



ERNAKULAM BRANCH OF  
**SICASA**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



# INICIO

*"A new beginning is forged from the shards of the past,  
not from the abandonment of the past"*

**"NRI TAXATION"**

**SHOAIB SHOUKATH**

**"THE REVOLUTION CALLED UPI"**

**SWATHY KRISHNA SUNIL**

# CONTENTS

03

CHAIRMAN'S  
MESSAGE

04

SECRETARY'S AND  
VICE CHAIRMAN'S  
REPORT

05

EDITOR'S  
NOTE

06

NRI TAXATION  
-SHOAIB SHOUKATH

08

THE REVOLUTION  
CALLED UPI  
-SWATHI KRISHNA SUNIL

09

ANNOUNCEMENTS

10

CA-RTOON  
CORNER

11

SCRAPBOOK

12

FUN CORNER

13

UPCOMING  
EVENTS

14

GOOGLE  
CLASSROOMS

# Chairman's Message



Dear students,

Warm greetings to all of you.

It is with great pleasure that I communicate with you as the 46th Chairman of SICASA Ernakulam. It is also a great honour for me to lead such a decorated branch of students association, for which I am indebted to all great ambassadors of our profession who worked for the Branch and this profession. I extend my heartfelt gratitude to all my colleagues in the Managing Committee and members of Ernakulam Branch for placing their trust in me to lead SICASA. My heartiest congratulations to the outgoing committee of SICASA led by CA Suresh G.

Under his able leadership SICASA Ernakulam was adjudged best Students Association Branch in Mega Category in the southern Region. The student representatives Vice chairman Binjoel P John and Secretary Poornendu M Nair, whose efforts in leading the whole team to glory deserve special appreciation.

As the new managing committee of SICASA takes office, we have a duty to uphold to the highest levels of standards and benchmarks this branch and our predecessors have set. It is surely a welcome challenge for us and we are geared up to contribute to the best of our ability.

## **Focus on building a collective Identity.**

*If everyone is moving forward together, then success takes care of itself - Henry Ford*

The modern-day profession has evolved to an extent where the concept of cross functional teams is of paramount importance. While individual ability and academic prowess are important, success is largely dependent on our ability to collaborate and deliver as a collective.

This Year the team of SICASA will be focusing on teamwork and collaboration. We will have team-based competitions throughout the year, while ensuring our students get an overall development and emerge as modern-day leaders.

Details of the Team based competition will be released soon by the team of SICASA. I urge all of you to keep in touch with the social handles of SICASA Ernakulam and the whatsapp group.

## **Going Global**

Our profession is recognized worldwide and ICAI has taken various initiatives to ensure our members are competent to deliver excellence all over the globe. ICAI has Qualification Reciprocity Arrangement, Bilateral Cooperations, Unilateral Agreements/Pilot International Pathway Programme with several countries. Newly elected President of ICAI, CA. Aniket Sunil Talati, in his communication has said CA's living in Singapore for more than 6 months can become member of Singapore institute without undergoing examination. This underlines the direction in which the finance world is heading, and we have to ensure we are geared up for the challenge.

In today's globalized world, Chartered Accountants have a unique opportunity to make a significant contribution to the global economy. The post pandemic world has highlighted the importance of the work we do, and we must adapt to the changing landscape and embrace new technologies to stay relevant. With the right skills and knowledge, we can work with clients all over the world, opening up a world of opportunities for us. I urge our students to upskill yourself with a global approach in mind and embrace the future.

## **Thinking ahead**

"When learning is purposeful, creativity blossoms. When creativity blossoms, thinking emanates. When thinking emanates, knowledge is fully lit. When knowledge is lit, economy flourishes."

— A.P.J. Abdul Kalam,

The future of financial and accounting world is much up for discussion ever since the dawn of Blockchain. While technical advancements are flying on the information superhighway, we need to keep up pace with the tools. Chat GPT has made a lot of noise in recent times and rightly so, as when used wisely it will eliminate some of the time-consuming tasks that are repetitive. All such tools have a single focus, reduce your time spent on redundant tasks and engage in activities that add significant value.

Be Future ready and be a professional that makes a difference. Be Purposeful learners.

**Yours sincerely,**

**CA. Tonny Varghese**  
**Chairman, SICASA**

# Secretary's Report



**Saikripa**

SRO0650107

Greetings all!

It's always exciting to start a new month with fresh goals and plans. Starting with enthusiasm and high expectations is a good sign that the new committee is off to a great start after bidding farewell to the predecessor committee.

Congratulations to the former committee on winning the Best Branch of SICASA Award for 2022! It's great to see that they were able to achieve this recognition and pass it on to the new committee to continue the momentum. Winning such an award can be a great source of motivation and inspiration for the new committee to build upon the success of the previous year and strive for even greater achievements. It's important to celebrate this accomplishment while also remaining focused on the goals and objectives of the committee moving forward.

We look forward to work together and support one another for the well-being and successful outcome of the organization as well as the students striving towards even greater achievements.

We believe that each and every member in the committee is capable of bringing their own unique perspectives and ideas to the table. Effective communication and collaboration among members can help ensure a smooth transition and a successful term.

We are in the planning stage to offer a variety of events and programmes for the students to have a well-rounded and fulfilling experience during their time in the Chartered Accountancy course.

We hope that this year brings wonderful experiences and opportunities for growth and joy to everyone around us. Here's to a great year ahead!

# Vice Chairman's Report



**Sreeraj Ramesh**

CRO0625712

Greetings to Everyone!

It is with great pleasure that I address you as the newly elected Vice Chairman of the Ernakulam branch of SICASA. I am honoured to have been selected for this position, and I am excited to begin this journey with all of you.

I want to express my gratitude to each and every member of the Ernakulam branch and the outgoing Vice Chairman and Secretary for placing their trust in me and giving me this opportunity to serve as your Vice Chairman. I pledge to work tirelessly to uphold the values and principles of SICASA and the Institute of Chartered Accountants of India (ICAI).

We believe that SICASA plays a crucial role in shaping the future of young chartered accountants. We believe to have a commitment to work with our team to organize events and activities that will enhance the knowledge and skills of our beloved students. We will strive to create opportunities for our students to network, learn and grow, and provide them with the necessary tools and resources to excel in their profession.

We are confident that with the support of our dedicated team, we will be able to achieve great things this year. We have an exciting year ahead of us, and we are looking forward to working with all of you to make it a memorable one.

In conclusion, we would like to thank the students of SICASA Ernakulam for their continued support and encouragement. I am proud to be a part of such a vibrant and dynamic community, and I am committed to doing my best to serve you all. Let us work together to make this year a resounding success.

# Editors' Note

Dear readers

Welcome to the realm of insight and colour. February has been an eventful month. The Union Budget for the fiscal year 2023-24 was finalized in February which brought about a lot of changes that the economic and business sections were looking forward to.

The month of February also marked the beginning of the new committee of Ernakulam Branch of SICASA. We extend our warmest greeting to the new SICASA Chairman, Ernakulam-CA Tony Varghese and the new Managing Committee. We would also like to express our deep gratitude for the previous committee's service and dedication. Your tireless efforts and commitment have inspired all of us and we want to take a moment to thank you for all that you have done. We have a diverse selection of articles and artworks. Our writers and contributors have worked hard to present you with timely and thought-provoking content.

Assuring our readers of more interesting articles and exciting events in the coming months.

Happy Reading!!



DEVIKA NISHU



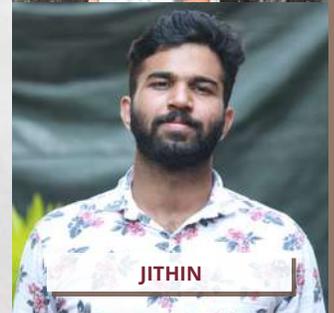
ABHIRAMI



ANJALI



ATHULYA



JITHIN



SOOREJ

# **NRI TAXATION**

**Shoaib Shoukath**

**SRO0686738**

“Where any Central Act enacts that income-tax shall be charged for any assessment year at any rate or rates, income-tax at that rate or those rates shall be charged for that year in accordance with, and subject to the provisions (including provisions for the levy of additional income-tax) of, this Act in respect of the total income of the previous year of every person”

- Section 4(1) Of the Income Tax Act, 1961

It is quite evident that every person is subject to taxation in India regardless of their status is subject to income tax, however the extent to which they are taxable varies.

In order for income to be taxed in India, said income should arise or accrue or deemed to be so. This brings us to the question: what about income that does not accrue or arise in India? And more importantly how do we tax the ones who receive such income, the Non Residents of India (NRIs)?

Before getting into how the taxation applies to NRI, we need to understand how to classify an Individual as NRI.

It is crucial to comprehend just how an NRI becomes obligated to pay taxes in India. According to the provisions of FEMA (Foreign Exchange Management Act), a citizen of Indian origin may only be referred to as an NRI if they have maintained a relative duration of absence from India for a predetermined number of days while living Overseas.

According to Section 6(1), a person will be a resident of India in the previous assessment year, if:

1. He/she is in India for at least 182 days in that year,  
**OR**
2. He/she was in India for at least 60 days during that year and 365 days during the previous 4 assessment years.

Note: The period of ‘60 days’ is to be replaced by ‘182 days’ if:

1. An Indian citizen leaves India in any year for the purpose of employment, or as a member of a crew of an Indian merchant ship,  
**OR**
2. when an Indian citizen or a person of Indian Origin (PIO) who is abroad comes to visit India, the period of ‘60 days’ is to be replaced by 182 days.

If either of the above conditions satisfy, he/she is Resident. Else, is Non-Resident.

The new finance Act has vide Section 6(1A) inserted that **Non Resident whose Taxable income exceeds Rs. 15 Lakhs is deemed to be a resident** if:

1. He/she is in India for at least 120 days in that year,  
**OR**
2. He/she was in India for at least 365 days during the previous 4 assessment years.

### **Conclusion for Residential Status:**

1. If you are an Ordinary Indian Resident, then your global income is taxable in India.
2. If you are a not ordinary resident, then all income received, deemed to be received, accrued/arised, deemed to be accrued/arised in India along with income accruing outside India from a business controlled from India or from a profession set up in India.
3. If you are a Non-Resident Indian (NRI), then only the income generated in India is taxable.

### **Taxation Regulations for NRI:**

Tax rules in India for NRIs vary by a significant degree when compared to the rules that are applicable for resident Indians. Some important points to note are:

1. Income tax slabs for NRIs are based only on the income barring any gender, age or other specification
2. In case of TDS, all incomes of NRIs are charged irrespective of any threshold value
3. No nominal deductions are applicable on investment income except under specific or rather certified situations.
4. Tax filing isn't normally required for NRIs if the income is subject to clauses under Section 115G of the Income Tax Act.

## Is my income earned abroad taxable?

An NRI's income taxes in India will depend upon his residential status for the year as per the income tax rules mentioned above.

If your status is 'resident', your global income is taxable in India. If your status is 'NRI,' your income earned or accrued in India is taxable in India.

1. Salary received in India or salary for service provided in India, income from a house property situated in India, capital gains on transfer of asset situated in India, income from fixed deposits or interest on a savings bank account are all examples of income earned or accrued in India. These incomes are taxable for an NRI.

2. Income which is earned outside India is not taxable in India.

3. Interest earned on an NRE account and FCNR account is tax-free. Interest on NRO accounts is taxable in the hands of an NRI.

## Which Income are Taxable for NRI in India?

Let's break into each head of incomes and discuss how the tax applicability is for Non Residents:

### 1. Income from Salary

Tax applicability for 'Income from Salary' for NRI is based on following situations

**a. If the Salary is received in India-** If you've received any salary in India directly into an Indian Account or somebody else has received on your behalf in India, then such salary income would be taxable in India. **b. If the Salary is earned in India -** The term 'earned in India' refers to services rendered in India.

**b. If the Salary is earned in India-** The term 'earned in India' refers to services rendered in India. Thus, if you are an NRI and your salary earned is for the services rendered in India, then such salary income would be taxable in India.

If either of the above situation satisfies, the taxation will be at the 'Slab Rate'.

### 2. Income from House Property

Any income from a property which is situated in India either rented or lying vacant is taxable income for NRI. The calculation for such Income is same as that for a resident.

Note: Even if the income is transferred directly to NRE account or to an account outside India, still the income received from property situated in India is taxable.

### 3. Income from Other Sources

Indian sourced Income in the form of Interest on Fixed Deposit and Savings bank is Taxable in India.

However, the following NRI Accounts has nature on Tax:

- Interest received in NRE and FCNR Account - Tax Free.
- Interest received in NRO Account - Taxable.

### 4. Income from Capital Gains

Any capital gain arising on transfer of capital asset in India, Investment in India for Shares and Securities is Taxable. Classification of Capital Gains into Long-Term and Short-Term is same as that for a resident. Like residents, even NRIs are allowed to claim exemptions under section 54, 54EC and 54F on long-term capital gains from sale of House Property.

### 5. Income from Business and Profession

If an NRI has a business or a profession situated in India and profit gained from it is taxable same as that for a Resident.

### Tax Slab Rates for NRI

Unlike residents for which tax rates classified on basis of age, no such classification is available for Non-Residents. Hence, whatever the age might be; Tax rates are same for Non-Residents.

### Surcharge Rates for NRI

Residential Status is not a concern for Surcharge Rates, hence

0-Rs. 50 lakhs: 0%

Rs. 50 lakhs- Rs 1 Crore: 10%

Rs. 1 Crore- Rs. 2 Crores: 15%

Rs. 2 Crores- Rs. 5 Crores: 25%

More than Rs. 5 Crores: 37%

### Rebate u/s 87A

The rebate under section 87A is not allowed to a Non-Resident.

### Benefits of Basic Exemption Limit

As a Non-Resident, you still will get the benefit of basic exemption limit. However, if the income is only from Short-Term or Long-Term Capital Gains, then the benefit of basic exemption limit is not available in respect of such gains.

Hence, we discussed all the Income Heads, Deductions, Tax Slabs and TDS Rates applicable for Non-Residents. But as of now the main question arise is, "Do I need to pay Tax Abroad and in India for the Same Income Head?" In order to answer the question, let us understand the Agreement for Double Tax Avoidance.

To continue reading:

[http://www.sicasaernakulam.in/View\\_Article.php?article\\_id=40%27&Month=March&Year=%202023](http://www.sicasaernakulam.in/View_Article.php?article_id=40%27&Month=March&Year=%202023)

# THE REVOLUTION CALLED UPI

Swathi Krishna Sunil

SRO064625

## INTRODUCTION

In ancient times, our ancestors used barter system to exchange goods and services. Then came the evolution of money which changed our lives drastically. Every materialistic thing on the earth was valued in terms of money. People started exchanging goods & services with printed notes. This is continued for years and still is carried on.

Technology is advancing faster than ever more. India has changed a lot in terms of use of technology. In 2015, a call was given for a 'Digital India', enabling technology to reach millions of lives all over the country. The movement, which transformed the economic landscape of India.

Digital India movement is also one of the primary boosters for the 'Digital Payment' arena that saw the rise of numerous digital payment apps. The advantage of using these apps was that it allowed users to link multiple credit and debit cards under a single umbrella. They also gave attractive offers and discounts for using their apps. Consecutively, the idea of making payments directly from your bank account, without the need to carry debit cards, was seen as a lucrative market. Thus, came into existence UPI - Unified Payment Interface.

UPI was officially launched in 2016 for public use.

## UPI-Unified Payments Interface

Unified Payments Interface (UPI) is a payment system that allows users to link more than one bank account in a single smartphone app and make fund transfers without having to provide IFSC code or account number.

This is a real-time payment system where funds are credited instantly on a real-time basis. UPI has been developed by the National Payments Corporation of India (NPCI) and is regulated by the Reserve Bank of India (RBI).UPI is slowly becoming the most preferred form of digital payment. This is a one-stop solution for using separate bank accounts to carry out transfers from a single app. It allows all account holders to send and receive money through their smartphones with a single identifier - the Virtual Payment Address (VPA) commonly known as the UPI ID - without needing any bank account information. Customers often do not need to know the IFSC code of the beneficiary or payer, bank account details, etc., and this allows the transaction to be quicker. So customers will make quicker transactions to their friends and merchants.

The primary objective of UPIs is facilitating seamless transfer of funds between two bank accounts. Here are the transactions you can perform through your UPI App apart from Sending Money:

- Request Money: This function allows the user to initiate a collection request by entering the Virtual Payment Address (VPA). In addition, using your UPI App, money can also be transferred using Mobile if it is registered with BHIM or \*99#. It is also mandatory that the mobile number of the customer be connected to the bank account.
- Scan & Pay: Customers can pay by scanning the QR code using 'Scan & Pay' and creating QR codes in the Payment Program.
- Transaction Records: This option allows a user to search the history of transactions. This will also allow a person to analyze his or her spending pattern requests.
- Profile Management: The profile management option in any UPI app lets users display the static QR code and payment addresses generated. The QR code can be downloaded and exchanged via various messaging applications such as WhatsApp, Email, etc.
- Check Bank Account Balance: Use this option to check the bank account that is connected to the UPI app along with the status of the PIN. This feature also allows a user to review their balance of accounts.

## Who are the primary participants in UPI?



To continue reading:

[http://www.sicasaernakulam.in/View\\_Article.php?article\\_id=39%27&Month=March&Year=%202023](http://www.sicasaernakulam.in/View_Article.php?article_id=39%27&Month=March&Year=%202023)

# ANNOUNCEMENTS

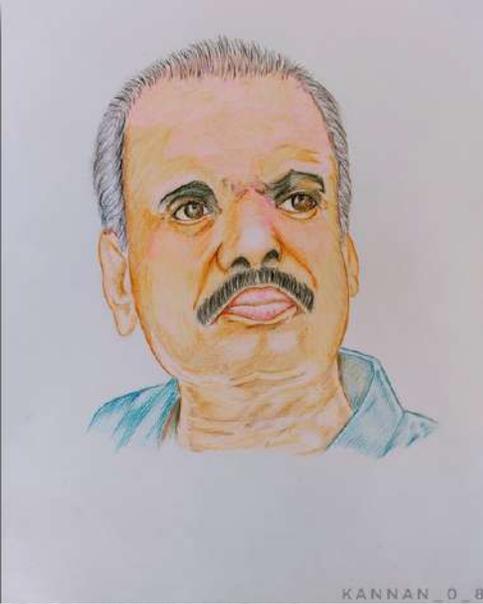


## CAS LIVING IN SINGAPORE FOR MORE THAN 6 MONTHS CAN BECOME MEMBER OF SINGAPORE INSTITUTE WITHOUT EXAM: ICAI PRESIDENT

*ICAI President made shocking announcement that CA from India who have lived in Singapore for more than 6 months automatically qualify for membership in the Singapore.*

## ICAI Announcement

# CARTOON CORNER



**KANNAN V.P**  
**SRO0684503**



**JITHIN GEORGE**  
**SRO0647244**



**ABHIRAMI SUDHAKARAN K**  
**SRO0792156**



# FUN CORNER

## SUDOKU TIME

Get your brain cells working and win an opportunity to appear in the next edition of our Newsletter. All you have to do is crack this puzzle, scan the QR Code and send your solution.

So what are you waiting for!!



	5	4		7	3		6	9
3	9			4	6	7		8
	7	6			5	4		3
	6			9			3	
		7		3			9	6
		3	7	6				4
7	3		6	1		9		5
	1	9			7		4	
5					9	6		

# UPCOMING EVENTS FOR MARCH



**GST SESSION BY CA LIJIL LAKSHMAN**



**REVISION SERIES FOR MAY 2023  
EXAMINATIONS**



**HANDING OVER CEREMONY &  
WOMEN'S DAY CELEBRATION**



**WORLD POETRY DAY**



**BANK AUDIT SEMINAR**



**FREE HIT- CRICKET TOURNAMENT**



**WORLD THEATRE DAY**

# GOOGLE CLASSROOM

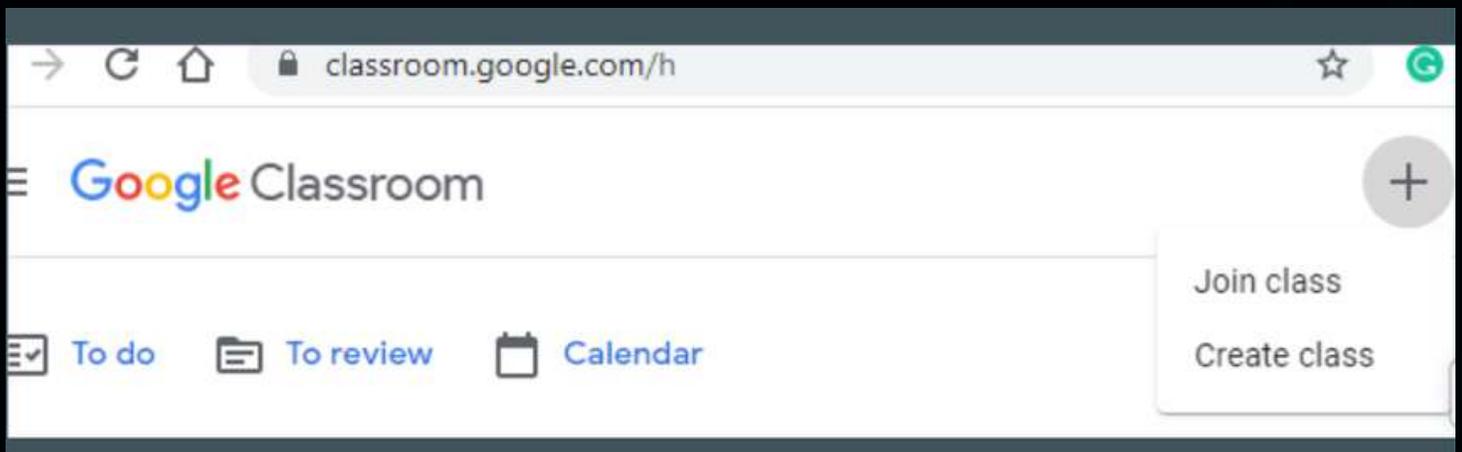
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