

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

CHENGALPATTU DISTRICT BRANCH (SIRC)

(Formerly Known as Kanchipuram District Branch)

E-Newsletter - May 2025



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ARTICLES INVITED FROM MEMBERS

Note: Articles are invited from members for publishing in Newsletter. The articles shall be either on the specific subject or a general article. Members can send their articles with Name, Membership Number, Mobile Number, Residential Address, Office Address & Photo to our E-mail id mentioned below:

E-mail id: chengalpattu@icai.org

Note: The views expressed in the articles published, are their own views and Chengalpattu District Branch (SIRC) does not endorse or take responsibility.

From the Chairman's Desk

Dear Esteemed Members,

Greetings!

I trust this edition of our newsletter finds you in good health and high spirits. It is truly inspiring to witness the continued growth, enthusiasm, and active participation of our members in various professional development initiatives. April 2025 was a vibrant month, marked by impactful programs designed to strengthen our collective knowledge and professional competence.



CA. SHIVACHANDRA REDDY K

We successfully conducted CPE sessions on:

Mandatory Requirements of Financial Statements for Non-Corporate Entities – As per ICAI Guidance Note: The session covered important areas, including the minimum components of financial statements, key disclosure requirements, classification of non-corporate entities, applicability of accounting standards, key differences from corporate financial reporting, and the critical role of Chartered Accountants in ensuring compliance and transparency.

Another highlight was the CPE session on: **GST Perspective While Closing the Books of Accounts** : This session focused on vital GST considerations and practical precautions to be taken during finalization of accounts, aiming to prevent future litigation risks. The discussion was timely, insightful, and highly beneficial for practicing professionals.

Upcoming Certificate Course on AI for Chartered Accountants (4th Batch)

We are delighted to announce that our branch will host the 4th Batch of the Certificate Course on Artificial Intelligence for Chartered Accountants in June 2025 — an initiative under ICAI's vision to empower members with emerging technology skills that are shaping the future of the profession.

Dates: 6th, 7th & 8th June 2025

Venue: Chengalpattu District Branch (SIRC)

Batch No: 356

Registration Link: https://ai.icaai.org/course_details.php?id=361

Let us embrace technology, drive innovation, and lead the profession into the future.

Student Development Activities – Foundation & Intermediate Exams

In support of our Foundation and Intermediate students appearing for the May 2025 examinations, we successfully organized Fast Track Revision Classes and Mock Tests. These initiatives were well-received and significantly strengthened our students' exam preparation journey.

Career Counselling Program – Hindu Group Fair 2025

We proudly participated in the **Hindu Education Plus Career Counselling Fair 2025**, held at the Chennai Trade Centre on 5th & 6th April 2025. The event witnessed an overwhelming turnout of students and parents eager to explore career opportunities, including Chartered Accountancy.

Special Highlights:

- Hon'ble Minister for School Education, Mr. Anbil Mahesh Poyyamozhi, visited our ICAI stall and appreciated our outreach efforts.
- We were honoured to have CA. Durgesh Kumar Kabra, Central Council Member and Chairman – Committee on Career Counselling, grace the occasion. His inspiring address highlighted the significance of the CA profession and left a lasting impression on young aspirants.

We extend our heartfelt thanks to all member volunteers, staff, and Managing Committee Members — particularly CA. Arumugaraj P and CA. Priya A for their dedication, time, and efforts in making this event a grand success.

Annual Membership Renewal – FY 2025–26

We remind all members to renew their Annual Membership (ARC) Fee promptly to continue enjoying exclusive member benefits, such as:

- Complimentary CPE Programs
- Mentoring and Guidance Sessions
- Career and Networking Opportunities
- Priority Access to Branch Events and Resources

Registration Link: <https://events.cglportal-icai.org/arc>

As we welcome new students and continue growing as a professional community, let us strive together for excellence, continuous learning, and ethical leadership in all our endeavours.

Warm regards,

CA. Shivachandra Reddy K

Chairman

Chengalpattu District Branch (SIRC)

The Institute of Chartered Accountants of India

PHOTO GALLERY

Special Programme

Programme : Hindu Education Plus Career Counselling Fair 2025

Date & Day: 5th and 6th April 2025 (Saturday & Sunday)

Venue : Chennai Trade Centre - Nandambakkam



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CPE Meeting

Topic : Mandatory requirements of Financial Statements for Non-Corporate Entities - As per ICAI Guidance Note

Speaker : CA. Sounder Rajan S P

Date & Day: 19th April 2025 (Saturday)

Time : 5:00 PM to 7:00 PM

Venue : Branch Premises



CPE Meeting

Topic : GST Perspective while closing the Books of Accounts

Speaker : CA. Subramanian R

Date & Day: 26th April 2025 (Saturday)

Time : 5:00 PM to 7:00 PM

Venue : Branch Premises



Upcoming Programs



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



CA
INDIA

CHENGALPATTU DISTRICT BRANCH (SIRC)

Certificate Course on AI
for Chartered Accountants (AICA)



Level
1

Registration Fees
Rs. 5000/- + GST

Batch 356

CPE Hours
18 Structured



Date and duration
6th, 7th and 8th June 2025
(Friday, Saturday, Sunday)



Time
10:00 AM to 6:00 PM
Please refer the attached
course module

Venue: Flat No.302, Third Floor, No.1A, Periyalwar Street, Sundaram Colony, East Tambaram Chennai- 600059

Registration Link: https://ai.icaai.org/course_details.php?id=361







Outstation Participants are responsible for arranging their own accommodation.

CA. Shivachandra Reddy K
Chairman

CA. Sathish T S
Secretary

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LEGAL UPDATES

by



CA. SIVAGURUNATHAN T

BHARATIYA SAKSHYA ADHINIYAM, 2023

Bharatiya Sakshya Adhiniyam, 2023 is a new Indian law that replaces the Indian Evidence Act, 1872

and is effective from July 1, 2024. It introduces several provisions that are particularly pertinent to Accounting & Tax Professionals. These provisions address the admissibility and relevance of financial

records, electronic evidence, and expert opinions in legal proceedings. Some important provisions listed below:

Section	Content	Implication for Professionals:
28	<p>Entries in books of account when relevant:</p> <p>This section states that entries in books of account, including those maintained electronically, are relevant in court inquiries. However, such entries alone are insufficient to establish liability without corroborative evidence.</p>	<p>Professionals must ensure that financial records are accurate and corroborated by additional documentation when presented as evidence.</p>

Section	Content	Implication for Professionals:
39	<p>Opinions of experts:</p> <p>This recognizes the relevance of expert opinions in various fields, including finance and digital evidence. It also acknowledges the role of the Examiner of Electronic Evidence as an expert in matters related to electronic records.</p>	<p>Professionals may be called upon to provide expert opinions in legal matters, highlighting the need for expertise in financial and electronic evidence.</p>
63	<p>Admissibility of Electronic Records:</p> <p>outlines the conditions under which electronic records are admissible as evidence:</p> <p>Regular Use: The electronic device must have been regularly used to store or process information during the relevant period.</p> <p>Data Integrity: Information must have been regularly fed into the device in the ordinary course of activities.</p> <p>Proper Functioning: The device must have been operating properly, or any malfunction should not have affected the accuracy of the record.</p> <p>Certification: A certificate must accompany the electronic record, detailing the manner of its production and the devices involved, signed by a responsible person and an expert.</p>	<p>When presenting electronic financial records, professionals must ensure compliance with these conditions and provide the necessary certification to establish admissibility in legal proceedings.</p>

Section	Content	Implication for Professionals:
64	Rules as to notice to produce: It addresses the conditions under which secondary evidence can be admitted, emphasizing the need to notify the holder of the original document unless specific exceptions apply.	When original financial documents are unavailable, professionals must understand the procedures for admitting secondary evidence, including providing appropriate notice or demonstrating applicable exceptions
132	Professional Communications: This section protects the confidentiality of communications between advocates and their clients. While it specifically mentions advocates, the principle underscores the importance of confidentiality in professional relationships.	Professionals should be aware of confidentiality obligations and ensure sensitive client information is handled appropriately, even though this section directly pertains to legal advocates.
163	Testimony Based on Business Records: This section allows a witness to testify about facts recorded in documents, even without specific recollection of the facts, if they are confident in the accuracy of the records.	Professionals can provide testimony based on well-maintained records, emphasizing the importance of accurate and consistent record-keeping. If a witness tries to testify about the content of a written agreement, invoice, or contract without producing the document, the testimony is not acceptable, unless: -The original document is lost or destroyed, -It's otherwise unavailable for reasons not due to bad faith, Then secondary evidence (e.g., copies, summaries, or oral evidence) may be allowed.

Why these are Important:

- Most tax cases involve documentary, electronic, or expert evidence.
- Provisions on admissibility, relevancy, and proof of such evidence directly impact how practitioners:
 - Prepare replies to notices
 - Defend cases in scrutiny, appeal, and prosecution
 - Present audit or valuation reports

Note:

The Bharatiya Sakshya Adhiniyam, 2023 empowers accounting and audit professionals by recognizing digital records and audit trails as admissible evidence. It gives legal validity to electronic books of accounts and digitally signed reports. The Act presumes the authenticity of properly maintained electronic records. It strengthens the role of professionals as expert witnesses in financial disputes. Overall, it supports secure digital documentation and compliance in audits and financial reporting.



GST Updates

by



CA. Shaikh Abdul Samad Ahmed

Urjita Electronics Private Limited Vs. Joint Commissioner of GST and Central Excise (Appeals-II) and Assistant Commissioner of Central Tax, Chennai W.P.Nos. 26164 and 26166 of 2021

Tax Payer sought a refund of GST (IGST, CGST, SGST) paid by its suppliers on goods supplied to them from Oct 2018 to Mar 2019. The suppliers paid GST due to an error in the GST portal, which did not reflect the petitioner's SEZ status, causing the tax to be incorrectly charged. The petitioner argued that, as an SEZ unit, supplies to them should be exempt from tax under the SEZ Act, 2005. They claimed they bore the GST cost and were entitled to a refund under Section 54 of the CGST Act, 2017, citing prior court decisions that support SEZ units' rights to claim such refunds.

Revenue, however, contended that only suppliers, not SEZ units, can claim refunds under GST laws, specifically Section 16 of the IGST Act and Rule 89 of the CGST Rules. They argued there was no evidence that the suppliers hadn't already claimed the refunds. Hence, rejected the refund claim.

The Hon'ble Madras High Court analyzed the SEZ Act, 2005, which overrides other laws and exempts SEZ units from taxes on supplies (Section 7). It also noted that Section 54 of the CGST Act allows any person, including non-suppliers, to claim a refund if they bore the tax burden. The court found no legal restriction preventing the petitioner from claiming the refund, provided the suppliers had not already claimed it, to avoid double benefits.

Accordingly, the court set aside the authorities' rejection orders and remitted the case to the Assistant Commissioner for fresh evaluation. The petitioner was directed to submit a declaration from suppliers confirming they hadn't claimed the refund. The authority was instructed to hear the petitioner and decide within 60 days.

The writ petitions were allowed, ensuring the petitioner's refund claims would be reconsidered while preventing duplicate refunds.

M/s Sri Sai Vishwas Polymers Versus Union of India and Another Writ Petition (MB) No. 103 of 2025 date: 30.04.2025

The petitioner, a manufacturer of gold bars and jewelry, is registered under GST and pays taxes under CGST, UK GST, and IGST laws. They also claim Input Tax Credit (ITC) for taxes paid on raw materials used in their products. During an audit, the State GST Department found that the petitioner had claimed an IGST refund of Rs. 1,05,25,755, which they believed was not allowed. The department issued a show-cause notice asking why this refund should not be recovered, along with penalties.

Rule 96(10) of the CGST Rules, 2017, prevents a business from claiming a refund of Integrated GST (IGST) paid on exported goods or services if they have used certain tax exemptions or concessions on raw materials or inputs.

The petitioner argued that Rule 96(10), which the department used to deny the refund, was removed from the law on October 8, 2024, before the final order was passed. They claimed that once a rule is deleted, it's as if it never existed, unless there's a specific clause saving ongoing cases, which there wasn't in this case.

The Hon'ble Uttarakhand High Court has held that no orders are permissible under omitted Rule 96(10) of Central Goods and Services Tax Rules, 2017 (CGST Rules) post 8 October, 2024.



RECENT DECISIONS IN DIRECT TAXES

by



CA. Muthu Abirami T V

Source: taxmann.com and taxmanagementindia.com

Ramakrishna Mills (CBE) Ltd. vs. Joint Commissioner of Income-Tax [2025] 173 taxmann.com 918 (Madras)[22-04-2025]

Held: Where prior period expenses had crystallised and were incurred in relevant financial year, such expenses were to be allowed in computation of book profit under section 115JA, and revision under section 263 disallowing such claim was unsustainable.

Section 115JA, read with section 263, of the Income-tax Act, 1961 - Minimum Alternate Tax (Prior period expenses) - Assessment year 1998-99 - Assessee, a company engaged in spinning business, filed return under regular as well as MAT provisions - Assessing Officer accepted return as filed - Subsequently, Commissioner invoked revision under section 263 on ground that prior period expenses were wrongly deducted in computing book profit under section 115JA - Accordingly, Commissioner passed revision order disallowing adjustment of prior period expenses - It was observed that Department had not questioned allowability, correctness, or quantification of said expenditure in regular computation of income - Whether since said expenses, including bonus audit fees, power charges, had crystallised during financial year relevant to assessment year 1998-99, they should be considered for computing book profit under section 115JA - Held, yes - Whether, therefore, revision under section 263 was unsustainable and was to be quashed - Held, yes [Paras 20, 21 and 27] [In favour of assessee]

Deputy Commissioner of Income-tax vs. Raipur Development Authority [2025] 173 taxmann.com 917 (Chhattisgarh)[15-04-2025]

Held: Where assessee-RDA, being a statutory authority, engaged in preparation of development, planning and selling of houses, was not carrying out any operations on commercial lines with a motive to earn profit and assessee's predominant object was charitable, first proviso to Section 2(15) would not be applicable in case of assessee

Section 2(15) of the Income-tax Act, 1961 - Charitable purpose - (Proviso to section 2(15) - Assessment year 2011-12 - Assessee-RDA was a statutory authority, constituted under Section 38(1) of Chhattisgarh Nagar Tatha Gram Nivesh Adhiniyam, 1973 and assessee RDA was engaged in preparation of development plan and selling of houses - Assessee filed nil return - Assessing Officer had made addition holding that proviso to Section 2(15) was applicable in case of assessee as assessee was engaged in business of buying, developing and selling of lands, plots, flats and developed properties - It was found that activities of assessee fell within advancement of any other object of general public utility in accordance with Act of 1973 and assessee Authority was not carrying out any operations on commercial lines with a motive to earn profit and assessee's predominant object was charitable and Government had complete power to control and dissolve assessee Authority - Whether first proviso to Section 2(15) would not be applicable in case of assessee - Held, yes [Para 18 and 19] [In favour of assessee]

Ravi Kumar Rawat vs The DCIT Circle-2, Jaipur, 2025 (4) TMI 1623 - ITAT JAIPUR

Held: Levy of penalty u/s 271(1)(c) - Disallowance of 25% of the purchase alleged of bogus and made addition after rejecting books of account u/s 145(3) - CIT(A) confirmed penalty levy.

“It is clear from the order of the CIT(A) that he has allowed the penalty appeal of the assessee for the assessment year 2007- 08 on the same set of facts whereas for assessment years 2008-09 and 2009-10 though the facts being same should have been allowed. The doctrine of binding precedent has the merit of promoting a certainty and consistency in judicial decisions, and enables an organic development of the law, besides providing assurance to the individual as to the consequence of transactions forming part of his daily affairs. And, therefore, the need for a clear and consistent enunciation of legal principles should be followed we find out that the Id. CIT(A) has not given any reasons as to why he has not followed his own order in the case of same assessee in spite of the fact that the issues and analogy in both the appeals are the same.

Hence, we do not concur with the findings of the CIT(A) as both the issues are fully covered by the decision of ITAT Jaipur Bench (supra) as narrated in the order of the CIT(A) and the same has been followed by him while determining the appeal of the assessee for assessment year 2007-08. The records reveal that the purchase made by the assessee alleged to have been considered as bogus and thereby the profit was estimated and confirmed in the hands of the assessee. That claim itself is not considered fully not correct and thereby the profit was added.

Thus, we get support of the decision of the apex court in the case of Reliance Petroproducts Private Limited. [2010 (3) TMI 80 - SUPREME COURT] wherein already seen the meaning of the word "particulars" in the earlier part of this judgment. Reading the words in conjunction, they must mean the details supplied in the Return, which are not accurate, not exact or correct, not according to truth or erroneous. We must hasten to add here that in this case, there is no finding that any details supplied by the assessee in its Return were found to be incorrect or erroneous or false. Such not being the case, there would be no question of inviting the penalty under section 271(1) (c) of the Act. A mere making of the claim, which is not sustainable in law, by itself, will not amount to furnishing inaccurate particulars regarding the income of the assessee. Such claim made in the Return cannot amount to the inaccurate particulars.

Thus, appeals of the assessee relating to levy of penalty u/s 271(1)(c) of the Act are allowed.”

“The undisputed fact was that the additions were made on account of bogus purchases and ultimately, the Tribunal restricted the quantum addition at 12.5% of the bogus purchases.

Therefore, it was held that there was no merit in the contention of the Id. Counsel that the profit had been estimated and the penalty had been levied on estimated profit.

Therein, facts on record showed that there were bogus purchases and only the profit element had been added which meant that the assessee had concealed the income to this extent in the garb of purchases which turned out to be bogus. Therefore, considering the facts of the case in totality, it was held that there was no hesitation in confirming the penalty so levied u/s 271(1)(c) of the Act. The appeal filed by the assessee was accordingly dismissed.

Returning to present appeals, once, the abovesaid penalty order as regards previous assessment year 2007-2008, based on similar facts was set aside, while dealing with the appeals challenging 2 penalty orders pertaining to the subsequent assessment years i.e. 2008-09 and 2009-10, Learned CIT(A) should have maintained consistency and set aside the penalty, especially when it was also not a case of 100% bogus purchases. The impugned orders passed by Learned CIT(A) deserve to be set aside.”

Pfizer Ltd. vs. Deputy Commissioner of Income-tax [2025] 173 taxmann.com 224 (Bombay) [20-03-2025]

Held: Where during original assessment proceedings, issue of allowability of promotional expenses incurred by assessee on articles distributed to doctors was examined, and one-third of such expenses was disallowed while balance was allowed, reopening of assessment on ground that entire expenditure should have been disallowed in view of CBDT Circular No. 5 of 2012 was not justified.

Section 37(1), read with section 147, of the Income-tax Act, 1961 - Business expenditure - Allowability of (Promotional expenses) - Assessment year 2009-10 - Original assessment in case of assessee was completed under section 143(3) - During assessment proceedings, assessee claimed promotional expenses incurred by it on promotional articles distributed to doctors for promotion of assessee's products - Assessing Officer disallowed one-third of such expenses on ground that recipient details and documentary evidence thereof was not furnished - However, he allowed balance expenses - Subsequently, reopening notice was issued against assessee on ground that entire expenditure on promotional articles should have been disallowed in view of CBDT Circular No. 5 of 2012 - Whether since it was an admitted position as per reasons recorded that issue was examined during course of assessment proceedings and one-third of promotional expenses were disallowed and balance expenses were allowed, pre-condition of failure to disclose fully and truly all material facts necessary for assessment could not be satisfied - Held, yes - Whether failure, if there was any, it was on part of Assessing Officer for not disallowing entire expenditure earlier, not on assessee - Held, yes - Whether reopening amounted to a mere change of opinion, which was impermissible under section 147 - Held, yes - Whether third proviso to section 147 bars reassessment when issue is pending before an Appellate Authority, which was case here - Held, yes - Whether, therefore, impugned reopening notice was to be quashed - Held, yes [Paras 11 and 12] [In favour of assessee]

Huawei Telecommunications India Company (P.) Ltd. vs. Assistant Commissioner of Income-tax [2025] 173 taxmann.com 396 (Delhi)[17-03-2025]

Held: Where revenue adjusted refund due to assessee against outstanding tax demands for three earlier assessment years, since Tribunal had stayed demand in respect of two assessment years, and further, revenue had not issued any prior notice or intimation under section 245 for making said adjustment, action of revenue was not sustainable and amount of refund determined was to be directed to be paid to assessee.

Section 245 of the Income-tax Act, 1961 - Refunds - Setting off against tax due (Prior notice) - Assessment years 2016-17 to 2018-19 - For relevant assessment years, assessee filed its return of income and claimed refund of certain amount - Revenue adjusted said refund against outstanding demands for assessment years 2016-17 to 2018-19 - Assessee filed instant writ petition against said adjustment - It was noted that Tribunal had stayed demand in respect of assessment years 2017-18 and 2018-19 - Clearly, in view of same, refund due to assessee in respect of other assessment years could not be adjusted against demands that were raised and stayed - Further, revenue had not issued any prior notice or intimation under section 245 for making adjustment of refund due to assessee against outstanding tax demands for assessment years 2016-17 to 2018-19 - Thus, mandatory provisions for effecting an adjustment under section 245 were not followed - Whether, on facts, action of revenue was not sustainable and amount of refund determined was to be directed to be paid to assessee along with applicable interest - Held, yes [Paras 16 and 19] [In favour of assessee]

