



The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

TIRUPUR BRANCH (SIRC)

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

TIRUPUR BRANCH (SIRC)

OFFICE BEARERS 2024 - 25	
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Views expressed herein are the opinion of the respective authors and not that of the branch or the Managing / Newsletter committee.

Your views / suggestions / comments are welcome. Kindly send your queries to tiruicai@gmail.com

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Dear Professional Colleagues,

It is with great honor and humility that I write to you as the chairman of the ICAI Tirupur branch. I am deeply grateful for the trust and confidence that you have placed on me, and I am committed to serving this esteemed organization to the best of my abilities.



Dear Members, we all know that the accounting profession is constantly evolving, and we must adapt to changes in regulations, technology, and business practices. I am committed to fostering a culture of continuous learning and professional development within our branch, ensuring that our members are equipped to excel in an increasingly complex and dynamic environment.

Furthermore, I am keen to strengthen our relationships with the local business community, government authorities, and educational institutions. Collaborations and partnerships will be instrumental in promoting the value of chartered accountants and advancing the profession in Tirupur.

I extend my sincere appreciation to the members of our branch, whose unwavering support and dedication form the bedrock of our success. Together, we will strive to uphold the highest ethical standards, promote integrity, and serve the public interest with distinction.

The Chartered Accountants Benevolent Fund (CABF) stands as a testament to the support we provide to our fellow members in times of need, our collective contributions to the CABF make a profound impact on the lives of our colleagues who may be going through hardships. I kindly request you to consider contributing generously to the CABF. This year we planned to contribute collectively with the support of our members for the noble cause.

We are planning many programs, activities, events for the benefit of our members and students. These events aim to empower our members and students, providing them with the tools, knowledge, and support they need to thrive in their careers. I seek the support of our members and students in all branch activities which will motivate us to organise many programs for the benefit of members, students and public at large.

I look forward to working alongside each and every one of you to fulfill our shared vision for the advancement of the accounting profession.

With Best Regards,

CA. Senthilkumar K C
Chairman
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
Tirupur Branch (SIRC)

Forthcoming Programs

Date	Day & Timing	Program	CPE Hours	Speaker/Guest	Venue
02.03.2024	Saturday, 10.00 am to 1.00 pm	CPE Seminar on AQMM	3	CA M P Vijay Kumar, Chennai	ICAI Bhawan Tirupur
03.03.2024	Sunday	Cricket Tournament for Members	-	-	SKL Public School, Avinashi
04.03.2024	Monday, 6.00 pm to 8 pm	Study Circle Meeting	-	Yet to finalise	ICAI Bhawan Tirupur
06.03.2024	Wednesday, 10.00 am to 1.30 pm	Women's Day Celebration - CPE Seminar on GST Input Tax Credit and Free Medical Camp for Woman Members	-	Dr S Vidhubala MBBS, MD (O&G), Tirupur Smt. Kavin Thirumurugan Msc., B.Ed. CA M.Preetha	ICAI Bhawan Tirupur
08.03.2024	Friday, 5.00 pm to 8.00 pm	CPE Seminar on GST - Audit and Inspection	3	CA M Vishnukumar, Tirupur	ICAI Bhawan Tirupur
15.03.2024	Friday, 5.00 pm to 8.00 pm	CPE Seminar on LLP Formation and Procedures	3	CS P Eswaramoorthi, Coimbatore	ICAI Bhawan Tirupur
16, 17 .03.2024	Sat & Sun	Panchabootha Cricket Tournament	-	-	Sports Village, Erode
22.03.2024	Friday, 9.30 am to 5.00 p.m.	One Day CPE Seminar on Bank Audit	6	CA Dhananjay Gokhale, Mumbai CA Kuntal P Sha, Ahmedabad	ICAI Bhawan Tirupur

Latest Updates: Income Tax & ROC:

CA M. Vishnu Kumar, Tirupur

1. CBDT releases order to waive off tax demand outstanding as of Jan 31, 2024; capped at Rs. 1 lakh per assessee.

In the Union Budget 2024 address, Finance Minister Nirmala Sitharaman declared the cancellation of tax demands until the Assessment Year 2015-16. Following the announcement, the Central Board of Direct Taxes (CBDT) issued an order for the remission and annulment of tax demands under the Income Tax Act, 1961, Wealth Tax Act, 1957, or Gift Tax Act, 1958 ["Acts"].

The order delineates various aspects of extinguishing demands for different assessment years, setting monetary limits for outstanding tax demands, and specifying the maximum ceiling eligible for waiver for the assessee. The board stipulates that demands outstanding as of January 31, 2024, qualify for waiver. The key takeaways from the order are as follows:

a) Monetary limit for demand waiver

For AY 2010-11 and earlier, demands up to Rs. 25,000 per entry are eligible for waiver, while from AY 2011-12 to AY 2015-16, the waiver applies to demands up to Rs. 10,000.

b) Maximum ceiling of Rs. 1 lakh

The remission and annulment of eligible demands are capped at Rs. 1,00,000 per assessee, regardless of the total eligible amount across assessment years.

c) No waiver for TDS/TCS demands

The CBDT specifies that the waiver of demand does not apply to demands raised against tax deductors or collectors under the TDS or TCS provisions of the Income Tax Act, 1961. Consequently, the outstanding demand for eligible assessment years excludes demands arising from TDS/TCS provisions.

d) Tax demand includes principal tax component and any other interest

The outstanding demand encompasses the tax principal under the Act, along with interest, penalty, fees, cess, or surcharge as per Act provisions, with the applicable ceiling limit.

e) Interest on delayed payment not considered

It is clarified that interest under section 220(2) is not applicable for calculating the demand entry amount or the ceiling limit of Rs. 25,000, Rs. 10,000, or Rs. 1,00,000, respectively.

f) No right to claim credit or refund

It is clarified that the remission of outstanding demands does not grant the assessee the right to claim credit or refund under the Income Tax Act or any other legislation.

g) No effect on criminal proceedings

The waiver of demand will not impact ongoing or completed criminal proceedings against the assessee and does not provide any benefit, concession, or immunity under such proceedings.

2. MCA operationalises Central Processing Centre (CPC) for corporate filings to promote ease of doing business.

In a Press Release dated February 16, 2024, the Ministry of Corporate Affairs (MCA) has implemented the operationalization of the Central Processing Centre (CPC). This central hub is designed for the streamlined processing of corporate filings, eliminating the need for physical interaction with stakeholders, thereby fostering ease of business. Starting from February 16, 2024, the CPC has commenced processing 12 forms/applications, with additional forms slated for processing from April 1, 2024 onwards. The MCA plans to extend this centralized processing approach to forms/applications filed under the Limited Liability Partnership (LLP) Act.

Since its initiation, the CPC has received a total of 4,910 forms, all of which will undergo time-bound and faceless processing. It's noteworthy that the processing of applications at the Central Registration Centre (CRC) and Centralised Processing for Accelerated Corporate Exit (C-PACE) also follows a non-physical interaction model with stakeholders.

The implementation of the Central Registration Centre (CRC), C-PACE, and CPC aims to expedite the processing of applications and forms related to incorporation, closure, and regulatory compliance. This initiative facilitates companies in their incorporation, closure, alteration, capital raising, and compliance with corporate laws.

With the establishment of the CPC, the jurisdictional Registrar of Companies (ROC) is anticipated to focus more on core functions such as inquiries, inspections, and investigations, contributing to robust corporate governance. Additionally, it has been observed that the current financial year has seen the highest number of LLPs and companies incorporated compared to any of the preceding fiscal years, as of February 14, 2024.

3. SC strikes down Electoral Bonds Scheme as Unconstitutional

The Supreme Court, in the matter of Association for Democratic Reforms v. Union of India, held that electronic bonds violate the right to information under Article 19(1)(a) of the Constitution. Accordingly, the scheme has been declared unconstitutional, allowing unlimited corporate political donations.

Further, the Court directed the issuing bank, the State Bank of India (SBI), to stop the issuance of electronic bonds and submit the details of the bonds purchased since the interim order of the Court dated April 12, 2019, till date to the Election Commission of India (ECI).

Brief facts of the case:

In the present case, the petitioners challenged the constitutional validity of the Electronic Bond Scheme, which introduced anonymous financial contributions to political parties.

The petitioners argued that the anonymity associated with electronic bonds undermines transparency in political funding and encroaches upon voters' right to information. They further contended that the scheme facilitates contributions through shell companies, raising concerns about accountability and integrity in electoral finance.

In defence of the scheme, the Union of India had asserted its role in promoting the use of legitimate funds in political financing, ensuring transactions occur through regulated banking channels. They cited the need for donor anonymity to shield contributors from potential retribution by political entities.

What are Electoral Bonds?

The Electronic Bond Scheme, 2018, was introduced vide Notification no. S.O. 29(E), dated: 02.01.2018. This scheme allowed specific State Bank of India (SBI) branches to offer electoral bonds for 10 days in January, April, July and October of each year in the following denominations: Rs 1000, Rs 10,000, Rs. 1,00,000, Rs 10,00,000 and Rs 1,00,00,000

An electronic bond is defined as a "bond issued in the nature of promissory note which shall be a bearer banking instrument and shall not carry the buyer's or payee's name".

Issues raised before the Supreme Court

The issues raised before the Supreme Court were as follows -

(a) Firstly, whether the non-disclosure of information on voluntary contributions to political parties under the Electronic Bond Scheme and the amendments to Section 29C of the Representation of the People Act (RPA), Section 182(3) of the Companies Act and Section 13A(b) of the Income Tax Act are violative of the right to information of citizens under Article 19(1)(a) of the Constitution?

(b) Secondly, does unlimited corporate funding to political parties, as envisaged by the amendment to section 182(1) of the Companies Act, infringe the principle of free and fair elections and violate Article 14 of the Constitution?

Observations by Supreme Court

The Supreme Court observed that the infringement of the right to information does not satisfy the proportionality standard concerning curbing black money. Even if the argument that the Electoral Bond Scheme fulfils the purpose is accepted, non-disclosure of information on political funding is not the least restrictive means to achieve this purpose.

Further, the Supreme Court observed that the infringement of the right to information does not satisfy the proportionality standard concerning guaranteeing informational privacy, as protecting donor privacy is not a legitimate purpose. Even if donor privacy is necessary, the public interest in free and fair elections trumps the private interest in confidentiality.

The right to information on political funding, traceable to Article 19(1)(a), can only be restricted on the grounds stipulated in Article 19(2). The purpose of curbing black money and recognising donor privacy is not traceable to the grounds in Article 19(2). Even if the purposes are traceable to Article 19(2), the Scheme is unreasonable and disproportionate to increasing political funding through banking channels and reducing political funding through non-banking channels.

The Supreme Court also observed that the amendment to section 182 of the Companies Act, 2013, must be read along with other provisions on financial contributions to political parties under the RPA and the IT Act. Neither the RPA nor the IT Act places a cap on the contributions which an individual can make. The amendment to section 182 is manifestly arbitrary for (a) treating political contributions by companies and individuals alike, (b) permitting the unregulated influence of companies in the governance and political process, violating the principle of free and fair elections, and (c) treating contributions made by profit-making and loss-making companies to political parties alike.

Supreme Court Ruling

The Supreme Court held that the Electoral Bond Scheme, the proviso to Section 29C(1) of the Representation of the People Act 1951 (as amended by Section 137 of Finance Act, 2017), Section 182(3) of the Companies Act (as amended by Section 154 of the Finance Act, 2017) and Section 13A(b) (as amended by Section 11 of Finance Act, 2017) are violative of Article 19(1)(a) and unconstitutional.

Deleting the proviso to Section 182(1) of the Companies Act, 2013, permitting unlimited corporate contributions to political parties is arbitrary and violative of Article 14. Further, SBI must stop the issuance of Electoral Bonds. SBI must submit details of the Electoral Bonds purchased since the interim order of this Court dated 12 April 2019 to date to the ECI. The details shall include the date of purchase of each Electoral Bond, the name of the purchaser of the bond and the denomination of the Electoral Bond purchased;

SBI must submit the details of political parties which have received contributions through Electoral Bonds since the interim order of this Court dated 12 April 2019 till date to the ECI. SBI must disclose details of each Electoral Bond encashed by political parties, which shall include the date of encashment and the denomination of the Electoral Bond;

Also, the SBI must submit the information to the ECI within 3 weeks from the date of this judgment, i.e. by March 6, 2024. The ECI must publish the information shared by the SBI on its official website within 1 week of the receipt of the information, i.e. by March 13, 2024.

Electoral Bonds, which are within the validity period of 15 days but have not been encashed by the political party yet must be returned by the political party or the purchaser, depending on who is in possession of the bond to the issuing bank. The issuing bank, upon their turn of the valid bond, must refund the amount to the purchaser's account.

PHOTO GALLERY



Study Circle Meeting on 02.02.2024



Career Counselling programme on 15.02.2024



S.Vaidyanath memorial Lecture on 15.02.2024 at ICAI Bhawan, Tirupur



Trade Seminar on 16.02.2024 at ICAI Bhawan, Tirupur



Study Circle Meeting on 19.02.2024



One Day CPE Seminar on 23.02.2024 at ICAI Bhawan, Tirupur



Installation of Office Bearers 2024-25 on 24.02.2024 at ICAI Bhawan, Tirupur