleared both the groups. Wow!! Isn't it a happy ending??

Not that soon though! The story continues, immediately after the results she joined a well-known firm for her article ship training and successfully managed all sorts of stress from work, classes and preparation for final exams, family etc. Two years later, she gave her 1st attempt at CA final exams but, unfortunately couldn't get through. This time she quickly regained her courage and determination to give a 2nd attempt but, flunked again. 3rd and 4th attempts were a flop too. By now, you can imagine how worse her situation could have gotten. Finally, in her 5th attempt, she decided to quit CA permanently. Although she left her course, she wasn't able to digest the failure act and motivated herself to prepare for the 6th attempt, this time things were different, she isolated herself from the outside world and stuck to her determination to not waste a peck of time and has seen many sleepless nights during her preparation. It was about a week before exams when she called her best friend to have a good conversation for a while. On the same

night, she hung herself to the fan. Yes, she committed a suicide. Reason?? She was going through the most ignored state called "Depression".

Depression is a mood disorder that causes a persistent feeling of sadness and loss of interest. Also called major depressive disorder or clinical depression, it affects how you feel, think and behave and can lead to a variety of emotional and physical problems.

### ***Why Anxiety Leads to Depression***

Anxiety disorders are much more than just nervousness and worrying. They can cause terrifying fear about things that other people wouldn't give a second thought to. Many people with anxiety disorders understand that their thoughts are irrational, but they still can't stop them.

It's a cycle. When you get anxious, you tend to have this pervasive thinking about some worry or some problem and you feel bad about it. Then you feel like you've failed, and you move to depression.

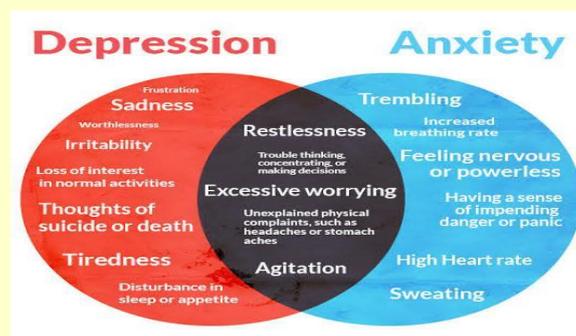
### ***Anxiety & Depression in India:***

It is hard to know when depression strikes. Depression and mental illness is still not talked about in the open but the sad reality is that more than 300 million people are falling prey to it. The number of people with common mental disorders globally is going up, particularly in a country like ours, where mental sickness is confused with 'madness' and considered a taboo topic. That is one reason why, cases of depression, anxiety and other serious mental disorders go largely unreported in a country like ours.

Depression is ranked by WHO as the single largest contributor to global disability. It is also the major contributor to suicide deaths.

India is the most depressed country in the world, leaving the USA and China behind. The maximum cases of anxiety and depression were found in India, with most cases going unreported. With 6.5% of the population suffering from some form of mental illness, this goes on to prove that there is a huge gap between patients and mental health care professionals to be filled. The ratio is quite staggering, with 1 doctor for every 1,00,000 patients. The numbers are very sad for India, where help does not come easy. With a suicide rate of 10.9 for every one lakh people, suicide is one of the biggest causes of deaths in the age group of 15-24.

## **Symptoms**



Some other symptoms:

- Being too conscious about self
- Lose/ death of a closed one
- Comparison
- Fear of being judged
- Abuse
- Health Problems
- .Feeling worthless or guilty
- Sleep problem
- Low motivation
- Poor concentration
- Significant changes in appetite

### **How to Deal ???**

**Cut Out Negativity:** Negativity will ruin your life. Negativity is a thing that takes away more than they give. So, cut out all your negative thoughts by engaging yourself in some activity. Congratulate yourself for every task or goal you complete, no matter how small or insignificant it is. Learn to appreciate things that you already have.

**Exercise:** Not only does regular exercise reduce the likelihood of heart disease and other illnesses, but it has also been shown to treat both depression and anxiety. There are various explanations for why this occurs. First, exercise releases endorphins, a feel-good chemical in the brain that improves mood. It also reduces certain immune system chemicals that cause depression and raises the body temperature, which promotes relaxation

**Yoga or meditation:** Regular meditation or yoga practice has been shown to ease symptoms of stress and anxiety. Mindfulness can also help you feel more connected to others, it can help you gain more control over your emotions and increase your ability to think about situations in a new light.

**Talk to your loved one:** You will never be alone. And talking to people is hard, but it can be very helpful. Tell your parents, friends, or someone you trust. Keeping a diary is also something that can help a lot. You can talk about your thoughts, but talking to a person is still very helpful.

**Distract yourself:** You can distract yourself with small activities. Try doing simple math in your head, grabbing a piece of paper, and folding it into multiple different shapes, splashing water on your face, or playing a word game. You can also do word or number puzzles like crosswords or Sudoku. For a quick distraction when you feel your emotions may overtake you, distract yourself with sensations, such as squeezing a rubber ball or holding onto an ice cube.

**Eat Healthy Diet:** The right choice of foods that are rich in proteins, nutrients, and vitamins are the natural supplements for depression treatment. Foods loaded with fiber and nutrients such as green vegetables, fruits, nuts and low-fat dairy products must be consumed. A study says that your brain needs lots of energy and nutrients for proper functioning. It helps to get your gut level back on track and boost your immune system.

**Get a Good Sleep:** A better and mindful sleep is an effective way to treat depression and stress. People dealing with depression have a hard time sleeping during nights or sleep too much known as insomnia or hypersomnia.

To get good sleep, follow these steps:

1. Make yourself busy throughout a day.
2. Follow a particular bedtime routine, say sleeping each day at 10 pm.
3. Avoid phones, tablets, laptop, and computer before bedtime to sleep on time.

Try to maintain your wake up routine the same time every morning, so that your body gets used to it. And fall asleep automatically as per routine. Get at least 8 hours sleep to free yourself from stress and anxiety.

**Avoid Drugs and Alcohol:** The consumption of excessive alcohol and drugs may lead to depression. The best way to deal with depression is by reducing the drinking of alcohol.

**Stop Comparing Your Life to Others:** No matter how hard you try to win people, some will not like you for sure. It is not compulsory that everyone should treat you well. The symptoms of depression persist when one tries to imitate the lifestyle of others. Overthinking about the future also makes you feel depressed. The best way is to live in the present moment and stop expecting things from others, stay away from negative people.

**Get a Pet:** If depression makes you feel lonely, pets can break the cycle. A pet can remind you that you're not alone. Pets offer unconditional love, which can be extraordinarily soothing when feeling isolated. Pets helps us to shake off feelings of worthlessness.

**Visit a Therapist:** When you have tried all the ways and still are not able to overcome anxiety & depression then there is a time to seek professional help and advice. He/She will provide you plans and ways to overcome the effect of anxiety and depression. A Therapist will talk to you and try to figure out the cause of your problems. The method of therapy will help you focus on new ways of thinking and behavior patterns. Therapy is helpful in understanding relationships, and how to change habits that reduce depression and anxiety level.

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# LEADING LIGHTS



## RAJINI GOPALAKRISHNA

### ***(First visually impaired woman chartered Accountant in India)***

The adage “*Eyes are Useless When the Mind is Blind*” applies aptly to Ms. Rajini Gopal Krishna, who has become a source of inspiration for all those who are blind by becoming first ever visually impaired Chartered Accountant from India.

#### **Reaching the first milestone – B.Com**

Rajani was a gutsy girl as she didn't crib about diminishing eyesight; she never wanted to lead her life in the mercy of others. Overcoming the difficulties faced due to deteriorating vision, she cleared her B.Com examinations. As the majority of folks get into some job after graduation, Rajani too tried for a job. Her bad eyesight became a bottleneck in fetching a job as the majority of employers rejected job citing the reason of poor eyesight. As the saying goes 'Blessing in Disguise,' Rajani was blessed by this behavior of the society. She decided to take up Chartered Accountant course and aim high instead of cribbing.

#### **Journey of becoming a CA**

Chartered Accountant course is one of the toughest one, and many graduates drop out of this course half way through as they lose hopes of completing it. This Girl Rajani was not one amongst the crowd. Her Left Eye also had started diminishing. As she has put in her words

*“It was tough for me to read the books, I had to keep it close to my eyes and read. Eyes used to get strained quickly. I had to find out alternate ways to keep up with the preparation phase. The solution I could find out is to read for few minutes and next few minutes close my eyes and recall what all concepts I had learned. This method helped me a lot to reinforce the concepts in my mind. This method worked out well as my eyes were getting enough rest.”*

On the commuting front, she used to prefer walking instead of relying on vehicles, but she had to depend on public transport for long distance travel. As days progressed, she completely lost her vision in left eyes too. She didn't get deterred; a good friend introduced her to screen reading software called JAWS. She learned effective usage of this software from teachers at Samrathanam Trust for disability, Bengaluru. She became well versed in operating computers. Overcoming all the hurdles, she appeared for 2002 CA exams and came out with flying colors. Also, it is worth mentioning that she is the first Blind CA from our nation. Rajani opines that practicing Meditation was pivotal for her success as it helps us to gain concentration. She regularly practices Sahaja Yoga – A form of meditation. The combination of yoga and use of screen reading software rekindled her determination to accomplish the CA course.

### **Career Journey after becoming CA**

It was Indian Group of Hotels that offered her the first Job. She served for Taj West end Hotel groups as Community Initiatives Facilitator. Her responsibilities were mainly of CSR, and also she had prepared budgets and submitted to the management. Later she applied to placement cell of ICAI and got an offer from IT giant Infosys in 2006. She played the role of accounting research activities and provided technical accounting and reporting updates to various wings. From 2016 onwards she is in charge of finance operations at CBM India, which is an organization working for the upliftment of the disabled community.

### **Awards & Recognitions**

Rightly Rajani Gopal Krishna has received various awards and recognitions. In 2005 she was awarded CavinCare Ability Award. She was felicitated by Governor of Karnataka, National Association for the Blind Bombay, Karnataka Welfare Association for the Blind, Rotary Club, Lions Club, and many social organizations. In December 2012, she was awarded Karnataka State Award on occasion of International Day of Persons with Disabilities.



Rajani Gopal Krishna is a person who can kindle the urge for pursuing higher studies not only among disabled members of the society but also to ordinary human beings.

## INSTITUTE INFORMATION ACCESS

Cut off date for conversion from Earlier scheme to Revised scheme to appear in November, 2020 Final Examinations- 1<sup>st</sup> August, 2020.

<https://eservices.icai.org/>

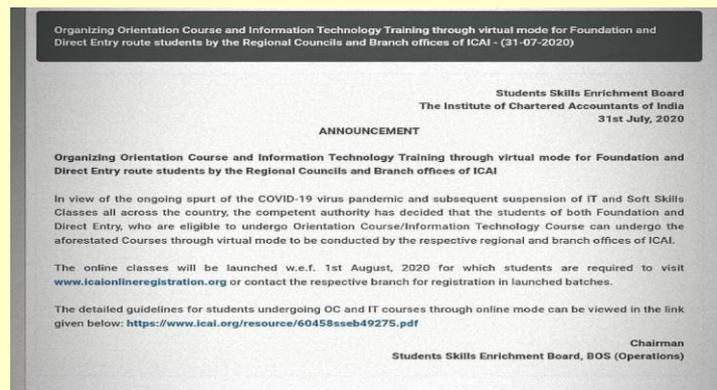
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<https://eservices.icai.org/>

November, 2020 Exam Schedule

<https://www.icai.org/resource/60304icai-exam-nov2020.pdf>

Organizing Orientation Course and Information Technology Training through virtual mode for Foundation and Direct Entry Route students by the Regional Councils and Branch offices of ICAI



***Details of Hyderabad Branch Digital Conference will be announced soon....please be updated***

***Hyderabad Branch ITT & OC Contact details for any query***

***6281898904***

***THANK YOU***

