

MANGALURU BRANCH OF SICASA OF ICAI



# GARUDA

MONTHLY NEWSLETTER

DECEMBER



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# CHAIRMAN'S MESSAGE



Dear Students,  
Greetings to all!



**CA. B NITHIN BALIGA**  
**SICASA CHAIRMAN**



As we come to the close of December 2025 and step into a new year, I take this opportunity to wish each one of you a very Happy New Year 2026. May the coming year bring good health, happiness, success, and new milestones in your professional journey.

With January 2026 examinations just around the corner, I extend my best wishes to all the students appearing for the exams. Stay calm, focused, and confident—your consistent efforts and preparation will surely yield positive results. Believe in yourself and give it your very best.

## Highlights of December 2025

Despite a busy academic and professional calendar, we successfully conducted a few meaningful programmes during December:

- „ Industrial Visit to MRPL – An enriching experience that gave students practical exposure to large-scale industrial operations and real-world applications of theoretical concepts.
- „ Industrial Visit to Gayatri Exports – A valuable learning opportunity that helped students understand business processes, export operations, and compliance requirements.
- „ One-Day Seminar on GST – A focused technical session that enhanced students’ understanding of GST provisions and their practical implications.

I would also like to sincerely apologize to the students for not being able to conduct the AURA Workshop during December 2025 as planned, due to unavoidable circumstances.

## Looking Ahead – January 2026

We are excited to share that AURA is planned to be conducted in January 2026:

- „ AURA – Mangalore



In addition, we are also planning a Members and Students Cricket Match, aimed at fostering camaraderie, teamwork, and a spirit of togetherness beyond academics.

We look forward to your continued support and enthusiastic participation in the months ahead. Until then, stay focused on your exams and take good care of your health.

Wishing you all success, positivity, and a wonderful start to the New Year.

Best regards,  
CA Bantwal Nithin Baliga  
SICASA Chairman  
Mangaluru Branch of SIRC of ICAI  
December 2025



# ACTIVITY REPORT





The Mangaluru Branch of SICASA of ICAI organised a one-day seminar on 'GST 2.0 to Compliance', bringing together insightful sessions by distinguished speakers.

CA K. P. Vikas Shenoy delivered an excellent overview of GST along with key recent changes.

CA Shraddha Sanghvi covered the intricacies of outward supply and reporting under GSTR-9 and 9C.

CA Joystan Dsouza further enhanced the session with his talk on Input Tax Credit and reconciliation with relevant annual return tables.

The day concluded with an inspiring session by Dr. Deepa Kotari on 'Mind Audit – Investing in Your Well-Being' reminding participants of the importance of balance alongside technical learning.

It was a truly enriching day of knowledge and growth for all attendees.



# Beach Cleaning Drive - 2025



A morning well spent at Tannirbavi Beach

The beach clean-up drive organised by the Mangaluru Branch of SIRC of ICAI and the Mangaluru Branch of SICASA of ICAI was a reminder of what collective efforts can achieve.

The enthusiasm and commitment shown by the students transformed simple actions into meaningful impact, leaving behind not just a cleaner shoreline, but a stronger sense of community.

Because social responsibility is not an option, it is a duty.



## Industrial Visit - MRPL & Gayathri Exports



The Mangaluru Branch of SICASA of ICAI organised an industrial visit to MRPL and Gayathri Exports on 23rd December providing students with an excellent opportunity to gain firsthand exposure to large-scale industrial and manufacturing operations.

The visit enabled students to understand practical aspects of industry practices. The interactive sessions and detailed explanations offered during the visit made the experience highly informative and enriching for all participants.

Sincere gratitude to MRPL and Gayathri Exports for their warm hospitality and cooperation, which played a significant role in enhancing the overall learning experience of the students.





MANGALURU BRANCH OF SICASA OF ICAI



SICASA Committee 2025-26

### OFFICE BEARERS



CA Nitin Baliga  
SICASA Chairman



Bhoomika M  
Vice Chairperson



Aditi Raj  
Secretary



Justin Joseph  
Treasurer

### MEMBERS



Mohammad Raazee



Avinash Bhat K



Pallavi K



Samiksha



Madhusoodan C H



Sharan V S

### CO - OPT MEMBERS



Stacia Deelan Roche



Rajashree Sunder Hegde



Rajath K



Sowparnika Bhaktha

Mangaluru Branch of SICASA of ICAI is pleased to welcome the newly inducted Co-opt Members - Stacia Deelan Roche, Rajashree Sunder Hegde, Rajath K and Sowparnika Bhaktha!

Their association is expected to add value through active participation and meaningful contributions towards initiatives for the CA student community.

Wishing them a successful and enriching tenure.



# ARTICLES



# THE MIND BEHIND THE NUMBERS



Shannel Dsouza  
SRO0798373

When people hear the term financial analyst, they often imagine someone buried in spreadsheets, surrounded by numbers and formulas. In reality, a financial analyst is much more than a number cruncher. They are storytellers of data, strategic thinkers and trusted advisors who help businesses and investors make informed decisions. In a world driven by uncertainty and rapid change, the role of a financial analyst has never been more relevant.



## Introduction

A financial analyst studies financial data to understand performance, predict future outcomes and support decision making. They work across industries such as corporates, banks, investment firms, startups and even government bodies. What makes the role exciting is its impact. A well prepared analysis can guide a company's expansion, influence an investment decision or help manage financial risk. As the saying goes, "Numbers don't lie, but they need the right interpreter."

## What Does a Financial Analyst Really Do?

At the core of the role, a financial analyst evaluates financial statements, tracks market trends, prepares forecasts and builds financial models. They assess profitability, liquidity and risk to provide clear insights. Whether it is analyzing a new project, valuing a company or reviewing budgets, analysts translate complex data into meaningful conclusions that decision makers can trust.

## Analytical and Technical Expertise

Strong analytical skills are the foundation of this profession. A financial analyst must be comfortable working with large datasets, understanding ratios and identifying patterns. Technical knowledge of accounting, finance and economics is essential. Proficiency in tools such as Excel, financial modeling software and data visualization platforms helps analysts present insights clearly and effectively. After all, "Good analysis is not about more data, but better understanding."



## Business Awareness and Strategic Thinking

Beyond technical skills, a good analyst understands the business environment. Knowing how industries operate, how markets respond to economic changes and how regulations impact finances allows analysts to add depth to their work. Strategic thinking enables them to look beyond historical numbers and focus on future possibilities.

## Communication and Professional Judgment

An often overlooked skill is communication. Financial analysts must explain their findings to people who may not be finance experts. Clear reports, persuasive presentations and the ability to answer tough questions are critical. Equally important is professional judgment, that is, the ability to apply logic, experience and ethics while forming conclusions.

## Conclusion

The role of a financial analyst blends logic with insight and precision with perspective. For professionals such as Chartered Accountants, this role feels like a natural extension of their training, combining financial knowledge with analytical thinking. In an age of data overload, the true value of a financial analyst lies in clarity, credibility and confidence. As businesses continue to rely on informed decision making, financial analysts will remain the quiet force guiding growth, proving that behind every smart decision, there is a sharp analytical mind at work.



# CRYPTOCURRENCY INVESTMENT

## THE DIGITAL FRONTIER OF MODERN

## FINANCE



Apeksha A Kamath  
SRO 0757783

Imagine telling your grandparents that you're investing in something that doesn't physically exist. No gold, no paper, not even a shiny coin to hold rather just a string of code on the internet. They would look at us like we are the craziest generation they have encountered, right?

Yet, here we are in a world where digital currencies are not just real, but reshaping the very existence of finance. Cryptocurrency has become the buzzword of the decade, and for many young adults, it's the first step into the world of investing. But like any powerful tool, it demands understanding, caution, and a good dose of curiosity.



## WHAT IS CRYPTOCURRENCY?

Cryptocurrency is a form of digital or virtual currency that uses cryptography for security. Unlike traditional currencies issued by governments (fiat money), cryptocurrencies operate on decentralized networks based on blockchain technology.

What are the key features, you ask?

- Decentralization : No central authority controls it
- Transparency : Transactions are recorded on a public ledger
- Limited Supply : Many cryptocurrencies have a cap on supply (e.g., Bitcoin)

## WHY ARE PEOPLE INVESTING IN CRYPTOCURRENCY?

The appeal of cryptocurrency lies in its potential for high returns and its role in the future of finance. Here's why many are drawn to it:

- High growth potential : There is still a small part of our adult brain that believes in 21 din mein paisa double and cryptos sound like such a venture if invested without prior knowledge promising lucrative returns.
- Diversification of investment portfolio : It offers diversity in one's portfolio thereby loss hedging opportunity
- Hedge against inflation : With inflation increasing, cryptos can prove to earn returns at a higher rate than the prevalent inflation rate in the market.



- Access to global financial systems: With cryptos recognized as a globally accepted form of payment in many economies, it gives access to global financial markets to an investor.

## UNDERSTANDING THE RISKS

With great potential comes great risk. Cryptocurrency markets are known for their volatility and unpredictability. A tweet can send prices soaring or crashing. Here are some risks to consider:

- Regulatory uncertainty
- Market volatility
- Security threats (hacks, scams)
- Lack of consumer protection



## SMART STRATEGIES FOR CRYPTO INVESTMENT

Investing in crypto doesn't mean throwing caution to the wind. Here are some strategies to navigate this space wisely:

- Start small and diversify
- Use trusted platforms and wallets
- Avoid emotional trading
- Consider long-term holding



## LOOKING AHEAD – THE LONG GAME AND WHERE WE MIGHT END UP

Cryptocurrency is still in its early stages. While the road ahead is uncertain, the potential is immense. From decentralized finance (DeFi) to NFTs and smart contracts, the applications are expanding rapidly. Being financially literate in this domain means understanding not just the coins, but the technology and trends shaping the future.



So in conclusion,

As I continue my journey into adulthood, I've realized that understanding cryptocurrency is not just about chasing profits. It's about being part of a financial revolution, about learning how to navigate a new world with confidence and caution.

I would lastly like to quote that "There is no charm in borrowed brilliance". Let us all make our own research, our own mistakes while trading and thereby own up our investment journey in a much more aware and responsible manner.



# TAXED TWICE? NOT ANYMORE – UNRAVELLING DTAA AND ITS IMPACT ON CROSS – BORDER TAXATION

Thejasvi  
SRO0824033

What is DTAA (Double Taxation Avoidance Agreement)?

A Double Taxation Avoidance Agreement (DTAA) is a bilateral tax treaty signed between two countries to avoid taxing the same income twice—once in the country where the income is earned (source country) and again in the country where the taxpayer resides (residence country).

Why is DTAA important?

When an individual or business earns income in a foreign country but is a resident of another, both countries may claim the right to tax that income. DTAA resolves this by:

- Ensuring income is taxed in only one country, or
- Allowing tax credit in the resident country for tax paid in the source country.



## Key Features of DTAA:

1. Avoidance of Double Taxation – Prevents tax being paid twice on the same income.
2. Certainty and Relief – Offers clarity on which country has taxing rights.
3. Promotes Cross-Border Trade and Investment – By avoiding tax barriers.
4. Defines Tax Rates – Limits withholding tax rates on dividends, interest, royalties, etc.
5. Applies Only to Tax Residents – One must be a resident of one of the treaty countries to claim DTAA benefits

## Key Interpretational Principles in DTAA Application

DTAA	Income Tax Act	Remarks
If the treaty does not address a particular dispute	But Income Tax Law contains relevant provisions	Refer to income tax Act for guidance on the matter.
If treaty includes certain provisions	But law is silent on dispute resolution mechanism	Refer Treaty



DTAA	Income Tax Act	Remarks
If treaty has a provision	Income tax law also has the same provision	Follow whatever is more beneficial for the taxpayer
If treaty has some provisions	Law has contradictory provisions	Treaty will prevail

Under the Income-tax Act, 1961, the following types of double taxation reliefs are provided to avoid taxing the same income twice:

1. Bilateral Relief Sections Covered: Section 90 and Section 90A When Applicable: When India has entered into a DTAA with another country or specified association.

Two Methods:

1. Exemption Method

o Income is taxed in only one of the two countries.

2. Tax Credit Method

o Income is taxed in both countries, but credit for foreign tax paid is allowed against Indian tax liability.

o Credit is restricted to the lower of:

- Indian tax payable on such income, or
- Foreign tax paid.



2. Unilateral Relief Section Covered: Section 91 When Applicable: When there is no DTAA with the foreign country.

Conditions:

- The taxpayer is a resident in India.
- Income is earned and taxed in a foreign country.
- Income is included in total income in India.

Relief:

- Deduction (credit) of foreign tax paid is allowed.
- Credit is limited to the Indian rate or foreign rate, whichever is lower.

Section 90 of the Income-tax Act, 1961 applies when India has entered into a Double Taxation Avoidance Agreement (DTAA) with another country. It allows the Central Government to provide relief from double taxation, facilitate exchange of tax-related information, and prevent tax evasion. This section is applicable when an Indian resident earns income from a foreign country that has a DTAA with India, and such income is taxable in both countries. In such cases, the assessee can invoke the DTAA provisions to claim relief, typically through exemption or tax credit, thereby avoiding double taxation on the same income.



Section 90A of the Income-tax Act, 1961 applies when India enters into a Double Taxation Avoidance Agreement (DTAA) not with a foreign country, but with a specified association (e.g., tax authorities of Taiwan). It provides similar relief as Section 90, enabling a resident of India to claim exemption or tax credit on income taxed in both jurisdictions. The assessee must furnish a Tax Residency Certificate (TRC) and other prescribed documents to avail relief under such agreements, thereby avoiding double taxation even in cases where a formal inter-country treaty does not exist.

### Key Conditions to Claim DTAA Relief (under Section 90/90A)

- Taxpayer must be a resident of a DTAA country.
- Must furnish a Tax Residency Certificate (TRC).
- Submit Form 10F and declaration of beneficial ownership.
- Confirm no Permanent Establishment (PE) in India if applicable.



Section 91 of the Income Tax Act provides relief from double taxation when India does not have a Double Taxation Avoidance Agreement (DTAA) with another country. If an individual or company earns income from such a country and pays tax there, Section 91 allows them to claim credit for the foreign tax paid against their Indian tax liability on the same income, thereby preventing double taxation. This credit is available only if tax is actually paid abroad and the income is taxable in India. To claim this benefit, the taxpayer must provide proof of tax payment in the foreign country. Essentially, Section 91 acts as a safety net to ensure taxpayers are not taxed twice on foreign income when no DTAA exists between India and the other country. Example: Mr. X, a resident of India, earns consultancy income in Country Y (with which India has no DTAA). He pays 10% tax in Country Y. India also taxes that income. Under Section 91, he can claim credit for foreign tax (up to the lower of Indian or foreign tax rate) to avoid double taxation.

## What is Form 10F?

Form 10F is a self-declaration form required under the Indian Income-tax Act, 1961. It is used by non-resident individuals or entities to claim relief under the Double Taxation Avoidance Agreement (DTAA) between India and their country of residence. It is typically submitted to an Indian payer (like a company or financial institution) to avoid or reduce tax deduction at source (TDS) on income such as:

- Royalties
- Fees for technical services
- Interest
- Dividend
- Business income (if applicable)

## Why is Form 10F Required?

India has DTAA agreements with over 90 countries to prevent double taxation. Under these treaties, a non-resident may pay reduced or zero tax in India, provided:

1. They are a tax resident of the other country, and
2. They do not have a permanent establishment (PE) in India.

To avail these benefits, the non-resident must provide:

- A Tax Residency Certificate (TRC) from their home country
- Form 10F – a declaration with key details required by Indian tax authorities



## Who Needs to File Form 10F?

- Any foreign entity or individual receiving income from India and wanting to claim DTAA benefits.
- Examples: foreign consultants, investors, licensors, lenders, or overseas group companies.

In certain cases, DTAA benefits may not be available if the non-resident has a Permanent Establishment (PE) in India.

## What is Permanent Establishment?

A Permanent Establishment (PE) is a fixed place of business through which a foreign enterprise carries out its operations in India, either wholly or partly. If a PE exists, the income attributable to that PE is taxable in India. Common types of PE include fixed place PE, service PE, construction PE, and agency PE. Most treaties define PE based on time thresholds, physical presence, or the authority to conclude contracts in India. Therefore, evaluating whether a PE exists is crucial before claiming DTAA benefits.

## What is not a PE?

Certain activities are generally not treated as a Permanent Establishment (PE) because they are considered auxiliary or preparatory in nature. These include the use of storage facilities solely for display or delivery of goods, maintaining stock for processing by another enterprise, purchasing goods or collecting information, and operating through an independent agent who acts in the ordinary course of their business. As long as these activities are minor and not core to the business operations, they do not create a taxable presence under most DTAAs.



## What is a Tax Residency Certificate (TRC)?

A TRC is an official document issued by the tax authority of a country certifying that a person (individual or entity) is a tax resident of that country during a specified period. To claim benefits under a DTAA, an assessee (Indian resident or NRI) must prove tax residency in one of the contracting states (i.e., either India or the foreign country).

TRC is mandatory for:

- Non-residents earning income from India and wanting to claim DTAA relief.
- Residents of India who are paying tax abroad and want to claim foreign tax credit.

Non-submission of TRC leads to disallowance of DTAA relief. Even if TDS is deducted at a lower rate, the assessing officer can deny relief if TRC is not produced. E.g., For an NRI to claim 10% TDS on dividends instead of 20%, TRC + Form 10F must be submitted to the deductor (e.g., company or bank).

Section 195 – TDS on Payments to Non-Residents Under Indian tax law, Section 195 of the Income-tax Act, 1961 requires any person (resident or non-resident) responsible for paying a sum to a non-resident (other than salary) to deduct tax at source (TDS), if the income is chargeable to tax in India.



## Scope and Application

- It applies to payments such as interest, royalty, technical services fees, dividends, and any other sum.
- The payer may be an Indian resident or even a non-resident, but the payee must be a non-resident.
- TDS is to be deducted at the time of credit or payment, whichever is earlier.

## Relevance in the Context of DTAA and PE

When a foreign company has a PE (Permanent Establishment) or branch office in India, that PE/branch is considered a taxable presence in India.

This means:

- The PE is liable to comply with Indian tax laws, including TDS provisions.
- The PE is treated like a resident taxpayer to the extent of its income attributable to India.

So, if that PE makes a payment to a non-resident, Section 195 applies, and the PE must deduct TDS on any sum chargeable to tax in India



## Case Study: GE India Technology Centre Pvt. Ltd. v. CIT (2010) 327 ITR 456 (SC)

This landmark Supreme Court case clarified the scope of Section 195 and reinforced its limited applicability:

### Facts:

GE India made payments to foreign companies for software without deducting TDS under Section 195, arguing that the income was not chargeable to tax in India.

### Ruling:

The Supreme Court ruled that:

- The obligation to deduct tax under Section 195 arises only when the payment is chargeable to tax under the Act.
- It is not mandatory to deduct TDS on all remittances to non-residents.
- The payer must determine the taxability of the income in India before deducting tax.

### Key Takeaway:

This case clarified that Section 195 does not apply automatically to all payments made to non residents. If the income is not taxable in India, no TDS is required.



Mutual Fund Gains and DTAA Article 13(5): Taxation in the Country of Residence In several India DTAA—like those with Singapore, UAE, Mauritius, Netherlands, Spain, and Portugal—Article 13(5) includes a “residual clause”, which provides: “Gains from the alienation of any property other than immovable property or shares... shall be taxable only in the country of the seller’s residence.” Since mutual fund units are issued by trusts, not companies, they do not qualify as “shares.” Consequently, India’s Mumbai ITAT, in *Anushka Sanjay Shah v. ITO* (March 26, 2025), held that short-term capital gains from mutual fund redemptions by a Singapore tax resident are governed by this residual clause, and thus taxable only in Singapore, not in India. Prior ITAT decisions—such as *K.E. Faizal v. DCIT* (Cochin ITAT, July 2019)—have similarly applied Article 13(5) under the India–UAE DTAA to exempt mutual fund gains from Indian taxation. They emphasized that, under Indian laws (like the Companies Act, 2013 and SEBI regulations), mutual funds are distinct from shares, and their units thus fall under the residual clause. This is not a newly introduced tax exemption—it’s a standard application of treaty rules giving exclusive taxing rights to the NRI’s country of residence, not India. The ITAT rulings are persuasive but may be subject to future review or appeals.

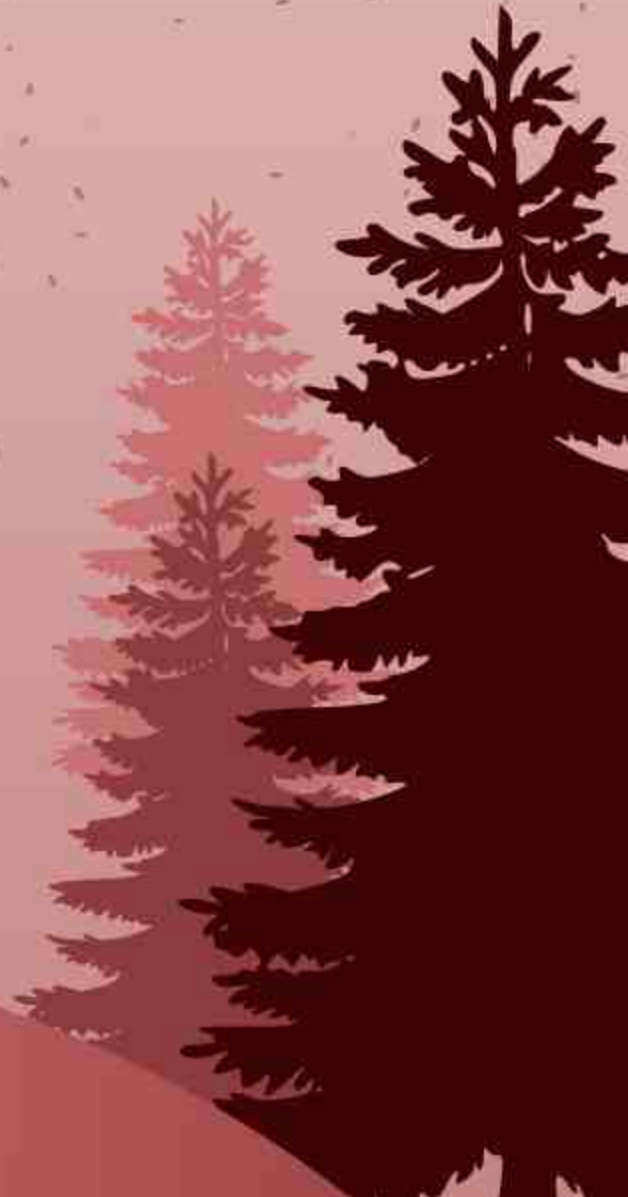
#### Conclusion:

In a world increasingly shaped by global commerce and digital exchange, understanding the nuances of international tax is not just a necessity but a strategic advantage. DTAA provisions offer taxpayers an efficient roadmap to prevent undue tax burdens while ensuring compliance and legal certainty. Armed with awareness of Section 90, 90A, and 91, as well as the importance of documentation like TRC and Form 10F, businesses and professionals can navigate the complexities of cross-border taxation with confidence and clarity.





# NEWSLETTER



- The Union Cabinet cleared the Insurance Amendment Bill, raising the FDI cap from 74% to 100%, opening the door for global insurers to own Indian subsidiaries fully.
- The ICAI Council cleared amendments to the Code of Ethics, allowing Indian CA firms to advertise their services. This is aimed at helping domestic firms compete with global giants.
- The Israeli military withdrew to a US-brokered "Yellow Line," signaling the first major phase of a peace deal after two years of war.
- India officially released its National Frequency Allocation Plan to prepare for 6G connectivity by 2030.
- On January 1, 2026, Bulgaria officially adopted the Euro, becoming the 21st member of the eurozone.
- As 2025 ended, reports highlighted that AI power consumption had surged to levels comparable to mid-sized nations, prompting a global discussion on "AI Carbon Taxes" for 2026



# COMPLIANCE CHART



- 07th January - Income Tax TDS & TCS
- 10th January - GST TDS & TCS
- 11th January - GSTR-1 (Monthly)
- 13th January - GSTR-1 (IFF), GSTR-5, GSTR-6
- 14th January - Form 16B/16C/16D
- 15th January - PF & ECR, ESI, TCS (Form 27EQ)
- 18th January - CMP-08
- 20th January - GSTR-5A, GSTR-3B (Monthly)
- 22th January - GSTR-3B (QRMP)
- 24th January - GSTR-3B (QRMP)
- 28th January - GSTR 11
- 30th January - Challan-cum-Statement u/s 194-IA/IB/IM/S
- 31st January - Form 24Q, 26Q, 27Q, 26QAA
- 31st January - MGT-7/MGT-7A & AOC-4



# **UPCOMING EVENTS**

**SICASA CUP 2026**

**AURA**

**STUDY CIRCLE**



# EDITOR OF THE MONTH



**AVINASH BHAT K**  
**SR00781000**

