

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 - March 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



CA. SHIVACHANDRA REDDY K

Dear Esteemed Members,

It is a privilege to assume the role of Chairman of our esteemed branch, effective 17th February 2025. I extend my sincere gratitude to my predecessors for their visionary leadership and invaluable contributions, which have laid a strong foundation for our continued progress.

With the successful completion of elections for the 2025-29 term, new leadership has been appointed at ICAI, SIRC, and our Branch. This newsletter highlights the newly elected President and Vice President of ICAI, the Chairperson and office bearers of SIRC, and the Managing Committee of our branch.

Branch Initiatives and Activities:

For Members:

At the branch level, we successfully conducted various CPE programs, including the Certificate Course on AI for Chartered Accountants, which marks a significant step in integrating technology with the CA profession. Additionally, we hosted the Installation Ceremony of the New Managing Committee (2025-26), presided over by CA. Rajendra Kumar P, Central Council Member, in the presence of CA. Rekha Uma Shiv, Regional Council Member and Ex-officio of our branch.

The overwhelming participation in these events reaffirms the commitment of our members to continuous learning and professional excellence.

Upcoming Programs for Members:

- Certificate Course on AI for Chartered Accountants (Third Batch)
- Audit Automation Workshop (Enhancing technology integration in the CA profession)
- Women Empowerment Program (on International Women's Day)
- Bank Audit Program (Preparing members for the upcoming Audit season)
- Seminar on the Real Estate Sector (at Kanchipuram)

Detailed information of these programs is available in this newsletter.

For Students:

In February 2025, we successfully conducted study circle meetings, half-day seminars, and student focus courses. Looking ahead, an exciting lineup of student programs is scheduled for March 2025, including Fast-Track Revision classes for Foundation and Intermediate students to support their exam preparation.

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Annual CPE Membership (2025-26):

The CPE Annual Membership for 2025-26 opened on 1st March 2025. I request all members to enroll early and spread the word. Active participation ensures compliance with CPE requirements while fostering continuous professional development and knowledge enhancement.

Acknowledgment:

I extend my sincere appreciation to the Managing Committee Members, Operational Sub-committees, Members, Students, and Branch Staff for their dedication and enthusiastic participation. Your unwavering commitment is the driving force behind our collective success. I look forward to your continued engagement in our branch activities and wish you great success in your professional and academic endeavors!

Best regards,

CA. Shivachandra Reddy K
Chairman, Chengalpattu District Branch (SIRC)
The Institute of Chartered Accountants of India

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI



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CA. SUBBA RAO MUPPALA



SECRETARY
CA. DEEPA VARGHESE



TREASURER
CA. BHANU NARAYAN RAO Y V

CHENGALPATTU DISTRICT BRANCH (SIRC)

Managing Committee Team 2025-26



CA. Shivachandra Reddy K
Chairman



CA. Madhumitha R
Vice Chairperson



CA. Sathish T S
Secretary



CA. Aanand P
Treasurer



CA. Priya A
SICASA Chairperson



CA. Arumugaraj P
SICASA - Nominated Member



CA. Ravichandran S
Managing Committee Member



CA. Sridhar Ganesh N
Managing Committee Member



CA. Deepa Rao
Managing Committee Member

CPE MEETING

Topic : Discussion on Union Budget 2025

Speaker : CA. Sashank Srivatsan S & CA. Shaikh Abdul Samad Ahamed

Date : 4th February 2025

Time : 5:00 PM to 8:00 PM

Venue : Our Branch Premises



CPE MEETING

Topic : Certificate Course on AI for Chartered Accountants (AICA)

Date & Day: 7th, 8th and 9th February 2025 (Friday, Saturday and Sunday)

Time : 10:00 AM to 6:00 PM

Venue : Our Branch Premises



CPE MEETING

Topic : Code of Ethics

Speaker : CA. Vijay Kumar M P

Date : Monday, 17th February 2025

Time : 4:00 PM to 6:00 PM

Venue : PRC Residency, No.10B, Kakkan Street, West Tambaram, Chennai - 600045



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PROGRAM

Program : Installation of the Managing Committee for the year 2025-26

Date : Monday, 17th February 2025

Time : 6:00 PM

Venue : PRC Residency, No.10B, Kakkan Street, West Tambaram, Chennai - 600045



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CPE Meeting

Topic: GST Refunds: Zero-Rated Supplies & Other Refundable Situation

Date: 22nd February 2025

Time: 5:00 PM to 8:00 PM

Venue: Branch Premises



CPE Meeting

Topic: Latest amendments in Capital Gains

Date: 28th February 2025

Time: 5:00 PM to 8:00 PM

Venue: Branch Premises



Upcoming Programs

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
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Topic : AICA Certificate Course for CA Members – Third Batch No.224

Date & Day: 3rd to 5th March 2025 (Monday to Wednesday)

Venue: Branch Premises

Topic: Audit Automation Under the aegis of DAAB (Digital Accounting and Assurance Board)

Date & Day: 8th March 2025 (Saturday)

Venue: Mushiga Party Hall, Tambaram, Chennai

Topic: International Women's Day under the aegis of Women Members Excellence Committee

Date & Day: 8th March 2025 (Saturday)

Venue: Mushiga Party Hall, Tambaram, Chennai

Topic: Seminar on Real Estate Sector

Date & Day: 18th March 2025 (Tuesday)

Venue: Lions Host Club Hall, Kanchipuram

AN OVERVIEW OF KEY DEVELOPMENTS IN THE INDIAN GST LAW



By CA. Sashank Srivatsan S



This Budget continues our Government's efforts to:

- a) accelerate growth
- b) secure inclusive development
- c) invigorate private sector investments
- d) uplift household sentiments, and
- e) enhance spending power of India's rising middle class.

Finance Minister Nirmala Sitharaman



Agenda



Personal
Income Tax



TDS/TCS



Transfer
Pricing



Charitable
Trusts



Other
Changes

Introduction

The Honourable Finance Minister had presented the Finance Bill in the floor of the house in for Financial Year 2025-26 i.e. Previous Year 2025-26 and Assessment Year 2026-27

The Highlights and the amendments in Direct Taxes are covered in this Power point Presentation



Highlights of Budget





Highlights of Budget

1. The economy is projected to grow between 6.3 percent and 6.8 percent in FY25
2. The Government intends to reduce the fiscal deficit to 4.4 percent of GDP in FY26 from 4.4 percent in FY 25.
3. Capital expenditure of about INR 10.2 Lakhs Crores in planned
4. To boost exports, the Government has launched the Export Promotion Mission, Which has Bharat Trade Net at its core.



Highlights of Budget

5. Credit cards with a limit of INR 0.5 million for Udayam-registered micro-enterprises, 1 million cards will be issued in the year.
 6. An increase in the loan limit for Kisan Credit Cards (KCC) from amount 5 lakhs
 7. Investment of INR 500 Crores to set up Center of Excellence in Artificial Intelligence for Education
- Increase FDI for the insurance sector to 100 percent for companies investing their entire premium in India.

MSME Classification

Classification	Investments In Plant & Machinery (Maximum)		Turnover (Maximum Limit)	
	Rs. In Crores	Current	Revised	Current
Micro	1	2.5	5	10
Small	10	25	50	100
Medium	50	125	250	500

1. The Turnover Limit has doubled from the previous limits
2. Investments in Plant & Machinery is 2.5 times the previous limits

PERSONAL INCOME TAX CHANGES

- No changes have been proposed in the tax rates for assessee's opting for the old tax regime.
- No changes have been proposed in rates of surcharge and education cess.

Personal Income Tax Changes

The tax rates and slabs under the new tax regime of Section 115BAC has been revised

Total Income	Tax rate(Assessment Year2026-27)
Up to Rs. 4,00,000	Nil
From Rs. 4,00,001 to Rs. 8,00,000	5%
From Rs. 8,00,001 to Rs. 12,00,000	10%
From Rs. 12,00,001 to Rs. 16,00,000	15%
From Rs. 16,00,001 to Rs. 20,00,000	20%
From Rs. 20,00,001 to Rs. 24,00,000	25%
Above Rs. 24,00,000	30%

The income threshold for claiming a tax rebate under Section 87A for resident individuals taxable under the new regime of Section 115BAC has been proposed to be increased from Rs. 7 lakhs to Rs. 12 lakhs, and the maximum rebate amount has been raised from Rs. 25,000 to Rs. 60,000.

It is proposed that where resident individuals opt for the new tax regime of Section 115BAC, the incomes chargeable to tax at special rates (for example, capital gains taxable under Section 111A, Section 112, etc.) shall be excluded from calculating the Section 87A rebate.

TDS/TCS CHANGES

1.The TDS rate under Section 194LBC on income payable by a securitisation trust to a resident investor is proposed to be reduced from 25%/30% to 10%.

2.TCS provisions under section 206C(1H) on the sale of goods are proposed to be withdrawn with effect from 01- 04-2025. Section 194Q has also been changed to remove the reference to Section 206C(1H)

3.The definition of 'Forest Produce' has been proposed to be introduced under Section 206C(1). It shall have the same meaning as defined in any State Act or the Indian Forest Act of 1927.

4.TCS rate on timber is proposed to be reduced from 2.5% to 2%.

TDS/TCS Changes			
Section	Nature of income	Current Threshold	Proposed Threshold
	Interest on securities	Nil	Rs. 10,000
193	Interest payable to resident individual/HUF on any debenture issued by public company	Rs. 5,000	Rs. 10,000
194	Dividend	Rs. 5,000	Rs. 10,000
194A	Interest other than Interest on Securities	<ul style="list-style-type: none"> •Rs.50,000 for senior citizen; •Rs. 40,000 in case of others if payer is bank, cooperative society and post office. •Rs. 5,000 in other cases 	<ul style="list-style-type: none"> •Rs.1,00,000 for senior citizen •Rs. 50,000 in case of others if payer is a bank, cooperative society and post office •Rs. 10,000 in other cases

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TDS/TCS Changes			
Section	Nature of income	Current Threshold	Proposed Threshold
194B	Winning from Lotteries, Crossword Puzzles, gambling, betting, etc. (except online games)	Aggregate of amounts exceeding Rs.10,000 during the financial year	Rs. 10,000 in respect of a single transaction
194BB	Winning from horse race	Aggregate of amounts exceeding Rs.10,000 during the financial year	Rs. 10,000 in respect of a single transaction
194D	Insurance Commission	₹15,000	₹20,000
194G	Commission and other payments on sale of lottery Tickets	₹15,000	₹20,000
194H	Commission and Brokerage	₹15,000	₹20,000
194-I	Rent	Rs. 2,40,000 during the financial year	Rs.50,000 per month or part of a month
194J	Royalty and fees for professional or technical Services	₹30,000	₹50,000

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TDS/TCS Changes			
Section	Nature of income	Current Threshold	Proposed Threshold
194K	Income in respect of units of mutual fund	₹5,000	₹10,000
194LA	Compensation on account of compulsory acquisition of an immovable property (other than agriculture land)	₹2,50,000	₹5,00,000
206C(1G)	Tax collected at source by authorised dealer from remittance made under Liberalised Remittance Scheme (LRS) & seller of an overseas tour program package	₹7,00,000	₹10,00,000
206C(1G)	remittances in foreign currency from an education loan obtained under Section 80E(3)(b).	₹7,00,000	Not Applicable

TDS/TCS Changes

Section 206AB, which provides for the deduction of tax at higher rates if the payee fails to furnish his return of income for a specified period, is proposed to be omitted.

·Section 194S has also been proposed to be omitted to remove the provisions of section 206AB.

·Section 206CCA, which provides for the collection of tax at higher rates if the payee fails to furnish his return of income for a specified period, is proposed to be omitted.

·Section 206C(7A) provides that a person **shall not be deemed an assessee-in-default** on failure to collect tax **after 6 years from the end of the financial year in which the tax was collectable or 2 years from the end of the financial year in which the correction statement was filed**, whichever is later.

·This provision does not consider the period during which proceedings were stayed by a court order or other specified exclusions.

·The Finance Bill 2025 has proposed to insert a new proviso to Section 206C(7A) to provide that the prescribed time limit, i.e., 6 years or 2 years shall be subject to the provisions of sub-section (3), (5) and (6) of section 153 and Explanation 1.

TRANSFER PRICING

Block transfer pricing assessments for the three consecutive years

Applicability: Applicable from FY 2025–26 onwards.

Conditions for applicability

Taxpayer must exercise the option for the following two consecutive previous years in addition to the year under consideration

TPO will validate the option and pass an order by the end of the next month in which the option was exercised, subject to conditions

Transfer Pricing

Determination of ALP (once option validated)

- The ALP determined in relation to an international transaction or a specified domestic transaction for any previous year will apply to similar transactions for the immediate next two years.
- No new reference for ALP computation will be made for such transactions for the years covered by the block period. If made, it will be considered as if no reference is made for such a transaction.

Recomputation of income

The AO will recompute total income based on the TPO's determination of ALP within three months from the end of the month in which the assessment is completed.

DRP directions, if any, will also be considered in such a recomputation.

Exclusions and clarifications

These provisions will not apply to proceedings under search cases.

CBDT may issue guidelines to resolve difficulties, subject to government approval.

CHARITABLE TRUSTS

- To ease compliance for smaller trusts or institutions whose total income before exemption does not exceed Rs. 5 crores in each of the two previous years preceding the year of application, it is proposed to extend the validity of registration from five years to ten years.
- However, this benefit shall not apply to trusts or institutions applying for registration for the first time, whether before or after commencing activities.

- The Explanation to Section 12AB(4) states that "specified violation", inter alia, includes cases where the application referred to in Section 12A(1)(ac) is incomplete or contains false or incorrect information.
- It is proposed that the Explanation to Section 12AB(4) be amended to clarify that an incomplete application for the registration of a trust or institution shall not be considered a specified violation for the purpose of cancellation by the PCIT/CIT.
- The Finance Bill 2025 proposes to amend Section 13(3) to provide that a person is to be treated as a substantial contributor under Section 13(3)(b) if his contribution during the previous year exceeds Rs. 1 lakh or his total contribution during the lifetime of the trust exceeds Rs. 10 lakhs.
- The **relatives of substantial contributors** shall **no longer be treated as specified persons** for the purposes of Section 13(3).
- Further, any concern in which a substantial contributor has a substantial interest shall no longer be included in the category of specified persons under Section 13(3).

OTHER CHANGES - SALARY AND HOUSE PROPERTY

Section 17(2) limits given for the following:

1. Value of any benefit (such as gas, electricity, water, etc.) granted or provided free of cost or at the concessional rate by the employer to an employee whose salary income as a monetary benefit exceeds Rs 50,000. (Proposed in 2001)
2. Expenditure incurred by the employer for travel abroad on medical treatment of the employee or his family member is regarded as a prerequisite if the gross total income of the employee exceeds Rs 2 lakhs (Proposed in 1993)

CBDT has been given powers by this bill to amend the above limits

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The annual value of up to two house properties is taken as "NIL" if the property is self-occupied or cannot be occupied by the owner of the property due to his employment, business or profession at any other place.

- It is proposed that the annual value of up to two house properties shall be NIL if the owner occupies the house for his own residence or cannot occupy it for any reason.

OTHER CHANGES- UPDATED RETURN

- Section 139(8A) has been amended to change deadline from 24 months from the end of the Assessment Year to 48 months from the end of the Assessment Year

- The Additional Income Tax Payable is as follows

Date of filing updated return	Additional tax payable
Within 12 months from the end of relevant assessment year	25% of aggregate of additional tax and interest
After 12 months and up to 24 months from the end of relevant assessment year	50% of aggregate of additional tax and interest
After 24 months and up to 36 months from the end of relevant assessment year	60% of aggregate of additional tax and interest
After 36 months and up to 48 months from the end of relevant assessment year	70% of aggregate of additional tax and interest

Other Changes- Capital Gains

- Inclusions of ULIPs and Investment Funds in Capital Asset as per Section 2(14) of Income Tax Act
- It is proposed to amend clause (a) and the second proviso of the Explanation of Section 112A so that all ULIPs where an exemption under Section 10(10D) is not available shall be included in the definition of an equity-oriented fund.

Rationalisation of taxation of capital gains arising to non-residents

- Tax Rates as per Section 115AD for long-term capital gains from the transfer of securities (other than units referred to in Section 115AB) shall be taxed at 10% in the hands of specified fund or Foreign Institutional Investor (FIIs) which was contrasting with changes with Finance Act (No.2),2024
- Section 115AD has been amended to bring parity in rate for LTCG for both residents and non-residents at 12.5%

Other Changes-Deductions

NPS Vatsalya Scheme (Applicable from AY 2026-27)

- (a)The amount deposited in the minor's account is to be allowed as a deduction under Section 80CCD(1B) to the parent subject to a maximum limit of Rs 50,000.
- (b) The total deduction for contributions made by an assessee to his own account or to the account of his minor children cannot exceed Rs. 50,000.
- (c) The amount allowed as a deduction and interest accrued thereon would be taxable as income when it is withdrawn.
- (d)The amount received on the closure of the account due to the minor's death would not be regarded as income of the parent.
- (e)In Section 10(12BA), the parent is exempt from tax on partial withdrawals from such accounts (up to 25% of the contribution amount) in certain situations, such as education, treatment, and disability of a minor

National Saving Scheme

An exemption is proposed to be allowed to individuals in respect of withdrawal of the amount deposited in the National Savings Scheme and interest accrued thereon before April 1, 1992. This exemption is available if the amount is withdrawn on or after 29-08-2024.

Startups Benefits –Section 80IAC

Benefits extended upto 31-03-2030

Other Changes- Presumptive Taxation Scheme

Section 44BD

•A new presumptive tax scheme has been proposed in Section 44BBD, which would apply to non-residents providing services or technology to a resident company in India to set up an electronics manufacturing facility or manufacture/produce electronic goods.

Under this scheme, 25% of the total amount paid or payable to the non-resident for such services or technology would be deemed presumptive income

Tonnage Taxation Scheme

1.The benefits of the tonnage tax scheme are proposed to be extended to Inland Vessels registered under the Inland Vessels Act of 2021.

2.Further, the time limit for the Joint Commissioner to pass an order under Section 115VP(4) has been proposed to be increased from one month from the end of the month to three months from the end of the quarter in which a qualifying company makes an application to opt for a tonnage tax scheme.

IFSC

Simplified regime for funds managers based in IFSC

Investment fund located overseas and managed by a fund manager in India is safeguarded from being treated as resident/having a business connection in India, subject to satisfaction of various conditions.

With effect from FY25, the following relaxations have been proposed:

•The Last date for fund managers to set up operations in IFSC, to be eligible for any relaxations of the conditions, is extended to 31 March 2030

•The existing condition that, aggregate participation or investment in the fund by persons resident in India should not exceed 5 percent, has been relaxed by providing for such condition to be tested as on 1 April and 1 October of the FY with a grace period of four months

Extending exemption IFSC ship leasing units

Tax exemption has been provided to IFSC-based ship leasing units (like IFSC Aircraft leasing units) for

(i) dividend received and

(ii) capital gains from transfer of shares of step down SPV in IFSC (engaged in ship leasing).

Extension of the Last date for the set-up of the IFSC unit to 31 March 2030 for the following benefits:

- Ten-year tax holiday for income from transfer of ship/aircraft by an IFSC unit
- Tax exemption for royalty/interest paid by an IFSC unit to a non-resident for leasing aircraft/ship
- Capital gains on the sale of equity shares of step-down SPV in IFSC (engaged in aircraft/ship leasing)

IFSC

• Last Date for Relocation of operations to IFSC or for Offshore Banking Units to set up in IFSC has been extended to 31-03-2030

• Inter-group borrowings by a corporate treasury centre in an IFSC from its group entities not subject to deemed dividend provisions or vice versa

Condition: the parent or principal entity of the group is listed on a stock exchange outside India.

BLOCK ASSESSMENT

1. Addition of Virtual Digital Assets in Block Assessment

2. The word "required to be made" has been substituted instead of "pending" from 01-02-2015.

Impact: the assessment proceedings are not pending on the date of the subsequent search or requisition but will be required to be made, the AO cannot start a new block assessment.

3. The Finance Bill 2025 proposes to amend Section 158BB(1) with effect from 01-02-2025 to provide a new computation mechanism for the undisclosed income.

4. The Finance Bill 2025 proposes changing the time limit for completing the block assessment to twelve months from the end of the quarter from twelve months from the end of the month in which the last authorisation for search or requisition was executed.

5. The Finance Bill 2025 proposes that the period to be excluded shall commence on the date on which the assessment proceeding is stayed by an order or injunction of any court and end on the date on which the jurisdictional Principal CIT or CIT received a certified copy of the order vacating the stay.

6. A similar amendment has been proposed to Section 158BFA, which prescribes the limitation period to levy interest and penalty in block assessment.

