

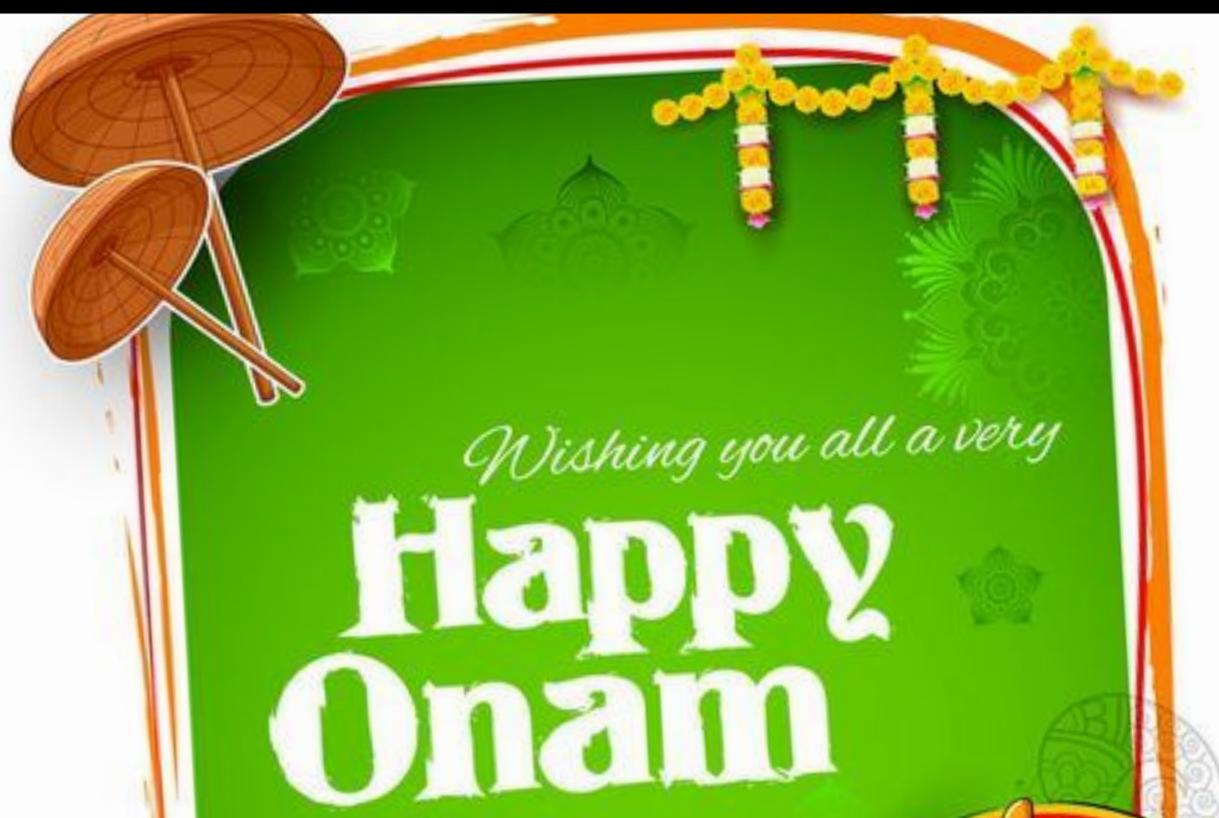


# INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

SOUTHERN INDIA REGIONAL COUNCIL (SIRC)

THIRUVANANTHAPURAM BRANCH



# NEWS LETTER



Issue VII September 2022

(For Private Circulation Only)

# Message from Chairman's Desk

---



*Dear Professional colleagues,*

We are in the month of September, the tax audit season is in full swing and all are working towards meeting the deadline. This year we got the opportunity to celebrate Onam in the presence of our Princess Pooyam Thirunal Gowri Parvathi.

In the month of August we had successfully conducted a one-day program at Nagercoil with the active participation of the members at Nagercoil and we thank CA. Jomon .K. George and CA. Unnikrishnan for the informative sessions. This month we had the session of Direct Taxes Committee and it was inaugurated by the Chairman of Direct Taxes Committee of ICAI, CA. Chandrasekhar Chitale. We are thankful for his in-depth session on Guidance notes on Tax audit.

In the month of October we are planning to have a one-day session by Digital Accounting and Assurance Board of ICAI and is scheduled on October 8th, Navarthana Conference is scheduled on 10th to 19th of October. We will be hosting sub regional conference of SIRC of ICAI and it is scheduled on 21st and 22nd of October, 2022. We request whole hearted support of our members for all the programs

ICAI Thiruvananthapuram records with deep and profound grief the demise of CA. Gopalakrishnan. S, Past secretary of our branch. The branch is deeply grieved by his sudden departure. He was an active member of the branch and has helped the committee in various activities of the branch. His fond memories will always be with us and will keep us inspiring. The branch offers its deepest condolences to the bereaved family.

We request the members to take note of payment of Membership/COP Fees for 2022-23 and the last date is 30th September 2022.

With warm regards,

**CA. Cherianji Samuel**

Chairman

Thiruvananthapuram Branch of SIRC of ICAI

# Secretary's Communique

---



*Dear Professional Colleagues,*

Giving, sharing, loving and celebrating together - that's the essence of Onam. May this year's Onam celebration bring more fun to you and your friends and family.  
**Happy Onam!**

At the outset I wish all of you a Happy and Prosperous Onam. Though September month keeps us occupied with Tax and Statutory Audit, the festive occasion makes the occasion filled with joy and happiness.

It has been after a gap 03 years, our branch celebrated onam in offline mode. Post the Covid Pandemic, this year the branch has decided to celebrate Onam at our branch premises and the event has been graciously inaugurated by Princess Pooyam Thirunal Gowri Parvathi Bayi. The Branch has also conducted seminars during the month which ensured members are properly updated on Tax Amendments.

Since all of us are gearing up for the hectic tax audit season, the Branch will host Tax Audit Seminar which shall be organized by Direct Tax Committee. Sincerely hoping that the seminars will sharpen our skills and work patterns, so that the tax audit be completed within the prescribed time frame. Being the guardians of financial probity, let us proactively work to keep the trust bestowed in us by the Government and Society.

May the spirit of Onam festival guide and light your way to the path you chose.  
Have a blessed Onam!!

**CA. Nikhil R Kumar**

Secretary

Thiruvananthapuram Branch of SIRC of ICAI

# Realtime Updates

---

- Delhi high court, in a significant ruling, held that a complaint against a chartered accountant after seven years of alleged misconduct is liable to be quashed as time-barred as per rule 12 of the chartered accountants (procedure of investigations of professional and other misconduct and conduct of cases) rules, 2007. The said rules prescribes a time limit on entertaining complaints or information.
- Flavoured milk is not milk; it is in fact a drink that has milk as an ingredient, the appellate authority of advance ruling (aaar) has said. Milk is outside the gamut of goods and services tax but flavoured milk attracts 12% tax. Vadilal, the ice cream major, had approached the apex appellate authority for clarity on the matter.
- SEBI has made amendments vide its notification dated 25th July, 2022 made amendments in SEBI (ICDR) Regulations, 2018, and SEBI (LODR) Regulations, 2015 due to introduction of social stock exchange.
- Supreme Court in its judgment dated 6th September, 2022 while considering as to whether the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC/Code) and, in particular, section 53 thereof, overrides section 48 of the Gujarat Value Added Tax Act 2003 (GVAT Act), held that financial creditors cannot secure their own dues at the cost of statutory ones owed to a government authority in approving a resolution plan to revive a sick company under the Code.
- Bad Debts write off are not allowed as expenditure. Amount was given by the assessee to the developer for the purpose of purchasing constructed premises on his behalf. Developer did not purchase property as well as did not make a refund of such amount. PR. COMMISSIONER OF INCOME TAX Vs. KHYATI REALTORS PVT. LTD., 25/08/2022, (Supreme Court)
- The Ministry of Finance had issued a Press release dated September 01, 2022 regarding ₹ 1,43,612 crore gross GST revenue collected in the month of August 2022.

Since GST was introduced, renting residential dwellings for residing was exempt. In a significant development, the government withdrew the GST exemption on such rentals where the lessee is registered under GST laws. Moreover, effective 18 July 2022, tax on such rentals is required to be paid by the lessee/tenant who receives the service on a 'reverse charge' basis

# Investing – A Safeguard Against Inflation

---

*“Never Depend on Single Income. Make Investment to create a Second Source”*

- Warren Buffett

## DETERMINANTS OF INVESTMENT

Perhaps the most important characteristic of the investment demand curve is not its negative slope, but rather the fact that it shifts often. Although investment certainly responds to changes in interest rates, changes in other factors appear to play a more important role in driving investment choices.

This section examines eight additional determinants of investment demand: expectations, the level of economic activity, the stock of capital, capacity utilization, the cost of capital goods, other factor costs, technological change, and public policy. A change in any of these can shift the investment demand curve.

### Expectations

A change in the capital stock changes future production capacity. Therefore, plans to change the capital stock depend crucially on expectations. A firm considers likely future sales; a student weighs prospects in different occupations and their required educational and training levels. As expectations change in a way that increases the expected return from investment, the investment demand curve shifts to the right. Similarly, expectations of reduced profitability shift the investment demand curve to the left.

### The Level of Economic Activity

Firms need capital to produce goods and services. An increase in the level of production is likely to boost demand for capital and thus lead to greater investment. Therefore, an increase in GDP is likely to shift the investment demand curve to the right.

To the extent that an increase in GDP boosts investment, the multiplier effect of an initial change in one or more components of aggregate demand will be enhanced.

### The Stock of Capital

The quantity of capital already in use affects the level of investment in two ways. First, because most investment replaces capital that has depreciated, a greater capital stock is likely to lead to more investment; there will be more capital to replace. But second, a greater capital stock can tend to reduce investment. That is because investment occurs to adjust the stock of capital to its desired level. Given that desired level, the amount of investment needed to reach it will be lower when the current capital stock is higher.

### Capacity Utilization

The capacity utilization rate measures the percentage of the capital stock in use. Because capital generally requires downtime for maintenance and repairs, the measured capacity utilization rate typically falls below 100%.

### The Cost of Capital Goods

The demand curve for investment shows the quantity of investment at each interest rate, all other things unchanged. A change in a variable held constant in drawing this curve shifts the curve. One of those variables is the cost of capital goods themselves.

### Technological Change

The implementation of new technology often requires new capital. Changes in technology can

thus increase the demand for capital. Advances in computer technology have encouraged massive investments in computers. The development of fiber-optic technology for transmitting signals has stimulated huge investments by telephone and cable television companies.

When it comes to the best investment options in India, a lot of questions pop up in the mind of people. Every investor wants to invest in the Best Investment options in India in a way that they can avail maximum return in a specific tenure with minimum risk involved.

## **VARIOUS INVESTMENT OPTIONS**

### **Top Investment Options in India**

Listed below are some of the best investment options in India 2022 that offer high returns. You can consider including these investment plans in your financial portfolio while savings for the future.

<b>Investment Options</b>	<b>Period of Investment (Minimum)</b>	<b>Who Can Invest</b>	<b>Risks</b>	<b>Returns Offered</b>
<b>Direct Equity</b>	NA	An investor who knows to balance risk and return	High	NA
<b>Mutual Funds</b>	Within a scheme like ELSS a lock-in period of 3 years	An investor who has an appetite for medium to high risk	Low-High	Market-Linked
<b>National Pension Scheme</b>	60 years	An investor looking forward to retirement plans	Low-High	Market-linked ( 8 to 10 per cent)
<b>Public Provident Fund (PPF)</b>	15 years	Long-term investment goals	Nil	7.9 per cent
<b>Bank Fixed Deposits</b>	7 days	One who doesn't wish to take the risk or be exposed to an equity	Nil	Fixed Returns, different from bank to bank
<b>Senior Citizen Savings Scheme (SCSS)</b>	5 years	Senior Citizens	Nil	8.7 per cent
<b>Real Estate</b>	5 years	Anyone	Medium	19-15 per cent
<b>Gold ETF</b>	NA	Anyone	Low - Medium	Market-linked
<b>RBI Bond</b>	7 years	Indian Citizen	Nil	7.75 per cent
<b>Pradhan Mantri Vaya Vandana Yojana (PMVVY)</b>	10 years	Senior Citizens	Nil	7.4 per cent
<b>Initial Public Offerings (IPO)</b>	NA	An investor should have Demat cum trading account	Moderate-High	NA

## 1. Unit Linked Insurance Plan (ULIP)

Unit-linked insurance plans are considered as one of the best investment options in India. The ULIP plans offer the dual benefit of insurance and investment. Besides, ULIP plans also provide the advantage that is tax exemption. ULIP plans arrive along with a lock-in period of 3 years-5 years. Under ULIP, a part of the premium is used for insurance coverage whereas the remaining premium is invested in market-linked instruments such as shares, bonds, much more.

## 2. Public Provident Fund (PPF)

One of the most secured long-term investment option amongst all the investment options in India. It is tax-free. A PPF account can be opened in a bank or post office. The invested money is locked for the tenure of 15 years.

## 3. Mutual Fund

One of the prominent investment options in India- mutual funds is the ideal investment plan that offers high returns on the investment over the long term. It is a market-linked investment alternative, which invests money in various financial instruments such as equity, debt, stocks, money market fund, and much more. The returns are generated as per the market performance of the fund. Even though the risk exposure in mutual fund investment is higher, it offers much better returns as compared to other best investment options in the market. The two major investment options offered by mutual funds are:

- **Equity Mutual Fund:** Equity funds are market-linked securities. Being one of the prominent mutual funds in India, equity mutual funds offer high ROI by investing in shares of companies of different market capitalization. As compared to other investment options in India like debt or fixed deposits, equity mutual funds offer much better returns. However, the risk involved is more. Under the equity mutual fund scheme, 65 of the asset are invested in equity and equity-related securities and 35 of the asset are invested debt and money market instruments.
- **Debt Mutual Fund:** Debt funds are considered one of the best investment options for investors who want to gain a steady ROI. Under debt fund, the investment is made in fixed-interest securities like corporate bonds, government securities, treasury bills, commercial paper, and various other money market tools. The major objective of investing in debt funds is to generate capital appreciation and earn interest income.

## 4. Bank Fixed Deposits

Fixed deposits are exceptionally well known fixed-pay venture choices. Consistent with its name, FD offers fixed returns over the tenure of the investment. The profits are payable month to month, quarterly or yearly, according to the bank rules.

Depending on the bank, FDs offer cumulative and non-cumulative options of investment. When it comes to the non-cumulative option, as per underwriting the interest will be paid and on the other hand, the interest will be re-invested and will be paid at the maturity within a cumulative option.

The investment in fixed deposits can be made online or by visiting any branch of the bank of your choice. The FD interest rates are attractive, ranging from 6.50 (for regular account holders) to over 7 (for senior citizens) for the tenure of 1 year.

FDs offer a range of tenures (minimum - 7 days, maximum - 10 years) and the investors can choose the investment as per their investment horizon.

## 5. National Pension Scheme (NPS)

NPS Investments is government-backed that offers pension solutions. The fund invests in, bonds, government securities, equity and other investment alternatives as per the investor preference.

It offers two options- auto and active. Under the auto option, the funds are invested automatically in different assets, whereas the active option enables the investor to invest in assets as per their choice.

The lock-in period depends on the investor's age, as the scheme only matures when the investor turns 60.

As per this scheme, the accumulated interest is tax-free. And when one chooses for the lump-sum payment upon maturity, 40 of the maturity proceeds are tax-exempt. If one opts to receive the pension post maturity, the amount is taxable as regular income.

## **6. Senior Citizen Savings Scheme**

Senior Citizens' Saving Scheme (SCSS) is one of the risk-free *tax saving investment options* in India for senior citizens above 60 years. It is one of the best investment options for senior citizens because offers them a regular income. The scheme provides a good rate of interest i.e. 8.6 interest per annum, which makes it a highly beneficial option of investment.

## **7. Direct Equity**

Direct equity is considered as one of the best investment options for a long-term period. Even though most of the investors consider direct equity a high-risk investment options, the returns offered by direct equity funds are higher than any other investment options available in the market.

## **8. Real Estate Investment**

One of the fastest-growing sectors in India is real estate, which holds great prospects in different sectors such as retail, housing, manufacturing, commercial, hospitality and much more. Buying a flat or plot is the best decision amongst the investment options available in India. The risk is very low because the rate of the property increases within 6 months, however investment in real estate requires huge amount of capital input. Real estate investment works as an asset, which may help in generating passive income by way of rent, it also appreciates in value in long term.

## **9. RBI Bonds**

The RBI Taxable Bonds have tenure of 7 years and offer an interest rate of 7.75 per annum.

These bonds are furnished in Demat mode only and are accredited to the Bond Ledger Account (BLA) of the investor.

The bonds are issued for Rs. 1000, and as proof of the investment, the investors get a Certificate of Holding.

With the non-cumulative option, the interest can be accessed as regular income, on the contrary, the re-invested interest is offered within the cumulative option.

## **10. Gold ETF**

Gold Exchanged Traded Funds are tools, which are a combination of both gold investment and stock. The Gold ETF can be easily bought and likewise can be sold with any company stock. The Gold ETFs are instruments that are passive on the premise of the price of the gold making it transparent when it comes to pricing.

## **11. Pradhan Mantri Vaya Vandana Yojana (PMVVY)**

The Pradhan Mantri Vaya Vandana Yojana is accessible for those senior citizens of 60 years of age and above and offers 7.4 per cent of assured return every year to them. Based on the choice, the scheme provides the pension income, which is duly payable on monthly, quarterly, semi-annually or annually. The minimum amount of pension is Rs 1,000 and can go up to the maximum sum of Rs 9,250 every month. An amount of Rs 15 lakh in the scheme can be invested and the time frame is 10 years, which will be available until 2023, March

31. At the time of maturity, the amount invested will be paid to the respective senior citizen; however, in case of demise of the senior citizen, the amount will be then paid to the nominee respectively.

## **12. Post Office Monthly Income Scheme**

As the name suggests, the Post Office Monthly Income Scheme is a scheme, which will help you to save monthly and is regulated by the Post Offices within India. A scheme, which is government-backed and permits the users to, save every month. Any Indian citizen can easily open a Post-office MIS account starting with a sum of Rs 1500 minimum. The day the account is opened, begins the maturity period that is 5 years of the scheme. The investors can likewise open a *POMIS account* whether individually or jointly. In case, any investor who is looking forward to a scheme offering tax-saving alternative should not opt for this tool as this scheme does not provide any tax rebate either on the maturity amount or the investments.

## **13. Initial Public Offerings**

Initial Public Offering, or IPO, is a unique process to convert a private company into a public company by issuing shares. The issuance of shares for the public allows the company to gather capital and an excellent opportunity for the general public to invest and earn returns on that investment.

Initially, a private company grows with its initial investors, founders, and stakeholders. When a company has achieved a specific goal where the management realises that they are stable enough to handle the SEC (Securities And Exchange Commission) regulations, grow and diversify using the general public's money, the company decides to offer an Initial Public Offering. Through this, the stake-holdership in the company is offered to the general public through shares. When the companies are right, this option could be considered a long-term investment. Though, IPOs seem attractive one must invest after doing adequate research as there's risks associated with subscribing to IPO

# October Month Events

---

Sl No	Date	Day	Topic / Event	CPE Hours
1	08 <sup>th</sup> October	Saturday	One Day CPE Seminar on ABCD of Technology	6 Hrs
2	21 <sup>st</sup> & 22 <sup>nd</sup> October	Friday & Saturday	Sub Regional Conference of SIRC	12 Hrs

## *Athapookkalam @ Branch*



### **CA. Santhosh Cherian**

“Onam... the word itself gives colourful memory to my mind as always ...Those days, we get new dresses and vacation we spent at ancestors house with joy..Oonjal, panthu kali, athapookkalam... upperi, what not..

But for the new generation they are rich, amazon or trends or online shops decides when to buy new dresses and the joy is within the four walls of electronic media.. both may have its own ups and downs .. but i miss those villages and life around those small villages during the festival season which my children do not digest well..but that is ok.. generation gap is it ??..

Any way, let us enjoy let us celebrate our Onam and that too after a break of two years .... we may also try to enhance the happiness during this season in the lives of others around us ..”

Happy onam wishes to you all .



### **CA. Bhadrakumar**

“Onam- the sweet memories of a golden past which revitalize our festive mood and prompt us to an optimistic future” .

Happy Onam Greetings 🌹

# Onam Celebrations & September Month Events





## Glimpse of ONAM Celebrations

---





