

M O N T H L Y N E W S L E T T E R



SOUTHERN INDIA CHARTERED ACCOUNTANTS STUDENTS ASSOCIATION
THIRUVANANTHAPURAM



Rewind

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
THIRUVANANTHAPURAM





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SICASA Chairperson's Address

Beloved students...

We are into yet another festive month-
“December” the month of love, happiness, resolutions and hope. Hope for another healthy and wealthy year. Wealth will come behind health. Take care of your physical and mental health first.

I wish all my students a happy and successful new year 2023.

For you, January is the result declaring month too. Everything will come to you on its time. Be hopeful.

The GST seminar we conducted was a grand success . I would like to take this opportunity to thank the faculty CA Spudarjunan S for his valuable time spent. Also, I'm sincerely thankful to all the firms and the students which are behind this success.

Once again, wishing you all HAPPY NEW YEAR 2023. Spread love, care and knowledge.



CA Julie G Varghese
Chairperson
SICASA Thiruvananthapuram.

Secretary's Report

Dear Readers,

December month itself known to be celebration of joy and beginning of new chapters.

On the month of december SICASA Thiruvananthapuram has organised a Seminar on Gst Audit and it received immense responses from the students.

On the upcoming month SICASA has planned many other programs also. Expecting all of your cooperation.

Wish you all a very Happy New Year.

Enjoy Reading!



Karthika K

**Secretary
SICASA Thiruvananthapuram**

Editor's Desk

Cheers for the final newsletter of the year! December is the last page in everybody's calendar. At the Last Minute Often, the best gift you can give is simply to be there and spend quality time with the people you love.

And talking about the new year, there's always something magically motivating new beginnings, A new year, a new day, a new job, a new relationship, a new star.... These present us with the beauty and hopeful promise of a second chance and new potential.

Wishing you everyone a beautiful X'mas and New year!

Happy Reading!!!



Dhanya L

Editor

SICASA Thiruvananthapuram



New Year Resolution

We are humans with good and bad bundled together. Washing away unwanted habits from us and cultivating new and positive habits and disciplines as a part of life is necessary. Setting New Year Resolution is a good move to renew ourselves year after year.

What makes a perfect New Year Resolution? An idea that shapes and reflects you in a better way can be considered a New Year Resolution. As students, we should refine our thoughts, cultivate good habits and enhance our personality every year.

As it is widely believed that New year is a chance for many men to get rid of some old habits and bring positive and productive changes in their day to day lives. People from all walks of life set target and make resolutions in order to lead happy, content, peaceful and prosperous life.

Resolutions are often made to do away with bad and useless activities. All activities that let go time unproductive and yield into nothing are erased and replaced into new activities that never go in vain and bring productive changes. It's very hard to avoid rampant activities that destroy our lives.

- Akhila R
SRO0722703



Do you know the right way to reduce the Tax Liability?

Whether salaried individual or business owner, every person who is liable to pay income tax definitely tries to minimize the tax liability, at least for once. Even though it is unethical to save income tax and not pay the required tax amount as per your income, taxpayers still choose the following ways to minimize their tax liability;


Although these terms may sound similar and they also have a similar objective of minimizing the tax liability, but technically they are very different from each other and here's the difference between tax planning, tax avoidance and tax evasion.

Tax Planning

Tax Avoidance and

Tax Evasion








What Is Tax Planning?

Tax planning is a completely logical and legal way of minimising one's tax liability by availing the benefits of all the concessions, provisions, deductions and exemptions provided under the Income Tax Act.

Tax planning involves activities like income analysis, restructuring and investing, as particular investments made for a particular period can help the taxpayer avail a tax deduction. Life Insurance, Health Insurance, Fixed Deposits, Provident Funds, Mutual Funds and National Saving Certificate are taxpayer's some of the most preferred ways of making investments.

For business owners, choosing the type of business organisation, its capital structure and the products or services also helps in getting the tax benefits by the government for particular sectors. Also, purchasing the machinery instead of renting it helps the business owner in availing the benefit of depreciation







In India, taxpayers commonly make use of Section 80C to reduce their tax liability. As per Section 80C, if certain specified investments are made for a specified period, they can avail tax deduction for the same up to a limit of Rs. 1,50,000. The most common tax-saving instruments are investments in PPF Accounts, Tax Saving Fixed Deposit, National Savings Certificate, Provident Fund, Mutual Funds etc.

The primary aim of tax planning is not only to save taxes by any means, but to develop a long term, multi-faceted, logical and legal strategy that continues to channelise your income and optimise your taxes for years and years.

While paying taxes is your duty, you can use provisions within the law to reduce the amount that you pay as tax.





Tax Avoidance:

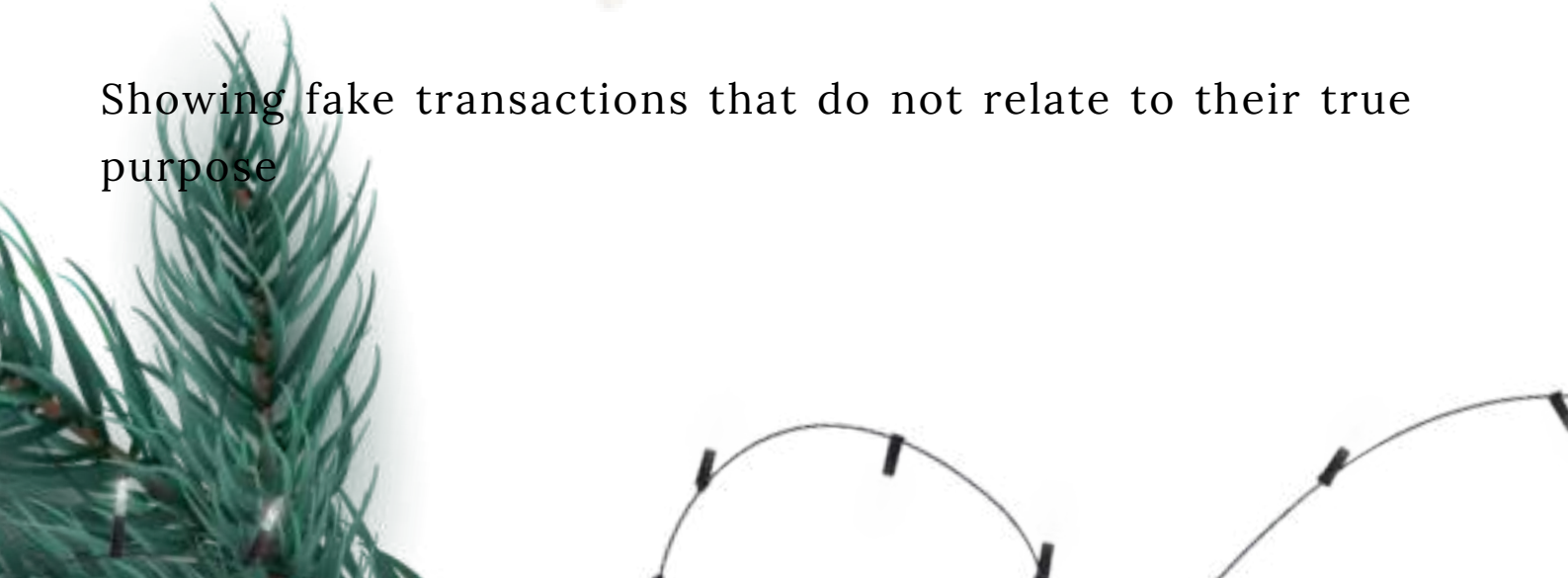
Tax avoidance primarily is an act of minimising one's tax liability by using legitimate methods that are within the limits of law or methods that do not break the law. Though tax avoidance also helps a taxpayer to minimise the tax liability like tax planning, but it is not as simple, straightforward and advisable as tax planning.

The activities in tax avoidance primarily focus on taking unfair advantages of the loopholes or lacunae in the income tax laws and manipulating the accounts in ways that help to avoid the taxes without breaking any rules or laws.

Though the process of tax avoidance does not break any laws or rules, but in some cases that reflect acts like;
Disclosing / Reporting less income

Hiding important facts related to tax calculation

Showing fake transactions that do not relate to their true purpose





In Using fabricated contracts and statements


Channelizing the funds through fake offshore branches

Tax avoidance may be included under the categories of fraud and crime.

What Is Tax Evasion?

Tax evasion is the activity in which an individual or an organisation deliberately underreports the income, inflates the deductions and shows bogus expenses in order to minimise the tax liability.

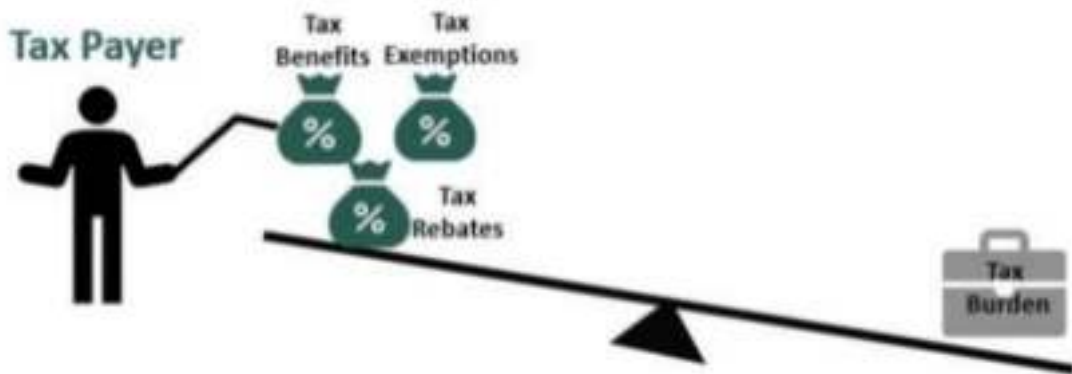
Moreover, acts like not reporting cash transactions and hiding money in offshore accounts, are also termed as techniques of tax evasion. Unlike tax avoidance which may or may not come under the category of fraud or crime, tax evasion is undoubtedly considered as a crime and the individual or organization opting the means of tax evasion to save the taxes are liable to face prosecution in criminal court and may be given a stringent punishment in the form of a heavy fine or imprisonment or both.





Which Is The Best Way To Reduce Tax?

Amongst tax planning, tax avoidance and tax evasion, wherein all the three focuses on minimising the tax liabilities, it is suggested that in the long term, tax planning is the logical, legal and best way to save taxes as well as to stay away from any legal trouble that may lead to a punishment like heavy fine, imprisonment or both.



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Glimpses of GST Audit Seminar



