



ERNAKULAM BRANCH OF **SICASA**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Farewell 2021

**COUNCIL DECIDES
PETROL AND
DIESEL NOT TO
COME UNDER GST**

ESHA AGARWAL

**IMPACT OF COVID-19
ON THE GROWTH OF
AUTOMOBILE INDUSTRY
(2020-2021)**

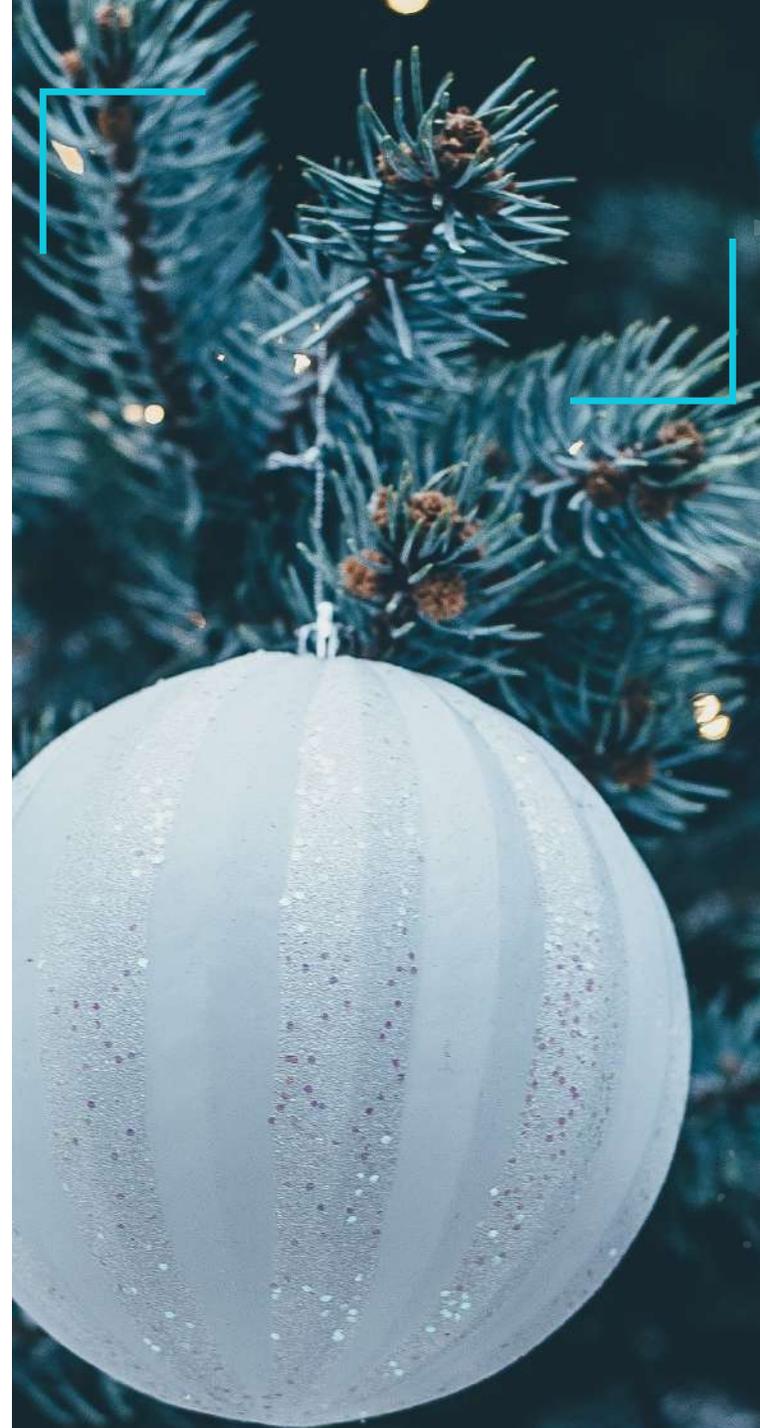
ANAND KRISHNAN R

SWASTHI



E - NEWSLETTER

DECEMBER 2021



Word of the Month

VOLUBLE

*Meaning: Characterized by ready
or rapid speech*

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CHAIRMAN'S MESSAGE



CA SALIM ABDUL RASHEED

Dear students,

As we journey towards the end of the term, it is pertinent to analyze the ups and downs that we have collided with. Indeed, we will be able to come across some sort of developments within us. The triumphant often quote "Rome was not built in a day". Whatever be the changes, the transformation takes place inside sluggishly. However, it is equally important to realize the changes that happen within and make it grow carefully.

The month of December, as usual, was fun filled and eventful. Moreover, the year ended well with the highlighting program of CA Students Conference 2021. The whole team of SICASA, Ernakulam branch was engaged with the productive activities in enhancing their leadership as well as communicative skills by being involved in the promotional activities of the most celebrated CA student's conference 2021, with a theme of NAVADA, which implies to bring novelty. In fact, it motivates the students to dream, believe and achieve to be bright human capital for the society and the nation at large. The efforts put in did really pay off on the 2 days of the event.

I hope that the students have benefitted from the back end as well as the front end initiatives as such programs builds up the confidence level and boost their leadership as well as communication skills. The day was blessed with the esteemed presence of BOS Chairman, CA Jay Chaira, whose presence had indeed changed the outlook of the program. The inspirational words of CA Babu Abraham Kallivayilil, CA Renjith Warriar and other distinguished personnel enhanced the scope of students to look at life at a different angle, as they would understand that the qualification of Chartered Accountancy is merely a stop and the destination is much higher than the first step of qualification.

The paper presentations were commendable and each presenter had augmented the understanding that each of the students had, in the topics which were selected for presentations. The presentations were extremely fascinating and the zeal and enthusiasm with which the students performed was remarkable.

Even though the strength was lesser than the expectation, the students who have managed to attend the conference will sure enough, be motivated to perform next year as that was the exposure discharged by each of the paper presenters. I use this as the platform to congratulate each one for coming forward to challenge yourself and make a difference in the minds of the viewers that if we think we can, we can bring about to achieve what we wished for.

In addition to the conference, we had conducted the blood donation drive in which the students were highly enthusiastic to come forward to donate blood. We all know that blood donation is a holy process by which multiple lives are saved from the determination of the donor. We welcome such students who are going to be the true torch bearers to the society and the pride of our institute. It's always a prestige to watch students putting in efforts to be responsible citizens of the global economy.

Above all, the students who had missed the opportunity to view the deck of conference, due to the hectic and timely compliance activities, shall not be disappointed as we can meet the stage in the coming years. In addition, I guarantee that such stages are going to be beneficial as such stages will remain our assets throughout the journey of life.

The new beginning of 2022, shall mark the end of melancholy and pain and we hope that the year 2022 will bring us blessings and achievements wish all the very best to the aspirants of the august institute.

Happy reading.

SECRETARY'S REPORT

Greetings from SICASA!

The month of December has been no less than a rollercoaster ride for SICASA, with exciting events and, of course, the exams. What do you feel after writing the exams? Whatever it is, do not fret, SICASA Ernakulam has enough events lined up for the next month as well to keep your post-exam break productive.



SHIMY SHAJI
SRO 0596416

The month began with us doing our part to help our students with their exams, by organizing the revision series, where eminent student faculties did their best to help their colleagues revise for the exams, one chapter at a time. The feedback and response we received for this event were heart-warming and I'm sure it has helped the students to study better, without having to pay for costly classes. The exam time is always stressful. To give students a little mental break, we organized the Kick-Off event, which was a football tournament, and I would like to use this opportunity to thank the students for their support and congratulate all the winners.

The biggest event for SICASA Ernakulam was the CA Students Conference, held on the 29th and 30th of December, where speakers proficient in the topics they chose sought to infuse their knowledge to the curious minds who attended the conference. It was a hectic job for the committee to conduct the conference, and I would like to thank the whole committee and the volunteers for their dedication and support.

As the year ends, let's all work for a better tomorrow, and more events to help, motivate and keep the students active.



KRISHNA GOPAN
SRO 0491630

VICE CHAIRMAN'S REPORT

Dear readers,

A unique way of beginning this newsletter with a Goodbye. A Goodbye to a memorable year. A year with innumerable ups and downs, which taught us valuable lessons, which drew us close, which gifted us memories. Goodbye 2021. In this final month, we made sure to end this year with a bang by prepping for the much-anticipated Navada, which was the CA Students' Conference 2021.

After a gap of 2 years, a physical conference took place on December 29 and 30, at Fine Arts Hall, Ernakulam. Several eminent personalities, such as the Chairman of Board of Studies (Academics), ICAI, CA Jai Chhairra, Central Council Member, CA Babu Abraham Kallivayalil, CA M P Vijaykumar, CA Veeramani, and the list goes on. The talented students presented their papers on their given topics, which was an engaging and learning experience. Needless to say, what an event!

We also conducted Kick Off 2021, the Football Tournament, at Aluva. Several students took part in it, and it was a huge success as well. We continued the Revision Series for those students writing CA Intermediate/IPCC exams for December 2021, which received a lot of positive feedbacks on how it has helped students.

We are hopeful of carrying forward this energy to 2022. While respecting the limitations posed by the ongoing COVID 19 pandemic, we are determined to provide you with a fruitful 2022. Stay tuned!

EDITOR'S NOTE

When the world says “give up”, hope whispers “try it one more time”

Dear readers,

Hoping that you are appreciating the New Year and embracing the experiences of the past with great zeal and energy. At the outset, we convey the cheers of new beginnings, well-obeyed resolutions and promises. The year is going to mark great achievements in and out the academics and career.

The month of December was endowed with the hope of light and snowy winter. The current issue of Swasthi revolves around the adorable Christmas Eve and New Year happiness within the issue. Moreover, we have incorporated a glimpse of the activities and events that the branch had conducted. Well, all the efforts of the students' community had paid off without failure. As always, we are happy to watch the creative side of our students and the mindset to share what they have attained in terms of knowledge and insights. The articles: technical and non-technical; have always added value to the readers, indeed. We would like to utilize this platform to extend our gratitude to those students who have stayed with us constantly, through their priceless contributions in the form of articles and artistic works.

In the current issue, we have included the tech articles which is penned with the relevant topic of the time; which speaks about the fuels: not to come under GST and also is concerned with the impact of Covid 19 on the automobile industry. We assure you that the informative side is going to be fascinating too.

The memories of remarkable events never fade off and hence, to enshrine the memories with the much darker shade, we have included the photographs of CA Students Conference 2021, namely 'Navada' and other highlights. We request you to get motivated for the upcoming conferences and related programs of the institute.

In addition, we hope that the readers reap their monthly bit of knowledge and insights.

Happy reading



SIRAJUNNISA T A



JOSEPH TIJO



RAJAT SANTHOSH



ROY JAISON



DEVIKA VISWANATHAN

COUNCIL DECIDES PETROL AND DIESEL NOT TO COME UNDER GST

ESHA AGARWAL
CRO 0147501



The Goods & Service Tax came four years ago with a catchy slogan “One Nation One Tax”. It is a transaction tax and ideally, every commercial transaction should be covered under it. But, many items of the Indian economy are still outside the ambit of GST.

- Agriculture (one-seventh of India’s economy) is exempt.
- Also, food and medicine transactions are exempt or charged at a lower rate.
- Items like Petrol, Diesel, electricity & Alcohol is also outside the ambit of GST.

Union Finance Minister Nirmala Sitharaman clarified in a crucial meeting of the Goods and service tax (GST) Council meeting that bringing petrol and diesel under GST may take longer, As Subsuming Current excise duty and VAT into one national rate would affect revenue.

The main reason that Fuel is out of GST is that it is a mass consumption item and demand is an inelastic and great source of tax revenue. GST Represents a big bargain between Centre & State, as State surrender their constitutional right to impose VAT, and Center Surrender its right to impose Central Excise.

GST System is supposed to be simpler. After all, it removes the cascade effect of tax on tax and less leakage because it is computerized and Input Credit requires matching with Output tax Paid.

Fuel tax in India is currently over 60 per cent of the retail price, and it is not possible to put such a high rate in GST. Further, if petrol & diesel will go into GST, then state and centre will lose a substantial amount of revenue, which is growing robustly pandemic and no pandemic.

India presently imposes the highest taxes on petrol & Diesel, the current Petrol Price is 101 per litre in the national capital whereas in Mumbai it is over Rs 97. On the other hand, one litre of diesel cost Rs 88 in Delhi and Rs 96.19 per litre in Mumbai. Soaring prices of petrol & diesel have been a cause of concern for consumers, as a litre of petrol cost over Rs 100 in most cities. Similarly, Diesel prices are also very high.

Thus Bringing Petrol and diesel into GST will bring much relief to people, but the issue is politically sensitive and currently many states are opposing bringing petrol & diesel into GST as they fear losing revenue.

How Prices will Change Post GST

If the GST council decides to put petrol & diesel under the GST regime, then there will be a maximum of 28 per cent tax rate on the base price of Petrol & diesel across all states.

This means the different rates of excise and VAT that centre and state levy on the fuel prices will be replaced with a uniform GST rate across all the country.

At present, in Delhi, the base price of petrol is Rs 40.78. After including freight charges dealers price comes to Rs 41.10, this is the base price of petrol in Delhi as per the Indian Oil website.

To this we add excise duty Of Rs 32.90, dealer commission Rs 3.84 and VAT on dealer commission Rs 23.35, After calculating the total retail selling price of petrol in Delhi, which is Rs 101.19

Now if the petrol prices came under GST regime, then this excise duty and VAT will be removed away with 28 per cent GST, now GST will be levied on the base price which comes out to Rs 11.50 to this we add dealers commission of Rs 3.84 and retail price of petrol comes down to Rs 56.44

Similarly, the price charged to the dealer is Rs 41.27 in Delhi, as per Indian Oil Website. If we calculate as per the new regime, then the price will come down to Rs 55.41 from Rs 88.62 at present.

PhD Chamber of Commerce and Industry (PHDCCI) is very hopeful that if not now, then shortly petroleum products will be brought under the Goods and Services Tax ambit.

IMPACT OF COVID-19 ON THE GROWTH OF AUTOMOBILE INDUSTRY (2020-2021)

ANAND KRISHNAN R

SRO 0692707

The Indian automobile sector is an essential pillar of the Indian economy, contributing significantly to GDP and one of the largest recipients of FDI. India is the fifth-largest producer of the automobile in the world.

The pandemic induced lockdown resulted in the shutting down of production plants and also affected the production of auto spare parts. The decline in production affected employment growth. According to the reports, the estimated job loss in the Indian Automobile sector is 3.45 lakh. Besides that, 286 auto dealers have been closed. Before the pandemic, India produced 4million cars. A year later, production declined to 3million. Even after the re-opening after the lockdown, the production plants are not able to operate at their maximum potential. The sale of all segments of the vehicle such as passenger vehicle, commercial vehicle, two-wheeler and three-wheelers, has declined drastically. In 2017 & 2020, its growth was affected due to the implementation of GST, shifting to BS6 norms from BS4, and so on. But these were not the last of the hurdles. The Covid-19 pandemic boosted the impact, which is still going on.

This is an era of new technologies and innovations. The continuous increase in fuel prices makes the commuters reluctant to buy petrol vehicles. So they go for an alternative or substitute for the petrol vehicles. This lead to increased demand for electric vehicles which are more economical, non-polluting, require less maintenance and spare parts as compared to petrol vehicles. More investments are attracting to electric vehicles and many start-ups are coming forward with new hybrid electronic vehicles. Recently, International tech giant Tesla Inc. has entered the Indian market. This is a major challenge for the existing automakers in India.

Failure to adapt to the changing conditions, high tax rates on imported goods, tough competition and the impact of covid-19 compelled many companies to leave India. Recently, American automaker Ford has announced that they are shutting down all manufacturing units in India. Another company is Harley-Davidson.

Despite the ongoing impact of Covid-19, the industry seems to overcome the challenges. As the Govt. strictly follows social distancing in public places, a section of commuters hesitates to use public transportation. And these lead to higher demand for two-wheelers and affordable four-wheelers. There is an increasing trend in the sales during the current year compared to that of the previous year.

The introduction of Govt.'s new scrappage policy that aimed at phasing out unfit and polluting vehicles, ie commercial vehicles of more than 15 years and private vehicles of more than 20 years have to be scrapped if they do not pass fitness and emission test will encourage the sale of new vehicles and it will also generate direct and indirect employment for about 50,000 people

How Govt. can support the Industry?

-
- Reducing the cost of raw material
- Reducing tax rates
- Increase export of indigenously built vehicles
- Reducing import duty of imported spare parts and other accessories
- Provide subsidies for new plants

According to the experts, the Indian auto industry is expected to show sound growth in 2021-22. Especially electric vehicles are likely to witness a huge growth. Indian Govt. is planning to make more electronic vehicles on the road by 2030.

CA STUDENTS' CONFERENCE 2021 NAVADA



CA STUDENTS' CONFERENCE 2021 NAVADA



KICK-OFF 2021



INDUSTRIAL VISIT TO WELCARE HOSPITAL, VYTTILA



FLASHBACKR DECEMBER 2021

EVENTS IN DECEMBER 2021

| DATE | ACTIVITY |
|---------------------|--|
| DECEMBER 01 - 05 | REVISION SERIES FOR CA IPCC/INTER GROUP II DECEMBER 2021 EXAMS |
| DECEMBER 12 | INDUSTRIAL VISIT TO WELCARE HOSPITAL |
| DECEMBER 23 | BE A BETTER COMMUNICATOR |
| DECEMBER 26 | KICK-OFF 2021 |
| DECEMBER 29, 30 | CA STUDENTS' CONFERENCE 2021 NAVADA |

GOOGLE CLASSROOM

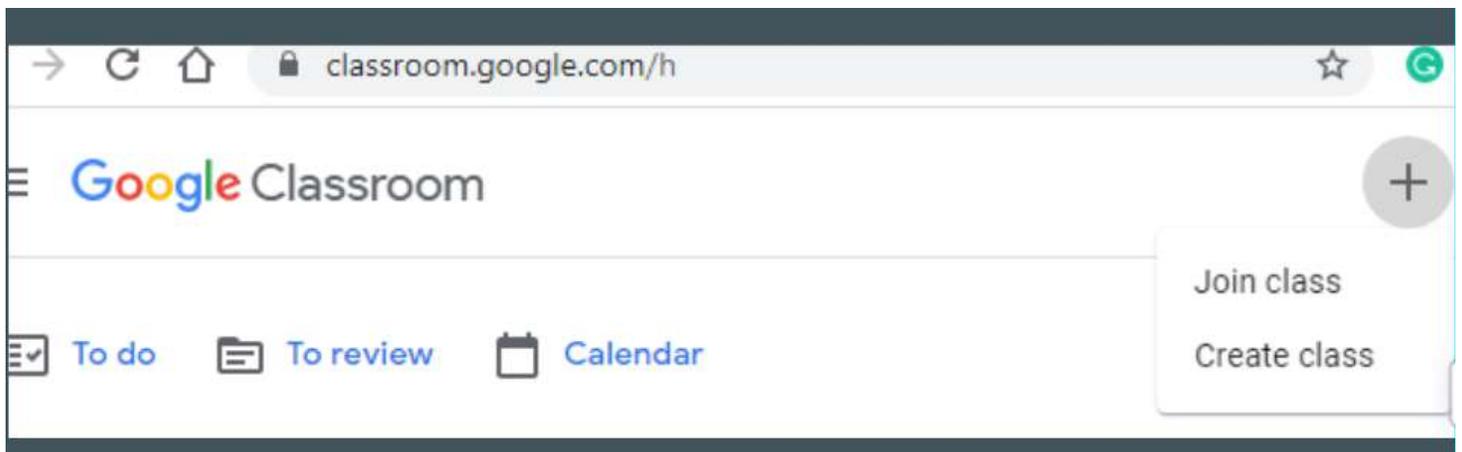
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