The Institute of
Chartered Accountants of India
(Set up by an Act of Parliament)

Thiruvananthapuram Branch (SIRC)

NEWS LETTER

Private Circulation Only

JULY 2026

Chairperson's Message

Dear Esteemed Members,

The strength of any professional institution is not measured merely by the number of programmes it conducts, but by the value it creates for its members and the impact it leaves on society. As I reflect on the past month, I am filled with a deep sense of pride in what we have been able to achieve together as one Branch and one fraternity.

The Chartered Accountancy profession today stands at the intersection of opportunity and responsibility. With rapid technological advancements, evolving regulations and increasing stakeholder expectations, our profession continues to transform at an unprecedented pace. As a Branch, our endeavour is to ensure that every member is equipped not only to adapt to these changes but also to lead them with confidence and competence.

Equally important is our responsibility beyond boardrooms and balance sheets. A profession earns its true respect when it contributes to the well-being of society. I am delighted that our members continue to embrace this philosophy by actively participating in initiatives that support education, environmental sustainability, public awareness and community welfare. These efforts may appear small in isolation, but together they reflect the compassionate heart of our fraternity.

One aspect that particularly inspires me is the growing spirit of participation among our members and their families. Whether it is a technical seminar, a sporting event, a social initiative or a cultural gathering, the enthusiasm with which our members come together has transformed our Branch into more than just a professional institution. It has become a close-knit community where friendships flourish, experiences are shared and every achievement is celebrated collectively.

While June brought us many reasons to celebrate, it also reminded us of the bonds that unite our fraternity during moments of loss. We deeply mourned the passing of CA. G. Mohanakumar, a respected professional and valued member of our Branch. His humility, dedication to the profession, and warm association with colleagues will always be remembered with affection and respect. On behalf of the Managing Committee and the entire membership, I extend our heartfelt condolences to his family and loved ones. May the Almighty grant them strength during this difficult time, and may his soul rest in eternal peace.

The success of any Branch is never the accomplishment of a single individual. It is the outcome of countless hours of voluntary service, thoughtful planning and selfless commitment. I place on record my sincere appreciation to our Managing Committee, Past Chairpersons, resource persons, volunteers, Branch staff and every member who continues to contribute in one way or another. Your support strengthens every initiative we undertake and motivates us to strive for even greater excellence.

As we celebrate the 78th Foundation Day of our Institute, let us renew our commitment to the values that have defined the Chartered Accountancy profession for generations—integrity, excellence, independence and service. Together, let us continue building a Branch that is recognised not only for professional excellence but also for its unity, inclusiveness and commitment to society.

Thank you for your continued trust, encouragement and active participation. I look forward to meeting each one of you at our upcoming programmes as we continue to learn, grow and serve together.

With warm regards,

CA. Julie G Varghese
Chairperson
ICAI Thiruvananthapuram Branch (SIRC)

Secretary's Message

Dear Esteemed Professional Colleagues,

June was a month that reminded us what makes our Branch truly special. It was not just about the number of programmes we conducted, but about the many ways in which we came together—to learn, to serve, to celebrate, and to support one another.

The month commenced with a series of enriching technical programmes. Our seminars on GSTAT – Practically 360 Degree, Audit Automation using Excel 365: Dynamic Array Functions, LAMBDA & Power Query, and TDS & TCS Provisions under the Income Tax Act, 2025 received excellent participation. I sincerely thank CA. Unnikrishnan M, CA. Biju R., and CA. Rani N. R. for sharing their expertise and helping our members stay ahead in an ever-evolving professional environment.

On World Environment Day, the Branch distributed 20 tree saplings to members as a small step towards promoting environmental sustainability and encouraging greener practices.

June also gave us an opportunity to extend our service beyond the profession. Through our School Reopening Support Initiative, we distributed school bags and learning materials to the children of Thycaud Anganwadi and Thycaud Government LP School. The smiles on the faces of these children were a beautiful reminder that even small acts of kindness can create a lasting impact. My heartfelt gratitude to every member and Past Chairman who contributed to this meaningful initiative.

Our commitment to public service continued through the Income Tax Help Desk, where CA. Dhanya V. S., CA. Remya C., and CA. Jacob Joseph generously volunteered their time and expertise to assist taxpayers during the filing season. On 24th June, CA. Arun P. Krishna represented our Branch at the Income Tax Department by delivering a session for Income Tax Officers on the practical challenges faced by taxpayers and professionals. My sincere appreciation to all of them for their valuable service.

June also witnessed the successful culmination of our Intra-Branch Sports Meet, which saw enthusiastic participation from members, spouses, children and families across athletics, cricket, football, badminton and table tennis. The institution of the Sathiavageeswaran Memorial Trophy added a special significance to the tournament, making it a memorable tribute to a respected member of our fraternity. More than the medals and trophies, the event celebrated friendship, fitness and togetherness—the true spirit of our Branch.

We also celebrated International Yoga Day with an inspiring session led by Shri. Siva Kumar K, reminding us that good health and a balanced mind are essential companions to professional success.

As part of the celebrations marking nine years of GST, our Branch participated in the GST Day Cricket Championship organised jointly with the Central GST & Central Excise Department, Thiruvananthapuram. The event further strengthened the bond between the profession and the Department through friendly competition and fellowship.

The month concluded with the observance of International MSME Day, where we were honoured to have Shri. Dinesh R., General Manager, District Industries Centre, Thiruvananthapuram, as the Chief Guest. CA. Manjunath D. delivered an insightful session on financial awareness for entrepreneurs and the role of Chartered Accountants in strengthening the MSME sector. The celebrations continued with our CA Day Indoor Games, bringing members together for an enjoyable evening of sports and camaraderie.

Amidst these memorable moments, we also mourned the passing of CA. G. Mohanakumar, a highly respected member of our fraternity. His contribution to the profession and his warmth towards colleagues will always be remembered. On behalf of the Branch, I once again extend our heartfelt condolences to his family and pray for eternal peace to the departed soul.

As I look back at June, I see much more than a calendar of events. I see members who willingly shared their knowledge, extended a helping hand to society, celebrated each other's successes, and stood together as one family. That is the true strength of our Branch, and I am grateful to each one of you for being a part of this journey.

Warm Regards

CA. Jithin Mathew Kurian
Secretary
Thiruvananthapuram Branch (SIRC)

Annual Budgets to Dynamic Performance Management: An Internal Audit View

CA. Anal Padmanabhan

Every organization begins a financial year with aspirations and targets. These ambitions are translated into numbers through the annual budgeting exercise, often involving weeks of deliberation, analysis, and negotiations across departments. Many organizations spend significant time preparing annual budgets but surprisingly little time managing them. As a result, budgets often become reference documents rather than management tools.

Traditionally, budgetary control has been viewed as a process of comparing actual performance against budgets and taking corrective action. However, from a management control and internal audit perspective, effective budgetary control extends beyond variance reporting. It relies on an integrated framework of planning, monitoring, review, accountability and corrective action that collectively ensures the achievement of organizational objectives.

While no auditing standard specifically defines budgetary control, SA 315 recognizes budgets, forecasts, and variance analysis as important elements of management's performance monitoring and risk assessment processes. SA 330 further requires the auditor to test such controls where reliance is placed on their operating effectiveness.

When the Annual Budget defines where the organization intends to go; Budgetary Control ensures that the organization remains on course despite changing business realities. So Budgetary control needs to function as an integrated management system that links planning, execution, monitoring, review, accountability, and corrective action. Organizations that follow the system often better equipped to respond to market changes, optimize resources, and achieve sustainable growth

Why Budgets Alone is not a Solution

An annual budget is prepared based on assumptions prevailing at a particular point in time. However, business environments rarely remain static across the year. Market conditions, input costs, customer demand, regulatory requirements, manpower availability, production capacities, and working capital conditions often change significantly during a year. New opportunities emerge while unforeseen challenges arise. Under such circumstances, the Annual budget continues to remain relevant as a strategic roadmap, but effective day-to-day management requires a more dynamic approach

Monthly Plan, the missing link

This is where the monthly planning becomes critical. Before the beginning of each month, management possesses significantly more information than it did during the annual budgeting exercise. Based on these realities, there should be a monthly operating plan that remains aligned with annual objectives while reflecting recent business circumstances

Such monthly plan demonstrates management's ability to adapt to changing circumstances while maintaining focus on long-term objectives. Such adjusted monthly plan effectively becomes the organization's operational commitment for the month

Measuring Performance Effectively

Variance analysis being the critical part, unless there is no proper base value to compare, variance analysis often provides limited insight into operational effectiveness.

Consider a situation where management deliberately reduces production during a month because of working capital constraints, seasonal demand variations, or planned maintenance shutdowns. Here comparing actual production directly with the annual budget may indicate a significant adverse variance. However, if production has achieved the revised monthly target approved by management, operational performance may actually be satisfactory. For this reason, performance measurement should occur at two levels;

a)Strategic level to evaluate long term organisational objective by comparing actual performance with annual budget.

b)Management level to evaluate execution efficiency and management effectiveness by comparing actual performance with month plan.

This dual approach provides a more meaningful and balanced assessment of organizational performance

Budgetary Control as a Continuous Cycle

Effective budgetary control should function as a continuous cycle rather than a periodic reporting exercise. Each of the management process below contributes to the overall effectiveness of the budgetary control framework once the Annual Budget establishes the strategic direction and expectations.

▪**Monthly plan** converts annual aspirations into realistic and achievable short-term targets based on prevailing business conditions.

▪**Period closure** forms the foundation of reliable MIS, review and monitoring on time.

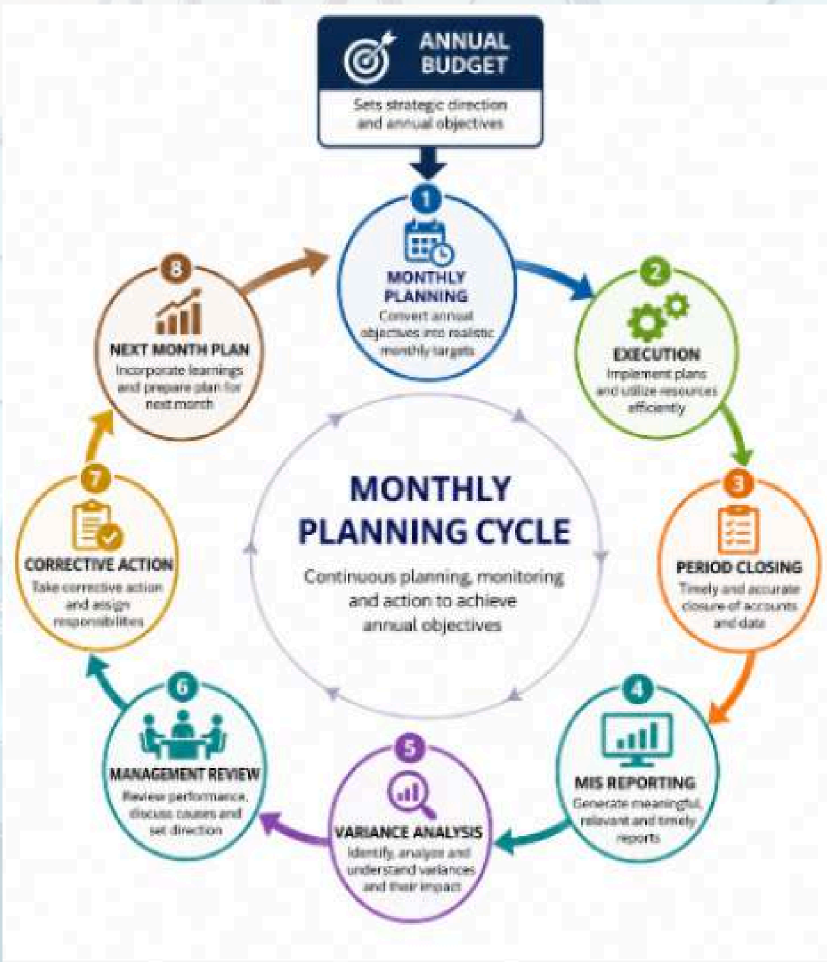
▪**Effective MIS** should provide meaningful information than mere reports including key performance indicators, trend analysis, exception reporting, and predictive indicators

▪**Variance Analysis**, represents the core of an effective budgetary control system, to identify deviations and reasons, controllable or not, its impact etc. Without meaningful variance analysis, reporting becomes an information sharing rather than performance management.

▪**Management Review** meetings convert information into decisions. A robust review process promotes accountability while encouraging constructive problem-solving. The objective should be to identify solutions.

▪**Assignment of ownership** is also equally important. Every significant budget line, performance target, and variance should have a designated owner responsible for explaining deviations and implementing corrective actions.

▪**Corrective action** for variation is the ultimate purpose of budgetary control. Reports, meetings, and analyses create value only when they result in decisions that improve future performance. So, a strong control framework helps systematic monitoring of action points until closure.



The Internal Auditor's role

Internal Audit does not participate in managing the business. However, auditors may play a critical role in evaluating the effectiveness of the budgetary control and related management framework mentioned above.

Auditor can evaluate whether the entire management control process is functioning effectively and whether decisions are supported by timely and reliable information. Recurring adverse variances may indicate weaknesses in planning, forecasting, execution, or monitoring. Identifying such systemic issues and bringing them to management's attention can be an important area for Internal Audit.

Conclusion

So, the modern budgetary control extends beyond budget preparation and variance reporting. It operates through an integrated management framework comprising planning, monitoring, review and corrective action. The organizations that consistently achieve their objectives are those that possess the discipline to adapt plans to changing realities, review performance regularly, analyse variances meaningfully, assign accountability, and take corrective action promptly

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Companies Compliance Facilitation Scheme, 2026 –

A Timely Opportunity for Corporate Compliance

CA. Ashwin C Nair

Introduction

The Ministry of Corporate Affairs (MCA), through General Circular No. 01/2026 dated 24 February 2026, introduced the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026), providing a one-time compliance relief mechanism for defaulting companies. The scheme, effective from 15 April 2026 to 15 July 2026, aims to encourage companies to regularize long-pending statutory filings at substantially reduced additional fees.

The initiative reflects the Government's continued emphasis on improving corporate governance, easing regulatory burdens, and ensuring the MCA registry remains updated and reliable. The scheme is particularly beneficial for MSMEs, startups, dormant entities, and small private companies that have accumulated compliance defaults over the years.

Background and Need for the Scheme

Under Sections 92 and 137 of the Companies Act, 2013, every company is required to file:

- Annual Return in Form MGT-7 / MGT-7A
- Financial Statements in Form AOC-4 and its variants

Delay in filing these forms attracts additional fees under Section 403 at the rate of ₹100 per day without any upper cap. Over time, the accumulated penalties become financially burdensome, especially for small and inactive companies.

Recognizing these practical difficulties, MCA introduced CCFS-2026 as a corrective compliance window to facilitate:

- Reduction in litigation and penal exposure
- Updating of statutory records
- Revival of inactive but operational companies
- Easier dormancy or closure of defunct entities

Key Features of CCFS-2026

1. Scheme Period

    The scheme is operational from:

    15 April 2026 to 15 July 2026, The scheme is extended to 31-08-2026

    Only filings completed during this period are eligible for the concessional benefits.

2. Major Relief in Additional Fees

    Companies filing pending annual documents during the scheme period are required to pay:

    - Normal filing fees; and
    - Only 10% of the applicable additional fees

    This effectively provides a 90% waiver of additional fees, making compliance significantly more affordable.

3. Dormant Status Option

    Inactive companies intending to retain their corporate status may apply for dormant status under Section 455 by filing Form MSC-1.

    Under the scheme:

    - Only 50% of the normal filing fees are payable.

    This option is useful for companies that are temporarily inactive but may revive operations in the future.

4. Strike-Off Option

    Companies that no longer intend to continue business may opt for strike-off by filing Form STK-2.

    The scheme provides substantial relief by allowing payment of:

    - Only 25% of the applicable filing fees.

    This offers a cost-effective exit mechanism for defunct companies

Forms Covered Under the Scheme

The scheme covers various pending forms under both the Companies Act, 2013 and the erstwhile Companies Act, 1956.

Forms under Companies Act, 2013

- MGT-7 / MGT-7A
- AOC-4
- AOC-4 XBRL
- AOC-4 NBFC
- ADT-1
- FC-3
- FC-4

Forms under Companies Act, 1956

- Form 20B
- Form 21A
- Form 23AC / 23ACA
- Form 23AC-XBRL / 23ACA-XBRL
- Form 66
- Form 23B

Companies Not Eligible for the Scheme

The scheme excludes:

- Companies against which final notice for strike-off under Section 248 has already been issued
- Companies that have already applied for strike-off
- Companies that obtained dormant status prior to the scheme
- Amalgamated or dissolved companies
- Vanishing companies

Immunity and Relief from Penal Consequences

One of the most significant benefits under CCFS-2026 is the opportunity to avoid penal consequences arising from delayed filings.

Companies completing filings within the scheme period may obtain relief from:

- Adjudication proceedings
- Heavy monetary penalties
- Prosecution relating to delayed annual filings

The scheme therefore acts as a preventive compliance measure and reduces future litigation risks

Consequences of Non-Compliance After the Scheme

The MCA has clarified that after 15 July 2026, Registrars of Companies (ROC) may initiate stringent action against defaulting companies that fail to avail the scheme.

Possible consequences include:

- Adjudication under Section 454
- Penalties under Sections 92 and 137
- Suo motu strike-off proceedings under Section 248
- Director disqualification under Section 164(2)

Therefore, companies with pending filings should treat the scheme as a limited-time compliance opportunity rather than postpone corrective action.

Practical Significance for Professionals

CCFS-2026 presents significant professional opportunities and responsibilities for Chartered Accountants, Company Secretaries, and compliance professionals.

Professionals may assist companies in:

- Identifying pending ROC compliances
- Reconstruction and finalization of financial statements
- Conducting statutory audits
- Filing overdue e-forms
- Advising on dormancy or strike-off
- Assessing exposure to penalties and litigation

The scheme also offers practitioners an opportunity to support corporate governance reforms and improve regulatory discipline among businesses.

Conclusion

The Companies Compliance Facilitation Scheme, 2026 is a progressive compliance reform initiative by the MCA that balances regulatory enforcement with practical business realities. By substantially reducing additional fees and providing flexible options for regularization, dormancy, or closure, the scheme encourages companies to return to the formal compliance framework.

For companies burdened with historical filing defaults, CCFS-2026 offers a valuable opportunity to clean up compliance records and avoid future legal complications. From a professional standpoint, the scheme also reinforces the critical role of Chartered Accountants and compliance professionals in strengthening India's corporate governance ecosystem.

Given the limited validity period of the scheme, stakeholders should proactively evaluate pending compliances and complete necessary filings within the prescribed timeline

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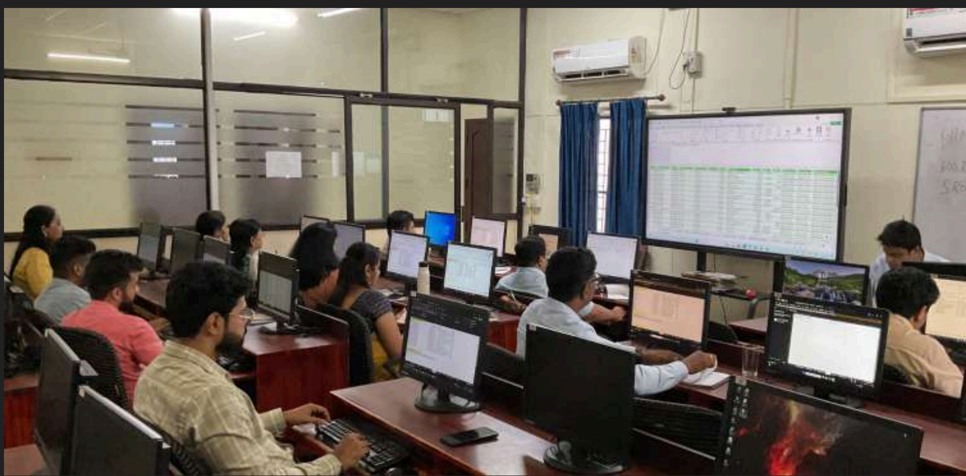
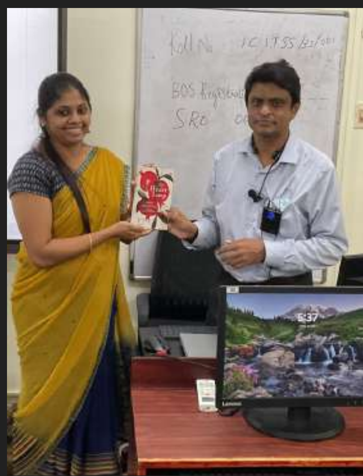
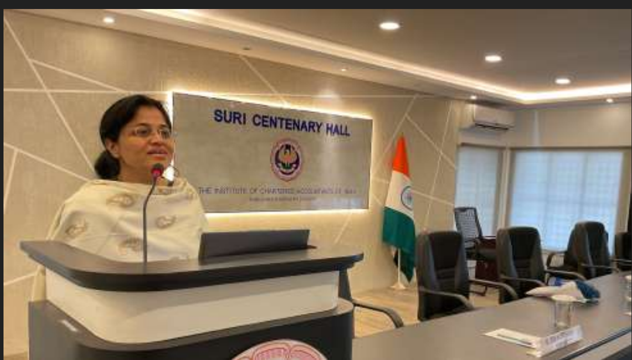
EVENT SNAPS

Seminar on GST | 05 June2026

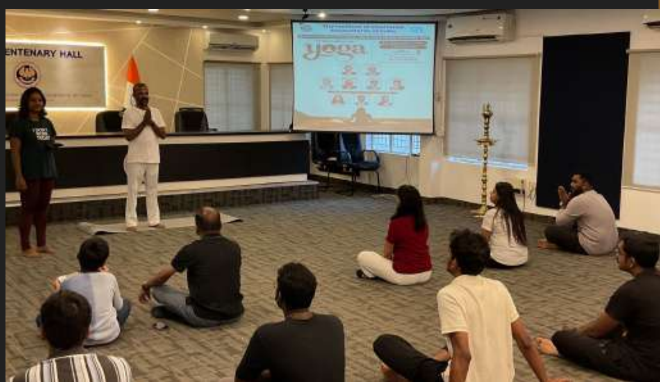




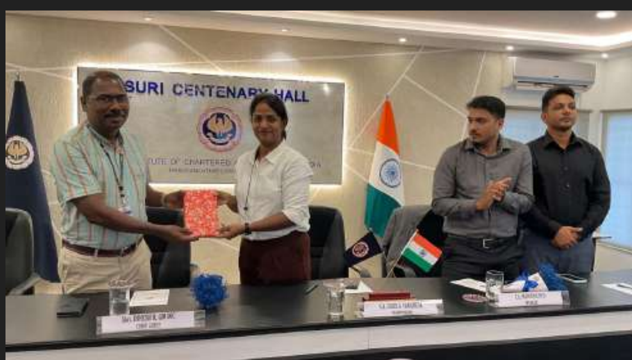
Workshop on Audit Automation | 12 Jun2026



Seminar on TDS | 19 June2026



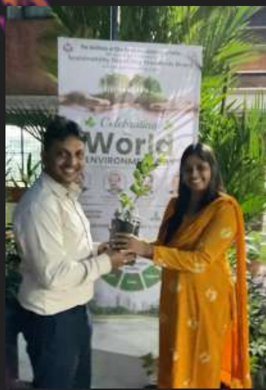
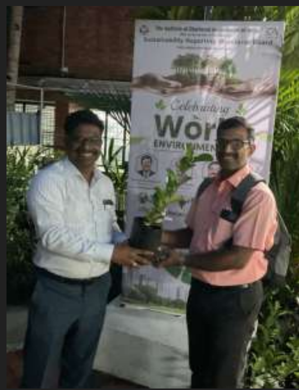
International Yoga Day | 21 June2026

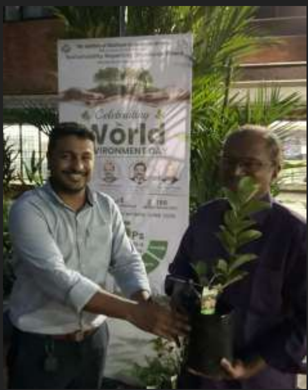
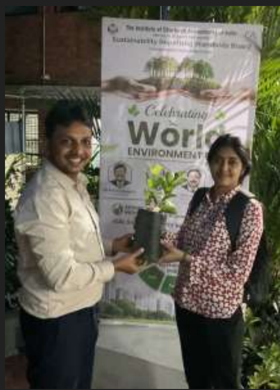


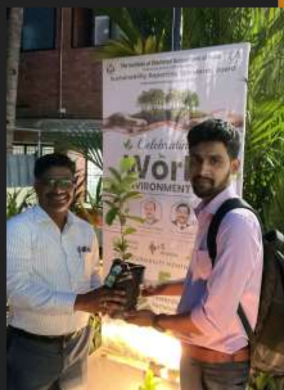
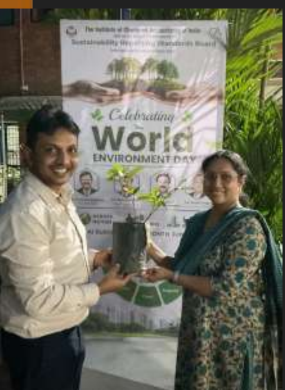
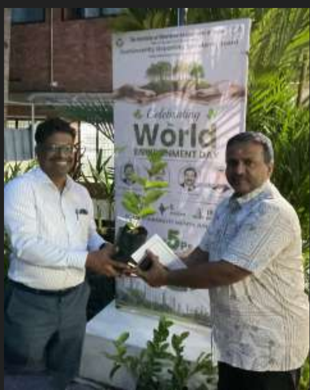
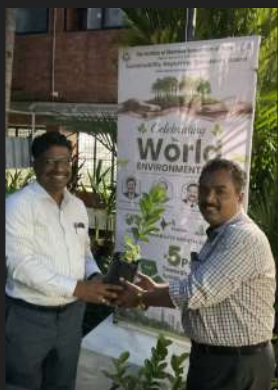
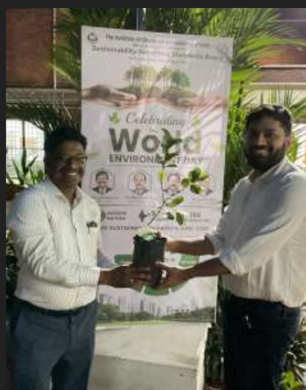
Seminar on International MSME Day | 27 June2026

Distribution of Tree Samplings on World Environment Day



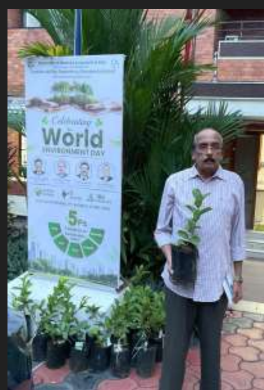



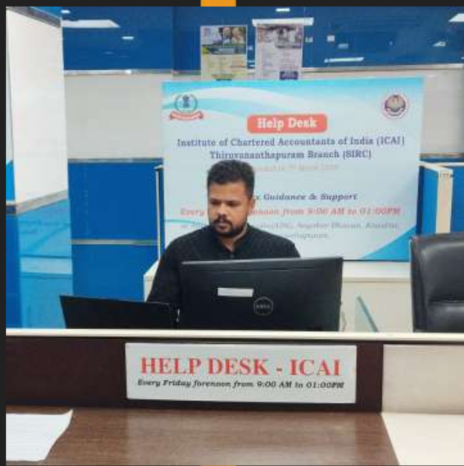






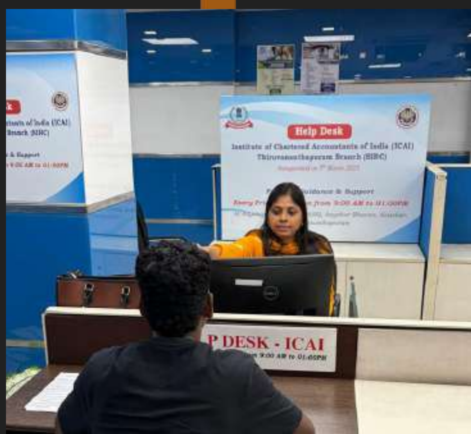
HELPDESK @ INCOME TAX

CA. Dhanya V S

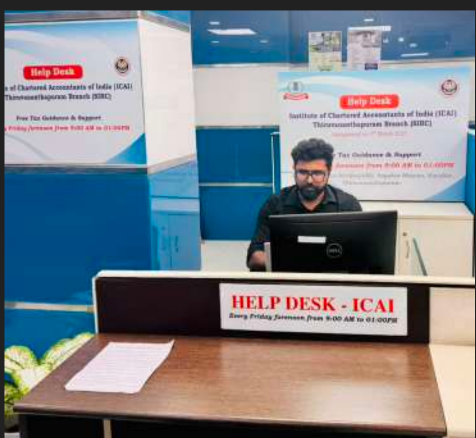


CA. Aswin V Gopal

CA. Jacob Joseph

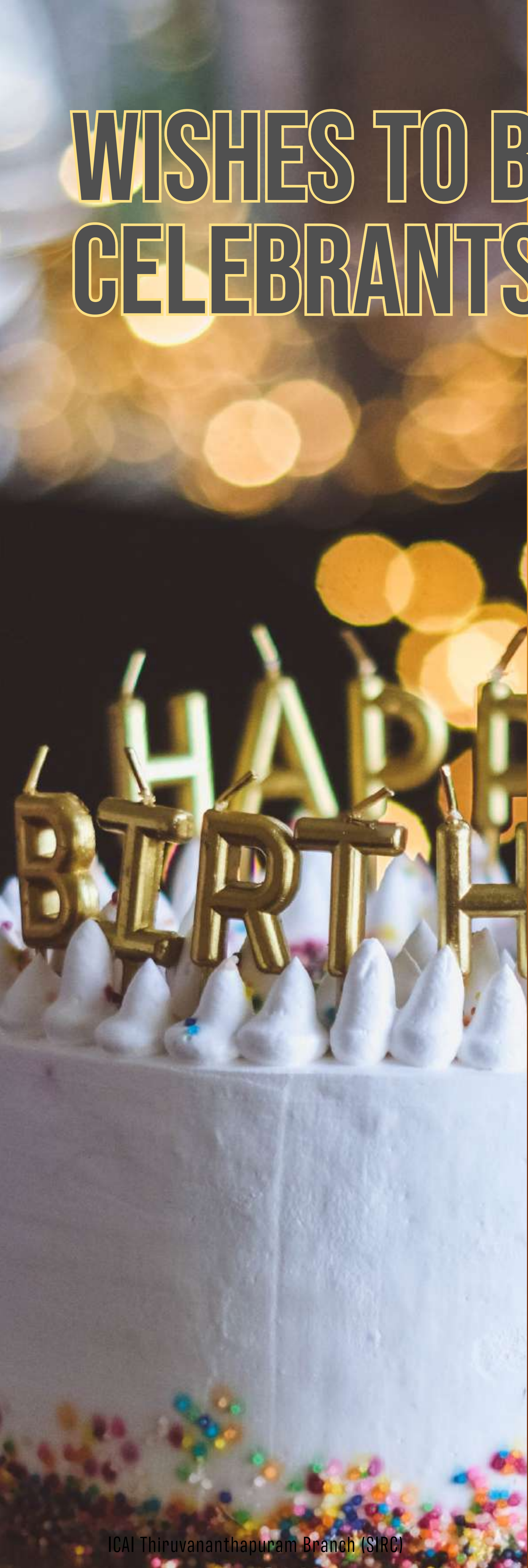


CA. Remya C



CA. Aswin V Gopal

WISHES TO BIRTHDAY CELEBRANTS



1	July	PARVATHI V
2	July	PADMANABHAN R
3	July	RAVI D
5	July	ROY I VARGHESE
5	July	SUNIL RAJ M
5	July	MANOSH KUMAR B
6	July	MIDHUN G
6	July	RAJEEV
7	July	RENJITH K K
9	July	SONY VERGHESE
10	July	SURESH MOHAN
12	July	DHILNA S
14	July	VENKITA SUBRAMANIAN G
15	July	ANAND GEORGE THOMAS
16	July	HARIFA MUHAMMED
17	July	LALJI VIJAYAN
20	July	JOJI K JAMES
20	July	RAHUL KRISHNAN R
21	July	K ABRAHAM MATHEW
22	July	ADARSH B
22	July	GOWTHAMAN N
24	July	SUJITH A NAIR
25	July	SHYAM KRISHNAN M G
27	July	SHANTHI KRISHNA KUMAR
28	July	ASHOK A
28	July	SUBRAMONIAN N
29	July	BIJU P
30	July	A AMIRTHA RAJAN
30	July	AADIDEV VS
30	July	SURESH BABU S
31	July	ALEX KURIAKOSE
31	July	HAROLD DEVASSY R
31	July	JIBY MARY VARGHESE
31	July	SREEKUMAR R

The Institute of Chartered Accountants of India

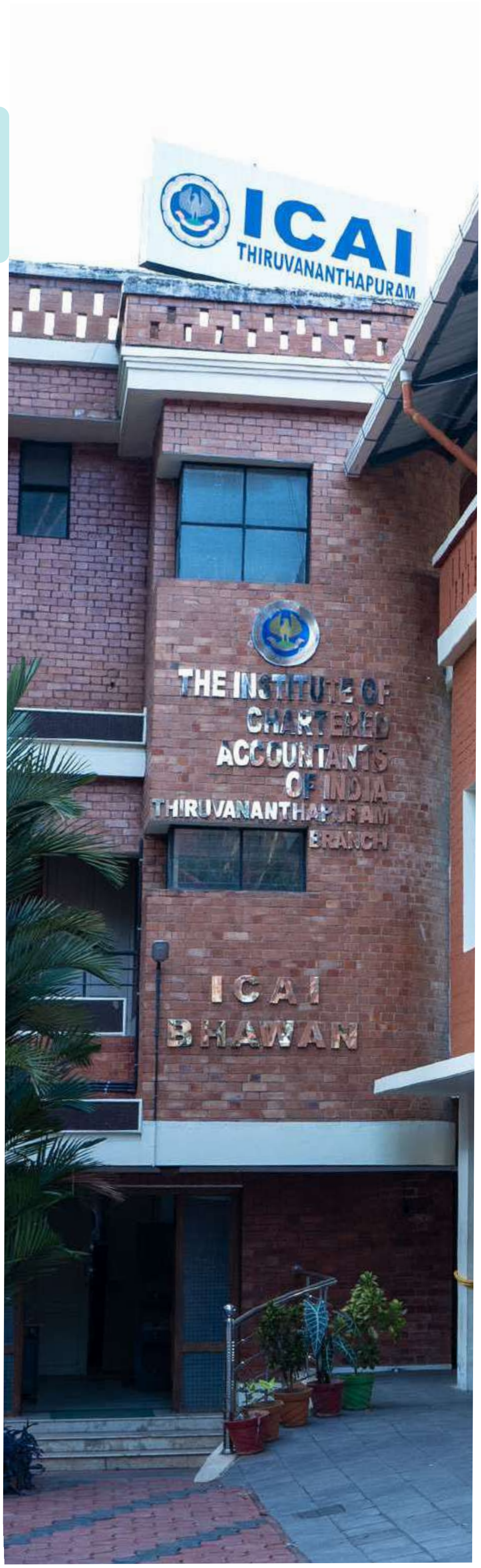
(Set up by an Act of Parliament)

Thiruvananthapuram Branch (SIRC)

Invitation for Articles / Write-ups

Articles / Write-ups are hereby invited from members on any key topics to be published in the upcoming e-Newsletter. Members may kindly send their articles to trivandrum@icai.org with cc to icaitvm@gmail.com with the subject line "Article for Newsletter" on or before the 02nd of the following month along with mentioned details:

1. Name
2. Membership Number
3. Contact Number
4. E-mail id
5. Photo
6. Article in docx format



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