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NEWSLETTER



CA. Thomas Chazhikadan, M.P, Inaugurating the Installation Ceremony of the New Office Bearers for the Year 2024-2025

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CHAIRMAN'S MESSAGE



CA SHINE P. JOSEPH CHAIRMAN

All the blessings are from the Almighty!

Respected senior professionals, dear colleagues, friends, and beloved students!

Taking over as the 42nd Chairman of Kottayam Branch, SIRC is indeed a great honour. I can only hope to continue the great legacy put forward by the previous office bearers. Let me take this opportunity to congratulate all the newly elected committee members: CA Ramya N (Vice Chairperson), CA Sreejith N.C (Secretary and Treasurer), CA Sabu Thomas (SICASA Chairperson), and the managing committee members: CA Balaji K (Immediate Past Chairman), CA. Prem Sebastian Antony (Managing Committee member).

I look forward to working with them to accomplish greater heights, expanding the creativity and other skills our

beloved members and students are blessed with. March has been a hectic month. As I take over the very prestigious baton of change from my predecessor, CA Balaji K, at that time the branch was the 2nd best branch of SIRC, I, along with fellow Managing Committee members, take the oath to lead the Kottayam Branch of the August Institute to greater heights, envisioning development and overall growth for the members, students, and families at large.

The installation ceremony of the new office bearers of the ICAI-Kottayam Branch was conducted on March 7, 2024. It was a dignified function, well attended by the well-wishers of both the outgoing and incoming chairpersons. The Hon'ble CA Thomas Chazhikadan, MP, inaugurated the function and stressed the challenges faced by professionals, especially when it comes to ethics and efficacy. We have organised an International Women's Day celebration along

with a CPE seminar on the topic of dos and don'ts of the code of ethics by CA Revathy S Regunathan on Thursday, March 7th, 2024.

A seminar on Bank Branch Audit was organised by the Auditing and Assurance Board on March 23, 2024, where CA A Mony spoke on the "Practical approach for verification of advance in branch statutory audit and LFAR", which was also very well received by the members.

Thereafter, CPE Seminar on Annual Closing of Accounts on Tuesday, March 26 CA. Joel John handled the first session on "Accounting Standards and Compliances for Non-Corporate Entities" and the second session by CA Ravinath R Pai on the topic "43B (H) and other relevant amendments for FY 2023-2024 under the Income Tax Act".

We could also conduct the Disha Kottayam 2024 Higher Studies Expo. On Wednesday, March 27, the

Department of Public Education, Higher Secondary Wing, Career Guidance, and Adolescent Counselling Cell, Kottayam District, organised 'Disha Kottayam 2024: Higher Studies Expo' at Kalaketti Achamma Memorial Higher Secondary School, Assisi Andha Vidyalaya, and Holy Cross Church Auditorium. 4500 higher secondary students and their parents studying in higher secondary schools in the Kottayam district participated in the programme, ranging from those aiming for admission in India's premier educational institutions to those aiming for immediate employment after studying short-term courses. ICAI Kottayam Branch co-sponsored the event, and this programme has made it possible to introduce the CA course

to more children. CA Annu, John, and CA Arvind C. Thomas took the session for the students. ICAI Kottayam Branch Chairman, CA Shine, P. Joseph, and CA Satheesan P, Tresurerm SIRC of ICAI, CA Rajesh S, Member, SIRC of ICAI, CA Vijayalakshmi, CA Balaji K., and CA Sabu Thomas spoke about the further potential of Chartered Accountancy. The programme was of good quality in every way and enough to attract more children to opt for the CA course.

TVs were placed in classrooms for children to attend online classes, which was a great initiative. We once again thank all the members who have been offering their support and blessings in abundance in all our initiatives and the ones that have yet to arrive in the

course of time. We are sure that your continued patronage will provide us with all the energy and motivation needed to run this branch for a full year with pure energy and divertissement.

Let me conclude with this inspiring quote of Paulo Coelho "Whenever you want to achieve something, keep your eyes open, concentrate and make sure you know exactly what it is you want. No one can hit their target with their eyes closed."

Jai Hind! Jai ICAI!

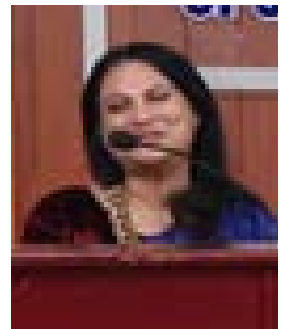
CA Shine P. Joseph
CHAIRMAN

Installation Ceremony of the New Office Bearers for the Year 2024-2025





International Women's Day Celebrations



Seminar on Bank Branch Audit



CPE Seminar on Annual Closing of Accounts



Family Gettogether & Chairman's Dinner





DISHA 2024- Educational Expo: Career Counselling Programme







Understanding Family Gifts and Tax Exemptions: Through Narayana Murthy's Generous Gesture worth Rs.240 Crores



CA. ARVIND C THOMAS

Narayana Murthy, the founder of Infosys, made waves recently by giving his four-month-old grandson, Ekagrah Rohan Murty, shares of Infosys valued at a staggering Rs 240 crore. Yes, you heard it right – the little one isn't even a year old yet!

Now, when it comes to taxes, things can get a bit tangled. As per the Income Tax Act, gifts from family members, like relatives, or gifts exchanged through marriage, wills, or inheritance, are all tax-exempt. So, in simpler terms, if your mom, dad, siblings, or even your spouse give you something, you can breathe easy – no taxes to worry about.

But if the gift comes from someone outside the family circle and it's worth more than Rs 50,000 in a year, well, that's when things get a bit sticky. That's when the taxman starts paying attention.

So, what exactly counts as a relative

under the Income Tax Act? Here's a quick breakdown:

1. Spouse: Your better half
2. Brother or Sister: Siblings
3. Brother or Sister of your Spouse: Your in-laws
4. Brother or Sister of either of your Parents: Your aunts and uncles
5. Lineal Ascendant or Descendant: Your grandparents, parents, children, and grandchildren – the ones who came before you and the ones who will come after.
6. Lineal Ascendant or Descendant of your Spouse: Your in-laws' parents, children, and grandchildren – basically, your extended family through marriage.
7. Spouse of the Persons Mentioned Above: The significant others of all the relatives mentioned above – they're family by association.

Now, back to little Ekagrah Rohan Murty. Since his grandpa Narayana Murthy is a relative, as defined by the Income Tax Act, the shares he received are tax-free. Lucky him, right?

In a nutshell, Narayana Murthy's generous gift to his grandson not only underscores the importance of family but also highlights the joy of passing down wealth through generations. And thanks to the rules laid out in the Income Tax Act, Ekagrah can enjoy his shares without fretting about tax bills – at least for now.

It's a heartwarming tale that celebrates both the spirit of giving and the need to understand tax laws for effective financial management. As Ekagrah grows, he'll not only inherit a substantial financial legacy but also the wisdom of responsible wealth management passed down from his grandfather.



INCOME TAX AMENDMENTS UNDER THE FINANCE ACT, 2023



CA. HARIHARAN L

Introduction

The Union Finance Minister presents the annual budget in the month of February or March every year. One of the key components of the budget is with regard to the provisions of the Income Tax Act 1961 and the Rules made thereunder.

This document aims to highlight the key amendments brought in by the Finance Act, 2023 and the key areas to be monitored while filing the Income Tax Returns for the year.

Key amendments

1. The new regime of taxation is the default one

Till Assessment Year 2023-24, the income tax return was filed with old regime as the default one. If the assessee has income from business / profession and wishes to opt for the new regime, he should file form 115BAC before the due date of filing the Income Tax Return.

With effect from AY 2024-25, the new regime of taxation is the default option at the time of filing the Income Tax Return. If the assessee has income from business / profession, and wishes to opt for the old regime and claim deductions, he should file form 10IEA

2. Receipts from insurance policies

Section 10(10D) specifies that the proceeds from maturity of insurance policies issued on or after 01.04.2023 shall be classified as Income from Other Sources if the premium

paid exceeds Rs 5 lacs in a given year. The proceeds received in the event of the death of the assessee continues to remain exempt from tax.

3. Exemption u/s 10AA

The profits and gains from business / profession of entities established in Special Economic Zones is exempt fully in the first five years. The exemption is available to the extent of 50% in the next five years, which can be extended for another five years if the amount is debited from the Profit & Loss Account.

To avail the above exemption, the assessee should file its Income Tax Return u/s 139(1) within the due date as specified. Further, the proceeds from the sale of goods / services should be received in convertible foreign exchange within six months from the end of the financial year.

4. Payments covered u/s 43B

Section 43B deals with certain expenditures for which deduction is allowed only on actual payment basis. In order to promote timely payments to Micro, Small and Medium Enterprises (MSME), it is now provided that the deduction for sums payable to MSME shall be covered u/s 43B from AY 2024-25.

As per the MSMED Act, all the payments to be made to MSME's shall be made within 45 days from the date of expenditure / invoicing. Further, any delay in payments beyond 45 days attracts interest on delayed payments.

The above amendment also specifies that interest on delayed payments is disallowed, in addition to the actual amount of expenditure.

In order to ensure compliance of this provision, it is imperative that the assessee should identify the vendors which will come within the purview of the definition of MSME and make suitable changes to their accounting package, so that MSME vendors can be identified separately.

5. TDS provisions every deductor is required to file the TDS returns within the time limits specified. TDS returns shall be filed within 30 days from the end of the quarter (60 days for 4th quarter), and TCS returns within 15 days from the end of the quarter (45 days for the 4th quarter). After filing, form 16A shall be generated for non-salary deductees on quarterly basis within 15 days from the date of TDS furnishing. There is a penalty of Rs 100 per day per certificate not furnished within the above deadline u/s 272A and a late fee of Rs 200 u/s 234E per day for delay in filing the TDS/ TCS returns.

Conclusion

The above provisions are only a few key highlights forming part of the Finance Act, 2023. While performing Income Tax Return filing as well as tax audit reporting, Chartered Accountants and students may give emphasis to these provisions.