



ERNAKULAM BRANCH OF  
**SICASA**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

# MERAKI

**EXPORT AND IMPORT OF  
SERVICES UNDER GST**

S THULASIRAM

**CORPORATE CULTURE**

NAJLAH NOUSHAD

# CONTENTS

3

WORD FOR  
THE MONTH

4

CHAIRMAN'S  
MESSAGE

5

REPORTS OF  
SECRETARY  
AND  
VICE-  
CHAIRMAN

6

EDITORS'  
NOTE

7

EXPORT AND  
IMPORT OF  
SERVICES  
UNDER GST

9

CORPORATE  
CULTURE

11

CA-RTOON  
CORNER

12

SCRAPBOOK

13

GOOGLE  
CLASSROOM

# Word-of-the-Month

## **Ebullience**

The quality of being cheerful and full of energy; exuberance.

### Usage:

"Colleagues and audiences admired her youthful ebullience."

"As he sat slumped on the sofa, his natural ebullience had evaporated"



# CHAIRMAN'S MESSAGE

My dear students,

Let me extend a warm Christmas and prosperous new year greetings to all my students. As we are drawing close to yet another year of trial and tribulations, it is the time to relook what has happened in the last 12 months or so and what course corrections do we need to do now to make our lives happier. We make resolutions at the beginning of every year and scrupulously forget the same during the year. So it's high time to stick to all new year resolutions for the betterment of our lives ahead.

## **Keep unbiased behaviour**

Many people approach other people and things with a biased attitude. When a person is biased towards anything or anybody the real picture or matter will not be seen or comprehended in the way it should be seen. The onlooker seems to be biased or approach the person or thing with a present mind. He does not like to see the person or things in a way other than the way in which he set his mind up. So it is high time to keep an open and unbiased mindset, when we approach any person or things. We need to be judicious and sensible when we approach any person or thing, so that we can understand the real man or thing in the right perspective. Hence all students should inculcate a habit of approaching anything or anybody free of any kind of bias.

## **"Students Mega Conference"**

Our SICASA Ernakulam is hosting a students mega conference on 11 and 12 th of January, 2023 at Gokulam Convention Centre Kaloor, Ernakulam. The name of the conference is aptly given as Dyuthi-Your Moments to Shine. It will be attended by a galaxy of who is who of our Institute and other eminent speakers from different parts of our country.



**CA SURESH G**

We will have a grand inaugural and valedictory function. Two days of intense learning will be an enthralling experience for our students. I earnestly request all of you to make use of this rare opportunity to learn with zeal and zest.

## **Role of Accountants in post pandemic world order**

COVID-19 has shattered the world order. The world we see today is entirely different before the onset of the pandemic. Pre pre-pandemic world was more connected and interdependent. The pandemic has made all countries to rework and rethink their strategies on dependence of other nations for many of its needs. Disruption in logistics across the world during the pandemic made all countries modify their manufacturing strategy and import dependencies of other nations for many of its needs. Countries across the world started manufacturing its own to cater to many of its needs, so that any such disruption in future would not hamper smooth running of that country. More manufacturing means more opportunities in the local market. Any augmentation in trade or industry would need more and more accountants to take care of its transaction recording and compliance requirements. Accounts with their innate quality to set up things, strategize organisations would act as harbinger to new world order. When more and more industries set up their shops, we need more and more accountants. So, it is high time to build a talent pool of accountants. Well trained accountants with impeccable credentials are the need of the hour and would be of great demand in the days to come. Once again wishing all of you a very informative and prosperous year ahead.

Happy reading !

# SECRETARY'S REPORT



**POORNENDU M NAIR**  
**SRO 0599836**

Dear Readers,

As we have approached to the close of another remarkable year, we would like to extend our warmest thanks to all the valued efforts, contribution and participation of our students in making each event a success story.

This past month at SICASA we conducted a varied line of diverse events back to back. The initial event organised was blood donation camp conducted at IMA Blood Bank which was followed by series of events like Pikasa 3.0 for our passionate photographers, food collection event a relief for the indigent. From the educational side Meet a Chartered Accountant helped to shed light on topics like Forensic Accounting and Insolvency Profession with eminent speakers so as to breakdown these technical topics with utmost simplicity.

Fifa Football Quiz from the sports side which had a good amount of active participants. For those who have always got a way with words, we organised debate competition and group discussion competition. The event was well-attended and received positive feedback, and we look forward to hosting more such competition like this in the future. With onset of importance of health in the current scenario, we are glad that we could host Doctors Talk to create more awareness and create an opportunity for this student community to learn about new medical conditions and treatments.

Time flies, but with the passage of each month we at SICASA always focus on well being and believe in creating more opportunities for our students to showcase their talents through us.

Let's leave behind the old and embrace the new opportunities that come our way and make a promise to ourselves to be our best selves, to be kinder, more compassionate, and more understanding of each other. Let's make this new year one of hope, progress, and positivity.

Wishing you all a Happy New Year!

# VICE CHAIRMAN'S REPORT



**BINJOEL P JOHN**  
**SRO 0680795**

It's not just an end to another month but we have reached to the end of a dazzling year where we at SICASA had room for maneuvering a myriad of events. Despite the challenges faced during the initial phase of the year, we continued to push forward our events even within the constraints of resources and even Covid limitations.

We kicked off the events for the month with Blood Donation. We conducted a talk show events 'Meet a Chartered Accountant' done with the motive to introduce the topics like Insolvency and Forensic Accounting to our students. The sessions gave a wonderful insight over these topics and change the way in which we view them. This month was eventful one with back to back events like Fifa Football Quiz, Debate Competition, Group Discussion Competition. The last event held for the month was 'Doctor's Talk' in which the doctor guided us through various steps to help us get an accurate diagnosis and create awareness.

This year we had a rollercoaster of programs where we have seen a huge difference in the amount of active participation. We are glad for the immense support received throughout because this is the driving force for us to create more opportunities for our student community.

Every end marks a new beginning. Keep your spirits and determination unshaken, and you shall always walk the glory road. With courage, faith and great effort, you shall achieve everything you desire.

Wishing you all a very Happy New Year!!





SHOAIB SHOUKATH



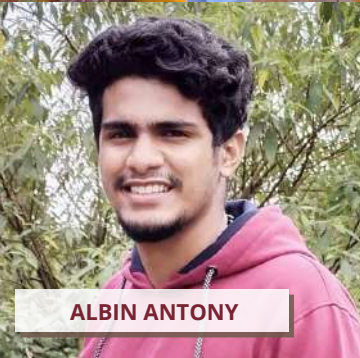
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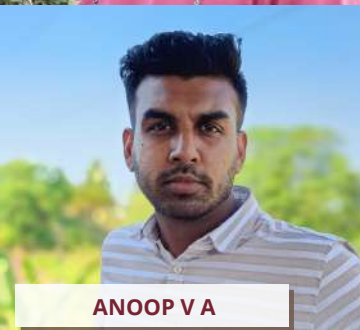
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SRUTHI RAMANATHAN



ALBIN ANTONY



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# Editor's Note

As the time has come to say goodbye to the old year and welcome the new one, it's important to reflect on the past and look forward to the future with hope and optimism. It was a whopping year at SICASA too. This was a year with full-fledged end to end events where we saw a massive amount of participation too. Looking back we are glad that the events hosted were a huge success.

Meraki means to do something with passion, with absolute devotion, with undivided attention. This is a word that modern Greeks often use to describe the soul, creativity or love you put into something; the essence of yourself you put into your work. Our newsletter was named Meraki because it is a platform where we put forward our student community's efforts, talents and contribution through technical and non-technical articles, poems, sketches and the highlights of every event conducted at SICASA. It's the soul of our creative students which we portray here. We would like to take this time to thank each and every student who has stood with us continuously in publishing the newsletter every month.

The current issue of the newsletter revolves around the adorable Christmas Eve and New Year happiness within the issue. We have incorporated a technical article on the topic Import and Export under GST which will be an educative one to our reader. The non-technical article discusses the topic of impact of Corporate Culture in the success and failure of an organisation. We also have shared the photographs captured by our fervent photographers at PIKASA 3.0 and don't forget to catch sight of our scrapbook too.

With the start of a new year, we wish our readers to take the time to reflect on the past and move forward with renewed intentions for the next 365 days of opportunities.

"You are never too old to set another goal or to dream a new dream."

Happy Reading



# Export and Import of Services under GST

**S THULASIRAM SRO0684434**

India's services sector has come a long way since the balance-of-payments crisis of 1990. Growing significantly due to the consequent relaxation of regulations, its significance in the Indian Economy has been steady. As per the Ministry of Statistics, the service sector accounted for more than 54% of the economy's Gross Value Added (GVA) in FY 2021-22 and attracted nearly 4/5 of total Foreign Direct Investment (FDI) inflows into India.

Since the BPO boom, international trade has been at the forefront of the service sector. India is the fastest growing nation in global services trade due to its distinct competencies and competitive advantage formed by knowledge-based services. While imposing taxes on foreign trade is a sure way to reduce the current account deficit, it reduces the volume of trade. Various legal provisions and government policies keep an eye on India's overseas service trade. It is to be kept in mind that while taxation of export and import of goods are governed under the Customs Act, export and import of services are taxed under the Integrated Goods and Services Tax Act, 2017. This article goes over these provisions in depth.

## **What are services?**

As per Sec 2(102) of CGST Act, services means anything other than goods, money and securities but includes activities relating to the use of money

or its conversion by cash or by any other mode, from one form currency or denomination to another form, currency or denomination for which a separate consideration is charged.

## **What do you mean by export of services?**

Section 2(6) of IGST Act defines Export of Services as supply of any service when:

- Supply of services by an establishment of a foreign company in India to any other establishment of the said foreign company outside India will not be covered under definition of export of services.
- Any branch, agency or representational office of a foreign company, located and operating in India; and any branch, agency or representational office of an Indian company, located and operating outside India; shall be treated as the establishment of such company in the country in which such branch is located. Therefore, any supply of services between such headquarters and branches shall not be treated as exports under GST.
- However, an Indian company, being the group concern of any foreign company, shall be considered as a separate legal entity from its foreign relative. Thus, supply of services between the two shall be treated as export, subject to the satisfaction of the other conditions laid down in Section 2(6).



## **Tax Treatment of Export of Services**

GST treats exports as either of:

- Interstate supply covered u/s 7(5) of IGST Act
- Zero rated supply covered u/s 16(1) of IGST Act.

### **How to claim refund on export of services?**

Under the old regime, duty drawback was provided for the tax paid on inputs for the export of exempted goods; this was a cumbersome process. However, under GST, a registered exporter (an unregistered person cannot make Zero Rated Supplies) has two options to claim refund in compliance with GST guidelines.

#### Option 1 – Export of Services after payment of IGST without any Bond or Letter of Undertaking (LUT)

Under this option, the exporter can obtain refund of either IGST paid on export of services or unutilized input tax credit. In either case, refund can be claimed within 2 years from the relevant date. In case of the former, the exporter can claim for refund by filing form RFD-1 on the GST Portal. Also, a valid GSTR-3B is to be filed with the payment of applicable self-assessment tax.

Refund will be initiated upon filling of table 6A of GSTR-1 and shall be credited after verification by officer. On the other hand, Input Tax credit which could not be availed can be claimed by filing form RFD-01 on the GST portal.

#### Option 2 – Export of Services without payment of IGST under a Bond or Letter of Undertaking (LUT)

Meaning: A registered supplier also has an option to export services under Bond or Letter of Undertaking (LUT) and can claim refund of unutilized Input Tax Credit. Via a Bond/LUT, a taxpayer promises to pay taxes along with interest, if services are not rendered within 1 year of issuing the export invoice. Refund for unutilized Input Tax Credit can be claimed by filing the form RFD-01.

Eligibility and validity: Any person who is prosecuted for cases involving an amount exceeding INR 2.5 Crore as well as, in cases where taxpayer does not comply with the conditions specified in LUTs within the required time are required to submit bonds. The validity of LUT is 1 year. A fresh LUT needs to be furnished every financial year.

Process: A registered supplier can submit a Bond or LUT in a specified format in Form RFD-11 prior to the exports on the letterhead of such supplier to the jurisdictional commissioner.

Acknowledgement Reference number (ARN) is received once LUT is accepted.

### **Deemed Exports:**

Supply of services to an Export-oriented undertaking (EOU), Hardware Technology Park unit, Software Technology Park unit or Biotechnology Park unit shall also be treated as exports under GST.

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# Corporate Culture

**Najlah Noushad SRO0687893**

What makes a company desirable to work for and another not? What is one such factor that not just you, but every other person you know would look for in a company they intend to work for.

The annual CTC that the organization is willing to provide is definitely 1. But would you be ready to work for a company that gives no importance to the wellbeing of its employees or say is all about making profits, where the workplace is filled with stress and anxiety. To be even more precise—the organization has a very unattractive environment to work in. Would you still be ready to work there for a 100 million dollars? Heading back to our initial question, what makes companies different from each other. With so many of the Fortune 500 companies being structured in a similar way, the answer likely isn't their organization in itself. In reality, what differs from one organization to another is the corporate culture, which dictates how employees behave and how those actions are perceived and validated. For example—Twitter's employees are always excited about their great organizational culture—from rooftop meetings to yoga classes and free meals and so on. The employees just can't stop raving about it. Additionally, the employees love working with smart and friendly co-workers in a team-oriented environment. These aspects motivate Twitter employees to go above and beyond to meet the company's goals. Let us now step into the shoes of the organization.

What is it that they look for. What is their objective behind all the work and time they spend on their organization. Its nothing but the organization's success and developing a strategic plan is something without which the organization cannot move any further. An organization must be able to efficiently execute that strategy to achieve its performance improvement goals.

At the core, implementing strategy depends on two essential elements:

- Building and sustaining an organizational culture that facilitates and accelerates change
- Fostering a sense of personal accountability for strategy execution ownership at every agency level – from administrative assistant to senior leadership

And thus the organization's culture is often the most important determiner in successful execution. In other words, constructing a culture that creates the flexibility and understands and accepts the responsibilities for change is key. Corporate culture means different things to different people. It is emotional, ever-changing, and complex. Culture is human, vulnerable, and as moody as the people who define it. Cultural dimension plays a vital role in all aspects of an organization. It is so impacting that it can determine the success and failure of an organization. In leadership concept, organizational culture has been identified as one of the ideas, beliefs and perception of a cultural nature.



Corporate culture is an incredibly powerful factor in a company's long-term success. No matter how good a strategy is, when it comes down to it, people always make the difference. Once culture is established and accepted, they become a strong management tool for leaders to communicate and energize their members with beliefs and values to do their jobs in a strategy supportive manner. It can be intimidating and frustrating, often leaving leaders dodging it, neglecting it, or discounting it. Too often a company's strategy, imposed from above, is at odds with the ingrained practices and attitudes of its culture. Leaders may underestimate how much a strategy's effectiveness depends on cultural alignment.

Creating an organizational culture that is open to change starts with a senior leadership team that communicates an agency's strategic priorities often and effectively. Each person in the agency contributes to its success. Everyone should feel personally accountable. A case study involving telecommunications giant AT&T revealed that effective collaboration between teams, a commitment to an employee's personal action plan, and open dialogue with senior management led to an environment in which employees at all levels felt that their opinions counted. As part of the study, the participants developed measurable goals and plans to communicate clearly and created feedback mechanisms to senior leadership. The atmosphere the participants built led to improved strategy execution and higher performance.

So what is the relationship between culture and strategy:

- Strategy drives focus and direction while culture is the emotional, organic habitat in which a company's strategy lives or dies
- Strategy is just the headline on the company's story – culture is a clearly understood common language to embrace and tell the story that includes mission, vision, values, and clear expectations
- Strategy is about intent and ingenuity and culture determines and measures desire, engagement, and execution
- Strategy lays down the rules for playing the game, and culture fuels the spirit for how the game will be played
- Strategy is imperative for differentiation, but a vibrant culture delivers the strategic advantage. A culture grounded in strategy-supportive values, practices, and behavioral norms adds significantly to the power and effectiveness of a company's strategy execution effort. A tight culture-strategy alignment furthers a company's strategy execution effort in two ways:
  1. A culture that encourages actions supportive of good strategy execution not only provides company personnel with clear guidance regarding what behaviors and results constitute good job performance

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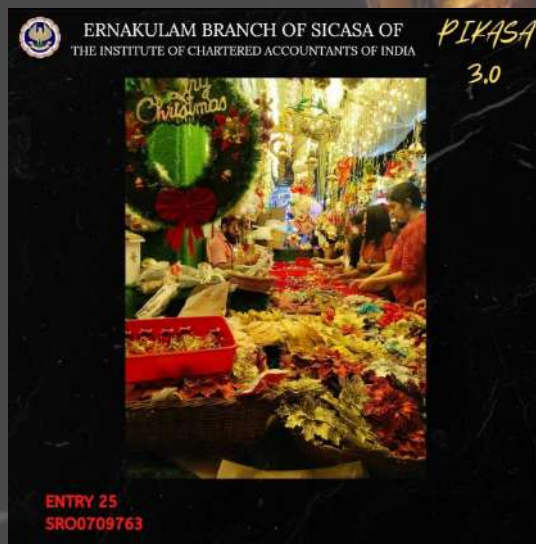
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# ERNAKULAM BRANCH OF SICASA OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

## C A - R T O O N C O R N E R



ENTRY 23  
SRO0444475



## BLOOD DONATION



## TREASURE HUNT



## CA STUDENTS DEBATE COMPETITION





# GOOGLE CLASSROOM

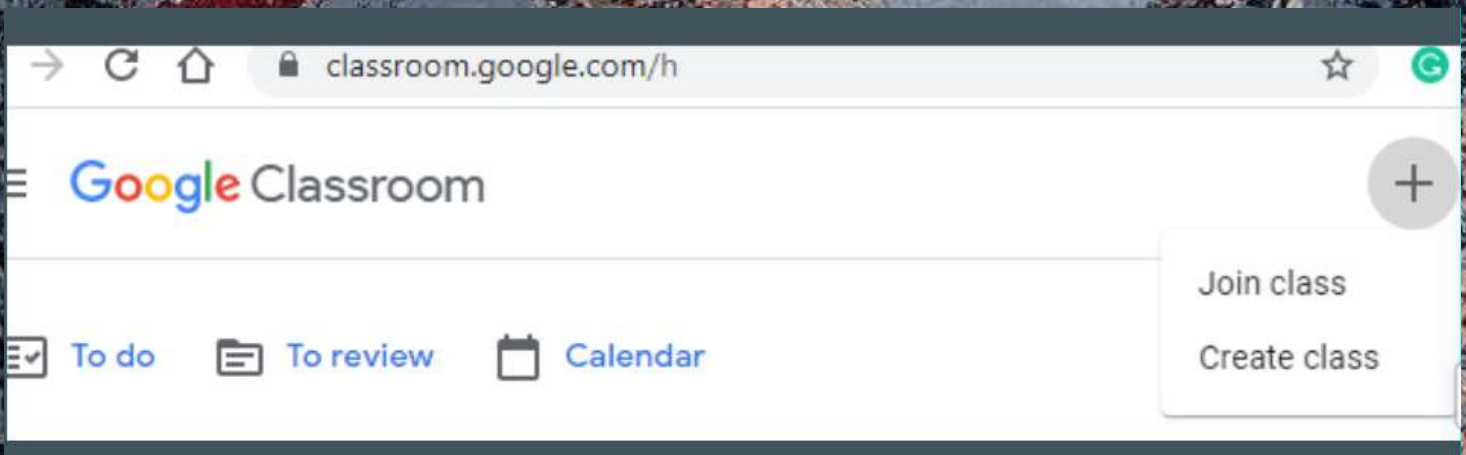
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