

JUNE 2019, VOL III

SOUTHERN INDIA CHARTERED ACCOUNTANTS
STUDENTS ASSOCIATION

THIRUVANANTHAPURAM

THE TALLY MAG

where letters are tallied...



THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA
THIRUVANANTHAPURAM

June 5, 2019

“Heal the world, make it a better place, for you
and for me and the entire human race. There are
people dying if you care enough for the living.
Make it a better place for you and for me.”

World
Environment
Day

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SICASA CHAIRMAN'S ADDRESS



Dear Students,

This edition of the newsletter would reach you in the middle of May 2019 Examinations. Hope that you all have performed well in the examinations and wish you all the best for the remaining papers.

It is necessary to take a deserving break from studies to recharge your mental abilities.

The branch will be conducting a seminar on GST Audit on Wednesday June 19, 2019. We have CA Ganesh Prabhu (Chennai) and CA Spudarjuna S (Thiruvananthapuram) as our faculties for the day. All are invited to attend the seminar and make it a grand success.

We will be organising our sports and branch level CA talent search 2019 this month. Kindly make use of the wonderful opportunity to unleash your hidden talents.

The branch will be conducting regular coaching classes for the CA final students (for November 2019 & May 2020 examinations). We will be conducting a crash course (6 days) for CA final law (September 3rd to 8th) and the faculty will be CS L Jayaraman (Chennai). Kindly make use of the facilities.

I wish you a cheerful and rewarding time ahead.

With regards,
CA Cherianji Samuel
Chairman,
SICASA Thiruvananthapuram branch



SECRETARY'S REPORT



ABHIJITH ANIL



JAMES JACOB



ASWIN V GOPAL

Hello guys!

As the exams are coming to a close, you all must be feeling exhausted, but don't worry we have a bunch of events lined up for the month! With the deadline for GST Audit around the corner, we have planned a seminar on GST Audit- 9 and 9C by eminent faculties such as CA Ganesh Prabhu and CA Spudarjunan. Both are prominent faculties in their respective fields. The seminar will provide an in-depth knowledge for students in filing out the respective forms.

We have also planned out various sports activities for the upcoming days, such as football, cricket, badminton, indoor games, providing students to showcase their talents. Here's wishing everyone an eventful month ahead!



EDITOR'S DESK



CHERIAN JOHN BINU



NANDINI GOPAKUMAR

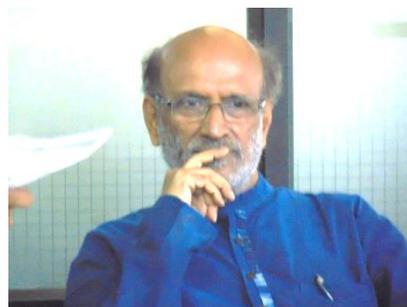


JOHN NELSON

June 5th, world environment day. The only place we live in, the only place that can sustain us needs awareness to be protected. You see the irony, don't you? We need a marked day to spread the importance of our green Earth. The Earth needs our help, if we don't change our ways the damage done will be irreversible. We maybe the last generation who can do something, anything about it. Show your love people.



A DISASTER PREPAREDNESS PROGRAMME FOR KERALA



Dr. B Ekbal

Kerala went through the worst ever floods in history since 1924 during August 2018. It is estimated that at least one sixth of the State's population ie 5.6 million were affected. The flood related loss of lives, livelihoods, property and infrastructure were catastrophic. We can be proud that Kerala rose up to the challenge to mitigate the adverse effects of the flood. At all levels, the people at large, civil society movements , and the government joined hands to initiate and execute a unique people-driven and community-oriented attempt o rescue, recover and rebuild Kerala.

While lauding the positive response to the flood and its after effects many problems we faced during the recovery phase has once again brought to the fore the need for a comprehensive disaster preparedness programme for Kerala. A Disaster Management Policy and the draft of a Disaster Management Act have been formulated by the Government and several steps were taken to address the issue. However, the flood and factors that led to the flood and the massive loss that followed points to the fact that our disaster preparedness set ups are inadequate to handle such major calamities.

India is one of the world's major natural and human made theatres of disasters. It offers a classic case study on the nexus between nature, poverty and extremely bad (and often, the lack of) policies. Disasters occur here on a colossal scale. On average, they affect over 56 million people and kill more than five thousand people every year. Floods hit over 11.2 per cent of India's total land area; about 28 per cent of the total cultivable area is drought-prone according to National Centre for Disaster Management, New Delhi. Of the 7,516-km coastline, high-velocity killer cyclones strike the east-coast states of Orissa and Andhra Pradesh.

Fortunately, Kerala didn't bear the brunt of these disasters in the past. But the recent food, Tsunami waves and Ockhi cyclone that hit Kerala sea costs call for immediate attention from all quarters. The essence of any successful disaster management programme is in developing a plan that could be implemented by an informed and alert populace. This alone will reduce the casualties, mortality and



destruction. This, automatically, is possible by having a people-centric disaster preparedness programme in place well before disasters strike.

The situation calls for a state level disaster management and response policy. Kerala, a state that has been able to demonstrate its capacity to achieve human development, can alone demonstrate a policy that is essentially based on perspectives of rights and equity. The much-discussed “Kerala model of health care” may give some clues about the spirit and strategy one may have to follow in the case of disasters as well.

The objective of any disaster policy should be to shift relief and rehabilitation to a development mode, involving the people at risk and affected communities as stakeholders. **A Multi Sectoral approach, involving the government, Local Self Government Institutions, Civil Society Organisations ,academics, media and the affected communities,** is perhaps the first step.



An overall development policy incorporating disaster response entails drastic changes in several related policies. Welfare schemes of the government departments and local bodies have to be sensitive to the felt needs. Inclusion of the needs of the vulnerable sections, like fisher folk in cyclone-prone coastal areas should be made mandatory. A ‘disaster risk audit’ and resource mapping will yield synergic results. Open disaster-impact studies should be mandatory before mega-projects are commissioned.

It may be necessary to acknowledge and channelise initiatives of community-based movements and initiatives that provide rescue/relief services in post disaster scenarios. The challenge is to enthuse them to take up pre-disaster preparedness activities. Local "rapid rescue and response forces" involving community, local bodies and government departments will help to minimise the casualty. It is high time we include disaster preparedness in the academic curricula straight from schools onwards.

An effective early warning system, supported by a communications strategy through electronic media, social networks, radio, TV and other media has to be developed. An enlightened population can preclude both panic responses and passive acceptance. When Kerala plans for a disaster response programme, the key challenge for it is to empower the vulnerable. First, it must be recognised that such a disaster preparedness plan (that includes humanitarian assistance in a post disaster situation) is a right of the communities at risk, not an act of charity.

Reference:

1. S. Parsuraman and P. V. Unnikrishnan (eds): India Disasters Report: Towards a Policy Initiative, Oxford University Press, New Delhi, 2000
2. India Disaster Management Reference Book. Center for Excellence in Disaster Management & Humanitarian Assistance. New Dehi 2018
3. Annual Report National Institute of Disaster Management Ministry of Home Affairs Government of India New Delhi 2017-18

Dr. B. Ekbal, Member Kerala State Planning Board. Mobile 94470 60912 Email: ekbalb@gmail.com



PROPERTY, PLANT AND EQUIPMENT (AS VS. IND AS)



VISHNU S KUMAR

A warm good morning to one and all my name is Vishnu s kumar hailing from Trivandrum and I am here to take a presentation on the difference between AS and Ind As in regards to Property, plant and equipment.

So what is PPE, rather why was the need to change the earlier AS 10 and AS 6?

Lets find out !!

Earlier we used to have 2 Accounting Standards namely, AS 6 depreciation and As 10 Fixed Asset, they have been subsequently been removed and replaced by the new revised AS 10 which is PPE to cope with the recent market developments.

So the next question is why was the need to change AS 10 when there is already an updated Ind AS 16 on PPE which covers majority of the key areas

The reason being that Ind As though updated only cover the large companies , which was done in a phased manner and for the non banking finance institutions , we are still in the first phase of applicability of IND AS , wherein its only applicable if net worth of NBFC (whether listed or unlisted) is greater than 500 cores or is a holding , subsidiary, joint venture or associate of the same

And second phase starts in 2019 wherein NBFC that are unlisted having net worth 250 crores or more but less than 500 crores , its holding ,subsidiary , joint venture and Associate,

Or NBFC having equity or debt securities which are listed or in the process of being listed in any stock exchange in India or outside India and having net worth less than 500 crores.

and that also so where does that leave the small and medium level industries? That is where AS comes in

So what is PPE

Property, plant and equipment are tangible items that:

(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

(b) are expected to be used during more than one period.

So what is AS 10 about and what all does it cover ??

Applicability of AS 10 Property, Plant and Equipment

AS 10 is to be applied in accounting for property, P&E (Plant and Equipment) and this standard is not applicable to:

- (a) biological assets which are related to agricultural activities except for bearer plants. The Standard is applicable to bearer plants, however, it doesn't apply to the produce on bearer plants;
example
Apple tree is a bearer plant and it covered by AS-10 PPE, however apple grown in tree is a produce of bearer plant and is not covered by this Standard. Further in wheat crop the plant of the wheat is not a bearer plant because it is cut down and sold as scrap.

And

- (b) wasting assets which include mineral rights, expenses related to exploration for and extraction of oil, minerals, natural gas and other non-regenerative resources.

Recognition of Asset under AS 10 Property, Plant and Equipment

The cost of property and P&E should be recognized as an asset only if:

- (i) it is apparent that the future economic benefits related to such asset would flow to the business; and
- (ii) the cost of such asset could be reliably measured.

Measurement of cost of the asset

An enterprise can select the revaluation model or the cost model as the accounting policy and employ the same to the entire class of its properties and P&E. According to the cost model, after recognizing the asset as an item of property or plant and equipment, it should be carried at the cost less the accumulated depreciation and the accumulated impairment losses (if any). As per revaluation model, once the asset is recognized and its fair value could be measured reliably, then it must be carried at the revalued amount, which is the fair value of such asset at the date of the revaluation as reduced any following accumulated depreciation and accumulated impairment losses (if any). Revaluations must be done at regular intervals for ensuring that the carrying amount doesn't differ much from that which would be determined using the fair value at balance sheet date.

Applicability and Scope of Ind AS 16

Ind AS 16 Property Plant Equipment is applicable to all Property and P&E (Plant & Equipment) unless and until any other accounting standard asks for a different treatment.

Ind AS 16 Property Plant Equipment is not applicable in the following cases:

- (i) Property and P&E (Plant & Equipment) which are classified as held for sale as per Ind AS 105
- (ii) Biological assets which are related to agricultural activities except bearer plants

(iii) The measurement and recognition of exploration and evaluation assets

(iv) Mineral rights and reserves like oil, natural gas and other such non-regenerative resources

Recognition of Ind AS 16

The cost of any item of PPE must be recognized as an asset only when:

(a) It is apparent that the future economic benefits related to such asset would flow to the business; and

(b) Cost of such asset could be reliably measured

Measurement of cost of the asset

A business must choose cost model or revaluation model as the accounting policy and should apply such policy to its entire class of PPE, similar to what we have seen in AS 10

Now that the basics are done with lets dive into the Comparisons

- PPE retired from active use And Held for sale

As per AS 10 , the asset retired from active use and held for disposal should be stated at the lower of their carrying amount and net realisable value. Any written down on this regard should be recognised immediately in the statement of Profit and Loss.

Whereas In IND AS 16 we had earlier discussed that the same are specifically excluded from the scope as asset retired from active use is not dealt with by it as the same is covered under IND AS 105, Non current Asset held for Sale and Discontinued Operation., wherein non current asset to be disposed of are to be classified as held for sale when the asset is available for immediate sale and the sale is highly probable .Depreciation ceases on the date on which it is classified as held for sale. Non current asset classified as held for sale are measured at lower of its carrying value and fair value less cost to sell.

- Stripping cost in the production Phase of a surface Mine

Ind As 16 provides guidance on measuring of stripping cost in the production Phase of a surface Mine

The Cost incurred in Exploration /extraction to the extent it relates to making the approach to minerals/resources, being in nature like, preparation cost should be capitalised to the cost of the asset as a stripping asset A/c.

However if such cost relates to extraction of ore for sale ,then it is the nature of inventory production cost and hence charged off to profit and loss account .

In certain cases entity may have to make an allocation of such cost between capital and revenue cost.

AS 10 does not give any guidance on the same .

- Revaluation

In IND AS ,the revaluation increase under revaluation model is recognised in other comprehensive income and accrued in equity under the head of revaluation Surplus

Whereas in AS , the revaluation increase under revaluation model is recognised directly in equity as revaluation surplus

These are the direct differences between the AS 10 & Ind AS 16, lets look at some ancillary differences between the 2 as well.

- Government Grants

Although this is not a direct difference between AS 10 and Ind AS 16

As per AS 12 gives there are 2 ways for treatment of grant for specific asset,either treatment as deferred income or the amount is reduced from the gross amount of the asset

Government grant received against the specific asset is not reduced from the cost of the asset as per Ind AS 20

- Deferred Tax

Deferred tax is created for temporary Difference arising due to revaluation of PPE between its carrying amount and its tax based as per IND AS 12

Whereas deferred tax is not created for revaluation as it is treated as permanent difference as per AS 22

When compared to earlier AS 10 and AS 6 the revised AS 10 has really bridged the difference between Ind As and AS 10

The difference between the two is also due to the fact that both the standards target a different set of industries , mainly the Ind As targeting the major market players and As targeting the medium and small industries which can be apparent from The two major difference being the Held for sale and treatment of stripping cost

With those words I would like to wrap up my presentation I hope I could add value to your knowledge on the topic , with that it's me vishnu Signing off for the day.



COMPLIANCE CALENDER FOR THE MONTH OF JUNE



Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th June, 2019	May, 2019	Deposit of Tax Deducted	Non-government deductors
11 th June, 2019	May, 2018	File GSTR 1	Taxpayers with Annual Turnover more than INR 1.5 Cr
14 th June, 2019	April, 2019	Issue of TDS certificate u/s 194IA and 194IB	All deductors
15 th June, 2019	F.Y. 2018-19	Issue Form 16 to employees for TDS	All employers
15 th June, 2019	January to March, 2019	Quarterly TDS certificates (other than salary)	All deductors
15 th June, 2019	F.Y. 2019-20	1 st Instalment of Advance Tax	Taxpayers liable to pay advance tax
30 th June, 2019	May, 2019	Challan-cum-statement for TDS u/s 194IA and 194IB	All deductors
30 th June, 2019	F.Y. 2017-18	GST Annual Return - GSTR 9	GST Taxpayers filing GSTR-1, GSTR-2 and GSTR-3
30 th June, 2019	F.Y. 2017-18	GST Annual Return - GSTR 9A	Taxpayers opted for Composition Scheme
30 th June, 2019	F.Y. 2017-18	GST Annual Return - GSTR 9C	Taxpayers whose annual turnover exceeds INR 2 crores during the financial year
30 th June, 2019	-	File DIR-3 KYC with MCA	Every individual holding valid DIN with approved status as on 31 st March, 2019

 RAGE 



Shreya P Nair
CA Final

Blazing fire unveiled there
To deep down inexplicable emotions bare
Witness the burst of a blown mind
Lost it is heavily and blind,

Gross and fatal, call it death
If flown high, limitless, call it wreck
Senses can't define themselves Neither
spirit nor soul in oneself,

Actions voice louder than words but
here, speech is most absurd Descending
by is a revengeful spate to flush out all
havoc and dismay,

Struck yet healing slow steadfast
Vicinity, the Nature, green grass
Let the sky peep through the crevice Let the
stars bluff about bliss,

Nature is beauty, and Beauty, Nature
Hence Green can defy the Red demon's favor
Seize the tale of every tree
Lend ears to birds who chirp to thee,

Blend into beats, sooth the mind Discover
solace in rhythm, blare, rewind Groove, let
lose, heave

Draw in Faith, Gratitude, and Belief

Practice peace in life's steps
For it will be Day when the Night has left
Embrace the good and leave the bad Coz
moments gone are never back.



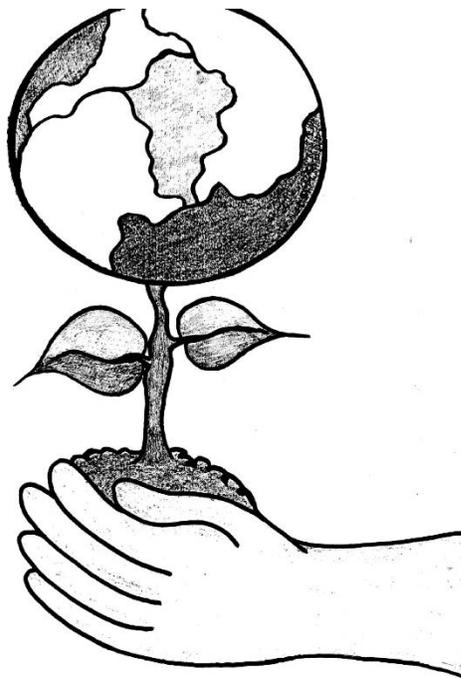
HOW NOT TO PLANT A TREE?



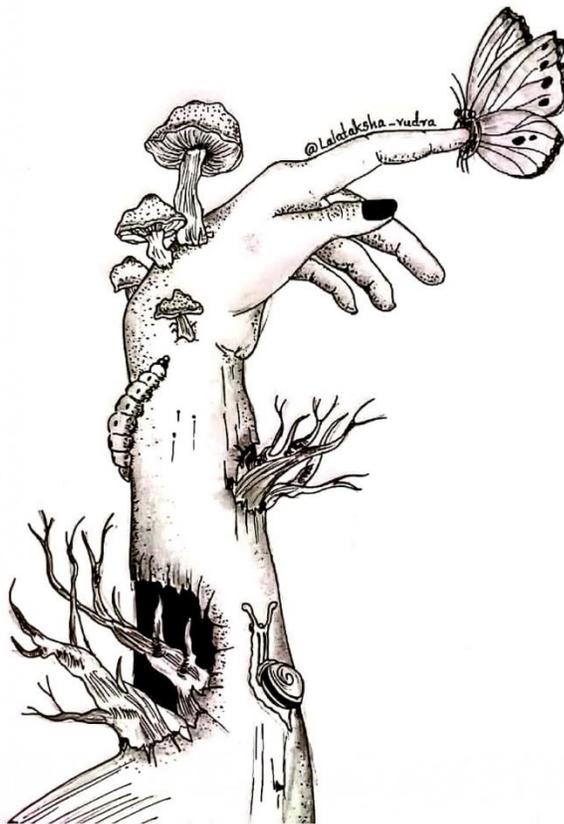
GOKUL KRISHNAN G.S

My sunken eyes peeped at the screen,
Not bothering the rays from window.
Scrolling fast through other people's lives,
The routine repeated like yesterday and the days before.
Oh there! A friend, posted something new,
The friend in the photo, planting a tree.
"Environment Day!", read the caption,
also challenging me to do the same.
Brought a sapling from the garden shop near,
dug a deep pit on the ground behind home.
Planted the sapling, took out the mobile.
Clicked a picture and posted the same.
"Challenge accepted", read my caption,
went inside the home and checked for the likes.
Days later, while I walked near the pit,
Oh! what that? Some twigs on the ground.
No sign of plant, but I did not care,
For I have got likes in tons!





ARATHY KRISHNA A S
CA INTERMEDIATE



SREEKUTTY E P
CA INTERMEDIATE

ICAI TVM BRANCH

CA FINAL REGULAR CLASS FOR MAY 2019 & MAY 2020 EXAM.

CLASSES COMMENCING FROM **JUNE 16TH, 2019**

GROUP 1 (NEW)

FR	CA AMAL PAUL(ERNAKULAM)	Starts from 16 th June 2019 to 15 th September 2019 (Sunday 10am to 8pm)
SFM	CA RAGHUL	Starts from 27 th July 2019 to 10 th September
AAPE	CA REVATHY RAJA & CA SANTHOSH CHERIAN	Starts from 6 th November 2019 (CLASSES FOR MAY 2020 EXAM)
LAW	CS BILU BALAKRISHNAN & CS PREM KRISHNA	Starts from 1 st August 2019 to 27 th September 2019

TIMINGS

SUNDAY	7am to 9am, 10am to 1pm, 2pm to 5pm, 6pm to 8pm
SATURDAY	7am to 9am, 2pm to 5pm
MONDAY TO FRIDAY	7am to 9am, 6pm to 8pm

FEES: **Rs 17500/-** for Group 1

PAPERWISE: **Rs 5000/-**

Contact: 0471 2323789, 0471 2328590



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
THIRUVANANTHAPURAM

SEMINAR ON

G.S.T AUDIT



CA GANESH PRABHU

&



CA SPUDARJUNAN S

WILL BE THE SPEAKERS
ON THE TOPIC:

REGISTRATION FEE
RS 100 per student

GSTR 9 & GSTR 9C



09:00 AM



WEDNESDAY
JUNE 19, 2019



SURI CENTINARY HALL,
ICAI BHAVAN, THYCAUD