



# The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)  
Alappuzha Branch of SIRC of ICAI

October  
2019

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**CA. Jomon K George FCA**  
Chairman - SIRC

Dear Colleagues,

I deem it a privilege to write this message for your newsletter, as the chairman of SIRC.

I am sure that the value-adding articles in this issue will provide new insights to the members & students and also give them an overview of the various activities of the branch.

My sincere compliments to CA Indhu S. N. and the MC for their exemplary work, in the service of members and students of the branch.

Our profession is in a great mood of change and progress through a series of governance and digital initiatives. There are a lot of new opportunities in IBC & Business Valuation. The next level of GST viz; representation and litigation will be more challenging and rewarding.

Transformation is the key to the future. We will need to gear up on our tech capabilities as also re-brand ourselves as business solution providers. Shape up or Ship out.... is the new mantra.

In this platinum jubilee year of ICAI, let us make a fresh resolve to uphold and adhere to the highest standards of probity and professionalism and thus be effective partners in the building of a new India of our dreams.

Before concluding, I most heartily invite you all to the 51st Regional Conference of SIRC to be held at Kochi on 18th & 19th November, 2019 under the theme "Ascend – gaining New Insights.... Scaling New Heights" . I promise you great learning, networking and fun.

Let us all think more.. do more and be more.. to advance and to enhance the glory of our profession.

Yours in the service of the profession

**CA. Jomon K George**  
Chairman - SIRC



**CA. Indhu S N**  
Chairperson



Dear Members,  
Greetings!

The month of October --- festive month of Deepavali is here and it marks the triumph of good over evil. This is also an eventful month for all the Chartered Accountants whether in practice or in industry. The GST Audits have been postponed to 30th November and it's the time for Company Audits and Income Tax Audits.

At Alappuzha Branch of SIRC of ICAI CPE Seminars on GST Audit Documentation and Tax Audit were conducted recently and it was well attended by the members. Certificate Course on Concurrent Audit of Banks was also conducted successfully. During Onam celebrations last month, we had the blessed opportunity to honour one of the founder member and Past Chairman of our branch CA Abdul Rahim. His energetic words blended with experience was the real Onam message and wishes for our members and students.

The results of CA exams were published and we felicitated winners of Foundation, Intermediate and Final exams. We also welcome all the new members to our esteemed profession.

I also request all our members to save the dates 18th and 19th November 2019 as we have to be at Kochi to make the 51st Regional Conference of SIRC — “THE CELEBRATION OF SIRC IN GOD'S OWN COUNTRY” a resounding success. All members are also invited to contribute articles for the Branch E newsletter. Now the scenario is every month has some due date or another we should find time and space for our own self and family.

Let's remember the famous quote of Omar Khayyam  
“Be happy for this moment. This moment is your life”

May the festival of lights bring you all success

Regards,

**CA. Indhu S N**  
Chairperson



CA BIJUMON ANTONY



## Less is more.....

In a major relief to corporate sector and addressed the long time demand, the Government announced a cut in corporate taxes hoping this will kick start stalled private investment and fuel growth. Less than three months after the Union Budget, Union Finance Minister Nirmala Sitharaman announced cuts in tax rates for domestic companies to 22% and for new domestic manufacturing companies to 15%. At present, the tax rate for companies with annual sales over Rs .400 crore is 30 % ( exclusive of surcharge and cess) and 25% for those with a turnover below Rs.400 crore.

This move, alongside other measures such as relief on the Minimum Alternate Tax (MAT) payout, the surcharge on capital gains on sale of equity shares and on the tax incidence on share buy-backs, will cost the exchequer Rs 1.45 lakh crore annually and comes as part of a series of measures the government has announced after consultations with the industry to deal with the deepening slowdown.

The reduction in corporate tax, effectively, brings India's 'headline' corporate tax rate broadly at par with the average of 23 per cent rate in Asian countries, a move cheered by the stock markets that, at 5.32%, clocked their highest single-day gain in a decade closing at 38014. Also, apart from the boost to business sentiment in the immediate term, the knock on impact on consumption demand is expected to be modest and the impact on fresh investment activity is, from most accounts, likely to be seen with a lag. The new effective tax rate, inclusive of surcharge and cess, for domestic companies would be 25.17% and for new domestic manufacturing companies would be 17.01%. These rates would be applicable to companies that forego the current exemptions and incentives.

Also, MAT will not apply to such companies. For the firms that choose to continue with pre-amended tax rates, companies will see their MAT incidence come down to 15% from 18.5% currently.

The government further announced a rollback back of the higher surcharge on capital gains on sale of equity shares announced in this Budget for individuals, HUFs, Association of Persons (trusts).



than the rate in Vietnam (20 per cent), Thailand (20 per cent), Singapore (17 per cent). The slew of measures announced by the Finance Minister have come as a much needed gust of fresh air to resurrect and pump prime the economy. The bold and positive move to rationalize the corporate tax structure will help kick-start the next big economic up cycle. The government also announced other changes to attract fund flows to the equity markets, while providing companies the flexibility in making their Corporate Social Responsibility (CSR) payments. In order to stabilize the flow of funds into the capital market, the government removed the enhanced surcharge on capital gains arising on sale of equity share in a company or a unit of an equity oriented fund or a unit of a business trust liable for securities transaction tax, in the hands of an individual, Hindu Undivided Family, Association of Persons and others.

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The enhanced surcharge shall also not apply to capital gains arising on sale of any security including derivatives, in the hands of Foreign Portfolio Investors (FPIs). Since FPIs are the largest players in the derivatives market, this move will benefit them the most. The government also provided flexibility to companies in spending their CSR payments on innovation and incubation proposals in key universities. Now CSR 2% fund can be spent on incubators funded by Central or State Government or any agency or Public Sector Undertaking of Central or State Government, and, making contributions to public funded Universities, IITs, National Laboratories and Autonomous Bodies (established under the auspices of ICAR, ICMR, CSIR, DAE, DRDO, DST, Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting SDGs,

### **37th GST Council Decisions-A great relief**

The GST Council decided to lower GST rates on hotel tariff and outdoor catering, giving a boost to the hospitality sector.

The GST Council accepted the recommendation of the Fitment Committee for not lowering tax on auto sector. The GST Council did not take up rate cut proposal for auto sector and biscuits.

Small Goods & Services Tax (GST) assesses with annual turnover up to 2 crore can also heave a sigh of relief as the GST Council decided to make filing annual returns for the first two years of the introduction of new indirect tax regime as 'optional'. For all practical purposes small assesses have been exempted from filing returns.

## Rate card

	Existing	New
Caffeinated beverage	18%	28% plus 12% compensation cess
Railway wagon	5%	12%
Cut - and semi precious stone	3%	0.25%
Passenger vehicles*	28%+15% cess	28%+1 to 3% cess
Job work for supply for diamonds	5%	1.50%
Job work for engineering services	18%	12%

\*With engine capacity of 1500 cc(Diesel), 120 cc (Petrol) and length of 4 metre

On the hotel tariffs front, daily room tariff beyond Rs.7,500/- per day will attract GST at the rate of 18 per cent as against existing 28 per cent. Room tariff between Rs.1,000/- and Rs.7,500/- will continue to attract 12 per cent GST. There will be no GST on room tariff up to Rs.1,000/-.

The GST Council has also decided to slash the rate on outdoor catering to 5 per cent from 18 per cent. However, no input tax credit (ITC) will be available to them.

The Council discussed many issues besides cut in GST rates on hotel tariffs and One such issue was exempting small assesses from filing annual returns. As of now, there are over 1.39 crore assesses, out of which 86 per cent of them are having turnover below Rs.2 crore. Now, all these will not be mandatorily required to file returns for fiscal year 2017-18 and 2018-19.

Every GST assessee has to file an annual return in GSTR 9. Among these assesseees, every registered taxable person whose turnover during a financial year exceeds Rs.2 crore will also be required to get his accounts audited by a chartered accountant or a cost accountant and then submit a reconciliation statement in GSTR 9C along with GSTR 9.

Assesseees under the composition scheme (businesses with turnover up to Rs.1.5 crore) will be required to file the GSTR 9A form. The last date for filing all these returns for the financial year 2017-18 has been extended to November 30 from August 31. The last date for financial year 2018-19 is December 31, 2019.

The Council also discussed ways to simplify the annual returns for all others assesses. Some States feel that the small numbers of big taxpayers are very important and there is need to simplify the return system for them. Assesseees, particularly the smaller ones, have been struggling with the returns.



# CA Day Celebrations





# CA Day Celebrations





# CA Students talent search 2019





# *CPE Seminars*





## *CPE Seminars*





## *Certificate course on Concurrent Audit of Banks August 2019*





# Onam Celebrations





# Yoga Day





# E-News letter



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