



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(SET UP BY AN ACT OF PARLIAMENT)



JANUARY 2026

E-Newsletter

2026

HAPPY
NEW
YEAR

THRISSUR BRANCH (SIRC)

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EDITORIAL

Dear Esteemed Members,



Greetings from the editorial desk!

As we step into the New Year, it gives me immense pleasure to connect with you through this edition of our e-Newsletter. A new year is always more than a change of calendar—it is an opportunity to pause, reflect, realign, and move forward with renewed purpose. For the Chartered Accountancy profession, it is also a reminder of our responsibility to continuously evolve in knowledge, skills, and mindset in an ever-changing regulatory and business environment.

New Year Message

May this New Year bring clarity in thought, integrity in action, excellence in profession, and balance in life. Let us continue to uphold the values of our profession while embracing change with confidence and competence.

Focus of This Edition

This edition features two highly relevant and thought-provoking articles that resonate strongly with the current professional landscape:

- CA Jean Paul presents an insightful article on the New Labour Codes, a transformational reform that will significantly impact employers, professionals, and compliance frameworks. The article simplifies the core changes and highlights the practical implications for Chartered Accountants, making it a valuable read for both practitioners and industry professionals.
- CA Jhanasee M brings to focus the Importance of Effective Communication in CA Firms—a skill that is often underestimated but is critical for leadership, client relationships, team management, and professional growth. In an era where technical expertise is assumed, communication becomes the key differentiator for successful CA firms.

Looking Ahead

As professionals, the year ahead calls upon us to be proactive learners, ethical advisors, and effective communicators. Whether it is adapting to new laws, leveraging technology, or strengthening interpersonal skills, the role of a Chartered Accountant continues to expand beyond numbers.

I encourage all members to not only read and reflect on the articles in this edition but also to actively contribute to knowledge sharing through future newsletters.

On behalf of the Thissur Branch of ICAI, I wish you and your families a happy, healthy, and professionally fulfilling New Year.

Warm Regards,

CA Jinu Rose Johnson
Editor – ICAI Thrissur Branch (SIRC)

CHAIRPERSON'S MESSAGE



Dear Esteemed Members,

Warm Greetings from the ICAI Thrissur Branch (SIRC)

As we reach the final chapter of a momentous year, I am filled with a sense of fulfilment and pride. The month of December is not just a time for reflection, but a period where our professional camaraderie and quest for knowledge have truly reached their zenith.

As 2025 ends, Thrissur Branch of ICAI looks back at a journey marked by incredible milestones. From honouring the indomitable spirit of our members, infrastructure developments, brand building programmes, record number of 258 cpe hours programmes, technological developments in branch activities to hosting global thinkers, it has been a year to remember.

NAVARATNA Season 6: A State-Level Milestone

The highlight of the recent weeks was undoubtedly *NAVARATNA Season 6*, the two-day State-Level Conference hosted at Kannur. This mega-event, a joint initiative by all the Kerala branches of ICAI, was a spectacular success. It was heartening to see members from across the state converge to share insights and strengthen our professional bonds. The quality of deliberations and the warmth of the Kannur Branch's hospitality made it an unforgettable experience for the Thrissur delegation. 53 members from Thrissur branch participated in the event.

Residential Seminar at Kalladikkode, Palakkad

Close on the heels of the state conference, our branch organized a *Residential Seminar at Palakkad*. This retreat provided a unique blend of intensive learning and relaxed networking. The serene environment allowed for deep-dive discussions into complex professional topics, away from the hustle of our daily routines. I thank all the participants for making this retreat intellectually stimulating and socially vibrant.

Commitment to Knowledge: 42 Hours of CPE

In our relentless pursuit of excellence, I am proud to share that we successfully conducted *42 hours of CPE seminars* recently. Covering a wide spectrum of topics—from the latest GST nuances to New Income Tax Act 2025—these sessions ensured that our members stayed ahead of the curve. Your enthusiastic participation in these long-format learning sessions is a testament to the high professional standards of the Thrissur Branch.

Festive Greetings & The Road Ahead

As the festive spirit of *Christmas* fills the air, let us embrace the values of joy, sharing, and peace. It is also a time to look forward with hope and ambition. As we stand at the threshold of 2026, let us resolve to reach newer heights of integrity and excellence.

I wish you and your families a *Merry Christmas* and a very *Happy, Prosperous, and Healthy New Year 2026!*

We had already circulated our detailed Activity Report on 6th January 2026.

I cordially invite all the members to register and attend WOFA 2.O, World Forum of Accountants to be held on 30th January 2026 to 1st February 2026 at Greater Noida, Inida. Details are already shared in our WhatsApp groups

Thank you to every member for making 2025 a year of Action and Achievement

As the sun rises on 2026, ICAI Thrissur Branch is ready to embrace the future with a renewed set of resolutions. We are not just tracking numbers; we are building legacies.

May the coming year bring new opportunities and continued success to each one of you.

As we are in a festive season around the corner, let us also remember the importance of **WORK-LIFE BALANCE**. Use the relative calm this month to recharge, spend time with family, celebrate every event and moment, and ensure your well-being.

We have planned a Members Fest on 20th January 2026-A first of its kind celebration at our branch premises, dedicated to discovering and celebrating the artistic and creative side of our members. For one special day, the Branch will transform into a space where talent, creativity and passion take centre stage-a day to celebrate who we are beyond our professional roles.

I cordially invite all the members to participate this event with family.

With warm regards,

CA. SANJO N G
Chairperson
ICAI Thrissur Branch (SIRC)

India's New Labour Codes: A Structural Reset of Employment Law



CA. JEEN PAUL

Professional Implications and Practice Opportunities for Chartered Accountants

India's labour law framework has undergone a landmark transformation with the enactment of four Labour Codes, replacing a complex web of fragmented legislations with a consolidated and principle-based regime. The reform seeks to balance worker welfare, compliance simplification, and economic efficiency, while addressing the realities of a modern and evolving workforce.

For Chartered Accountants, the Labour Codes extend far beyond human resource administration. They directly affect payroll structuring, statutory contributions, employee benefit provisioning, financial reporting, audit risk, and compliance advisory. The following discussion examines each Code with a focus on professional implications.

Code on Wages, 2019

Uniformity, Transparency, and Wage Equity

The Code on Wages, 2019 consolidates four foundational laws governing wages, bonus, and remuneration. Its central objective is to introduce uniform definitions and universal coverage, thereby eliminating ambiguity and selective applicability.

A defining reform under the Code is the extension of minimum wage entitlement to all employees, across organised and unorganised sectors. This replaces the earlier system where minimum wages applied only to scheduled employments. The introduction of a statutory floor wage, fixed by the Central Government based on minimum living standards, establishes a national baseline below which no State may prescribe wages.

Minimum wages will now be determined based on skill classification, geographical area, and working conditions, including exposure to hazardous environments. The Code also reinforces gender neutrality, expressly prohibiting discrimination in wages or employment conditions for work of similar nature, including recognition of transgender identity.

Importantly, provisions relating to timely payment of wages and restrictions on unauthorised deductions are extended to all employees, removing the earlier wage ceiling. Overtime wages, payable at twice the normal rate, are uniformly mandated.

From an enforcement standpoint, the transition from "Inspector" to Inspector-cum-Facilitator reflects a compliance-oriented approach. Several offences have been decriminalised or made compoundable, signalling a move away from prosecution towards voluntary compliance.

CA Insight Box – Code on Wages, 2019

Payroll Structuring and Cost Advisory

- Review salary structures to ensure exclusions do not exceed 50% of total remuneration; excess will be treated as wages.
- Reassess PF, ESI, gratuity, and bonus bases, as statutory outflows are likely to increase.
- Advise clients on minimum wage compliance across all employments, including service sectors.
- Incorporate wage compliance checks into statutory audit and internal audit programmes.
- Assist management in CTC restructuring and employee communication to mitigate industrial friction.

Industrial Relations Code, 2020

Industrial Harmony with Operational Flexibility

The Industrial Relations Code integrates laws relating to trade unions, standing orders, and industrial disputes. The Code recognises that employment security and industrial sustainability are interdependent, and therefore seeks to balance worker protection with employer flexibility.

The formal introduction of Fixed-Term Employment (FTE) allows employers to engage workers on time-bound contracts with parity in wages and benefits. Fixed-term employees are entitled to gratuity after one year, providing flexibility without undermining social security.

A notable welfare measure is the creation of a Re-skilling Fund for retrenched workers, funded by employer contributions equivalent to 15 days' wages per retrenched employee. This amount is credited directly to the worker within a prescribed timeframe.

Trade union recognition is streamlined through clear thresholds for negotiating unions and councils, strengthening collective bargaining. The Code also broadens the definition of "worker" and "industry", expanding the scope of coverage.

Perhaps the most significant reform is the increase in the threshold for prior government approval for lay-off, retrenchment, and closure from 100 to 300 workers, with States empowered to enhance this limit further. Digital processes, direct tribunal access, and mandatory notice periods for strikes aim to improve dispute resolution efficiency.

CA Insight Box – Industrial Relations Code, 2020

Workforce Planning and Risk Management

- Evaluate Fixed-Term Employment as a cost-efficient workforce strategy while ensuring benefit parity.
- Provide for retrenchment compensation and re-skilling fund contributions in financial forecasts.
- Review contingent liabilities arising from labour disputes and restructuring plans.
- Advise clients on expansion or restructuring decisions considering the revised 300-worker threshold.
- Support due diligence in mergers, acquisitions, and closures from a labour-law risk perspective.

Code on Social Security, 2020

Extending the Safety Net to the New Workforce

The Code on Social Security consolidates nine welfare legislations and marks a decisive shift towards universal social protection, including coverage of unorganised, gig, and platform workers.

ESIC coverage is extended nationwide, eliminating the concept of notified areas. Smaller establishments may opt in voluntarily, while hazardous occupations attract mandatory coverage. The Code introduces time limits for EPF inquiries and recoveries, providing long-awaited certainty to employers.

The formal recognition of gig workers, platform workers, and aggregators introduces contribution obligations for digital economy entities. A dedicated Social Security Fund is proposed to finance welfare schemes for unorganised workers.

Uniformity in the definition of wages across social security laws ensures consistency in computing provident fund, gratuity, and pension benefits. Fixed-term employees become eligible for gratuity after one year, and commuting accidents are deemed employment-related for compensation purposes. Digitisation and a facilitator-based inspection regime further ease compliance.

CA Insight Box – Code on Social Security, 2020

Accounting, Provisioning, and Compliance

- Identify gratuity liabilities for fixed-term employees and ensure provisioning under AS 15 / Ind AS 19.
- Monitor EPF matters for time-bar applicability, assisting clients in closing legacy exposure.
- Advise platform-based clients on aggregator contribution obligations and accounting treatment.
- Strengthen audit focus on employee benefit disclosures and social security compliance.
- Assist establishments in evaluating voluntary ESIC coverage decisions.

Occupational Safety, Health and Working Conditions Code, 2020

Safe Workplaces with Simplified Compliance

The OSH Code consolidates 13 labour laws governing safety, welfare, and working conditions. It aims to ensure safe and dignified employment, while substantially reducing procedural complexity.

A single electronic registration replaces multiple registrations, supported by a one registration—one licence—one return framework. Applicability thresholds have been rationalised to reduce compliance burden on smaller establishments.

The Code significantly enhances protection for inter-state migrant workers, ensuring benefit portability, travel allowances, and welfare access. Women are permitted to work in all establishments, including night shifts, subject to consent and safety safeguards.

Formalisation is promoted through mandatory appointment letters, annual health check-ups, and safety committees in large establishments. Contract labour provisions are liberalised through higher thresholds and auto-generated licences, while making principal employers responsible for wages and welfare in case of contractor default. Criminal penalties are largely replaced with civil monetary penalties, promoting compliance over punishment.

CA Insight Box – OSH Code, 2020

Compliance Cost and Governance Advisory

- Guide clients on single registration and licensing, reducing administrative friction.
- Evaluate capital and operating expenditure arising from safety and welfare requirements.
- Review contract labour arrangements to protect principal employers from wage default risk.
- Promote formalisation through appointment letters and digital records, strengthening audit trails.
- Include OSH compliance in labour law compliance audits and risk assessments.

Conclusion

Professional Opportunity in a Reformed Labour Regime

The four Labour Codes collectively represent a structural reset of India's employment law architecture. While aimed at simplification, their implementation will significantly influence payroll costs, compliance strategies, and workforce planning.

For Chartered Accountants, the new regime opens a distinct and growing advisory domain encompassing payroll restructuring, labour-law compliance audits, employee benefit provisioning, and transaction due diligence. Proactive engagement with the Labour Codes will not only mitigate client risk but also expand the professional relevance of CAs in the evolving world of work.

CA. JEEN PAUL

Internal Communication: The Most Underrated Process in a CA Practice



CA M. JHANA SHREE

When Silence Costs More Than Errors

In a Chartered Accountant's practice, much attention is given to technical accuracy, deadlines, and compliance outcomes. Yet, many of the challenges we face—rework, stress, missed details, strained teams, and unhappy clients—do not arise from lack of knowledge. They arise from something far more subtle and often ignored: internal communication.

Most firms do not fail because people are incapable. They struggle because instructions are unclear, expectations are assumed, and feedback is delayed. When communication is weak, even the best systems collapse. When communication is strong, even imperfect systems hold.

Internal communication is not an administrative activity—it is a core operational process. And yet, it remains one of the most underrated aspects of practice management.

Understanding the Communication Gap

In many CA firms, communication happens informally:

- Verbal instructions given in passing
- WhatsApp messages without context
- Assumptions that “they already know”
- Last-minute clarifications under pressure

Over time, this creates confusion rather than clarity. Juniors hesitate to ask questions. Seniors assume understanding. Errors repeat themselves. Frustration grows quietly, often expressed as blame rather than solutions.

The cost of poor internal communication is not just inefficiency—it is emotional fatigue.

Why Internal Communication Deserves Process Status

Communication is often treated as an interpersonal skill rather than a system. But in a professional firm, it must be designed, structured, and consistent.

Effective internal communication:

- Reduces rework and errors
- Builds confidence in junior staff
- Saves senior time spent correcting mistakes
- Creates accountability without micromanagement
- Improves morale and trust within the team

In reality, communication is the bridge between intent and execution. Without a strong bridge, work collapses midway.

Key Areas Where Communication Breaks Down

1. *Task Allocation*

Instructions are often incomplete—what needs to be done is said, but not how, by when, or to what standard.

2. *Priority Clarity*

When everything is urgent, nothing is. Teams struggle when priorities are not clearly communicated.

3. *Feedback Timing*

Feedback is either delayed or delivered only when something goes wrong, creating fear rather than learning.

4. *Responsibility Ownership*

Multiple people assume someone else is handling the task, leading to last-minute panic.

Practical Suggestions to Strengthen Internal Communication

1. *Standardise Instructions*

Every task should answer three questions clearly:

- What needs to be done
- By when
- In what format or standard

Written instructions—however brief—reduce misunderstandings dramatically

2. *Move from Verbal to Visible Communication*

Verbal communication fades. Written communication stays.

Use:

- Simple task trackers
- Email summaries
- Shared checklists

Visibility creates accountability without pressure.

3. *Establish Single-Point Responsibility*

Each task must have one owner, even if multiple people contribute. This avoids diffusion of responsibility.

4. *Build Feedback into the Workflow*

Feedback should be:

- Regular
- Specific
- Calm
- Improvement-oriented

Correcting mistakes early prevents emotional overload later.

5. Create Safe Spaces for Questions

A team that feels safe to ask questions makes fewer errors.

Encourage:

- Clarifying doubts early
- Asking “why,” not just “how”
- Learning conversations instead of fault-finding

6. Align Communication Style with Season

Peak seasons need:

- Short, direct instructions
- Fewer channels
- Clear deadlines

Off-peak months allow:

- Discussions
- Training
- Process improvements

Communication must adapt to the season.

Internal Communication and Leadership

For a CA in practice, communication is also leadership. The tone set by the principal becomes the culture of the firm.

A calm, clear communicator:

- Builds resilient teams
- Reduces dependency on constant supervision
- Creates an environment of trust and professionalism

Good leaders do not communicate more—they communicate better.

Summary – From Noise to Clarity

Internal communication is not about talking more; it is about being understood. When communication becomes intentional, structured, and respectful, it transforms not just workflows but workplace energy.

A practice with strong internal communication experiences fewer conflicts, better outcomes, and a calmer leadership experience. In a profession driven by precision, clarity of communication is not optional—it is essential.

10-Point Checklist: Strengthening Internal Communication

- ☒ Are task instructions documented, not just spoken?
- ☒ Are deadlines clearly stated for every assignment?
- ☒ Is there a single owner for each task?
- ☒ Do team members know where to ask questions?
- ☒ Are feedback sessions regular and constructive?
- ☒ Is communication adapted during peak seasons?
- ☒ Are templates and formats standardised?
- ☒ Are internal messages clear, concise, and complete?
- ☒ Is rework analysed for communication gaps?
- ☒ Does the leadership model calm and clarity in speech?

Closing Thought

Strong internal communication does not make a practice louder—it makes it calmer, clearer, and more confident.

CA M. JHANA SHREE

I. ADMINISTRATIVE ACTIVITIES

1. CPE Programmes

Date	Programme Title	Chief Guest / Speaker(s)	CPE Hours	Attendance
15 Dec	One-Day Workshop on Technology for CAs – Power BI and Excel	CA Aneesh V, Thrissur CA Amal George, Thrissur	6	93
18 Dec	One-Day Seminar on New Income Tax Act, 2025	Chief Guest: Smt. Dhanya K, IRS, Joint Commissioner of Income Tax, Thrissur CA Naveen Khariwal G, Bengaluru, CA Cheeran Varghese, Thrissur	6	159
19–20 Dec	Residential Seminar on Networking Guidelines, Enhancing Audit Standards through AQMM, Capacity Building of CA Firms, and Aggregation of CA Firms	CA Rajesh M, Thrissur CA Varghese Paul, Thrissur CA Martin George, Thrissur CA Vineesh Chandran, Thrissur	12	37
26 Dec	Seminar on Application of Accounting Standards in Our Practice	CA Amal Paul, Ernakulam	3	58
27 Dec	Seminar on Simplifying Peer Review: A Practical Approach for Small & Medium CA Practices	CA Sony C.L, Thrissur	3	32

2. Non-CPE Programmes

Date	Programme Title	Highlights	Attendance
02 Dec	Financial & Tax Literacy Drive 2025	Quiz contest organized to promote financial and tax awareness among students at Union Higher Secondary School, Anannnad, Chalakudy, Thrissur, on 2nd December 2025.	100+

3. Administrative Meetings

Date	Meeting	Venue
05 Dec	Managing Committee Meeting	ICAI Bhawan

4. Additional Programmes

Date	Programme	Details	Venue
12 & 13 Dec	NAVARATNA Conference	We were a part of the 6th Edition of the Conference. The Chairman, Managing Committee members, and other members of ICAI Thrissur actively participated in the event. The conference served as a valuable platform for professional learning, knowledge sharing, and meaningful interaction with distinguished speakers and fellow members.	E.K. Nayanan Academy, Kannur,

II. ACADEMIC ACTIVITIES

1. Coaching Classes

Course / Batch	Attendance
CA Final– May 2026 - Financial Reporting	29
CA Intermediate – May 2026	180
CA Foundation – Jan 2026 Batch 3	120
CA Foundation – May 2026 Batch 4	84

2. ICITSS & AICITSS Programmes

Dates	Programme	Batch	Attendance
09 Dec – 31 Dec	Advanced ITT	Thrissur 26	17
21 Nov – 08 Dec	ITT	Thrissur 22	28

3. Career Counselling Programmes

Date	School / Institution	Speaker	Attendance
01 Dec	VHSE School, Puthur, Thrissur	CA Ashish Vincent	100+
02 Dec	Union HS School Ananad, Thrissur	CA Ashish Vincent	100+
05 Dec	St. Raphael HSS, Ollur Thrissur	CA Ashish Vincent	100+

Conclusion

The ICAI Thrissur Branch places on record its sincere appreciation to all speakers, members, students, and participants for their enthusiastic support and active participation in the programmes conducted during the month. Their continued involvement significantly contributes to the professional and academic growth of the ICAI community in Thrissur.

The Branch remains committed to promoting professional excellence, academic development, and collaborative engagement in the months ahead.

Thank you.

Glimpses

DEC' 25



15 Dec: A one-day workshop titled 'Technology for CAs – Power BI and Excel' was conducted at Thrissur, featuring sessions by CA Aneesh V and CA Amal George, both from Thrissur. The workshop was of 6 CPE hours and witnessed the participation of 93 members.



18 Dec: A one-day seminar on the New Income Tax Act, 2025 was conducted, with Smt. Dhanya K, IRS, Joint Commissioner of Income Tax, Thrissur, gracing the occasion as Chief Guest. The seminar featured expert sessions by CA Naveen Khariwal G (Bengaluru) and CA Cheeran Varghese (Thrissur) and witnessed the active participation of 159 members, offering 6 CPE hours.

Glimpses

DEC' 25



26 Dec: A seminar on *Application of Accounting Standards in Our Practice* was conducted, featuring sessions by CA Amal Paul (Ernakulam). The programme comprised 3 CPE Hours and witnessed the participation of 58 members.



27 Dec: A seminar on *Simplifying Peer Review: A Practical Approach for Small & Medium CA Practices* was conducted, featuring sessions by CA Sony C.L (Thrissur). The programme comprised 3 CPE Hours and witnessed the participation of 32 members.

Glimpses

DEC' 25



02 Dec: As part of the Financial & Tax Literacy Drive 2025, a quiz contest was organized on 2 December 2025 at Union Higher Secondary School, Anandad, Chalakudy, Thrissur, to promote financial and tax awareness among students. The programme witnessed the participation of over 100 students.



01 Dec: A Career Counselling Programme was conducted at VHSE School, Puthur, Thrissur, led by CA Ashish Vincent, with the participation of over 100 students.

Glimpses

DEC' 25



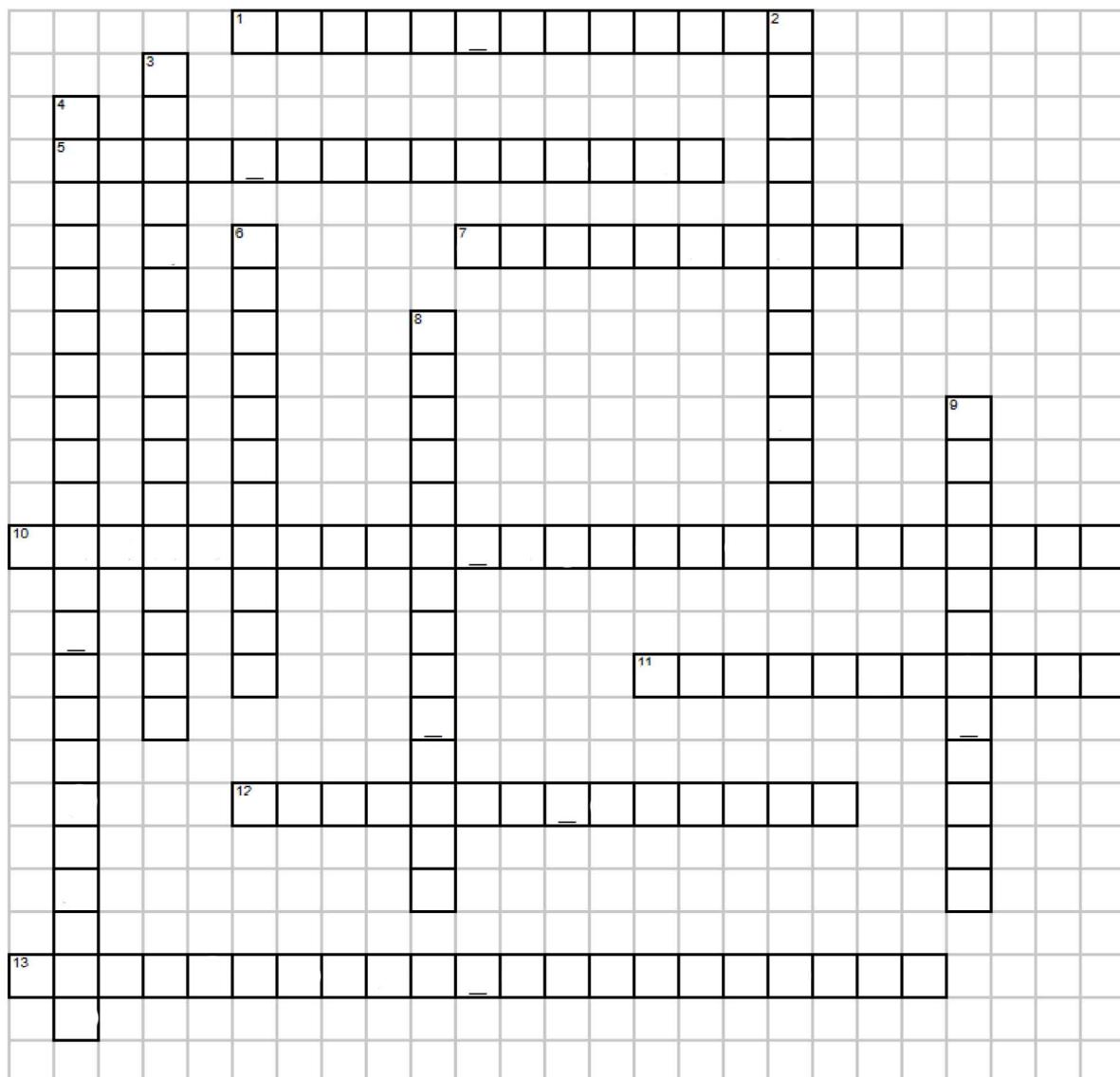
02 Dec: A Career Counselling Programme was conducted at Union Higher Secondary School, Anandad, Thrissur, led by CA Ashish Vincent, with the participation of over 100 students



05 Dec: A Career Counselling Programme was conducted at St. Raphael Higher Secondary School, Ollur, Thrissur, led by CA Ashish Vincent, with the participation of over 100 students.

CROSSWORD

INSIGHT CORNER



Across

- 1 Assumption that entity will continue operations in foreseeable future (SA 570)
- 5 Entity's process to identify and manage business risks
- 7 Auditors opinion when sufficient appropriate evidence is not obtained (SA 705)

10 Written representation forming part of audit evidence (SA 580)

11 Level at which misstatements could influence economic decisions (SA 320)

12 Audit documentation providing evidence of compliance with SAs (SA 230)

13 Audit procedure involving evaluation of financial information through analysis

Down

- 2 Auditors responsibility to consider compliance with laws and regulations (SA 250)
- 3 Approach that links audit procedures to assessed risks (SA 330)
- 4 Use of professional skill and experience in audit decisions

6 Persuasive rather than conclusive nature of audit evidence (SA 500)

8 Risk that auditor fails to detect a material misstatement

9 Risk that material misstatement will not be prevented or detected by internal control

ANSWERS

ACROSS : 1.GOING_CONCERN, 5.RISK_ASSESSMENT, 7.DISCLAIMER, 10.MANAGEMENT REPRESENTATION, 11.MATERIALITY, 12.WORKING_PAPERS, 13.ANALYTICAL PROCEDURES
 DOWN: 2.NONCOMPLIANCE, 3.RISK_BASED_AUDIT, 4.PROFESSIONAL_JUDGEMENT, 6.SUFFICIENCY, 8.DETECTION_RISK, 9.CONTROL_RISK



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(SET UP BY AN ACT OF PARLIAMENT)

THRISSUR BRANCH (SIRC)

ICAI BHAWAN, CHIYYARAM, THRISSUR – 680 026.

TEL - (0487) 2253400, 2253800, EMAIL - trichur@icai.org, WEB- www.thrissuricai.org