

2022 DECEMBER

**E-NEWSLETTER** 

### THRISSUR BRANCH

OF SOUTHERN INDIA REGIONAL COUNCIL
OF INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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### EDITOR'S DESK



Dear Professional Colleagues,

As you all may be aware Team SICASA Thrissur and The Managing Committee of Thrissur branch are gearing up for the most awaited students' event of the year.

Bodhi is a flagship programme of Thrissur Branch of SIRC of ICAI which is being conducted from 2019. The event marks the assimilation of brilliant and talented minds coming together to create magic. What makes Bodhi 2022 even more special is the fact that after a hiatus of 3 years we are going to witness Bodhi Conference in physical form. I am sure that students and faculties alike are excited to attend this much awaited event. Students conference serves many purposes such as:-

- A platform for students to present their research
- A platform to meet other students
- A platform to interact with prolific experts and leaders in the CA Fraternity
- A platform for career information and aspiration

Months of brainstorming discussions and planning has gone behind conducting this event. I thank wholeheartedly the Managing Committee Members for providing their valuable inputs at each juncture. The SICASA Chairman CA Anoop V Francis , Vice Chairman Mr Amal Vayalil , SICASA Committee Members and other volunteers have been burning the midnight oil to ensure that this event turns into a grand success. Their efforts have been remarkable.

"Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family." – Kofi Annan

This time we are fortunate to have one of the most distinguished senior member- CA V Venugopal who has written at length on proposed actions in cheque bounce cases.

We hope you enjoy reading the article. Happy Reading and you are always welcome to share constructive feedback.

I wish everyone a Merry Christmas in advance.

Jai Hind Jai ICAI Thank you

> CA. DIVYA DHARMARAJAN, NEWSLETTER IN CHARGE

# CHAIRMAN'S MESSAGE

Dear Professional colleagues,

Year 2022 nearing its end. December is round the corner and we are faced with lots of deadlines. Income tax assessments, last date for filing of belated returns, filing of GST returns and reconciliation statements, etc. Hope everyone has made plans accordingly so that we don't miss the New year eve. I had the opportunity to interact with many practising Chartered Accountants in Thrissur last month. A major feed back that I have received is that there is a very huge dearth of article students. The importance of articled students in a CA office is very high. As students of CA profession, they will always keep themselves updated about the changes in the field of taxation, law, audit and other matters, which are part of their course and thus can be relied on more than the other audit staff. I do understand the full gravity of the situation and do here by assure you that we at the branch will try our best in taking the required steps in bringing in more students to this profession and thus correspondingly increasing the available articles. I do understand that the profession is moving through a tough phase for CA's especially for those in practise. The reinforcement of various laws, stringent audit measures, hyperactive regulatory bodies, dearth of qualified staff, all has created a domino effect and added much stress to us. It is need of the hour that we CA firms should be very much dynamic and adaptive. Take not a minute for granted, because that minute can never be replaced. We all need to work together for the betterment of this profession.

Regarding the activities of the branch last month, Thrissur branch participated actively in the ICAI MSME Yatra. Shri. G Prakash, IEDS Joint Director HOO & MSME development institute, Thrissur flagged of the ICAI MSME Yatra Vehicle from Thrissur. A CPE seminar on the various schemes and benefits for MSMEs were conducted along with presentations from SBI, SIDBI, DIC, NSIC, CANARA BANK & OTHER TRADE ASSOCIATIONS. The branch also conducted a CPE Seminar on "Recent Updates on Companies Act And Roc Adjudication". The faculty was CA. Shawn Jeff Christopher. The branch had given able support to the Out Reach programmes conducted by the Income tax department. We actively participated in two Outreach programmes, one regarding the E-Verification Scheme 2021, conducted by the Intelligence and Criminal Investigation department of Income tax, Thrissur and two regarding the New Provisions of Registration and Approval conducted by the Commissioner of Income tax (Exemptions), Kochi. Both programmes were well attended.

The branch also conducted Financial Literacy Awareness Programmes at Various schools and the same was well received. Also, we conducted five career counselling programmes to attract more students to the CA course. The Managing Committee met once during the month. The branch conducted coaching classes for Foundation, Intermediate and Final for November 2022, May 2023 & November 2023 examinations. Also we conducted integrated course on AICITSS –Information Technology, AICITSS –MCS, ICITSS –Information Technology & ICITSS –Orientation Programme. I hope members have registered for the 54th regional conference of SIRC of ICAI- Vriddhi- The Limitless growth.

Jai ICAI Jai Hind



CA. AJITH KAIMAL R CHAIRPERSON

### CHEQUE BOUNCE CASES - ACTIONS PROPOSED

When a payee presents a cheque to the banker for payment, and it is returned unpaid by the bank due to insufficient funds or for other technical reasons, the cheque is said to have bounced. Though the component of technical reasons will be comparatively low in number, main cases constitute insufficiency of funds in the payer's account and majority of such cases stand clearly intentional. We have in our country a very weak and porous system of regulations to control this particular sector of menace. Several countries have stringent laws to fight this threat but here, we have to chart out strong and efficient statutes to get rid of the deceitful act. Not alone business class is suffered but there are any numbers of person to person cases falling to the bracket.

The Finance Ministry is considering several steps to effectively deal with the increasing instances of cheque bounce cases. Hon. Supreme Court has also come out with the direction to ensure speedy disposal of such cases, which stood above 35 lakhs and going on increasing. More will be instances evading court and legal procedures through out of court negotiations and settlements. Many more will be remaining unsettled through mutual negotiations and bulk of the affected not proceeding for legal suits considering the complexities and delay for justice and hence not recorded to the data bank.

A complaint for dishonor of cheques under Sec. 138 of the Negotiable Instruments Act can be filed in the court situated at a place where the bank of the payee is located. Cheque dishonor is a punishable offence with a fine which can extend to twice the amount of the cheque or imprisonment for a term not more than two years or both. The following steps are proposed to be implemented by the Finance



CA. V. VENUGOPAL

#### Ministry:

- 1. Debiting another account of the cheque issuer if his / her account is short of funds to honour the instrument.
- 2. Treating cheque bounce cases as default of loan and reporting it to Credit Information Companies for down gradation of credit rating of the payer.
- 3. Barring opening of new accounts for offenders.

Once these suggestions are implemented, it would to an extent, help enforce cheque honouring by the payer without the matter going to court and also persuade the cheque issuer to make payment well in time. These measures would also help to promote ease of doing business and dissuade people from issuing cheques without sufficient funds to the credit of their accounts. Further, trade bodies have opted the following suggestions.

- 1. Compulsory suspension of bank withdrawal for a few days to make the cheque issuers accountable for their action.
- 2. Law to be enacted to the effect that from the date of dishonoring of the cheque, the dispute between the two parties must be settled within 90 days through mediation.

Beside, as a boosting measure, the recent Reserve Bank of India (RBI) circular has directed the banks to clear the cheques within 24 hours of production in the bank, without considering gazetted holidays and weekends.



As per the new pay system introduced by RBI, by making confirmation of cheque amount above Rs 50,000/- before clearance, thereby making double check before clearance. Amounts of less than Rs.50,000/- are cleared through the automatic machine system.

As a welcome move, Hon. Supreme Court recently directed the constitution of special courts with retired judges initially in five states viz. Maharashtra, Delhi, Gujarat, Utter Pradesh and Rajasthan for expeditious disposal of cheque bounce cases. In a recent judgment, the Hon. Supreme Court (Surneti Viji V/s Paramount Tech Fab Industries TVT 445 Sc.) held that the prosecution does not need to prove the case beyond doubt and need to prove only the element of debt clearance and payment through cheque. With this judgment the onus to prove is shifted to the accused. All such interventions are a relief to the affected paty.

The high incidence of cheque bounce cases of above 35 lakhs is a serious concern affecting the business, industry and the overall economy. The steps proposed by the Government and the apex court are expected to bring results and considerable reduction in cheque dishonor cases. We can hope that the modified regulations can bring in more trust and confidence in cheque dealings hereafter.

CA. V. VENUGOPAL





05-11-2022

SUPER MEGA CAREER COUNSELLING PROGRAMME
SARASWATHY VIDYANIKETHAN CENTRAL SCHOOL, PERAMBRA





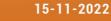
07-11-2022
SUPER MEGA CAREER COUNSELLING PROGRAMME
TMVHSS PERIMPILAVU, THRISSUR



07-11-2022

SUPER MEGA CAREER COUNSELLING PROGRAMME
ST JOSEPH'S MODEL HIGHER SECONDARY SCHOOL, KURIACHIRA





SUPER MEGA CAREER COUNSELLING PROGRAMME
NATIONAL HIGHER SECONDARY SCHOOL ENGADIYOOR





16-11-2022

SUPER MEGA CAREER COUNSELLING PROGRAMME
JOSEPH MUNDASSERY MEMORIAL HIGHER SECONDARY SCHOOL KANDASANKADAVU



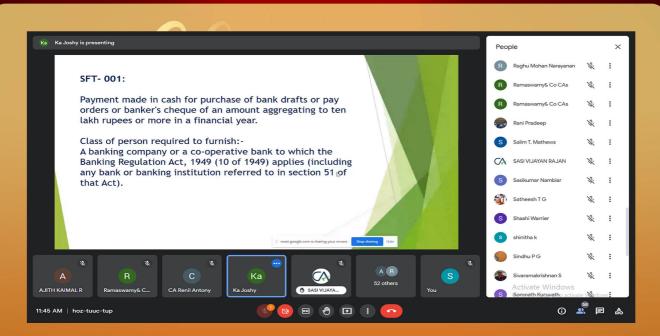
05-11-2022

MSME YATRA & CPE SEMINAR ON VARIOUS SCHEMES AND BENEFITS FOR MSME
CHIEF GUEST:- SHRI. G PRAKASH, IEDS JOINTDIRECTOR HOO & MSME DEVELOPMENTINSTITUTE, THRISSUR
PRESENTATIONS FROM SBI, SIDBI, DIC, NSIC, CANARA BANK & OTHER TRADE ASSOCIATIONS



24.11.2022

CPE SEMINAR ON RECENT UPDATES ON COMPANIES ACT AND ROC ADJUDICATION FACULTY:- CA. SHAWN JEFF CHRISTOPHER



17-11-2022

WEBINAR ON E-VERIFICATION SCHEME 2021, JOINTLY WITH INCOME TAXDEPARTMENT.





THRISSUR BRANCH OF

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
ICAI BHAWAN, CHIYYARAM, THRISSUR - 680 026.

TEL - (0487) 2253400, 2253800, EMAIL - TRICHUR@ICAI.ORG, WEB- THRISSURICAI.ORG