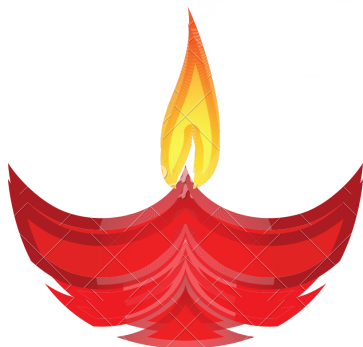




EICASA e-newsletter October 2022
The Institute of Chartered Accountants of India
(Setup by an Act of Parliament)

**Eastern India Chartered Accountants Students' Association
Of Eastern India Regional Council**

EICASA



**HAPPY
Durga Puja**



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Message from Desk, EICASA Chairman

Dear Students,

The exams are nearing. If you are appearing for the exams this time take care of your health and have adequate food and sleep to keep your minds in the right shape. I am sure you are working very hard. I wish you success.



In the last one month, the EICASA has organised various events successfully the highlights of which is as follows:

Sl.	Date of the Event	Name of the Event
1	18th September 2022	One Day Seminar on Accounting Standards on 18th September 2022 Speakers – CA. Shilpa Pandey CA. Manisha Gutgutia
2	19th September, 20th September, 21st September, 22nd September, 23rd September 2022, 26th September 2022 & 27th September 2022	Regular Half Day Seminar on Ind-AS Speaker – CA. Kartik Jindal
3	25th September 2022	Regional Level Quiz Contest & Best Paper Presenter (PPT) Competition
4	19th September 2022	Industrial Visit to Bisk Farm at Dhulagarh
5	22nd September 2022	Educational Tour to NCLT Kolkata
6	14th October 2022	MSME Study Tour



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I congratulate Mr. Snehil Garg and Mr. Uday Bhawsinka of our Eastern Region both from Cuttack Branch for winning the 1st Prize in the National Level Quiz Competition. I also congratulate Ms. Manisha Das & Mr. Abhijit Sett and Mr. Byband Medo, Mr. Swaraj Babu & Ms. Ankita Kumari Singh for representing the Eastern Region in the National Level in Quiz and PPT Presentation competition respectively.

I congratulate the new EICASA Managing Committee members and am sure that they will work hard for the cause of EICASA in this new tenure. I thank the outgoing EICASA Managing Committee members for their contribution to EICASA.

EICASA will come up with various Seminars, Workshops, Motivational Sessions, Industrial Visits, Sports' Meet etc. Please keep a regular track of events with www.eirc-icai.org, <https://bosactivities.icai.org/> and participate.

You can achieve all your dreams through dedication, commitment, discipline, perseverance, passion and most importantly by believing in yourself.

Wish your dream may come true

Regards,

**CA. Debayan Patra Chairman EICASA (2022 - 23) &
Vice Chairman EIRC (2022 - 23)**



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TOKEN

BEGINNING OF ACCOUNTING



Ms. Tanushi Jain
NRO0484044

Calculi, i.e. tokens, are small geometric clay objects, e.g. cylinders, spheres, cones, etc., found all over the near East from about 8000 B.C. until the development of writing. As precursors of both mathematics and writing, these were part and parcel of the Neolithic Phenomenon. With more complexity in economy and social structures, tokens acquired diversity in shape having complicated designs of incisions and holes.

Standardization of tokens meant that they had great power for recording-keeping and contracts.

Sumerian Clay Bulla-Envelopes, 3500 BC

A collection of tokens could represent a future promised transaction, or be kept in an archive (in a temple or palace) as a record of a past transaction. Both contracts and archives required secure methods. Envelopes



provided a secure storage to the tokens. Mesopotamians devised two systems of storage first, piercing the tokens with small holes, stringing them on a piece of cord and attaching the ends of the string to a solid lump of clay, called a BULLA, and second, storing tokens inside a hollow clay envelope called Bulla-Envelope marked by a seal. Any attempt to alter the number or type of tokens would involve breaking seals. These two

complementary methods were used differentially for plain and complex tokens.

Since a Clay envelope was not transparent, they decided was to impress the tokens on the outer surface of the envelope before sealing them inside. Those marks served as a reference. The envelope could be open to check in case of any dispute. Then simple tokens were impressed to make marks on a solid lump or tablet of clay. Only the tablets were then kept. Within a couple of hundred years, this was used for complex tokens. Because of there complicated shapes and design, images of tokens were drawn on the tablet. This new system, in place by about 3000 B.C. , through easy in storage, was not sure. It was the beginning of a numeration system.

BULLA envelopes represented a personal account about debtors or Stewards with list of inventories. The total sum of tokens inside the envelopes or on a string represented the equity then a creditor lent to debtor, which is similar to a super account or a Balance sheet, as the aggregation of the tokens revealed individual assets in its details, and an equity interest or part of it in its totality.

Beginning of writing

Need to record economic transaction gave rise to the birth of writing system. Starting around 4000 BC , administrators in cities in search for ways to record information, Started drawing pictographs on wet as memory aids, and, once dried, the clay was very durable. These pictographs were made by drawing a

sharp stick or reed across the clay. Circular or crescent- shaped impression alongside the pictographs represented numerical symbols. Use of small tokens of clay in geometric shapes represented numbers or quantities. Over the time pictographs involved and became more abstract turning into what we know today as cuneiform. The bulla or envelopes represent the dawn of written language.





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HOW TO MINIMIZE TAX LIABILITY ?

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;



Mr. Md Ashir Shamsi
ERO0260258

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
- 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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Eicasa E-Newsletter Committee

For the Term 2022-23



Ms. Radhika Kripalani
Treasurer, EICASA



CA. Mayur Agrawal
Nominated Member, EIRC



Mr. Ankit Das
Vice-Chairman, EICASA



Mr. Aditya Narayan Gaur
Secretary, EICASA



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Announcement

Mock Test Papers Series-I from November 1st, 2022 for students appearing in CA foundation for December 2022 examination - (18-10-2022)

Live Coaching Classes (LCC Batch-6) commencing from 14th October 2022 for the Students of Intermediate Course appearing in May 2023 exam. - (10-10-2022)

Live Coaching Classes (LCC Batch-5) commencing from 14th October 2022 for the Students of Final Course appearing in May 2023 exam. - (10-10-2022)



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