



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

AHMEDABAD BRANCH (WIRC) E-NEWSLETTER



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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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AHMEDABAD BRANCH (WIRC)

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Contents

| Sr. | Particular | Page |
|-----|--|------|
| 01 | Chairman's Message | 02 |
| 02 | Editorial Message | 05 |
| 03 | Mentor's Talk | 06 |
| 04 | Social Auditors in India: A New Assurance ... | 11 |
| 05 | Navigating the GSTAT Maze: What Every Taxpayer ... | 14 |
| 06 | The Corporate Laws (Amendment) Bill, 2026... | 17 |
| 07 | Real Estate Capital Was Never Meant to Be ... | 23 |
| 08 | Taxation of Virtual Digital Assets (VDAs) Under ... | 26 |
| 09 | When "Higher Tax Paid" Becomes a Dispute: ... | 29 |
| 10 | Late Fee on Delayed GSTR-9C Valid: ... | 32 |
| 11 | Virtual CFO: Transforming Financial Leadership ... | 35 |
| 12 | Want a Good Appraisal Rating ? | 37 |
| 13 | The Evolving Role of CAs: Bridging the Gap ... | 39 |
| 14 | The AI Advantage: How Artificial Intelligence Is ... | 40 |
| 15 | Artificial Intelligence in Accounting & Finance: A ... | 43 |
| 16 | Beyond Compliance Rethinking NBFC Audits in a ... | 47 |
| 17 | Mark To Mindset: Flowarch Institutional ... | 51 |
| 18 | Rupee Nearing 95: RBI Faces Stark Choices ... | 53 |
| 19 | FEMA Updates | 56 |
| 20 | RERA Updates | 59 |
| 21 | The FII Exodus — Why Foreign Investors Are ... | 61 |
| 22 | IFRS IN ESG - IFRS S1 & S2: Sustainability ... | 63 |
| 23 | Your Money Matters: A Personal Finance Newsletter | 66 |
| 24 | Compliance Calendar - May 2026 | 69 |
| 25 | Trust Registration in the New Income Tax Act, ... | 71 |
| 26 | RBI Updates | 75 |
| 27 | Mastering NRE, NRO, FCNR(B), SNRR & RFC ... | 77 |
| 28 | Upcoming Events | 84 |
| 29 | Media Gallery | 91 |
| 30 | Event in Images | 93 |

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Chairman's Message



CA. Rinkesh Shah
Chairman,
ICAI - Ahmedabad (WIRC)

"The future of the Chartered Accountancy profession lies beyond boundaries—those who think global, act dynamic, and adapt fast will lead the transformation."

Dear Esteemed Members,
Warm greetings to all of you!

As I share my communication for the month of May 2026, I extend my heartfelt gratitude for your continued support, active participation, and unwavering trust in the initiatives of the ICAI Ahmedabad Branch (WIRC). Your encouragement continues to inspire us to raise the bar and create meaningful impact for our fraternity.

"Unlocking Global Alpha for CAs"
"Chartered Accountants today are not just financial experts—they are global strategists, growth catalysts, and nation builders."

The month of April 2026 has been truly exceptional—dynamic in scale, diverse in content, and impactful in delivery—reflecting our strong commitment to professional excellence and future readiness.

We commenced the month with a **2-Day Residential Workshop held on 3rd and 4th April at iHub on "Role of CAs as Investment Catalysts in Startups"**, in association with **WIRC**. This workshop opened new perspectives on how Chartered Accountants can play a pivotal role in shaping the startup and investment ecosystem.

On **4th April**, we hosted a mega seminar on **"Unlocking & Scaling Opportunities in US Accounting, Taxation & Audit – Reality, Roadmaps & Insights"**, which witnessed participation from **more than 350 members**—demonstrating the strong global aspirations of our fraternity.

On **6th April**, we welcomed students from **Rashtriya Raksha University** for an educational visit at ICAI Bhawan, reaffirming our role in guiding and inspiring the next generation.

On **10th April**, a **One Day Training Programme for Peer Reviewers** was conducted, strengthening our commitment towards maintaining the highest standards of professional quality.

The **11th of April 2026** marked a landmark day for the branch. We organized the **65th Campus Placement Orientation Programme** for newly qualified Chartered Accountants, followed by an interactive session with the **CA Prasanna Kumar D Hon'ble President and CA Mangesh P Kinnare Vice President of ICAI**. The day concluded with a grand Members' Meet at Sabarmati Riverfront Event Centre, graced by Hon'ble Speaker of **Gujarat Legislative Assembly, Shri Shankarbai Chaudhary**—an occasion that truly celebrated leadership, vision, and unity.

One of the most significant highlights of the



month was the **Historic FEMA Series** conducted from 16th to 30th April, where more than 125 participants benefitted from in-depth practical insights delivered by eminent faculties from across India.

“Knowledge is the most powerful investment—and continuous learning is the true differentiator in today's competitive world.”

During the month, we conducted **seminars on GST on 17th and 22nd April**, and a seminar on **Insolvency and Bankruptcy Code (IBC) on 18th April**, ensuring consistent professional development opportunities for our members.

On **18th April**, ICAI Ahmedabad actively participated in the **TV9 Education Expo 2026**, guiding aspiring students and showcasing the strength of the Chartered Accountancy profession.

On **20th April**, a **Special Orientation Workshop under the Prime Minister Internship Scheme** was organized in association with the Ministry of Corporate Affairs, bringing together industry HR experts for meaningful discussions.

We also had the privilege of hosting a delegation from the **Indo-American Chamber of Commerce (IACC) on 21st April**, fostering global collaboration and strengthening international professional ties.

On **25th April**, our **Women Members Committee** undertook a noble initiative by visiting the **Blind People Association, Vastrapur**—reinforcing our commitment towards social responsibility and inclusive growth.

“A strong profession is built not only on expertise, but also on empathy and social responsibility.”

The month concluded on a historic and proud note on **27th April** with the seminar on **“India & Europe: Emerging Opportunities for Businesses & Professionals”**, where, for the first time in the history of ICAI Ahmedabad Branch, **H.E. Mr. Evagoras Vryonides, High Commissioner of Cyprus to India**, addressed the members. This milestone reflects our growing global engagement and vision.

“Global exposure is no longer an option—it is a necessity for those who aspire to lead.”

Looking ahead, **May 2026** promises to be equally progressive and engaging with a wide

range of programs designed for holistic development.

We begin with the seminar on **“The GCC Horizon – Strategic Opportunities for Indian CAs & Bilateral Value Creation” on 1st May 2026**. The **Summer Ground Premier League 2026 from 3rd to 9th May** will promote fitness, bonding, and team spirit, along with a creative **Tube Planter Painting Workshop on 3rd May for women and children**.

An exclusive workshop **“Bridging Experience with AI” for senior members (50+)** will be held on **4th and 5th May**, followed by the **AI Level-1 Batch from 12th to 14th May**. The **AI for Chartered Accountants Level-2 programme** will be conducted in online mode on **16th and 17th May** and in physical mode from **19th to 21st May**.

A **One Day Conference on the DPDP Act** is scheduled on **16th May**, and sessions on the **Income Tax Act, 2025** are also planned to keep members updated with evolving regulatory frameworks.

I am also pleased to share that we are organizing a **Grand National Conference for CA Students – “Sankalp” on 6th & 7th June 2026**, which aims to inspire, energize, and empower the next generation of Chartered Accountants. I urge all members to encourage student participation and contribute towards making this conference a landmark success.

Dear Members and Professional Brothers,
“The future belongs to those who continuously learn, adapt to change, and lead with integrity.”

Our constant endeavour remains to empower, educate, and elevate our members with future-ready skills, global opportunities, and meaningful engagement.

I once again thank you for your continued trust and support. I urge all members to actively participate and contribute towards strengthening our vibrant professional community.

Together, let us continue to learn, lead, and grow—and truly **unlock global alpha**.

Warm regards,

CA Rinkesh Shah
Chairman
ICAI Ahmedabad Branch (WIRC)



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AHMEDABAD BRANCH (WIRC)

MEMBERS OF AHMEDABAD BRANCH

INVITATION TO CONTRIBUTE ARTICLES FOR THE MONTHLY E-NEWSLETTERS

Suggested Topics for Contribution

Seasoned Practitioners & Young Professionals Welcome!

TAXATION



Direct Tax, Indirect Tax (GST), International Taxation, recent Judicial pronouncements

CORPORATE LAWS



Companies Act updates, SEBI regulations, Insolvency and Bankruptcy Code (IBC), RERA

PRACTICE MANAGEMENT



Companies Act updates, SEBI regulations, Insolvency and Bankruptcy Code (IBC), RERA

AUDIT & ASSURANCE



Statutory Audit, Internal Audit, Forensic Audit, Quality Review

TECHNOLOGY & INNOVATION



Artificial Intelligence in accounting, Data Analytics, Cybersecurity, ERP Implementations

EMERGING SECTORS



Startup ecosystem, ESG (Environmental, Social, and Governance) reporting, personal finance

Submission Guidelines



WORD COUNT

Ideally between 1,000 to 1,500 words



FORMAT

Editable MS Word document (.doc or .docx)



ORIGINALITY

Original work, not published elsewhere. Cite references



AUTHOR PROFILE

Include high-resolution passport-size photograph

Email To: newsletterabadicai@gmail.com

Subject Line: Article Submission for E-Newsletter - [Your Name]

Last date: 25th of Every month

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Chairman

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Chairman - Newsletter Committee

CA. Chetan Jagetiya
Secretary



Editorial Message



CA. Dr. Fenil Shah

Editor and Chairman, Newsletter Committee
ICAI - Ahmedabad (WIRC)

"Knowledge is of no value unless you put it into practice." — Anton Chekhov

Dear Esteemed Members,

It is with great pride that I place before you the May 2026 edition of our e-Newsletter — a thoughtfully curated reflection of the issues, ideas and innovations shaping our profession today. The pace of change has rarely been this brisk, and this issue attempts to keep us a step ahead.

On the regulatory front, the issue opens with a deep dive into the **DPDP Act** and its practical implications for CA practice, followed by a three-part exploration of the **New Indian Labour Codes** — covering their transformative impact, sector-wise readiness and a final compliance checklist. Equally relevant are pieces on **NBFC Corporate Governance 2025**, recent **FEMA amendments**, and a two-part feature decoding **RERA** through case studies and a complete practitioner's guide.

Taxation remains at the heart of this edition. Members will find sharp commentary on **LTCG reforms for unlocking domestic capital**, a year-end income-tax compliance overview, GST insights on excess stock during surveys, the limits of interest demands when not quantified in SCNs, and a practical guide to handling **RFD-08 refund rejections**. Add to this notes on **Section 234A interest, key changes proposed in the Finance Bill 2026**, and the latest **RBI updates** — and you have a near-complete tax companion for the quarter.

A defining theme of this issue is Artificial Intelligence. Seven incisive articles examine AI from every angle that matters to us — its impact on direct tax administration, the case for cognitive partnership over the tired "AI vs Humans" debate, the contours of the AI-driven

auditor, the tech-enabled CA, and how smart assistants are quietly replacing spreadsheets in everyday practice. Together they make one thing clear: AI is no longer a future agenda — it is today's working tool.

Beyond technical content, the issue carries thoughtful pieces on **practice management and networking**, a candid look at why teams work late yet little gets done, the evolving framework around **creators, compliance and code**, the rise of **deferred payment models**, and a sobering economic perspective on India's fossil-fuel dependence. The **Compliance Calendar, Upcoming Events and Media Gallery** round off a truly comprehensive volume.

I extend my sincere gratitude to our esteemed mentor **CA. R. S. Patel, Former Central Council Member**, for sharing his invaluable thoughts in the *Mentor's Talk* — his wisdom continues to be a guiding light for our fraternity.

My heartfelt thanks to **CA. Rinkesh Shah, Chairman, ICAI Ahmedabad Branch (WIRC)**, for the opportunity and unwavering trust placed in me; to my fellow **Newsletter Committee members** for their unstinted support and collaborative spirit; and to **every contributor** who took time out of demanding schedules to share their expertise. This newsletter is, in every sense, a collective accomplishment.

Happy reading. I look forward to your feedback and continued contributions in the editions to come.

Warm regards,
CA. Dr. Fenil Padmini Rajendra Shah
Editor & Chairman, Newsletter Committee
ICAI – Ahmedabad Branch (WIRC)



Mentor's Talk



Contributed by:
CA. R. S. Patel
Former Central Council Member

Reflections from My Professional Journey:

At the outset, I congratulate CA Rinkesh Shah, Chairman of Ahmedabad Branch of ICAI and his team for this Novel Concept 'Mentors Talk' in News Letter of Ahmedabad Branch.

It's certainly a different experience and pleasure to walk down memory lane of life. It recalls me pleasant and not so pleasant memories of notable events of different phases of life. I have been provided with 8 verticals on 'Mentor's Talk' for ICAI Ahmedabad newsletter covering major Matrix and dynamics of CA profession and the experience and feedback of the Mentor.

Q.1. If I Had to Restart My Career Today – What Would I Do Differently?

Having spent 59 years in the profession and witnessing the evolution of verticals of professional services for Chartered Accountancy field, if I had to restart my career today, I would approach it with the benefit of experience, foresight and the understanding that change is the only constant.

Firstly, I would place greater emphasis on building a strong conceptual foundation in the early years. Over time, I have realized that while laws, regulations, and practices change, fundamental principles remain constant. A solid grounding in accounting, auditing, taxation, and law creates confidence and enables professionals to adapt to any changes in the profession. One should master the art of reading the law rather than mugging the law.

Secondly, I would embrace technology and modernization earlier. Since I had also cleared my Law exam, with legal background and clarity, I would rope in legal services in my practice as becoming increasingly important now a days.

Another aspect I would give greater importance to is ethics and professional values. Over the years, I have seen that reputation is built over decades but can be impacted in moments.

Q.2. What Helped You Scale Your Practice from Survival to Stability and Then to Growth?

When I began my professional journey, the Chartered Accountancy profession was still in its developing stage. I was among the very few – perhaps second Chartered Accountant in the North Gujarat region of Gujarat. While this created opportunities, it also brought immense responsibility and challenges, as awareness about professional services was limited and clients needed guidance at every step.

The transition from survival to stability was driven by consistent quality of work and strong professional ethics. I ensured that every assignment, whether small or large, was handled with diligence and sincerity. This approach helped build credibility and led to word-of-mouth referrals, which played a major role in expanding my practice.

Another important factor was my multidisciplinary approach, particularly my involvement in both Chartered Accountancy and legal matters. Clients often required integrated solutions, and my ability to address both financial and legal aspects helped strengthen long-term professional relationships and added stability to the practice.



In summary, the most beneficial situation when I started my practice in 1967, 'no competition regime' was there. I had not to rush after clients like today's CAs needing more time for networking. While being amongst the first Chartered Accountants in North Gujarat, provided early opportunities, it was persistent hard work, professional integrity, clients' education, multidisciplinary knowledge and team building that helped scale the practice from survival to stability and ultimately to long-term growth.

Q.3 How Important is Aggregation, Collaboration, or LLP Structuring in Today's Environment?

The professional landscape today is significantly different from what it was when many of us began our careers. The scope of services expected from Chartered Accountants has expanded considerably, and no single professional can realistically possess deep expertise in all areas. In this context, aggregation, collaboration and defined structuring have become increasingly important.

In my early years, professional practices were largely individual-driven. However, with the growing complexities of laws, regulations, and client expectations, collaboration has become essential. Today's clients seek comprehensive solutions covering taxation, audit, business advisory, corporate law, litigation support, and emerging areas like technology and compliance means all services under one roof. Collaboration among professionals with diverse expertise enables firms to deliver holistic and high-quality services.

The defined structure, in particular, offers several advantages in today's environment. It promotes shared responsibility, structured governance, and continuity of practice. Today's professionals have to pool their strengths, distribute responsibilities, and create a sustainable practice that is not dependent on a single individual. More so LLP structure gives protection against unlimited liabilities to a greater extent that may arise as a result of unforeseen incidents. This is especially important for long-term succession planning and institutional growth.

In my view, the future of the profession lies in collective strength. Professionals who are open to collaboration, willing to share knowledge and ready to adopt structured models will be better positioned to serve clients effectively and build sustainable practices. The importance of Aggregation, Collaboration, in Today's environment is live example of my practice started as proprietor in 1967 is now a renowned name of R S PATEL & CO.

Q. 4 What Advice Would You Give to Young Women Chartered Accountants Balancing Family and Career?

Over the years, I have had the privilege of working with many talented women Chartered Accountants who have demonstrated exceptional capability, dedication and professionalism. Today, women are making significant contributions to the profession and their presence has enriched the field in many ways.

Balancing family and career are undoubtedly challenging, but it is certainly achievable with the right mindset, planning and support system. My first advice to young women professionals would be to believe in their own capabilities. Confidence in one's knowledge and abilities are essential for professional growth. Important aspect is building a strong support system — both at home and at the workplace. Family support plays a vital role in enabling women professionals to pursue their careers. At the same time, professional collaboration and teamwork can also help in managing workload effectively.

I would encourage young women Chartered Accountants to continue learning and upgrading their skills during non working phase of life due to family priorities. This will help them to come back quickly when they restart their working career.

In conclusion, my message to young women Chartered Accountants is to remain confident, committed, and adaptable. With proper planning, continuous learning, and family support, it is entirely possible to build a successful professional career while fulfilling family responsibilities. The profession today offers immense opportunities and women Chartered Accountants are well positioned to lead and shape its future.

I would advise for a presentation to Central Government for reservation of one-woman seat in central council membership in Government quota.

Last but not the least, I would be immensely happy to see woman president of ICAI in coming years.

Q.5 How is Technology & AI Reshaping CA Practice, and How Have You Adapted to It? Technology and Artificial Intelligence are transforming the Chartered Accountancy profession at an unprecedented pace. Routine and repetitive tasks such as data entry, reconciliations, document



review, and basic compliance are increasingly being automated. This shift is enabling Chartered Accountants to move from traditional role to more strategic advisory functions, where professional judgment, experience and domain expertise become even more valuable.

In today's environment, clients expect faster turnaround, deeper insights and proactive guidance. Technology and AI tools help analyse large volumes of data, identify patterns and generate meaningful insights in a fraction of the time. This improves efficiency and allows professionals to focus more on problem-solving, planning and advisory services.

Even at the age of 83, I have consciously made efforts to understand and adopt new technologies, including AI tools such as ChatGPT/Gemini/. Initially, like many others, I approached it with curiosity, but over time I realized its immense potential. I have used AI for research, drafting, idea generation, and understanding complex issues more efficiently.

However, while I strongly believe in embracing technology and AI, I also firmly believe that AI cannot replace professional wisdom, experience and deep conceptual understanding. Artificial Intelligence is a powerful assistant, but it cannot substitute human judgment, ethical decision-making and practical experience gained over decades. If you want to defeat AI, it is your creativity and metal would play a vital role. I also encourage younger professionals to adopt technology early but not become overly dependent on it as intelligent use of technology will define the future of profession.

I had the privilege for being amongst very few CAs in Ahmedabad to first install computers in my office in the year 1982-83. From manual accounting to computers, from physical records to digital systems, and now to AI-driven tools, every phase has requirement of learning and adaptation.

In conclusion, technology and AI are reshaping the Chartered Accountancy profession by improving efficiency and expanding opportunities. Those who embrace these tools while maintaining strong fundamentals, ethical values and professional judgment will continue to thrive. AI is a powerful companion but ultimately it is human expertise, experience and wisdom which is going to control and command along with creativity that will always remain irreplaceable.

Q. 6 What Habits Have Contributed Most to Your Professional Success?

Looking back at my professional journey spanning several decades, I believe that success is rarely the result of a single factor. Rather, it is shaped by **consistent habits** practiced over a long period of time. Among those, the most important habit that has contributed to my professional success is continuous learning and personal healthcare. After starting my practice, I was very regular in daily physical exercise for more than half an hour doing pranayama, rope jumping and Shirsashan as I knew from reading good books that “Healthy Mind stays in Healthy Body”.

Even at this stage of my career, I remain a student of the profession. I have always maintained the habit of reading related to law, taxation, professional developments, autobiography of renowned celebrities and books of social service.

Equally important has been maintaining a balance between professional and social life. While dedication to work is essential, engaging in social interactions and spending time with family, friends and society helps maintain mental well-being. Ashirvad Foundation under leadership of myself, a trust was formed in 1977 to help Poor and needy students pursuing CA course. They were being given financial assistance and guidance for their studies. Later on two reading rooms for CA & competitive exam students were started at a concessional rates wherein till today more than 8000 students have been beneficiaries.

I have also believed in the value of meeting people and staying connected with good and positive individuals. Professional gatherings, discussions and meaningful interactions often lead to exchange of ideas and new perspectives. Part time professorship of daily one hour lectures for ten years in renowned colleges helped me to improve my skill of oratory and kept me younger. This habit became my part of life when I read the report of Research of Harvard University to find the factors for living the healthy, happy and long life. The outcome of research was that it can be achieved only by developing the cordial relations with the family, friends and society. Such interactions keep one mentally refreshed and professionally energized.

Another habit that has helped me throughout my journey is adaptability. From changes in tax laws to technological advancements, I have tried to remain open to learning and evolving.

I strongly believe that humility and patience are essential habits for long-term success. No matter how much one achieves, there is always more to learn. Humility and modesty were my paramount partners of life as it is rightly said that 'Modesty is the Clothing of Talents!' Staying grounded and



continuing to learn from others has been an important part of my journey. These habits not only helped in achieving success but also in sustaining it over a lifetime.

Q.7 How Do You Manage Stress and Maintain Work-Life Balance?

Over a long professional journey, I have realized that stress is an inevitable part of any responsible profession, especially in the field of Chartered Accountancy, where deadlines, compliance requirements and client expectations are constant. However, managing stress effectively and maintaining a healthy work-life balance is essential for long-term success and personal well-being.

One of the key ways I have managed stress is by maintaining discipline and proper planning. I focused in maintaining good health to manage stress by devoting more than 60 minutes daily in morning exercise viz. yoga, pranayama and walking since I passed final CA exam and it is continued till today. I believe in the dictum of 'PEC' means Planning, Execution and Continuity.

Another important factor has been maintaining a balanced approach to life. While professional commitment is essential, I have always believed that family time and social interactions are equally important. Spending time with family, meeting friends and participating in social gatherings help refresh the mind and bring emotional balance. These interactions also provide new perspectives and keep one mentally energized. Develop a hobby which refreshes you when you are tired. Writing poems from my early days of profession was a stress buster and today it resulted into many books being published for the larger reading of the society.

Lastly, maintaining a positive mindset and continuing to learn, even at the age of 83 of life, keeps me motivated and enthusiastic. When one enjoys the profession and remains mentally active, stress becomes platform for being fresh.

Q.8 How Do You Envision the Profession Over the Next 20 Years?

Having witnessed the evolution of the Chartered Accountancy profession over several decades, I believe the next 20 years will bring even more transformative changes. The profession is moving from traditional compliance-based services to a more advisory-driven and technology enabled role. Chartered Accountants of the future will not only be accounting experts but also strategic advisors and business growth partners.

Next decade will be the era of Technology, automation and Artificial Intelligence which will continue to reshape the profession. Routine compliance work such as bookkeeping, basic audits and return filing will become increasingly automated. However, this shift will create new opportunities in advisory services, risk management, forensic accounting, business restructuring and strategic planning. Technology may change the way we work, but it cannot replace professional and human judgment.

At this age, I remain enthusiastic about the future of the profession. I wish the young CAs to uphold professional values with high ethics. The opportunities ahead are immense for those who are willing to learn and adapt.

As a mentor, my message to young CAs and my colleagues: -

- May your knowledge and integrity lead you to limitless professional growth and new milestones and be blessed with robust health, abundant wealth and enduring happiness in every phase of life.
- What you earn is not important but what you save is perennial. Invest in SIP considering the long-term needs of the family which will bring you peace in life to focus on profession.
- After the age of 50 years, you need to spare some time from your busy schedule for humanitarian services as well. This will give an opportunity to know as to how multiple times you are blessed by the Almighty.
- When you start practice or choose to go in employment, do not engage your mind round the clock thinking how to earn more and more and hold the world in your fist. (दुनिया करलो मुठीमें) Attention to your health is equally important to enjoy life and be happy with what you have earned.
- Many freedom fighters including three great barristers Gandhiji, Sardar Shri and Nehruji along with many known and unknown freedom fighters dedicated their lives for the freedom of our country. We owe a pious duty to them to spare sometime in uplifting our country to make India most-stronger.
- Every failure in life opens the new doors of different dynamics and matrix of success.
- “I want to see the profession of C A to grow touching the newer heights of respectable name and fame with adoration of ethical values”.



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Social Auditors in India: A New Assurance Frontier for the Profession



Contributed by:
CA. Tarak A. Shah

Introduction:

“सत्यं वद। धर्मं चर।”

(*Satyam vada. Dharmam chara.*)-

Shiksha Valli

(**Krishna Yajur Veda, Anuvaka 11, Verse 1**)

These ancient Vedic instructions to speak the truth and to act for the welfare of the world have long served as the silent moral foundation of the Indian auditing profession. For over seven decades, our fraternity has been the custodian of financial truth. We have scrutinized balance sheets, verified cash flows, and ensured that the economic engine of the country runs on the fuel of integrity. However, as we move deeper into the 21st century, the definition of truth is expanding. Society no longer asks only how much profit was made? but also at what cost? and for what purpose?

The emergence of the Social Auditor marks the professional answer to these questions. In the past, social welfare was largely seen as the domain of philanthropy well-intentioned but often lacking in rigorous accountability. The introduction of the Social Stock Exchange (SSE) changes this dynamic entirely. It brings the discipline of the capital markets to the passion of the social sector. For the Chartered Accountant, this represents an *Assurance Frontier* that is as intellectually demanding as it is socially rewarding.

The Regulatory Genesis:

The concept of a Social Stock Exchange was first introduced by the Hon'ble Union Finance Minister in the 2019-20 Budget Speech. The intent was to create a platform that could channelize capital toward social enterprises (both for-profit and not-for-profit) that are working toward measurable social goals. Following this, a High-Level Committee headed

by Ishaat Hussain provided the blueprint, which eventually led to SEBI notifying the framework in 2022.

The regulatory architecture is anchored in the SEBI (Issue of Capital and Disclosure Requirements) Regulations and the SEBI (Listing Obligations and Disclosure Requirements) Regulations. These laws mandate that any entity whether a Not-for-Profit Organization (NPO) or a For-Profit Social Enterprise (FPSE) that registers or raises funds on the SSE must undergo a mandatory annual Social Audit.

To govern this new class of auditors, the ICAI established the Institute of Social Auditors of India (ISAI) as a Self-Regulatory Organization (SRO). This move ensures that the same ethical rigor, disciplinary oversight, and professional standards that govern our financial audits are seamlessly transplanted into the world of social impact.

What is a Social Audit?

To the uninitiated, a social audit might sound like a soft version of a financial audit. In practice, it is often more complex. A financial audit deals with objective, numerical data that follows the double-entry system. A social audit deals with Impact Claims.

The fundamental difference lies in the shift from **Outputs** to **Outcomes**. A traditional auditor might verify that an NPO spent ₹50 lakhs on distributing textbooks (Output). A Social Auditor, however, must verify whether those textbooks led to an actual increase in the literacy levels or school-retention rates of the target children (Outcome).

The Social Auditor's role is to provide an independent, evidence-based opinion on whether the social enterprise has achieved the impact it claimed to achieve. This requires a multidisciplinary approach, blending the



financial detective work of a CA with the field-level assessment skills of a developmental professional.

The Sixteen Pillars: The Social Audit Standards (SAS 100 to SAS 1600)

The most significant contribution to the professionalization of this field is the notification of sixteen Social Audit Standards by the ICAI's Sustainability Reporting Standards Board (SRSB). These standards correspond to the thematic areas identified by SEBI as eligible social activities. For a practitioner, these standards are the equivalent of the Standards on Auditing (SAs) or Ind AS.

- 1. The Human Development Cluster (SAS 100-300):** These cover basic needs such as eradicating hunger, poverty, and malnutrition, promoting healthcare, and providing safe drinking water. In these audits, the practitioner must look at nutritional indices, mortality rates, and accessibility metrics.
- 2. Empowerment and Education (SAS 400):** This standard focuses on gender equality and the empowerment of women and the LGBTQIA+ community. The audit focus here often shifts to economic independence and social inclusion.
- 3. The Environmental Cluster (SAS 500):** Addressing climate change, forest conservation, and biodiversity. Here, the auditor might need to understand carbon sequestration or waste-management protocols.
- 4. Heritage and Culture (SAS 600):** Protecting national heritage, art, and culture.
- 5. Specialized Interventions (SAS 700-1200):** These cover a wide range of activities, including training to promote sports, supporting social enterprise incubators, and rural development projects. Notably, SAS 1200 deals with disaster management, a critical area given the increasing frequency of climate-related events.
- 6. Inclusion and Digital Access (SAS 1300-1600):** These standards deal with financial inclusion, bridging the digital divide, and the welfare of migrants and displaced persons.

Each standard provides a framework for, What to measure? and How to verify?

The Methodology:

A social audit engagement typically follows a life cycle that begins with understanding the entity's Theory of Change (ToC). A ToC is a logical roadmap that explains how an entity's activities will lead to the desired social impact.

1. Strategic Planning and Materiality

In a social audit, materiality is determined by the significance of the impact on the stakeholders. For instance, if an NPO is working on tribal health, a lack of data regarding a specific remote hamlet might be considered material, even if the total expenditure involved is small.

2. Data Collection and Triangulation

Evidence in a social audit is rarely just a paper trail. It involves *Triangulation*, a process of verifying data from multiple sources:

- **Direct Evidence:** Interviews with beneficiaries (e.g., asking a farmer if the new irrigation pond has improved his crop yield).
- **Indirect Evidence:** Geotagged photographs of the project site, satellite imagery, or attendance logs of vocational training centers.
- **Secondary Evidence:** Government data, local health records, or third-party impact assessment reports.

3. The Field Visit

Unlike statutory audits, which can often be conducted from a centralized office, a social audit necessitates field visits. The auditor must step out of the office and into the village, the school, or the health clinic. This is where professional scepticism takes on a new meaning. The auditor must assess whether the joyful faces in a promotional brochure reflect the reality of the beneficiaries on the ground.

Reporting: The Social Audit Report

The culmination of the audit is the Social Audit Report. SEBI and ICAI have moved away from a simple True and Fair binary opinion. The Social Audit Report is descriptive and evaluative. It must cover:

- The **Methodology** used for the audit.
- The **Social Impact Indicators** (both quantitative and qualitative).
- Any **limitations** encountered during the audit (e.g., inability to access certain data due to migration).
- An **opinion** on whether the entity's claims regarding the social impact achieved are fair and substantiated.



This report is a vital document for investors on the SSE. It is the "Social Scorecard" that helps them decide whether to continue supporting a particular enterprise.

The Practical Challenges:

As with any new discipline, social auditing in India faces several hurdles that practitioners must be prepared for:

1. The Quantification Trap

Social impact is inherently difficult to quantify. How do you measure, *Empowerment* OR *Psychological well-being*? While proxies exist, there is always a risk of being too reductionist (reducing a human story to a number) or too vague (making the audit meaningless).

2. Data Integrity at the Grassroots

Many small NPOs operate in areas where digital literacy is low. Maintaining robust records is often secondary to the actual social work. Auditors often find themselves dealing with manual registers, thumbprints, and scattered data. Verifying the authenticity of this data requires significant time and ingenuity.

3. The Cost of Assurance

Conducting field visits across diverse geographies is expensive. NPOs often have limited administrative budgets. Finding a balance between a high-quality, rigorous audit and the financial capacity of the social enterprise is a challenge that the market is still trying to resolve.

4. Subjectivity and Auditor Bias

Unlike financial standards, social impact indicators can be subjective. Two auditors might look at the same community project and have different views on its success. This is why the SAS 100-1600 series is so critical. It provides a standardized yardstick to minimize this subjectivity.

The Future:

We are witnessing the birth of a new professional ecosystem. In the near future, social auditing will not be limited to the Social Stock Exchange. We can expect to see it becoming a standard requirement for:

- **Corporate Social Responsibility (CSR):** Under Section 135 of the Companies Act, large corporates are spending billions on CSR. Independent social audits will likely

become the norm to ensure these funds are producing real outcomes.

- **Government Schemes:** Public-sector monitoring is increasingly moving toward Outcome-based Budgeting. Social Auditors can play a massive role in verifying the efficacy of government welfare schemes.
- **Impact Investing:** Private equity and venture capital funds that focus on *Impact* will require credible social audit reports to justify their investments to their limited partners.

Conclusion:

Social auditing represents a profound expansion of the Chartered Accountant's relevance in public life. It is an invitation to move from the periphery of the corporate world into the heart of the nation's social fabric. When we audit a rural electrification project, we are not just checking vouchers; we are verifying the light in a child's study room. When we audit a healthcare initiative, we are validating a community's right to life.

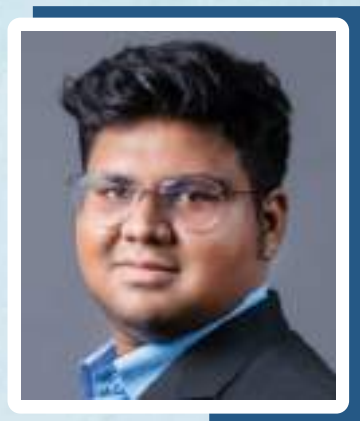
Social auditing is not philanthropy for accountants; it is a rigorous, scientific, and essential pillar of the new Indian economy. By ensuring that every rupee spent on social welfare is a rupee that actually changes a life, the Chartered Accountant becomes a catalyst for a more equitable and transparent India. The Assurance Frontier is open, and it is a journey worth taking.

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Navigating the GSTAT Maze: What Every Taxpayer and Practitioner Must Know



Contributed by:
CA. Jeet Shah

A practical guide to filing appeals before the GST Appellate Tribunal under the CGST Act, 2017 and the GSTAT Procedure Rules, 2025

Introduction: A Tribunal Long Awaited

Picture a small textile trader from Ahmedabad. Two years of fighting a tax demand first before the adjudicating officer, then before the first appellate authority and he has lost both rounds. His chartered accountant tells him the law is squarely in his favour, but the authorities simply refused to appreciate the facts. The next step? The "GST Appellate Tribunal (GSTAT)".

The GSTAT has recently become operational across benches in India, governed by the freshly notified GSTAT Procedure Rules, 2025 (notified on 24th April 2025). And already, practitioners and taxpayers are walking into a thicket of procedural puzzles, legal ambiguities, and portal glitches that make the journey to the Tribunal feel less like a legal remedy and more like an obstacle course. Over **one lakh cases** are expected to be registered in the initial phase alone reflecting the deep hunger among taxpayers for a specialised, consistent appellate forum.

Let walk through the complexity and focuses on the six most critical aspects of filing an appeal before the GSTAT.

1. The Limitation Clock - Don't Miss It

Section 112(1) of the CGST Act, 2017 gives a taxpayer "three months from the date of communication of the first appellate order" to file a second appeal before the GSTAT. Miss this window, and the appeal risks being dismissed at the threshold not on merit, but on time.

The Central Government's **Removal of Difficulty Order No. 9 dated 3.12.2019** and **Circular No. 132/2/2020-GST dated 18.3.2020** had extended this limitation during the GSTAT's non-operational years. But this extension only holds during the "initial phase" once the Tribunal stabilises, the three-month rule bites strictly.

Section 112(6) does offer a safety valve: the GSTAT can condone delay for an additional three months beyond the original window if "sufficient cause" is shown. One practical silver lining the *GSTAT e-filing portal allows a condonation application to be filed simultaneously with the appeal and supporting documents* saving the taxpayer the cost and effort of a separate application. For now, the portal handles this reasonably well.

2. Who Can Knock on GSTAT's Door?

Not everyone aggrieved by a GST dispute can walk into the Tribunal and this distinction matters enormously.

A plain reading of the hierarchy tells the story: **Section 107 First appeal** before the Appellate Authority: open to "any person aggrieved by any decision or order"

Section 112 Second appeal before GSTAT: restricted to "any person aggrieved by an order passed under Section 107 or Section 108" meaning you must have already fought and received a first appellate order.

Section 117 Further appeal to the High Court, only on a substantial question of law.

The takeaway: "GSTAT is not a forum of first resort". Proper procedural channel must be crossed.



Consider a real-world scenario a truck carrying marble tiles is intercepted, and the owner of the goods (not the transporter) wants to challenge the detention order. Under Section 107, the owner can file a first appeal as an aggrieved person. Once that appellate order is passed, the path to GSTAT is open. But if the proper officer takes an **interim action** say, a “provisional attachment under Section 83 of the CGST Act” against which no first appeal lies, then GSTAT's doors are shut. The taxpayer's only remedy is a *Writ Petition before the High Court*.

3. Pre-Deposit

Before the GSTAT even hears your case, **Section 112(8) of the CGST Act** requires a pre-deposit of 10% of the remaining disputed tax or penalty, over and above the 10% already deposited at the first appeal stage under Section 107(6). The maximum cap is ₹50 crore per CGST/SGST component.

Quick example: A disputed demand of ₹10 lakhs. The taxpayer paid ₹1 lakh (10%) at the first appeal stage. For GSTAT, an additional ₹90,000 (10% of the remaining ₹9 lakhs) is required. Total financial outflow before the case is even argued: ₹1,90,000.

Here's where the portal creates a wrinkle. Unlike the GST Common Portal (used for first appeals), which directly debits the pre-deposit from the taxpayer's credit or cash ledger, the GSTAT e-filing portal has no direct integration with the GST Common Portal. The taxpayer must:

1. Pay towards the demand on the GST Common Portal and generate a CRN.
2. Return to the GSTAT portal and upload the payment proof manually.

Inconvenient but there is an unintended benefit. The portal, when fetching dispute data, pulls the “gross” disputed amount from the department's APL-04 without deducting the 10% already paid. Had it auto-debited, it could have charged 10% of the “entire” demand more than the law requires. The manual process, clunky as it is, allows the taxpayer to deposit only the correct legally mandated amount.

4. Court Fees The Silent Burden

Rule 119 of the GSTAT Procedure Rules, 2025 mandates court fees for filing appeals. Notably,

departmental authorities pay no fee only the taxpayer does.

The fee structure under Rule 110(5) of the CGST Rules, 2017 is:

Per ₹1 lakh of disputed amount - ₹1,000 |
 Minimum fee - ₹5,000
 Maximum fee (cap) - ₹25,000
 No demand involved (e.g., registration disputes) - ₹5,000 flat
 Rectification applications - Nil

The cap of ₹25,000 seems modest. But consider Suresh, a manufacturer from Ahmedabad saddled with a ₹40 lakh demand that arose from the department erroneously attributing another company's invoices to his turnover. The demand is factually baseless yet the portal calculates court fees on the gross ₹40 lakh figure and charges ₹25,000. The court fees are **non-refundable**, regardless of the outcome.

Worse, consider a taxpayer whose first appeal was dismissed purely on limitation grounds without any adjudication on merits. At the GSTAT stage, the only issue is condoning the delay in the first appeal. There is no fresh demand in dispute. Legally, a flat ₹5,000 fee applies. But the portal fetches the underlying demand from the ARN and charges higher fees. The mismatch between legal prescription and portal behaviour is a real and urgent problem.

The current portal also blocks document upload entirely until court fees are paid a precondition the law does not explicitly mandate. This rigid sequencing leaves no room for flexibility in genuine hardship cases. The fix is straightforward: the portal should offer a reason-for-appeal classification that triggers the correct fee calculation based on the nature of the appeal.

5. Powers to Condone Delay How Far Do They Stretch?

There are two distinct delay scenarios before the GSTAT, each governed by a different source of power.

Delay in filing the first appeal (where the first appellate authority dismissed the case purely on limitation without touching the merits): **Rule 10 of the GSTAT Procedure Rules, 2025** titled “Inherent Powers” comes into play: *“Nothing in these rules shall be deemed to limit or*



otherwise affect the inherent powers of the Appellate Tribunal to make such orders or give such directions as may be necessary for meeting the ends of justice..."

This gives GSTAT broad equitable power to remand matters, issue directions, restore applications, and arguably condone delay in the first appeal.

Delay in filing the second appeal is governed by Section 112(6) of the CGST Act a statutory provision that expressly limits the condonation window to three months beyond the original limitation period.

The legal tension here is sharp: Rule 10 is subordinate legislation made under Section 111 of the CGST Act. Section 112(6) is a Parliamentary enactment. Can a procedural rule expand what the statute limits? Courts have held that subordinate legislation cannot travel beyond the parent Act. Yet refusal to condone delay results in finality of rights a substantive consequence which complicates the "it's only procedural" argument. **This question remains unsettled** in GSTAT jurisprudence and will likely be one of the first major legal battles the Tribunal must resolve.

6. The Language Barrier Translating Justice at a Price

Rule 23 of the GSTAT Procedure Rules mandates that all documents including the appeal memo must be in English or accompanied by a certified English translation.

In practice, while CGST and DGGSTI authorities typically pass orders in English, State GST authorities routinely pass orders in Hindi or regional languages like Gujarati. The bulk of GST assessments at the ground level flow from SGST offices.

An assessment and appellate order from a SGST authority in, say, Ahmedabad can easily run 50–70 pages in Hindi. Getting this certified-translated into English can cost ₹8,000 to ₹15,000 per case before factoring in professional fees, pre-deposit, and court fees. For a small trader disputing a ₹2 lakh demand, the cumulative cost of pursuing the remedy can approach or exceed the demand itself.

Conclusion

The path forward requires three things: **legislative clarity** on GSTAT's jurisdiction and inherent powers; **portal redesign** that aligns with legal nuance rather than forcing taxpayers into rigid technical workflows; and a **rethink of the progressive court fee structure** in favour of a flat, accessible fee for all appellants.





The Corporate Laws (Amendment) Bill, 2026

Chapter II – Amendments To The Companies Act, 2013

(Covers changes made in relevant section of companies Act, 2013)



Contributed by:
CA. Dipen Shah

Introduction:

The Corporate Laws (Amendment) Bill, 2026, introduced in the Lok Sabha on Monday 23rd of March, 2026, proposes extensive amendments to the Companies Act, 2013. The Corporate Laws (Amendment) Bill, 2026 proposes several significant amendments to the Companies Act, 2013 with the objective of strengthening corporate governance, enhancing transparency, improving auditor independence, and promoting ease of doing business. The proposed changes focus on rationalising compliance requirements, expanding the scope of disclosures in Board's Report, revising provisions relating to appointment and eligibility of auditors, and introducing safeguards against conflicts of interest.

We have covered all the amendments made in the respective sections with a clause-wise bifurcation, along with a comparison of the existing provisions.

1. Amendment in Section 2 (Definitions)

Proposes amendments in Section 2 of the Companies Act, 2013, which contains definitions of various terms used in the Act.

Firstly, it proposes to correct the reference of "Cost Accountant" by substituting it with the proper title "The Cost Accountants Act, 1959." This is only a technical correction to align with the correct name of the Act.

Secondly, a new proviso is proposed to be inserted in clause (41) relating to financial year. This amendment will empower the Central Government to allow companies or body corporates to change their financial year so that it may end on 31st March of the following year, either on application by certain companies (like holding/subsidiary of foreign companies) or based on commercial considerations. This provides flexibility in aligning financial year with global parent entities.

Further, the clause proposes to insert a new definition of "Regional Director" under clause (73A). It clarifies that Regional Director means a person appointed by the Central Government under section 396 and includes Additional Regional Director, Joint Regional Director and Deputy Regional Director. This removes ambiguity regarding authorities exercising powers under the Act.

The clause also proposes to insert a new clause (74A) to define "Registered Valuer". It clarifies that a Registered Valuer means a person holding a certificate of registration under section 247 of the Companies Act. This brings clarity wherever valuation is required under the Act.

Lastly, the clause proposes to expand the definition of Small Company under clause (85). The existing limits are proposed to be increased as follows:

- Paid-up share capital limit increased to ₹20 crore
- Turnover limit increased to ₹200 crore

This amendment will allow more companies to qualify as small companies, thereby enabling them to avail various compliance relaxations under the Companies Act.

2. Insertion of New section 12A (Certain class or classes of companies to maintain modes of communication and provide particulars)

"12A. (1) The class or classes of companies, as may be prescribed, shall maintain a website, an e-mail address and other modes of communication in such form and manner, as may be prescribed.

(2) The details of website, e-mail address and other modes of communication referred to in sub-section (1) and the changes, if any, therein, shall be intimated to the Registrar in such form



and within such period, as may be prescribed.”.

3. Insertion of New section 43A (Share capital of company under International Financial Services Centre)

43A. (1) A company, set up and incorporated in the International Financial Services Centre, shall issue and maintain its share capital in a permitted foreign currency:

Provided that a company set up and incorporated in the International Financial Services Centre prior to the commencement of the Corporate Laws (Amendment) Act, 2026 may convert its share capital from Indian rupee to a permitted foreign currency within such period and in such manner, as may be specified by regulations by the International Financial Services Centres Authority, in consultation with the Central Government:

Provided further that a company referred to in the first proviso shall not be permitted, after the commencement of the Corporate Laws (Amendment) Act, 2026, to issue any share capital without converting its share capital into a permitted foreign currency.

(2) A company referred to in sub-section (1), maintaining its share capital in a permitted foreign currency shall prepare and maintain its books of account, and other relevant books and papers, financial statements and all other records in the permitted foreign currency:

Provided that if the International Financial Services Centres Authority permits, such company may present such books of account and other relevant books and papers, financial statements and other records in Indian rupee.

(3) The Central Government may, in such manner as may be prescribed, require that a company referred to in sub-section (1) shall use permitted foreign currency for the purpose of filing, submitting or delivering any documents under section 398.

(4) Every company referred to in sub-section (1) shall pay fees, fines and penalties under this Act and the rules made thereunder in Indian rupees.

4. Amendment to Section 132 (National Financial Reporting Authority)

| Sr. No. | Section | Existing Provision | Amendment / New Provision |
|---------|-----------------------------------|---|---|
| 1. | Section 132(1A) | NFRA performs its functions through divisions as may be prescribed. | The National Financial Reporting Authority shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued. |
| 2. | Section 132(2)(a) | NFRA recommends standards for companies or class of companies. | Words “or bodies corporate” inserted. |
| 3. | Section 132(3A) | Each division presided over by Chairperson or full-time member. | Sub-section omitted. |
| 4. | Section 132(3C) (Inserted) | Not Applicable | Chairperson to exercise general superintendence and direction of NFRA affairs and delegated powers. |
| 5. | Section 132(3D) (Inserted) | Not Applicable | Executive body empowered to delegate powers to Chairperson, members, officers or committees. |



| Sr. No. | Section | Existing Provision | Amendment / New Provision |
|---------|--|--|--|
| 6. | Section 132(4)(a) | Investigation in prescribed manner. | Words substituted to allow manner specified by NFRA regulations . |
| 7. | Section 132(4) – New sub -clauses (C), (D), (E) | No such powers. | NFRA empowered to: (C)issuing an advisory, censure or warning to the member or the firm; (D)requiring additional professional training of the member or individual partners or employees of the firm ; (E) Refer matter to Central Government |
| 8. | Section 132(4) Explanation | Misconduct limited to CA Act meaning. | Definition expanded to include contravention of Companies Act, rules or NFRA regulations . |
| 9. | Section 132(4A) (Inserted) | No provision | Non -compliance with NFRA orders within 90 days punishable with imprisonment/fine and further debarment. |
| 10. | Section 132(10) | Meetings held as may be prescribed. | “Prescribed” replaced with “specified by regulations by NFRA” . |
| 11. | Section 132(11) | Central Government appoints secretary and employees. | Appointment power transferred to NFRA ; service conditions to be specified by NFRA regulations. |
| 12. | Section 132(16) (Inserted) | Not Applicable | Proceedings not invalid due to vacancy, defect in constitution, or procedural irregularity. |
| 13. | Section 132(17) (Inserted) | Not Applicable | NFRA may engage experts and professionals. |

5. Amendment in Section 134 (Board's Report)

Proposes to amend Section 134(3) of the Companies Act, 2013 relating to Board's Report.

1. Explanation on Auditor's Adverse Remarks:

A new clause (fa) is proposed to be inserted to provide that the Board's Report must include explanations or comments by the Board on:

- Every observation or comment of the auditors on financial transactions or matters having adverse effect on functioning of the company, and
- Any qualification, reservation or adverse remark made by auditors relating to maintenance of accounts and other

related matters, in such form as may be prescribed by rules.

2. Disclosure relating to Audit Committee: The clause also proposes to insert clause (pa) requiring that the Board's Report must disclose:

- Details of composition of the Audit Committee, and
- If the Board does not accept any recommendation of the Audit Committee, the Board must give reasons for not accepting it.

6. Amendment to Section 135 (Corporate Social Responsibility)



| CSR Parameter | Earlier | After Amendment |
|---|-------------------------|---|
| Net profit Limit for Applicability – 135(1) | Rs. 5 crore | Rs. 10 crore |
| CSR Committee exemption threshold – 135(9) | CSR Spent < Rs. 50 lakh | CSR Spent < Rs. 1 Crore |
| Transfer to Unspent CSR A/c (ongoing project) – 135(6) | 30 days from FY end | 90 days from FY end |
| Complete exemption – 135(10) – New sub section inserted | Not available | Available for prescribed class of companies |

7. Amendment in Section 139 (Appointment of Auditor)

Proposes to insert a new sub-section (12) in Section 139 of the Companies Act, 2013. It provides that certain prescribed class or classes of companies, fulfilling conditions as may be specified by rules, shall not be required to appoint auditors under Chapter X of the Act.

This amendment is introduced to reduce compliance burden and promote ease of doing business for small companies.

8. Amendment in Section 141 (Eligibility of Auditor)

According to section 141(1) of the companies Act, 2013,

A person shall be eligible for appointment as an auditor of a company only if he is a chartered accountant

Provided that a firm whereof majority of partners practising in India are qualified for appointment as aforesaid may be appointed by its firm name to be auditor of a company.

in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that every partner of the firm shall be a person who has been registered with a statutory institute or body established under a law in India having powers of such registration.”.

9. Amendment in Section 144 (Non-Audit Services by Auditor)

Clause 46 proposes to insert a new proviso in Section 144 of the Companies Act. It provides that auditor or audit firm of prescribed class of companies shall not provide any non-audit services to:

- The company
- Its holding company
- Its subsidiary

It also provides that this restriction will continue

for three years after completion of auditor's term under section 139(2).

10. Amendment in Section 164 (Disqualifications for appointment of director)

In sub section (1) of section 164, after clause (i), the following shall be inserted, namely:—

“(j) he has been an auditor or a secretarial auditor or a cost auditor or a registered valuer or an insolvency professional of the company or its holding, subsidiary or associate company discharging the functions as such under this Act or under the Insolvency and Bankruptcy Code, 2016 during the immediately preceding three financial years or during the current financial year.

Explanation.—For the purposes of this clause, where the audit or secretarial audit or cost audit of a company is conducted, or valuation services or insolvency professional services are provided, by a partnership firm or a limited liability partnership, such partner or partners of the partnership firm or a limited liability partnership, as the case may be, who conducted the audit or provided the valuation services or insolvency professional services, as the case may be, shall not be eligible for appointment as a director under this sub-section; or

(k) he has not been assessed by the Board to be a fit and proper person in accordance with such criteria, as may be prescribed

Provided that different criteria for fit and proper person may be prescribed for different class or classes of companies.”;

According to sub section (2) of section 164,

No person who is or has been a director of a company which—

(a) has not filed financial statements or annual returns for any continuous period of three



financial years;

in clause (a), for the words “three financial years”, the words “two financial years” shall be substituted;

11. Amendment in Section 204 (Secretarial audit)

“(1) Every listed company and a company belonging to other class of companies as may be prescribed shall annex with its Board's report made in terms of sub-section (3) of section 134, a secretarial audit report, given by a company secretary in practice , in such form as may be prescribed.”

As per amended Act,

in sub-section (1), for the words “company secretary in practice”, the words “secretarial auditor” shall be substituted;

after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) A person shall be eligible for appointment as a secretarial auditor of a company only if he is a company secretary in practice:

Provided that a firm, whereof majority of partners practising in India who are qualified for appointment, may be appointed by its firm name to be the secretarial auditor of a company: Provided further that every partner of the firm shall be a person who has been registered with a statutory institute or body established under a law in India having powers of such registration.”

12. Insertion of sub-sections in Section 154 (Director Identification Number)

“(2) A person who has been allotted Director Identification Number under sub-section (1) shall submit such information towards verification of his particulars to the Central Government or an officer authorised by that

Government in this behalf at such intervals and in such manner, as may be prescribed.

(3) Where—

(a) the person referred to in sub-section (2) does not comply with the provisions of the said sub-section; or

(b) the Director Identification Number has been allotted in contravention of the provisions of this Act or the rules made thereunder; or

(c) a director has incurred disqualification in one or more companies pursuant to the provisions of section 164, or where the Tribunal or any competent court has passed an order in this regard,

the Director Identification Number allotted to him may be deactivated or cancelled, in such manner as may be prescribed, by the Central Government or the officer authorised by that Government in this behalf.

(4) Where the Director Identification Number allotted to a director is deactivated, he shall not function as a director till it gets reactivated.

(5) In case the Director Identification Number allotted to a director is cancelled, the office of such a director shall become vacant.

(6) A person may surrender the Director Identification Number allotted to him in such manner as may be prescribed.

(7) Where a Director Identification Number has been deactivated or cancelled or surrendered under sub-section (3) or sub-section (6), it may be reactivated or restored on fulfilment of such conditions and on payment of such fees and in such manner, as may be prescribed.”.

13. Amendment in Section 233 (Fast-Track Merger)

| Approval | Old Threshold | New Threshold |
|------------------------------------|-------------------------------|---|
| Member approval [S.233(1)(b)] | 90% of total number of shares | 75% of value of shares held by members present and voting |
| Creditor approval [S.233(1)(d)] | Nine -tenths (90%) in value | At least three -fourths (75%) in value |

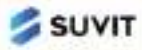
Conclusion:

Overall, the proposed amendments under the Corporate Laws (Amendment) Bill, 2026 represent a balanced approach between ease of doing business and stronger corporate governance. While certain provisions reduce compliance requirements for small companies,

others enhance disclosure standards and reinforce auditor independence to protect stakeholder interests. The changes relating to Board's reporting, auditor eligibility, and restrictions on non-audit services are expected to improve transparency and accountability in corporate functioning.



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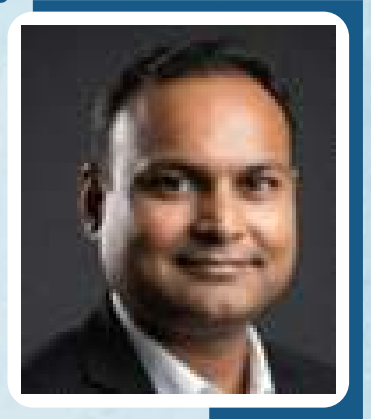
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Real Estate Capital Was Never Meant to Be Passive. We Just Structured It That Way



Contributed by:
Piyush Kothari

Most real estate investments follow a well-worn script. Capital goes in, the asset sits, and value is expected to appear somewhere down the line — at exit. Everything in between is largely a waiting game.

This model has worked often enough that most investors, developers, and advisors have simply accepted it as the way things are.

But look more carefully at what actually happens between deployment and exit — and a different picture comes into focus.

"We have built a system where value is expected at the end, not during the journey. Somehow, that has become the default."

The asset sits on the balance sheet. Cash flow is limited. Performance depends on external market conditions that no one fully controls. And that is considered normal.

What You See When You Look More Closely

Once you step outside the standard metrics of price appreciation and projected exit multiples, a different picture begins to form. Land in high-potential locations that has not generated a single rupee of income in years. Not because there is no demand nearby, but because no structured asset has ever been built on it. Grade-A commercial buildings that are technically complete yet remain chronically underoccupied. Retail developments that launched with strong early interest but lost momentum because no one had properly thought through the tenant mix or the footfall logic.

Meanwhile, businesses are actively looking for well-designed, high-quality commercial spaces. Investors are hungry for income-linked returns rather than binary exit bets. Capital is available — but it is increasingly selective.

The problem is not a shortage of demand. It is not a shortage of capital either. It is something structural.

The Missing Layer: No Blueprint, No Continuity

If you strip the problem down to its core, what is missing is a layer that most developers and investors rarely discuss with enough precision. There is no clear blueprint connecting what gets built, who it is built for, and how it will perform over time.

Most developments are designed and optimised for delivery. What happens to an asset's financial performance after handover is largely left to the market to figure out.

Yet real estate as an asset class has always depended on three interlocking elements: the asset itself, the occupiers who use it, and the capital that backs it. In theory, these three should function as a single, coherent system. In practice, they rarely do.

Landowners take a long-term view but tend to operate without visibility into capital or demand. Investors focus on structuring their entry and optimising their exit. Occupiers adapt to whatever supply exists rather than choosing from purpose-built options. Even when all three stakeholders are present, they are not aligned.

"Real estate does not fail because of lack of demand. It underperforms because of lack of alignment."

What Misalignment Costs

When there is no governing blueprint for the full lifecycle of an asset, the consequences show up at every stage.

Grade-A commercial supply is created without a corresponding demand strategy. Retail and mixed-use formats struggle because the tenant



ecosystem was never thoughtfully put together. Hospitality and integrated assets are built without the operating model needed to make them work as revenue-generating systems.

Each asset ends up searching for its commercial purpose after the capital has already been committed. By that point, course correction is expensive.

What makes this particularly relevant for financial professionals is that the underperformance rarely looks dramatic. It accumulates quietly. Assets capable of generating steady lease income remain underutilised. Capital that has been deployed does not stay productively employed during the holding period. Demand that exists in the market goes uncaptured because there is no structured supply to meet it.

The system is not broken. It is chronically inefficient — and that inefficiency has quietly been normalised.

"If an asset only performs at exit, it remains inactive for most of its life.

Real Estate: From Passive to Performing

Once you examine real estate through this lens, the analytical question naturally shifts.

Instead of asking what an asset might be worth at some future exit, you start asking what it is generating on a recurring basis.

Price tells you what something could be. Income tells you what it actually does.

That shift may seem incremental. But it fundamentally changes how an asset is underwritten, structured, and managed. The moment you orient around income, real estate stops behaving like a static holding and starts functioning more like an operating business — one that requires continuous management to perform well.

Designed to Earn. Managed to Perform.

Recurring income is not a natural by-product of an asset's existence. It is the result of a sequence of deliberate decisions made both before and after construction begins.

You need the right tenant profile — not just any occupancy. You need a leasing strategy defined in advance, not assembled reactively. You need asset management that keeps the property commercially active, not one that only responds when occupancy falls below a threshold.

In other words, the asset has to be operated with the same rigour applied to any other revenue-generating business.

"An asset does not perform because it exists. It performs because it is designed and managed to."

This is precisely where conventional development models fall short. They are optimised for delivery. They do not stay engaged with the asset long enough to ensure it actually performs.

Framework-Led Real Estate

This is where framework-led thinking becomes directly relevant from a financial structuring standpoint.

A framework, in this context, is not a planning document. It is a pre-defined structure that determines the type of asset being created — whether Grade-A commercial, retail, mixed-use, or hospitality — the demand it is built to serve, the leasing strategy that activates at completion, and the operating model that sustains commercial performance across the entire holding period.

Instead of building first and searching for performance after, you invert the process entirely. Financial performance is designed in — before a single brick is laid.

When this approach is applied, the definition of development changes fundamentally. Construction is no longer the finish line. It is one stage within a larger value creation cycle. What follows it - active leasing, tenant curation, ongoing asset management - carries equal weight in determining financial outcomes.

When Alignment Actually Works

When land, capital, and demand are brought together through a coherent blueprint, the asset's financial profile begins to change in measurable ways.

Occupancy stabilises because the tenant mix is defined before construction begins. Income becomes more predictable because it is structured into the asset's operating model — not left to post-delivery market dynamics. Capital appreciation builds progressively, rather than depending entirely on a single exit event.

The investor is no longer reliant on a favourable exit environment to realise value. The asset has been structured to deliver it throughout its lifecycle.

The model that makes this possible can be expressed simply: Fund. Lease. Operate.



Wealth. Each step feeds the next. The system does not stop at creating assets. It ensures they perform.

What This Means for Each Stakeholder

When this structure is in place, the financial participation model shifts for everyone involved.

Landowners are no longer limited to a choice between holding and transacting. They can participate in the ongoing income generated by the asset developed on their land. Investors are no longer exclusively dependent on exit timing to realise returns — they begin receiving income during the asset's operating life. Occupiers gain access to spaces designed around actual operational requirements, not built to a generic specification.

The asset moves from passive to active. From a holding to a performing system.

Who This Is Relevant For

From a professional advisory standpoint, this becomes immediately relevant for practitioners working with three categories of clients: landowners holding strategically located assets that are not generating income commensurate with their potential; investors seeking

structured, income-visible opportunities rather than exit-dependent positions; and occupiers who need well-designed, operationally reliable spaces to anchor their business activities.

In each case, the engagement is not transactional. It is a structured participation in a system designed to perform consistently over time.

Closing Thought

For a long time, real estate as an asset class has been defined primarily by ownership. That definition is now changing — and from a capital efficiency standpoint, it needs to.

"The future of real estate will not be defined by how much is owned. It will be defined by how well it performs."

The shift toward income-oriented, blueprint-led asset creation is not a speculative idea. It is a structural correction to decades of misaligned incentives and fragmented execution.

The question for financial professionals and their clients is not whether this shift is happening.

It is whether they are positioned to be part of it early — or whether they will watch it become the new standard from the outside.





Taxation of Virtual Digital Assets (VDAs) Under the Income-tax Act, 2025 i.e Effective from 1st April,2026



Contributed by:
CA. Dainik Gohel

➤ Background and Legislative Transition

India's journey in taxing Virtual Digital Assets began with the Finance Act, 2022, which introduced dedicated provisions - Sections 2(47A), 115BBH and 194S into the Income-tax Act, 1961. **However, the landscape changed fundamentally when the Income-tax Act, 2025 (Act No. 30 of 2025) received Presidential assent on 21 August 2025 and came into force on 1 April 2026, replacing the 1961 Act in its entirety.**

The new Act does not alter the substantive tax burden on VDAs - the 30% flat rate, denial of deductions and prohibition on loss set-off all remain intact. **What changes significantly is the structural architecture: section numbers, compliance forms, enforcement powers and penalty provisions have all been modernised and in several respects, considerably strengthened.** Taxpayers dealing in cryptocurrencies, NFTs and other digital assets must therefore understand both what has stayed the same and what has materially changed.

One foundational shift deserves immediate attention: the new Act abolishes the distinction between "Assessment Year" and "Previous Year," replacing both with a single unified "Tax Year." **Tax Year 2026-27 refers to income earned between 1 April 2026 and 31 March 2027, with the ITR for that year filed in Tax Year 2027-28.**

➤ Definition of VDA — Section 2(109)

The definition of Virtual Digital Asset, previously under Section 2(47A) of the 1961 Act is now contained in Section 2(109) of the 2025 Act.

Cryptocurrencies such as Bitcoin and Ethereum, Non-Fungible Tokens (NFTs) and any other digital asset notified by the Central Government are included. Indian currency and

foreign currency remain excluded. Importantly, exclusions under the 1961 Act - such as gift cards, loyalty/reward points and NFTs whose transfer results in the legal transfer of an underlying tangible asset, continue to apply under Section 536(2)(j) of the 2025 Act, which preserves the validity of earlier CBDT notifications to the extent they do not conflict with the new Act.

A notable addition is the formal recognition of the Digital Rupee (CBDC) issued by the Reserve Bank of India as a valid prescribed mode of electronic payment for tax deduction purposes. The Digital Rupee itself, however, is not treated as a VDA.

➤ Tax on VDA Income - Section 194(1) [Table Sl. No. 4]

The core charging provision i.e. previously Section 115BBH is now Section 194(1) read with Table Serial No. 4. The substantive tax treatment is entirely preserved:

- a) **Rate:** A flat 30% applies on income from the transfer of any VDA, for any person irrespective of holding period. After Health and Education Cess at 4%, the effective rate is 31.2% before surcharge. No distinction exists between short-term and long-term gains and no indexation benefit is available.
- b) **Deductions:** Only the cost of acquisition is deductible. All other expenses like mining costs, gas fees, exchange commissions, internet charges, interest on borrowings, professional fees and administrative expenses are expressly disallowed.
- c) **Loss Set-Off:** Losses from transfer of one VDA cannot be set off against gains from another VDA, nor against income



under any other head salary, house property, business, capital gains or other sources.

d) Carry Forward: VDA losses cannot be carried forward to any succeeding tax year. They permanently lapse in the tax year in which they arise.

e) Transfer Defined Broadly: Section 194(2)(n) expressly clarifies that "transfer" as defined in Section 2(109) applies to VDAs whether or not they constitute capital assets. Crypto-to-crypto swaps, purchase of goods/services using VDA, NFT sales and all other modes of disposal therefore constitute taxable transfers.

➤ **Taxability of VDA Gifts - Section 67(2)(x)**

Gifts of VDAs continue to be taxable under Section 67(2)(x) i.e. the new equivalent of Section 56(2)(x). Where a VDA is received without consideration and its fair market value exceeds ₹50,000, the entire FMV is taxable as Income from Other Sources. Where received for inadequate consideration and the shortfall exceeds ₹50,000, the shortfall is taxable.

Standard exemptions apply gifts from relatives, gifts on the occasion of marriage, inheritance and gifts from specified institutions remain exempt. Where a VDA gift has been taxed at receipt, the FMV that was brought to tax may serve as the cost of acquisition for computing gains on subsequent transfer, thereby avoiding double taxation on the same value.

➤ **TDS on VDA Transfers - Section 393(1) [Table Sl. No. 8(vi)]**

TDS on VDA transfers has migrated from Section 194S of the 1961 Act to **Section 393(1) [Table Sl. No. 8(vi)] of the 2025 Act with effect from 1 April 2026.** The rate remains 1% on consideration paid to a resident for VDA transfer. The obligation continues to fall on the person paying the consideration, whether an exchange, peer-to-peer buyer, NFT marketplace or individual.

Threshold limits are unchanged:

- ❖ ₹50,000 per tax year for "specified persons" (individuals/HUFs below the tax audit threshold or without business/professional income)
- ❖ ₹10,000 per tax year in all other cases

What has changed substantially is the

compliance form framework:

- ❖ **Form 141, Schedule D** replaces Form 26QE as the challan-cum-statement for VDA TDS. It is PAN-based and must be filed electronically within 30 days from the end of the month of deduction.
- ❖ **Form 132** replaces Form 16E as the TDS certificate issued by the deductor to the transferor.
- ❖ **Form 142** is the new quarterly TDS return for exchange-facilitated VDA transactions, replacing Form 26Q for this category.
- ❖ **Form 168** replaces Form 26AS as the annual tax credit statement from Tax Year 2026-27 onwards.

Using old form numbers (26QE, Form 16E, Form 26AS) for Tax Year 2026-27 transactions constitutes technical non-compliance and will cause mismatches on the e-filing portal.

For crypto-to-crypto exchanges, the position remains unchanged: TDS must be deducted before consideration is released and both parties may need to pay tax and furnish challan evidence before the transfer is effected.

A significant policy restoration under the 2025 Act: **Section 400(2) expressly reinstates the binding nature of CBDT guidelines on all deductors.** CBDT Circular No. 13/2022 and all related VDA TDS guidance therefore carry mandatory compliance weight from 1 April 2026 - the earlier argument that CBDT circulars are merely advisory no longer holds.

➤ **Landmark New Enforcement Power - Virtual Digital Space**

Perhaps the most significant new development in the 2025 Act is the introduction of the concept of "**Virtual Digital Space.**" The Income Tax Department now has express statutory authority to search and seize information stored on cloud storage, email servers, social media accounts, crypto wallets and blockchain infrastructure. This fundamentally transforms the enforcement landscape for VDA taxation.

Crypto wallet addresses, exchange account records and full transaction histories can now be directly seized or requisitioned. Taxpayers who have been relying on the perceived anonymity of blockchain transactions or the practical difficulties of cross-platform enforcement need to recalibrate their compliance posture significantly.

➤ **Enhanced Penalties - 60% Tax on Undisclosed VDA Holdings**

Under the Income-tax Act, 2025, the penalty



framework for VDA non-disclosure has been dramatically tightened. Where undisclosed VDA holdings or gains are detected by the Department, whether through search of Virtual Digital Space, scrutiny proceedings or survey - **the applicable tax rate is 60%** not the standard 30%.

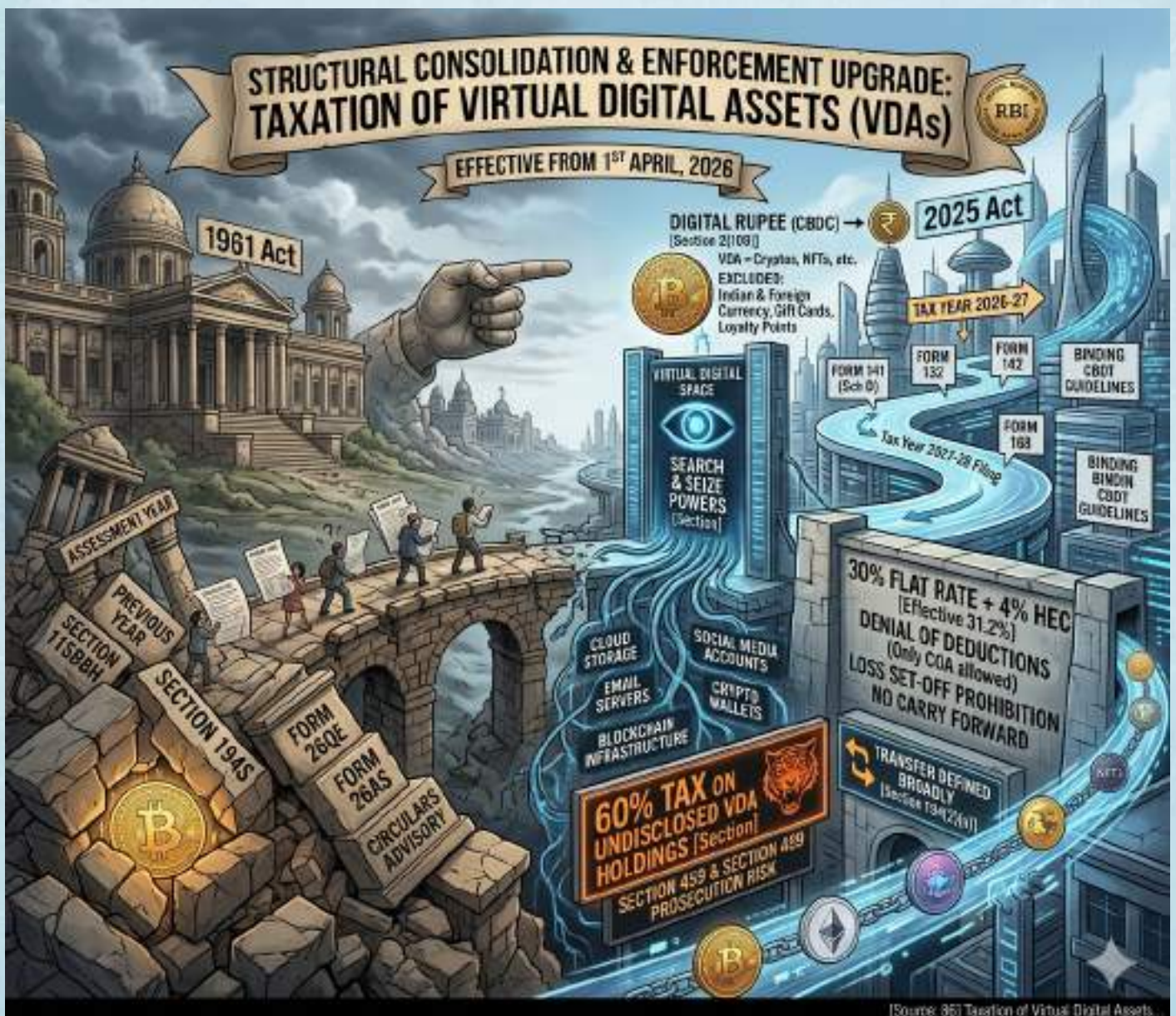
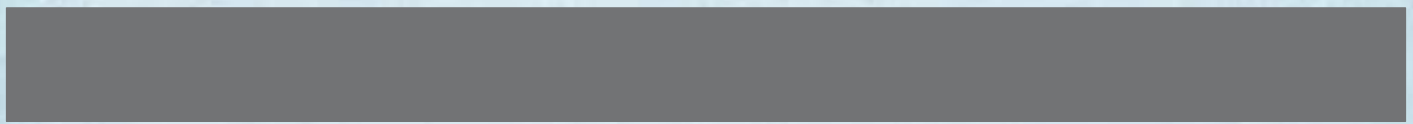
This 60% levy applies in addition to applicable penalties under Section 459 (the new equivalent of Section 270A for under-reporting/misreporting) and prosecution risk under Section 489 (the new equivalent of Section 276C for wilful evasion). Mandatory separate reporting under Schedule VDA in the ITR is now expressly codified, non-disclosure is therefore a high-risk compliance failure, not merely an administrative lapse.

Conclusion

The Income-tax Act, 2025 marks a structural consolidation and enforcement upgrade of India's VDA tax framework not a relaxation. The 30% tax rate, no-deduction regime and prohibition on loss set-off remain firmly in place. What is new is a dramatically expanded enforcement arsenal, Virtual Digital Space search powers, a punitive 60% rate on undisclosed gains, binding CBDT guidelines and an entirely new suite of compliance forms.

Taxpayers, tax professionals and digital asset platforms must urgently update their systems, documentation practices and form references to reflect the transition.

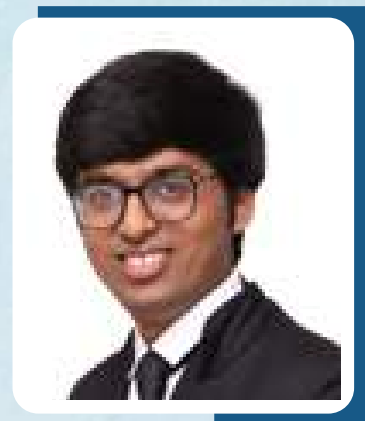
Proactive, accurate and complete disclosure under Schedule VDA is no longer optional under the 2025 Act, the consequences of non-compliance are severe.





When “Higher Tax Paid” Becomes a Dispute:

A Critical Analysis of Excess ITC Allegations under GST Audit



Contributed by:
CA. Pinkesh Chhajer

- A Practitioner's Perspective on Misapplication of Section 122 and ITC Reversal Provisions

Abstract

During the course of a GST audit assignment, an interesting issue arose concerning the applicability of *Input Tax Credit (ITC)* and penalty provisions in a case involving rate misclassification. The GST rate for a particular commodity was reduced from **28% to 18%**; however, the taxpayer continued to procure the said goods at **28%** and initially discharged output tax at the same rate. Upon identifying the correct classification, the taxpayer subsequently applied the reduced rate of **18%** on outward supplies.

The department issued a Show Cause Notice alleging “*misclassification of goods at higher rates with passing of excess ITC to customers*” and proposed imposition of penalty under **Section 122(1)(i) of the CGST Act, 2017**. Additionally, the notice sought reversal of ITC attributable to closing stock as on the date of rate correction, on the premise that such stock carried credit at a higher rate than the output tax subsequently charged.

The controversy, therefore, centred on whether - *charging a higher rate of tax - resulting in full discharge of tax to the exchequer* could be construed as *passing of excess ITC*, and whether differential rate structures necessitate proportionate reversal of ITC. This article critically examines the statutory framework governing ITC entitlement and penalty provisions under the CGST Act, 2017, and analyses the legal sustainability of such audit objections, drawing from a case where the matter was ultimately decided in favour of the taxpayer.

1. Introduction

The GST regime is fundamentally structured on the principle of *seamless flow of input tax credit*, ensuring that tax is levied only on value addition. The entitlement to ITC, being a **substantive right**, is governed by clearly defined statutory conditions. However, practical implementation has often witnessed interpretational divergences during audit proceedings, particularly in cases involving rate classification.

A recurring controversy has emerged where audit authorities allege “*passing of excess ITC*” in situations where a registered person has charged GST at a rate higher than what is subsequently considered applicable. Such allegations are frequently coupled with proposals for penalty and demands for reversal of ITC. This raises a fundamental issue- whether **higher tax payment, in itself, can give rise to any legal infirmity** under the GST framework.

2. Nature of the Issue

In the factual matrix under consideration, the taxpayer procured goods on which tax was charged at **28%** and initially supplied the same at the said rate. Upon realisation of the correct classification, the taxpayer adopted the reduced rate of **18%** for subsequent outward supplies. The tax charged during the earlier period was duly discharged to the Government and reported in statutory returns.

The audit proceedings, however, proceeded on the premise that the correct rate ought to have been **18% throughout**, and therefore, the differential tax component represented “*excess ITC*” passed on to recipients. Additionally, it was contended that ITC attributable to closing stock as on the date of rate correction ought to be reversed.

3. ITC Entitlement: Statutory Position

The entitlement to ITC is governed by **Section**



16 of the CGST Act, 2017. The provision stipulates that a registered person is entitled to credit of input tax charged on any supply of goods or services, subject to fulfilment of prescribed conditions.

The statutory framework does not provide for any adjustment of ITC based on subsequent determination of the “*correct*” rate of tax. The eligibility of ITC is intrinsically linked to the **tax actually paid to the exchequer**. Once the supplier has discharged tax and the conditions of Section 16 stand satisfied, the credit becomes a **vested right**.

In the present context, where tax at **28%** was duly paid and reflected in returns, the corresponding ITC cannot be characterised as *excessive*. The law does not recognise the concept of “*excess ITC passed*” in such circumstances.

4. Penalty under Section 122(1)(i): Scope and Applicability

The Show Cause Notice invoked **Section 122(1)(i)**, which provides for penalty in cases involving issuance of incorrect or false invoices. A contextual reading of the provision indicates that it is intended to address **fraudulent conduct**, such as issuance of fake invoices or deliberate misstatement of particulars. The provision cannot be extended to situations involving *bona fide errors in rate classification*, particularly where tax has been paid in excess and there is no allegation of suppression or misrepresentation.

Section 122(1)(i) penalises a taxable person who:

*“supplies any goods or services or both without issue of any invoice, or issues an **incorrect or false invoice** with regard to any such supply.”*

CBIC Circular No. 171/03/2022-GST dated 6-7-2022 clarifies that section 122 is principally aimed at **fake invoices** - invoices without underlying supply, or invoices with fabricated particulars intended to facilitate wrongful ITC. The Circular explains that such provisions deal with “**fake invoicing**” situations, and not genuine supplies where only the rate of tax applied is later disputed.

Rate-classification disputes are classically handled under **sections 73/74** where there is tax short-payment. Here, even that does not arise, since tax has been over-paid, not under-paid. Therefore, the pre-condition for invoking section 122(1)(i) - a “false or incorrect invoice” in the sense contemplated by Circular 171 - does not appear satisfied.

4.1 Penalty and mens rea

The reply also relies on general penalty principles: where the taxpayer has **paid higher tax to the exchequer** and there is **no extra ITC beyond tax actually deposited**, there is neither revenue loss nor fraudulent intent. High Courts, particularly in ITC misclassification and ledger-error cases, have treated such matters as **procedural/technical**, not as wilful evasion warranting penalties.

On these facts, treating the issue as “passing of excess ITC” and invoking section 122(1)(i) would be contrary to both the statutory design and the jurisprudential requirement of **mens rea** for serious penalties.

5. Whether Higher Tax Payment Results in “Excess ITC”

The allegation of “*passing of excess ITC*” is **conceptually flawed**. ITC represents a credit of tax already paid to the Government. Where the supplier has discharged tax at a higher rate, the Government has received the full amount of such tax, and the recipient merely avails credit of the same.

There is no mechanism under the GST law to treat such credit as excessive merely because the applicable rate is subsequently determined to be lower. The transaction remains **revenue neutral**, and no undue benefit accrues to either party.

Treating such situations as involving excess ITC effectively introduces a concept **not contemplated by the statute** and results in penalising a taxpayer despite full tax compliance.

6. ITC Reversal on Closing Stock: Legal Position

The second limb of the dispute relates to reversal of ITC on closing stock as on the date of rate correction. The contention of the department appears to be that since the outward supply is subsequently taxed at a lower rate, the credit attributable to such stock must be proportionately reduced.

However, the scheme of ITC reversal is specifically governed by **Section 17 of the CGST Act, 2017** and the relevant rules. Reversal is mandated only in defined situations, such as use of inputs for exempt supplies or non-business purposes. There is **no provision** requiring reversal merely due to a change in tax rate.

Once ITC is validly availed, it remains available for utilisation unless specifically restricted. The absence of any statutory provision mandating reversal in such circumstances renders the audit objection **unsustainable in law**.



6.1 CBIC FAQ and literature on rate reduction and ITC

The department's position also runs counter to CBIC's own clarifications around GST rate reductions. FAQs and expert commentary on rate changes (including those issued in the context of the major rate rationalisation from 22-9-2025) state that where **goods remain taxable**, ITC on inputs purchased at a higher rate **continues to be available**; there is no requirement to reverse credit merely because the outward rate has been reduced.

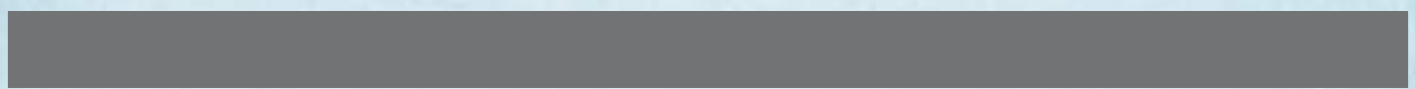
7. Conclusion

The issues arising from rate misclassification in GST audits highlight the importance of adhering to **statutory boundaries** while interpreting tax provisions. The concept of "excess ITC" in cases

of higher tax payment finds **no support under the CGST Act**, nor does the law mandate reversal of ITC solely on account of differential tax rates.

Similarly, invocation of penalty under **Section 122(1)(i)** in the absence of fraud or misrepresentation is inconsistent with legislative intent. A balanced and legally sound approach would recognise such situations as instances of *bona fide error* rather than grounds for penal action.

The resolution of the issue in favour of the taxpayer reinforces the principle that GST compliance must be evaluated on the basis of **substantive adherence to law**, rather than technical deviations devoid of revenue implications.





Late Fee on Delayed GSTR-9C Valid: Hon'ble Madras High Court Holds GSTR-9 Incomplete Without Reconciliation Statement



Contributed by:
CA. Parth R. Joshi

1. Introduction:

In a significant ruling impacting taxpayers with turnover above the prescribed threshold, the Madurai Bench of the Madras High Court in Tvl. Madhu Agencies v. State Tax Officer (W.P.(MD) No.7794 of 2026, decided on 16.04.2026) held that late fee under Section 47 of the CGST Act can be levied for delayed filing of Form GSTR-9C, as the annual return under Section 44 remains incomplete without the reconciliation statement.

2. Background of the Case:

The petitioner had filed Form GSTR-9 for FY 2021-22 with a delay of 13 days and had already paid the applicable late fee. However, since its turnover exceeded ₹5 crore, it was also required to file Form GSTR-9C.

The reconciliation statement was filed much later, on 20.06.2025. Consequently, the department levied an additional late fee of ₹84,700 under SGST and ₹84,700 under CGST totalling to ₹1,69,400. The taxpayer challenged the levy before the High Court.

3. Legal Framework: Section 47 of the CGST Act r.w. Rule 80(3) of CGST Rules:

The dispute revolved around the interplay between Section 47 of the CGST Act and Rule 80(3) of the CGST Rules.

Section 47 – Levy of Late Fee:

Section 47 provides for levy of late fee where a registered person fails to furnish prescribed returns within the due date. Specifically, Section 47(2) states that where a taxpayer fails to furnish the annual return required under Section 44, late fee becomes payable for every day of default, subject to the prescribed ceiling.

Rule 80(3) – Filing of Form GSTR-9C:

Rule 80(3) mandates that registered persons whose aggregate turnover exceeds the

prescribed threshold shall also furnish a self-certified reconciliation statement in Form GSTR-9C, along with the annual return in Form GSTR-9.

4. Core Legal Issue:

Whether late fee under Section 47(2) can be imposed for delayed filing of Form GSTR-9C, when Form GSTR-9 had already been filed.

5. Petitioner's Arguments:

The petitioner argued that:

- Section 47 applies only to delay in filing the annual return in Form GSTR-9.
- Since GSTR-9 was already filed (with late fee paid), further levy for delayed GSTR-9C was illegal.
- GSTR-9C requirement flows from Rule 80(3), not directly from Section 44.

6. Department's Arguments:

The GST authorities contended that:

- After amendment, Section 44 contemplates annual return which may include reconciliation statement.
- Rule 80(3) mandates eligible taxpayers to file Form GSTR-9C along with annual return.
- Therefore, failure to file GSTR-9C within time amounts to failure to furnish return required under Section 44.

7. Observations of the Court:

The following were the Key Observations:

- **GSTR-9C forms part of Annual Return Compliance:** The Court interpreted the words "may include a self-certified reconciliation statement" in Section 44 to mean that GSTR-9C forms part of the annual return framework, especially where Rule 80(3) mandates it.
- **"Along with Annual Return" is Mandatory:** Rule 80(3) requires GSTR-9C to



be furnished along with Form GSTR-9. The Court held these words are mandatory in nature.

- **Filing GSTR-9 Without GSTR-9C Equals Incomplete Return:** Filing Form GSTR-9 without Form GSTR-9C amounts to non-filing of returns as required under Section 44.
- **Late Fee under Section 47 Valid:** Since annual return compliance was incomplete, levy of late fee under Section 47(2) was held lawful.

8. Decision of the Court:

Based on the above reasoning, the Writ was dismissed; late fee on delayed GSTR-9C upheld, with liberty to pursue statutory appeal on facts.

9. Key Legal Principles Emerging from the Judgment:

For taxpayers required to file Form GSTR-9C, the annual return under Section 44 is not complete unless the reconciliation statement is filed along with Form GSTR-9. Therefore, delayed filing of GSTR-9C amounts to delayed filing of the return itself, attracting late fee

under Section 47(2). In simple words, the Court treated GSTR-9 and GSTR-9C as interconnected compliances for eligible taxpayers. If GSTR-9C is mandatory in your case, filing only GSTR-9 does not amount to full compliance.

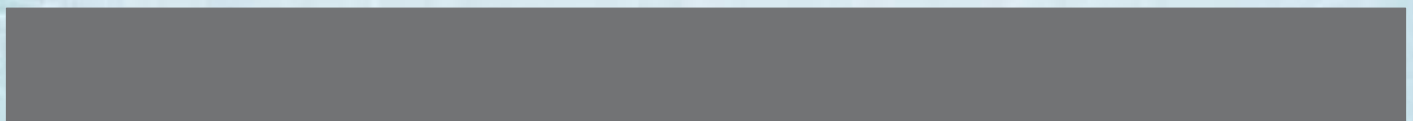
10. Practical Implications for Taxpayers:

This ruling sends a clear message to taxpayers liable to file GSTR-9C:

- Filing only GSTR-9 may not complete annual return compliance.
- Delay in GSTR-9C may attract substantial late fee.
- Reconciliation statement should be filed simultaneously with annual return.
- Amnesty notifications must be complied with strictly within timelines.

11. Conclusion:

For eligible taxpayers, Form GSTR-9C is not a mere formality—it is an integral component of annual return compliance. Businesses crossing the turnover threshold should ensure timely filing of both GSTR-9 and GSTR-9C to avoid avoidable litigation and financial exposure.



**LATE FEE ON DELAYED GSTR-9C VALID:
HON'BLE MADRAS HIGH COURT HOLDS GSTR-9
INCOMPLETE WITHOUT RECONCILIATION STATEMENT**

TAXPAYER
TY. MADHU AGENCIES

GSTR-9 FILED
(DELAY: 13 DAYS)

DELATED GSTR-9C
[20.06.2025]

SGST: ₹84,700

CGST: ₹84,700

**TOTAL LATE FEE:
₹1,69,400**
[Section 47(2)]

MADURAI BENCH
OF THE
MADRAS HIGH COURT

GSTR-9C IS INTEGRAL TO
ANNUAL RETURN COMPLIANCE
[Section 44]

"ALONG WITH ANNUAL RETURN"
IS MANDATORY [Rule 80(3)]

FILING ONLY GSTR-9 = INCOMPLETE RETURN

[Source: [2024] Late Fee on Delayed GSTR-9C..]

KEY PRINCIPLE: DELAYED GSTR-9C ATTRACTS LATE FEE UNDER SECTION 47(2)



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Virtual CFO: Transforming Financial Leadership for Modern Businesses



Contributed by:
CA. Bhumika Pandya

Introduction

In today's dynamic and technology-driven business environment, financial management has evolved beyond traditional bookkeeping and compliance. Businesses—especially startups, SMEs, and growing enterprises—require strategic financial guidance but often lack the resources to appoint a full-time Chief Financial Officer (CFO). This gap has led to the emergence of the **Virtual CFO (vCFO)** model, a flexible, cost-effective solution that provides high-level financial expertise on a part-time or outsourced basis.

The concept of a Virtual CFO is gaining significant traction in India, particularly among Chartered Accountants who are increasingly offering advisory-driven services. This article explores the role, scope, benefits, and practical implementation of Virtual CFO services, along with a real-life case study to demonstrate its impact.

What is a Virtual CFO?

A **Virtual CFO** is a finance professional who provides CFO-level services remotely or on a part-time basis. Unlike traditional accounting roles that focus on historical data, a vCFO emphasizes:

- Strategic financial planning
- Budgeting and forecasting
- Cash flow management
- Financial analysis and decision support
- Risk management and compliance oversight

Virtual CFO services are typically customized based on the size, complexity, and needs of the business.

Scope of Virtual CFO Services

The scope of vCFO services extends across various financial and strategic functions:

1. Financial Planning & Analysis (FP&A)

- Preparation of budgets and forecasts
- Variance analysis and performance tracking
- Scenario planning

2. Cash Flow Management

- Monitoring liquidity position
- Optimizing working capital
- Planning fund requirements

3. MIS & Reporting

- Designing management dashboards

- KPI tracking
- Periodic financial reporting for stakeholders

4. Strategic Advisory

- Pricing strategies
- Cost optimization
- Business expansion planning

5. Compliance & Risk Management

- Ensuring adherence to tax and regulatory requirements
- Identifying financial risks and mitigation strategies

6. Fundraising & Investor Relations

- Preparation of financial models
- Assisting in pitch decks
- Coordination with investors and lenders

Why Businesses Need a Virtual CFO

Many SMEs and startups face common challenges:

- Lack of financial visibility
- Poor cash flow planning
- Inefficient cost structures
- Difficulty in raising funds
- Compliance risks

A Virtual CFO bridges these gaps by bringing structured financial discipline and strategic insight without the cost burden of a full-time CFO.

Benefits of Virtual CFO Services

1. Cost Efficiency

Hiring a full-time CFO can be expensive. A vCFO provides similar expertise at a fraction of the cost.

2. Scalability

Services can be scaled up or down based on business needs.

3. Expertise on Demand

Businesses gain access to experienced professionals with diverse industry exposure.

4. Improved Decision Making

Data-driven insights enable better strategic decisions.

5. Focus on Core Business

Entrepreneurs can focus on operations while financial management is handled by experts.

Practical Case Study: Transforming a Growing SME



Background

A mid-sized manufacturing company based in Gujarat (turnover: ₹15 crore) was facing the following challenges:

- Frequent cash shortages despite profitability
- Lack of structured financial reporting
- Increasing receivables cycle (90–120 days)
- Difficulty in obtaining working capital limits from banks

The promoters were managing finances internally with basic accounting support, but strategic financial oversight was missing.

Intervention by Virtual CFO

A Chartered Accountant was engaged as a Virtual CFO with a monthly retainer model. The following steps were implemented:

1. Financial Diagnosis

- Detailed analysis of financial statements
- Identification of cash flow mismatches
- Assessment of working capital cycle

Key Finding:

While the company was profitable, funds were blocked in receivables and inventory.

2. Cash Flow Management System

- Weekly cash flow forecasting introduced
- Prioritization of payments
- Negotiation of better credit terms with suppliers

Outcome:

Improved liquidity visibility and reduction in cash crunch situations.

3. Receivables Optimization

- Customer-wise ageing analysis
- Implementation of credit control policies
- Regular follow-up mechanism

Outcome:

Receivables cycle reduced from 110 days to 65 days within 6 months.

4. MIS & Dashboard Implementation

- Monthly MIS reports introduced
- Key performance indicators (KPIs) defined:
 - Gross margin
 - Inventory turnover
 - Debtor days

Outcome:

Promoters gained clarity on business performance and cost drivers.

5. Banking & Funding Support

- Preparation of CMA data
- Financial projections and ratios
- Coordination with bankers

Outcome:

Sanction of enhanced working capital limit of ₹3 crore.

6. Cost Optimization

- Identification of non-value-adding expenses
- Vendor renegotiations
- Process improvements

Outcome:

Operating margin improved by 3%.

Overall Impact

Within one year of engaging a Virtual CFO:

- Cash flow stabilized
- Profitability improved
- Bank funding secured
- Financial discipline established
- Promoters gained strategic clarity

This case clearly demonstrates how a Virtual CFO can add tangible value beyond traditional accounting services.

Role of Chartered Accountants in vCFO Services

The Virtual CFO domain presents a significant opportunity for Chartered Accountants to move up the value chain. ICAI members are uniquely positioned due to their expertise in:

- Financial reporting
- Taxation
- Regulatory compliance
- Audit and assurance

However, to succeed as a vCFO, professionals must also develop:

- Business acumen
- Communication and presentation skills
- Technological proficiency (ERP, data analytics tools)
- Strategic thinking

Challenges in Implementing vCFO Services

Despite its advantages, certain challenges exist:

1. Resistance from Management

Promoters may be hesitant to adopt external advisory.

2. Data Availability

Incomplete or inaccurate data can hinder analysis.

3. Scope Clarity

Clearly defining deliverables is essential to avoid misunderstandings.

4. Technology Integration

Adoption of digital tools is necessary for efficient service delivery.

Future Outlook

With increasing digitization, regulatory complexity, and competition, the demand for Virtual CFO services is expected to grow significantly. Startups, MSMEs, and even established businesses are recognizing the importance of strategic financial management.

Emerging trends include:

- Integration with cloud accounting platforms
- Use of data analytics and AI in financial decision-making
- Industry-specific vCFO solutions
- Subscription-based service models

Conclusion

The Virtual CFO model represents a paradigm shift in financial advisory services. It enables businesses to access high-quality financial leadership without significant cost, while offering Chartered Accountants an opportunity to expand their practice into strategic domains.

As the business landscape continues to evolve, the role of a Virtual CFO will become increasingly indispensable. For ICAI members, embracing this model can lead to enhanced professional growth, deeper client relationships, and meaningful contribution to the success of businesses.

The future of finance is not just about numbers—it is about insights, strategy, and value creation. Virtual CFO services embody this transformation.



Want a Good Appraisal Rating ?



Contributed by:
Dr. Anurag Mehta

I'll keep it simple. If you have done a good job throughout the year and you are proud of it, there cannot be a reason for you to worry. Yet we see it doesn't happen that way. Office politics, favouritism and more.

Real life is different. It doesn't work the way we think. There are subtle factors which we ignore and this is where we suffer in spite of having our soul invested in work. Hence it becomes absolutely necessary for us to know the pitch condition before going to score a century.

Inappropriate assumptions – Your appraisal rating is about two things – one, the quantity and quality of your work throughout the year and two, the way you carry yourself at the workplace as well as in that appraisal meeting with the supervisor. Usually employees invest all their effort in the first criteria and almost ignore the second one – fatal mistake!

- People assume that we need to slog to achieve our numbers to get a good rating. Performance is what my seniors always talk to me about. Hence people even compromise on their work-life balance as well as mental well-being and also remain frustrated.
- Another assumption stems from a conditioned thought that if we can convince the boss that we did a good job and we deserve a better rating by being submissive to his authority in the appraisal meeting, we should get what we want. Little do we know that it is this very attitude which gets us on the wrong foot!
- There have been cases where the employees become more humble and disciplined for a few days before the appraisal. The assumption that rating is all about the final meeting gets them on

disadvantage.

- Add to it the assumption that we need to be in the good books of the boss to get a good rating leading some towards flattery, lobbyism, office politics, etc. If the manager is worth his seat and knows what is more important to judge, this nature will rather get the employee into more trouble rather than a good rating.

What the management wants – The management wants to have strong leaders in the organisation as it grows its employees up the ladder. Hence your perception within your workplace ecosystem can sometimes become even more critical than your yearlong performance to get you the deserved rating.

There are some subjective factors that make you unique. For example, conflict management within and outside the team, handling crisis successfully taking everyone along, relationship with clients or vendors, strong decision making ability are subjective factors that help you create a positive perception among your stakeholders. Remember, your seniors have watching you the whole year.

A promotion is not just a better looking visiting card. Your role and responsibilities will be more complex as you climb up the ladder. The management therefore will certainly give you a better rating if they are convinced with your perception within the external and internal stakeholders even if you have a slightly lesser performance compared to your colleague in the race. They need to be sure that you have the growth mind set and will be able to develop the organisation taking everyone along.

Finally, the appraisal meeting – Appraisal meeting is not something to be scared of, especially if you have done great work during the year.



Most people are scared of the appraisal meeting. They assume it is a judgment day and get overwhelmed by it many days before the appraisal in spite of having very good performance throughout the year.

On the final day, they sit like a lame duck in front of your boss, weak on their knees and spine on the appraisal table absolutely surrendered to his/ her mercy. Unfortunately, this assumption is what harms their rating.

A confident employee with very good performance is an asset to the team as well as the organisation. Self-efficacy therefore is an essential ingredient for getting a good rating.

Self-efficacy is our belief in the ability to finish a given task well. High self-efficacy is a natural outcome of high self-esteem translating into confidence.

Therefore, carry the confidence of high self-efficacy with you in the meeting.

So the first step to get a good rating is to do an honest analysis of how convinced you are about a good appraisal. A lack of conviction will be infectious on the manager and will not yield a good outcome.

And then, let this conviction do its job for you effortlessly. Any effort from your side will harm you. Period!



[Source: 275]

Want a Good Appraisal Rating?

OFFICE POLITICS, FAVOURITISM
[Source: 277]

FLATTERY, LOBBYISM
[Source: 290]

SLOGGING WITHOUT BALANCE
[Source: 283]

FATAL MISTAKE: Ignoring Perception
[Source: 282]

PERFORMANCE: Quantity & Quality of Yearlong Work
[Source: 281]

CRITICAL FACTORS:
1. Your Work Performance
2. How You Carry Yourself

MANAGEMENT WANTS STRONG LEADERS
[Source: 291]

MANAGEMENT WANTS STRONG LEADERS
[Source: 291]

CONVICTION

PROMOTION IS MORE THAN A VISITING CARD:
Complex roles await [Source: 295-296]

LACK OF CONVICTION WILL BE INFECTIOUS on the Manager [Source: 309]

SELF-EFFICACY: High Self-Esteem translates to CONFIDENCE
[Source: 306]

APPRAISAL RATING: EXCELLENT

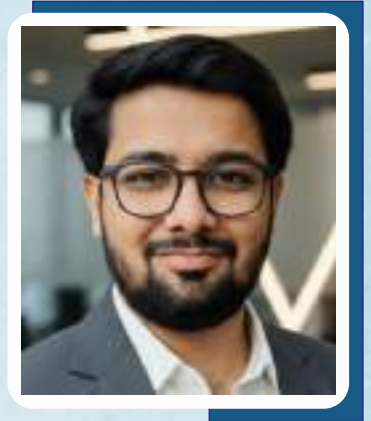
Subjective strengths:
CONFLICT MANAGEMENT
Crisis Handling
Crisis Handling taking everyone along
CLIENT RELATIONSHIPS
Strong Decision Making [Source: 293]

PERCEPTION WITHIN ECOSYSTEM: Stakeholder Trust
[Source: 292]

PRACTICE SELF-EFFICACY: Let conviction do its job effortlessly. ANY EFFORT FROM YOUR SIDE WILL HARM YOU [Source: 310]



The Evolving Role of CAs: Bridging the Gap in Emerging Finance & Working Capital



Contributed by:
CA. Rathod Hiren

In 2026, the traditional boundaries of Chartered Accountancy are rapidly expanding. Beyond being masters of taxation and audit, CAs are now essential "Direct Selling Partners" for financial institutions, acting as a critical bridge between businesses and complex banking ecosystems. Nowhere is this more evident than in the "Emerging Sectors" of **Personal Finance** and **Working Capital Management**.

The CA as a Financial Facilitator

A CA's role today resembles that of a strategic architect for a client's growth. By collaborating with banks and NBFCs, CAs fulfill a dual purpose: they provide banks with high-quality, verified leads and offer clients a streamlined path to essential funding.

One of the most vital areas for this collaboration is **Working Capital Financing**. For MSMEs and growing enterprises, managing the gap between payables (salaries, raw materials) and receivables (customer payments) is a constant challenge. A CA identifies this need early through financial analysis and guides the client toward the right product, such as:

- **Cash Credit (CC) / Overdraft (OD):** For flexible, revolving credit based on stock and receivables.
- **Working Capital Demand Loans (WC DL):** For immediate, short-term liquidity needs without heavy documentation.
- **Invoice Discounting:** Unlocking cash from pending customer invoices to maintain operational flow.

The Workflow: From Client Need to Loan Disbursal

The modern CA-Bank partnership transforms a typically cumbersome process into an efficient,

professional journey.

The CA-Bank-Client Partnership Workflow



Strategic Advantages of the Partnership

By acting as a professional intermediary, the CA ensures a **win-win-win** scenario:

1. **For the Client:** They receive expert advice, faster approvals, and a financial structure tailored to their specific cash flow cycle.
2. **For the Bank:** They gain a trusted partner who performs initial due diligence and provides accurate financial statements (P&L, Balance Sheets).
3. **For the CA:** It expands their professional network, provides an additional revenue stream through incentives, and cements their position as a "Trusted Advisor".

Conclusion

In the 2026 professional landscape, the CA's value is increasingly tied to their ability to navigate the broader financial ecosystem. By blending traditional audit skills with proactive financial facilitation, CAs are not just recording history—they are fueling the future of their clients' businesses.



The AI Advantage: How Artificial Intelligence Is Redefining Opportunity for Chartered Accountants, Lawyers, and Accountants



Contributed by:
CA. Preety Jain



Figure 1: Artificial Intelligence — The New Force Multiplier for Professional Services

For decades, the professions of Chartered Accountancy, Law, and Accounting have been defined by the depth of human expertise — meticulous analysis, nuanced judgment, and the irreplaceable trust that a qualified professional commands. These qualities remain as vital as ever. However, a profound technological shift is underway, and those who recognise and harness it will not merely survive — they will lead.

Artificial Intelligence (AI) is not a disruptive threat to these professions. It is, in its most accurate characterisation, the most powerful force multiplier that professionals have encountered in a generation. The question is no longer whether AI will transform professional services. It already is. The question is whether professionals will position themselves at the forefront of that transformation or be left navigating its aftermath.

This article presents a structured examination of the opportunities that AI presents — specifically and practically — for Chartered Accountants, Lawyers, and Accountants.

1. Chartered Accountants: From Compliance to Strategic Advisory

The traditional workload of a Chartered Accountant has long been dominated by compliance-driven tasks: audits, tax filings, financial statement preparation, and regulatory reporting. These functions are indispensable —

and they are precisely the areas where AI delivers its most immediate and measurable impact.

AI-powered audit tools can now analyse entire transaction datasets rather than relying on sampling, dramatically increasing accuracy and reducing the risk of material misstatement. Machine learning models can identify anomalies and patterns in financial data that would take human teams days to uncover — and do so in minutes.

For tax professionals, AI automates the classification of transactions, flags regulatory inconsistencies, and monitors evolving tax legislation in real time. Natural language processing tools can review contracts and invoices for tax implications with speed and consistency that no human team can match.



Figure 2: AI-Powered Financial Analytics — Transforming Audit and Tax Compliance for CAs

The strategic opportunity, however, lies beyond compliance. As AI absorbs routine tasks, Chartered Accountants are liberated to offer higher-value advisory services: financial modelling, scenario planning, mergers and acquisitions analysis, and strategic business counsel. The CA of the near future will not merely certify the past — they will help clients architect the future.

Key AI opportunities for Chartered Accountants include:

- Automated financial data reconciliation and variance analysis
- AI-driven audit risk assessment and



continuous auditing

- Predictive cash flow modelling and scenario analysis
- Real-time tax compliance monitoring and planning
- Client reporting automation with natural language generation

- Intelligent legal research and case law analysis
- Automated contract review, redlining, and risk flagging
- Litigation outcome modelling and settlement probability analysis
- Due diligence automation for M&A and corporate transactions
- AI-assisted document drafting with jurisdiction-aware compliance

2. Lawyers: Accelerating Diligence, Elevating Counsel

The practice of law is fundamentally built upon research, reasoning, and the skilled interpretation of language and precedent. These are areas where AI has made rapid and remarkable advances — and where the implications for legal professionals are substantial.

Legal research, historically one of the most time-intensive components of legal work, is being transformed by AI platforms capable of scanning thousands of case laws, statutes, and legal commentaries in seconds. Tools can surface relevant precedents, identify jurisdictional nuances, and even predict litigation outcomes based on historical patterns. For a junior associate, this compresses weeks of work into hours.

Contract review is another domain experiencing significant disruption. AI can analyse lengthy commercial agreements, identify non-standard clauses, flag high-risk provisions, and benchmark terms against market norms — tasks that previously demanded extensive billable hours.



Figure 3: AI in Legal Practice — Intelligent Research, Contract Review & Outcome Modelling

Beyond research and documentation, AI is enabling lawyers to provide more precise risk assessments, identify favourable settlement windows through outcome prediction modelling, and deliver more personalised client counsel. The exercise of legal judgment — strategic advice, courtroom advocacy, ethical reasoning — remains firmly within the domain of skilled legal professionals.

Key AI opportunities for Lawyers include:

3. Accountants: Elevating Data Into Insight

For accountants operating across industry, public practice, and government, AI represents an extraordinary opportunity to move from transactional data processing towards genuine analytical leadership. The volume and velocity of financial data that organisations generate today exceeds the capacity of manual processing — and AI was built precisely to address this challenge.

Bookkeeping, bank reconciliation, accounts payable and receivable management, and payroll processing are increasingly being automated through intelligent accounting platforms. Cloud-based AI tools can classify transactions, generate journal entries, and produce accurate management accounts with minimal human intervention.

Beyond transactional automation, AI equips accountants with powerful analytical capabilities. Predictive analytics tools can model future financial performance, identify cost reduction opportunities, and provide management with scenario-based forecasting that was previously available only to large enterprises with dedicated analytics teams.



Figure 4: Smart Accounting — AI-Driven Automation, Fraud Detection & Real-Time Insights

AI also supports accountants in fraud detection and internal controls monitoring. Anomaly detection algorithms can continuously scan financial transactions for irregularities — providing a level of oversight that periodic human review simply cannot match.

Key AI opportunities for Accountants include:



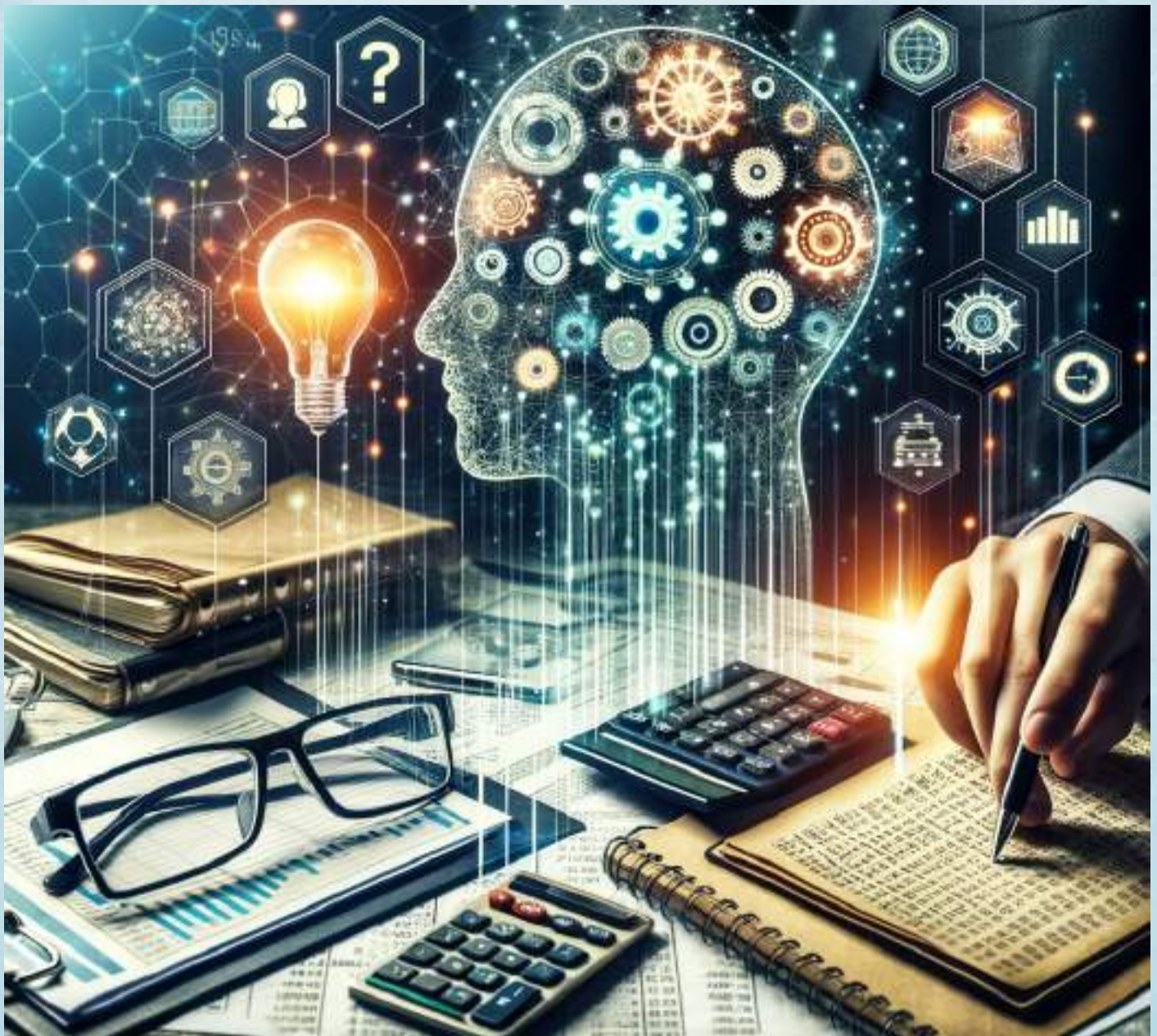
- Intelligent automation of bookkeeping and transaction classification
- Accounts payable and receivable automation and exception management
- Predictive financial modelling and management reporting
- Continuous fraud detection and internal controls monitoring
- Automated payroll compliance and workforce cost analysis

judgment, strategy, and the irreplaceable human dimension of professional service. This is not a call to abandon the foundations upon which these professions are built. Qualification, integrity, professional responsibility, and technical expertise remain non-negotiable. AI does not replace these qualities — it amplifies them. The professional who combines deep domain knowledge with AI fluency will represent the most formidable and sought-after practitioner in their field.

The window of competitive advantage is open. The professionals and firms that invest now in AI literacy, tool adoption, and practice transformation will define the standard that others will eventually be compelled to follow. The opportunity is significant, the direction is clear, and the time to act is now.

Conclusion: The Prepared Professional

The integration of AI into professional services is not a distant prospect — it is the present reality. Firms and practitioners who embrace AI will be able to serve more clients, deliver higher-quality work, reduce operational costs, and focus their expertise where it matters most: on





Artificial Intelligence in Accounting & Finance: A Practitioner's Guide for the Modern CA



Contributed by:
CA. Hetul Bagaria

1. Introduction: The AI Revolution Knocks on CA's Door

The accounting profession has weathered many storms of change — from the shift from manual ledgers to computerised accounting, and then to ERP systems. Today, we stand at the threshold of yet another seismic shift: the integration of Artificial Intelligence into the core fabric of financial management and professional services.

According to a 2024 global survey by Deloitte, over 67% of finance leaders reported that AI tools had already been deployed in at least one area of their finance function. In India, with the rapid digitalisation of tax administration (e-invoicing, GSTN, faceless assessments), the ecosystem is ripe for AI adoption. For the practising CA, understanding and embracing AI is no longer optional — it is imperative.

2. Understanding AI: Beyond the Buzzword

Before we explore applications, it is worthwhile to demystify what AI actually means in a professional context. Artificial Intelligence is an umbrella term encompassing several sub-disciplines:

- **Machine Learning (ML):** Systems that learn from historical data to make predictions or decisions without being explicitly programmed (e.g., anomaly detection in audit data).
- **Natural Language Processing (NLP):** Enables computers to understand and process human language (e.g., contract analysis, chatbots for tax queries).
- **Robotic Process Automation (RPA):** Automates repetitive, rule-based tasks (e.g., invoice processing, bank reconciliation).
- **Generative AI (GenAI):** Models like large

language models (LLMs) that can generate text, summaries, and insights (e.g., drafting audit reports, summarising voluminous case law).

Each of these technologies has distinct applications within the CA profession, and often they work in tandem to produce powerful outcomes.

3. AI in Action: Key Application Areas for CAs

3.1 Taxation — Smarter Compliance and Advisory

AI-powered tax tools are already transforming how CAs handle GST compliance, income tax filing, and transfer pricing. Key developments include:

- **Automated GST Reconciliation:** Tools using ML algorithms can match purchase registers with GSTR-2A/2B data, flag mismatches, and even predict credit availability — a task that previously consumed hundreds of man-hours.
- **Faceless Assessment Support:** NLP-based tools can analyse assessment orders, compare them against judicial precedents, and draft preliminary responses — significantly reducing turnaround time.
- **Predictive Analytics for Tax Planning:** AI systems can simulate multiple tax scenarios, taking into account potential legislative changes, to recommend optimal structuring for clients.

The Income Tax Department itself has adopted an AI-driven risk management system for scrutiny selection, making it critical for CAs to understand how algorithmic profiling works to better advise their clients on compliance.

3.2 Audit & Assurance — From Sampling to



Full-Population Testing

Perhaps the most transformative impact of AI is in the field of auditing. Traditional audit methodology relies heavily on statistical sampling. AI fundamentally disrupts this by enabling full-population testing:

- **Continuous Auditing:** AI tools can monitor 100% of transactions in real time, flagging anomalies that deviate from established patterns — far superior to periodic, sample-based testing.
- **Fraud Detection:** ML models trained on historical fraudulent transactions can identify suspicious patterns in journal entries, vendor payments, and expense claims with remarkable accuracy.
- **Document Intelligence:** Computer vision and NLP can extract, validate, and cross-reference data from invoices, contracts, and financial statements automatically, reducing human error.

Global audit firms such as EY, KPMG, PwC, and Deloitte have invested hundreds of millions of dollars in AI-powered audit platforms. Indian mid-sized firms must now evaluate affordable equivalents to remain competitive.

3.3 Financial Reporting & MIS

Generative AI is proving particularly useful in the preparation and analysis of financial reports. Tools can now draft narrative sections of annual reports, generate management commentary based on financial data, translate complex financials into plain language for non-finance stakeholders, and flag deviations from prior-period trends with automated commentary. This allows CAs to focus on higher-order analysis and strategic advisory — their true value-add — rather than time-consuming drafting tasks.

3.4 Corporate Law & Regulatory Compliance

AI-based contract review tools can analyse hundreds of pages of agreements in minutes, identifying non-standard clauses, compliance risks, and obligations. In the context of SEBI regulations, Companies Act filings, and IBC proceedings, AI can assist in due diligence by quickly mining through voluminous documents, tracking regulatory updates and automatically mapping them to client-specific compliance calendars, and predicting litigation outcomes based on comparable case law databases.

4. Risks and Ethical Considerations

While the opportunities are immense, CAs must approach AI adoption with a spirit of informed caution. Several critical risks deserve attention:

- **Data Privacy and Confidentiality:** AI systems require vast amounts of data. CAs must ensure that client data shared with AI tools is governed by robust data protection agreements, especially in the context of India's Digital Personal Data Protection Act, 2023.
- **Algorithmic Bias and Errors:** AI models are only as good as the data they are trained on. Biased or incomplete training data can lead to flawed outputs. A CA must not blindly rely on AI recommendations without professional judgement.
- **Regulatory and Liability Ambiguity:** The profession's regulatory framework — ICAI standards, professional codes of conduct — has not yet fully caught up with AI capabilities. CAs remain professionally liable for the work product, regardless of whether AI was used in its preparation.
- **Cybersecurity Threats:** The more an organisation relies on AI-driven systems, the more attractive it becomes as a target for sophisticated cyberattacks.

The ICAI has acknowledged the growing relevance of AI and has taken initial steps through its Digital Accounting and Assurance Board (DAAB) to formulate guidance. CAs should actively follow and contribute to these developments.

5. The Way Forward: Upskilling for an AI-Augmented Practice

The central thesis is clear: AI will not replace the CA, but a CA who understands and leverages AI will replace one who does not. The following roadmap is recommended:

- **Build AI Literacy:** Start with foundational concepts. ICAI, Coursera, and other platforms offer courses on data analytics, Python for finance, and AI fundamentals tailored for finance professionals.
- **Evaluate Practice-Specific Tools:** Identify one or two AI tools relevant to your practice area — whether GST reconciliation software, audit analytics platforms, or document review tools — and pilot them with a subset of your client base.
- **Develop Data Management Skills:** AI is fuelled by data. CAs must become



proficient in organising, cleaning, and interpreting structured and unstructured financial data.

- Engage with ICAI Initiatives: The Institute regularly hosts workshops, webinars, and certificate courses on emerging technologies. Active participation not only builds skills but also helps shape the profession's response to AI.
- Maintain the Human Edge: Cultivate skills that AI cannot replicate — ethical reasoning, nuanced professional judgement, client relationships, and strategic advisory. These are, and will remain, the hallmarks of a great CA.

accounting and finance is not a distant possibility — it is the present reality. From AI-driven GST reconciliations to full-population audit testing, from generative AI-drafted financial narratives to algorithmic risk profiling by the tax department, the CA's professional environment has fundamentally changed.

Our profession has always adapted and emerged stronger. The CA who approaches AI with curiosity, critical thinking, and a commitment to continuous learning will not only survive this wave of change but will ride it to new heights of professional excellence. The future belongs to those who are willing to learn, unlearn, and relearn.

6. Conclusion

The integration of Artificial Intelligence into

**ARTIFICIAL INTELLIGENCE
IN ACCOUNTING & FINANCE**
A Practitioner's Guide for the Modern CA

AUDIT
TAXATION
GST
REPORTING
COMPLIANCE

AI

**"AI WILL NOT REPLACE THE CA,
BUT A CA WHO UNDERSTANDS AND LEVERAGES
AI WILL REPLACE ONE WHO DOES NOT."**

FROM SAMPLING TO FULL-POPULATION TESTING | SMARTER TAX COMPLIANCE & ADVISORY | GENAI FOR FINANCIAL NARRATIVES | RISKS & ETHICAL CONSIDERATIONS | THE WAY FORWARD: UPSKILLING FOR AN AI-AUGMENTED PRACTICE

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Beyond Compliance

Rethinking NBFC Audits in a Structurally Complex Financial Ecosystem



Contributed by:
CA. Swati Panchal

My Views:

Auditing NBFCs today is not an exercise in validating financial statements. It is an exercise in interpreting intent, identifying hidden risks, and applying professional scepticism at every layer of financial structuring.

The Stakes Are No Longer Routine

India's NBFC sector manages assets exceeding ₹55 lakh crore and contributes 25–30% of the country's credit flow — financing MSMEs, retail borrowers, and emerging sectors. This scale has made NBFCs systemic pillars of the economy. And it has made their audits far more consequential.

Post IL&FS and DHFL, the RBI has responded with Scale-Based Regulation (SBR), stricter NPA norms, enhanced provisioning requirements, and tighter governance. But the real challenge for auditors lies beyond compliance — because many risks today are structured to remain technically compliant while remaining economically significant.

Three Areas Demanding Deeper Judgement

1. Income Recognition — Follow the Cash, Not the Entry

Interest income accrued on paper frequently does not reflect actual recoverability — especially in portfolios with restructuring, moratoriums, or delayed repayments. The DHFL collapse demonstrated how profitability can be sustained in books even as underlying asset quality deteriorates.

- ▶ **Validate actual cash flows** — not just accrual entries
- ▶ **Analyse borrower-level repayment behaviour** — across the portfolio
- ▶ **Ensure reported income is backed by**

real financial movement

2. Asset Classification — Look Beyond the Label

The line between standard and non-performing assets is routinely blurred through evergreening — using fresh disbursements to service existing obligations. RBI supervisory findings have consistently flagged delayed NPA recognition and misuse of restructuring frameworks.

- ▶ **Examine loan trails and repayment patterns** — not just system classifications
- ▶ **Identify related-party linkages** — that may mask true portfolio health
- ▶ **Challenge restructuring arrangements** — for genuine risk transfer

3. Liquidity & ALM — The First Indicator of Stress

NBFCs fund 70–80% of their balance sheets through market borrowings, making them acutely sensitive to liquidity shocks. IL&FS did not fail due to an immediate asset collapse — it failed due to a liquidity breakdown. Auditors must treat ALM analysis as central, not peripheral.

- ▶ **Review maturity mismatches** — in ALM statements rigorously
- ▶ **Validate LCR computation and stress scenario assumptions**
- ▶ **Assess reliance on continuous funding access** — and refinancing risk

NBFC Audit — 12-Point Compliance Checklist

A structured reference for CA firms and audit teams — aligned to current RBI and regulatory frameworks.



| # | Audit Area | What to Examine | Watch For |
|----|---------------------------|---|--|
| 01 | Scale -Based Regulation | Correct layer classification (Base/Middle/Upper); governance & capital norms per layer | Misclassification reducing compliance burden |
| 02 | Digital Lending Norms | Loan disbursement & repayment flows; Key Fact Statement (KFS) with APR disclosure | Hidden charges, LSP involvement, non-compliant loan trails |
| 03 | FLDG Guidelines 2023 | Board -approved FLDG policy; guarantee cap at 5% of portfolio | Off -book credit risk; undisclosed contingent liabilities |
| 04 | Liquidity Coverage Ratio | HQLA computation; maturity mismatch in ALM statements; stress scenario assumptions | Inflated LCR via short -dated assets; unrealistic stress buffers |
| 05 | IND -AS 109 / ECL | SPPI test compliance; ECL staging accuracy (Stage 1/2/3); forward looking inputs | Understaged loans; stale macro assumptions in ECL models |
| 06 | IRAC / NPA Recognition | 90-day rule adherence; income reversal on NPAs; asset tagging accuracy | Evergreening masking NPAs; accrued income on stressed accounts |
| 07 | Co-Lending Model | Risk -sharing ratios per agreements; revenue allocation logic; borrower ownership clarity | Misaligned servicing responsibilities; understated NBFC exposure |
| 08 | Large Exposure Framework | Single / group borrower caps; indirect exposures via subsidiaries or structured vehicles | Aggregation gaps; group -level concentration underreported |
| 09 | AIF Exposure Norms | Downstream exposure checks; round -trip / evergreening structures via AIF route | Loan -like instruments disguised as equity investments |
| 10 | IT & Cyber Governance | IT audit reports, data protection controls, incident logs | Absence of board -approved IT policy; unreported breaches |
| 11 | Outsourcing & Fintech | Vendor contracts, data -sharing agreements, third -party risk controls | NBFC liability not retained; unmonitored LSP practices |
| 12 | Governance & Fit & Proper | Director declarations; independence assessment; conflict disclosures (Upper Layer) | Undisclosed related -party relationships; governance gaps |



The Emerging Risk: Structured Transactions & Regulatory Arbitrage

The increasing overlap between NBFC lending and AIF investments has created a new class of audit complexity. Transactions routed through AIFs are often presented as investments but function, in substance, as credit exposures—repositioning risk without eliminating it.

RBI and SEBI have both signalled growing concern. For auditors, the discipline is substance over form: who carries the actual risk, where does control reside, and does the transaction structure align with the spirit of regulation?

Key Distinction: Credit risk (NBFC lending) is driven by borrower repayment capacity. Investment risk (AIF) is driven by asset performance and market-linked returns. Applying the same analytical framework to both leads to flawed conclusions—and flawed audit opinions.

Valuation complexity adds another layer — particularly for hybrid instruments, unlisted investments, and structured products. Blind reliance on third-party valuation reports without critical interrogation can distort reported financials. Audit teams must question discount rate assumptions, projected cash flows, and alignment with realistic market conditions.

The Auditor's Mandate Has Changed

The role of a Chartered Accountant in an NBFC engagement now extends well beyond compliance verification. It demands the ability to interpret financial intent, identify hidden risks, and challenge structures that do not reflect economic substance.

In a financial ecosystem driven by innovation and structuring, what is compliant is not always what is correct — and what is visible is rarely the complete picture. The audit mandate is not to check the right boxes. It is to ask the right questions.

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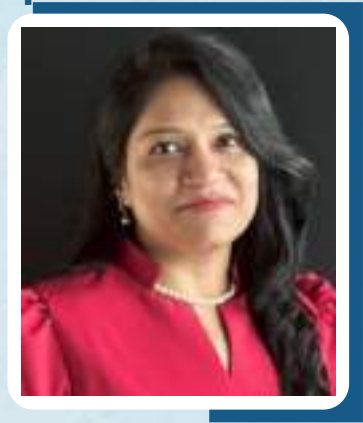
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Contributed by:
CA. Pooja Thakkar

INSTITUTIONAL THOUGHT LEADERSHIP

Decision Rights and the Architecture of Autonomy

How Explicit Authority Structures Transform Team Performance in Knowledge-Intensive Organisations

EDITOR'S NOTE *Decision rights — the designed allocation of authority across an organisation — remain one of the most under-engineered elements of institutional performance. This article examines how ambiguity in authority structures creates invisible bottlenecks, suppresses initiative, and generates compounding delays, while making the case for explicit, shared decision architecture as a performance imperative.*

Keywords: *decision rights • authority design • delegation • knowledge work • organisational governance*

The Cost of Unresolved Authority

Among the many design weaknesses that constrain organisational performance, few are more pervasive or more costly than ambiguity in decision authority. In most professional environments, a significant proportion of daily delay is generated not by unavailable information, insufficient capability, or external constraint, but by the simple absence of a clear answer to the question: who may decide this?

The resulting pattern is familiar. A competent professional pauses at a decision point, uncertain whether independent action is appropriate. They send a query upward. The query enters a queue. The queue extends a timeline. The timeline creates a dependency elsewhere. And somewhere in the chain, a manager who is already stretched finds themselves fielding a question that should never have required their involvement. The cost is not dramatic. It is distributed and repeating — which is what makes it so expensive.

Authority Ambiguity as a Cultural Signal

Decision ambiguity does not merely slow work.

It sends a cultural signal. When people consistently discover that independent decisions are questioned, revisited, or quietly overridden, they learn — correctly — that the safer course is to seek approval before acting. Over time, this learned caution becomes the team norm. What began as an operational gap hardens into a cultural constraint: an organisation where people wait even when they could move.

This dynamic is especially pronounced in hierarchically structured environments, where respect for seniority can translate into an unspoken norm that deference is always safer than decisiveness. The professional services sector — including accounting, legal, consulting, and advisory firms — is particularly susceptible to this pattern. The very values that create client-facing credibility (careful review, conservative judgment, respect for expertise) can generate internal paralysis when they are not paired with explicit authority design.

"In organisations where the cost of wrong decisions is visible and the cost of no decision is invisible, people will consistently choose delay over risk. The solution is to make both costs visible."

Designing the Decision Architecture

Explicit decision architecture begins with a disciplined categorisation of the decisions that recur in a given team or function. These fall broadly into three authority bands: decisions that individuals are equipped and empowered to make independently; decisions that benefit from consultation with a colleague or manager before being made; and decisions that carry sufficient risk, client sensitivity, or strategic significance to warrant escalation to senior leadership.

The power of this framework lies not in the categories themselves — which are relatively intuitive — but in the act of making them explicit, shared, and referenced. When a team knows which decisions belong in each band, the



cost of seeking unnecessary approval disappears. Equally importantly, the cost of making unauthorised calls in high-risk territory also reduces, because people understand where the boundaries lie and why.

From Ambiguity to Structured Freedom

There is a paradox in autonomy that well-designed authority structures resolve. People often feel more genuinely free when the boundaries of their authority are clearly defined than when those boundaries are vague. Vague authority generates anxiety. Explicit authority generates confidence. The professional who knows exactly which decisions they may make without consultation can act swiftly, efficiently, and without the hedging behaviours that vague environments produce.

This insight has practical implications for how organisations should approach delegation. Delegation is not merely a transfer of tasks. It is a transfer of authority — and that transfer must be explicit if it is to be effective. A manager who delegates a task without simultaneously clarifying the decision rights attached to that task has not fully delegated. They have created a new category of uncertainty for the person they delegated to.

Institutional Applications

For institutions operating across multiple functional units, disciplines, or geographies, explicit decision architecture is a governance necessity. Without it, organisations default to either over-centralisation — where senior leaders are constantly involved in decisions they

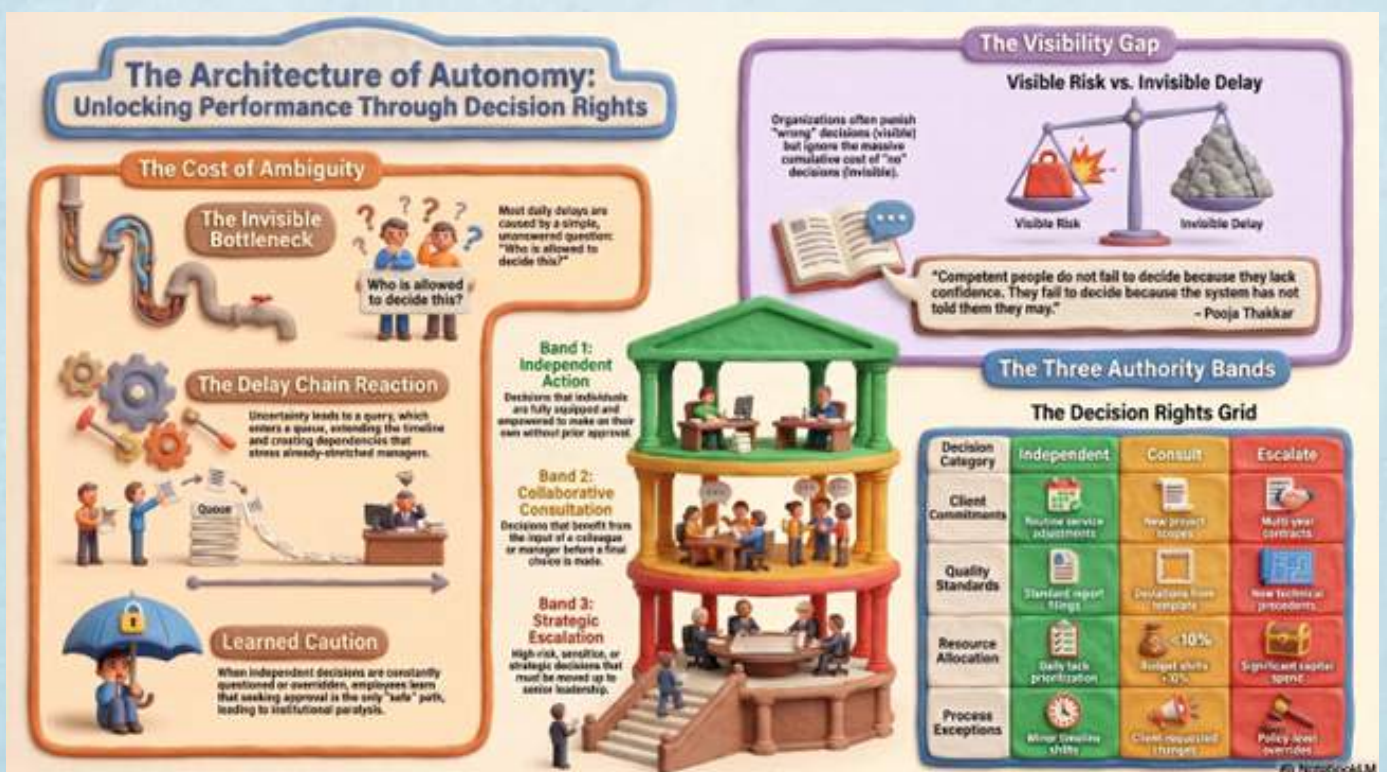
should never see — or under-governance — where inconsistent decisions are made by different people in different contexts without any shared standard.

The transition to designed authority requires leadership courage: the willingness to be explicit about what one will no longer control, to trust the judgment of people at other levels of the organisation, and to celebrate independent decisions that are well-reasoned even when they differ from what the leader would have chosen. That courage, more than any framework, is what transforms an authority map into a living architecture.

"Competent people do not fail to decide because they lack confidence. They fail to decide because the system has not told them they may."

SUGGESTED INFOGRAPHIC CONCEPT

Title: 'The Decision Rights Grid'. Purpose: To provide a visual map of authority allocation across decision categories. Narrative flow: A matrix with decision types along the vertical axis (client commitments, quality standards, resource allocation, process exceptions, escalations) and authority levels along the horizontal axis (Independent, Consult, Escalate). Each cell shows a brief descriptor of the condition for that combination. Visual layout: Clean grid with colour-coded authority bands — green for independent, amber for consult, red for escalate. Visual metaphors: Traffic signals; judicial authority tiers; architectural load-bearing designations.





Rupee Nearing 95: RBI Faces Stark Choices Defend, Delay, or Let Drift?



Contributed by:
CA. Aksh Y. Jain

India's rupee is tumbling faster than policymakers expected, sliding nearly 11% in two years and now racing toward the ₹95 per dollar mark. Foreign investors have already pulled out close to Rs. 1.66 lakh crores or \$18.9 billion in 2025, draining liquidity and testing the Reserve Bank of India's resolve. The central bank must decide: intervene with open market operations and dollar sales, or let the currency weaken further to preserve reserves and export competitiveness. The stakes are high — inflation, investor confidence, and India's credibility in global markets hang in the balance.

From ₹82-83/\$ in January 2024 to nearly ₹92/\$ now, the rupee has become one of Asia's worst performers. The pace of decline — five rupees in under a year — is the fastest in recent memory. Heavy FII outflows, driven by U.S. rate hikes, a stronger dollar, and global risk aversion, have drained liquidity and accelerated the fall. India's import-heavy energy sector has felt the pinch, with rising costs feeding into inflationary pressures. A breach of ₹95 now looks imminent, raising fears of inflationary shocks and a loss of investor confidence at a time when India is positioning itself as a global growth engine.

The RBI has not stood idle. It has sold dollars from reserves, conducted OMOs, and eased export rules to stabilize flows. India's forex reserves stood at about \$709.41 billion as of January 30, 2026, but had slipped to the \$690 billion mark in late 2025, underscoring the cost of repeated interventions. These steps have smoothed volatility but failed to reverse the trend, as global dollar strength and capital flight

continue to overwhelm domestic measures. The central bank's strategy has been to tolerate gradual weakness while intervening to prevent disorderly moves, but with the rupee hurtling toward ₹95, that middle path may no longer hold.

The dilemma is familiar to emerging markets. Defending the rupee too aggressively risks burning reserves and hurting exports; letting it slide risks inflation and panic. India's policymakers have so far chosen a middle path, but the speed of depreciation is testing its limits. The rupee's weakness is not just about currency mechanics — it reflects broader questions of policy credibility, investor trust, and India's ability to manage external shocks.

Other nations have offered valuable lessons in the past. Turkey's unchecked LIRA collapse triggered runaway inflation and a collapse in investor confidence. Japan, facing YEN weakness in 2022–23, intervened selectively but leaned on policy alignment with the U.S. Federal Reserve. China manages its YUAN through a controlled float, using state intervention to prevent disorderly depreciation. Brazil allowed its BRAZILIAN REAL to weaken during commodity downturns but paired depreciation with fiscal tightening to restore credibility.

India must avoid Turkey's chaos while learning from Japan's restraint and China's control. The comparison underscores that currencies are as much about confidence as they are about



economics. The inflationary risks are clear. Energy imports, which account for a significant share of India's surging trade deficit, become costlier as the currency falls, feeding into consumer prices and complicating inflation management. Crossing ₹95 would dent investor confidence further, especially among FII already wary of regulatory uncertainty and governance concerns. Symbolic thresholds matter — markets often react disproportionately when round numbers are breached, and ₹95 could become a trigger point for panic selling. India's options are narrowing. The RBI should continue to use reserves to smooth volatility but avoid defending arbitrary levels. Sterilized OMOs can balance liquidity without fuelling inflation. Restoring FII trust through clearer tax and regulatory frameworks and stronger governance is critical. India should also leverage the weaker rupee to boost export competitiveness, incentivizing IT, pharma, and textiles while further expanding trade agreements to diversify markets. Fiscal discipline must remain a priority to avoid twin deficit pressures, while monetary policy stays

aligned with inflation management. The government's ability to communicate a coherent strategy will be as important as the measures themselves.

The rupee's trajectory reflects more than currency mechanics; it is a test of India's economic credibility. A disorderly slide past ₹95 risks inflationary shocks and investor flight, while over-defending risks reserves and competitiveness. The balance lies in calibrated intervention, structural reforms, and clear communication. India must show that it can manage volatility without succumbing to panic, and that it can leverage depreciation to strengthen its export position. The coming months will test the RBI's resolve and India's policy credibility. Whether the currency stabilizes or drifts past ₹95 will depend not just on interventions, but on the broader narrative India presents to global investors. In the end, currencies are as much about confidence as they are about economics — and confidence is what India must urgently restore.





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FEMA Updates



Contributed by:
CA. Jay Joshi

A) Update through Circular and Notification

1) **Reporting under FEMA – Revised Late Submission Fee Framework for ECB Returns**

In a recent regulatory update, the Reserve Bank of India (RBI) has introduced important clarifications regarding the applicability of Late Submission Fee (LSF) for delayed filing of returns pertaining to External Commercial Borrowings (ECB) under the Foreign Exchange Management Act, 1999 (FEMA).

Vide A.P. (DIR Series) Circular No. 25 dated 30 March 2026, RBI has rationalized the treatment of delays in submission of ECB-related forms by categorizing the relevant returns based on whether they capture fund flows or not.

1. Treatment of Form ECB and Revised Form ECB (Earlier ECB-1 and Revised ECB-1)

RBI has clarified that Form ECB and Revised Form ECB (earlier known as Form ECB-1 and Revised Form ECB-1) shall be treated as returns that do not capture flows. Accordingly, any delay in filing these forms shall attract LSF on a fixed fee basis, as prescribed under the revised framework. i.e INR 7500

This clarification removes ambiguity and aligns the treatment of registration-related forms with the broader LSF framework applicable to non-flow reporting returns.

2. Treatment of Form ECB-2

Further, RBI has clarified that Form ECB-2, being a return that captures transactional flows, shall fall under the category of returns capturing flows. Therefore, delay in submission of Form ECB-2 shall attract LSF based on the variable fee structure applicable to such returns. i.e Formula Dirven

$$₹7,500 + (0.025\% \times A \times n)$$

(where A = amount involved, n = years of delay)

An important clarification has also been provided that LSF shall be computed per return. Accordingly, each delayed submission of Form ECB-2 under a particular Loan Registration Number (LRN) shall be treated as a separate instance for calculating the fixed component of LSF.

This is significant from a compliance perspective, as repeated delays under a single LRN may lead to multiple LSF exposures.

3. Timelines for Submission by AD Banks

The Circular also reiterates that the Authorised Dealer (AD) Bank shall submit the return, complete in all respects and duly certified, to the Reserve Bank within seven calendar days from the date of receipt from the eligible borrower.

This places an operational responsibility not only on borrowers but also on AD banks to ensure timely onward submission.

Comments/Our Analysis

RBI has appropriately updated the applicability of LSF to ECB forms by clarifying two key aspects:

- Form ECB / Revised Form ECB to be treated as returns not capturing flows, thereby attracting fixed LSF; and
- Form ECB-2 to be treated as returns capturing flows, thereby attracting variable LSF.

These clarifications bring welcome certainty and improve consistency in the treatment of reporting delays under ECB regulations.

However, it is pertinent to note that drawdown of ECB prior to allotment of Loan Registration Number (LRN) would continue to be viewed as a non-reporting contravention, and therefore would be subject to compounding proceedings, and not regularization through payment of LSF. This distinction remains critical for borrowers while planning ECB drawdowns and ensuring



compliance under FEMA.

2) Reporting under FEMA – Operationalisation of Reporting under Foreign Exchange Management (Guarantees) Regulations, 2026

The Reserve Bank of India (RBI) has operationalised the reporting framework under the Foreign Exchange Management (Guarantees) Regulations, 2026 by prescribing the reporting procedure, formats and Late Submission Fee (LSF) framework for guarantee transactions.

While the FEM Guarantee Regulations were notified in January 2026, the reporting mechanism was not operational until issuance of A.P. (DIR Series) Circular No. 1 dated 1 April 2026, through which RBI has now introduced the prescribed Excel-based reporting formats and related operational guidelines.

1. Introduction of Forms for Guarantee Transactions

RBI has prescribed the following forms for reporting guarantee-related transactions:

Form GRN Issue

This form is required for reporting issuance of a guarantee.

Form GRN Modification

This form is required for reporting subsequent modifications in guarantee terms, including:

- Change in guarantee amount
- Extension of guarantee period
- Pre-closure of guarantee

Form GRN Invocation

This form is required for reporting invocation of a guarantee.

2. Person Responsible for Reporting

The reporting obligation has been assigned based on the parties involved in the guarantee arrangement, as follows:

- The surety, where the surety is a person resident in India; or
- The principal debtor, where the guarantee has been arranged by the principal debtor and the surety is a person resident outside India; or
- The creditor, where both the surety and principal debtor are persons resident outside India, or where the creditor has arranged the guarantee.

This approach ensures reporting responsibility is appropriately placed depending on the structure of the guarantee.

3. Reporting Timeline

The relevant person is required to submit the applicable form to the Authorised Dealer (AD) Bank on a quarterly basis within 15 calendar

days from the end of the respective quarter. Thereafter, the AD Bank is required to submit the returns to RBI within 30 calendar days from the end of the relevant quarter through CIMS. Further, for each guarantee issuance reported through Form GRN Issue, the AD Bank is required to allot a unique Guarantee Transaction Number (GTN) before submission to RBI in accordance with the operational guidelines.

4. Late Submission Fee (LSF) Framework

RBI has also clarified the LSF treatment for delayed filing of these returns.

For delayed reporting of Form GRN Invocation, the amount involved in delayed reporting (“A”) shall be the amount of liability created towards the surety upon invocation.

However, for delayed reporting of:

- Form GRN Issue, and
- Form GRN Modification,

“A” shall be considered Nil, as these are treated as returns not capturing flows.

Accordingly, LSF shall be calculated using the prescribed formula:

$$LSF = ₹7,500 + 0.025\% \times A \times n$$

Where:

- n = number of years of delay in submission, rounded upwards to the nearest month and expressed up to two decimal points; and
- A = amount involved in delayed reporting (in INR).

This effectively results in a fixed LSF for delay in filing Form GRN Issue and Form GRN Modification, whereas Form GRN Invocation may attract variable LSF depending on the liability amount involved.

Comments/Our Analysis

The circular is a significant development as it operationalises the reporting framework envisaged under the Foreign Exchange Management (Guarantees) Regulations, 2026, which had remained incomplete since notification of the regulations in January 2026.

RBI has now not only prescribed the reporting procedure and formats but has also clarified the treatment of guarantee-related returns under the LSF framework, distinguishing between returns that capture flows and those that do not.

As the regulations now stand, the first reporting due date would be 15 April 2026 for the quarter ended 31 March 2026, making timely readiness by relevant parties and AD Banks particularly important from a compliance perspective.



3) Overseas Investment – Decentralisation of Submission of References to the Reserve Bank

In a significant procedural change under the overseas investment framework, the Reserve Bank of India (RBI) has decentralised the processing of references relating to overseas investment submitted by Persons Resident in India through Authorised Dealer (AD) banks. Until now, such references were being processed centrally by the Foreign Exchange Department, Central Office of RBI. However, pursuant to A.P. (DIR Series) Circular No. 2 dated 1 April 2026, RBI has decided that, with effect

from 1 April 2026, these references shall be processed through seven designated Regional Offices of RBI.

Submission through Designated Regional Offices

Accordingly, AD banks, which were previously forwarding such references to the Central Office, are now required to submit the same through the PRAVAAH portal of the Reserve Bank to the relevant Regional Office based on the UIN (Unique Identification Number) prefix allotted to the foreign entity.

The mapping prescribed by RBI is as follows:



'FEMA UPDATES FOR APRIL 2026'

OLD REGULATORY LANDSCAPE

FORM ECB
(reference earlier Form ECB-1)
[source: 75-76]

FORM ECB-2
[source: 80-81]

VARIABLE FEE:
 $₹7,500 + (0.025\% \times A \times n)$
[source: 84]

FIXED FEE: ₹7,500
DELAY LSF (NON-FLOW)
[source: 78]

DELAY LSF (FLOW)
per return computed

NEW REGULATORY FRAMEWORK

OPERATIONLISATION OF REPORTING under FEM (Guarantees) Regulations, 2026



Allotted Unique GTN
for each issuance [source: 120]

LSF Treatment [source: 122]
Variable Fee for Invocation,
Fixed for Issue/Modification
[source: 134]

DECENTRALISATION OF REFERENCES



REVIEW OF PRESS NOTE 3 (INVESTMENTS FROM LBC)

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NON-CONTROLLING BENEFICIAL OWNERSHIP PERMITTED [71]

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CAPITAL, ELECTRONICS, POLYSILICON, ETC. GOODS [source: 161-166]



RERA Updates



Contributed by:
CA. Mahadev Birla

Case Law Study

Pradhyumna Narendra Prabhale Vs M/s Shree Venkatesh Sharda Infracon & Ors. (Appeal No. AT005000000052379/2020, MahaRERA Appellate Tribunal)

This article discusses the issue regarding right of allottee to claim the covered parking in the project.

Issues:

whether the allottee is entitled to claim a covered car parking space from the promoter on the basis of alleged representations, where the agreement for sale does not specifically provide for sale or allotment of such parking space, and whether construction of temporary shed parking amounts to violation of the provisions of Section 14 of the RERA Act.?

Fact of the Case:

In the present case, the appellant/allottee had purchased Flat No. 104 in "Parijat Phase-I" project situated at Ambegaon, Pune, vide agreement for sale dated 09.11.2017 and had paid the entire consideration amount of Rs. 23,12,700/- and taken possession of the said flat. At the time of possession, it was alleged by the appellant that the promoter had assured allotment of a covered car parking space. However, instead of providing covered parking, the promoter constructed temporary shed parking in open areas and allotted parking spaces therein. The appellant contended that such shed parking was neither disclosed in the agreement for sale nor in the sanctioned plan approved by the competent authority.

The appellant issued a legal notice dated

06.03.2019 demanding covered parking as per the terms of the agreement, which was denied by the promoter vide reply dated 30.03.2019. Aggrieved by such denial, the appellant filed a complaint before the MahaRERA Authority seeking direction to the promoter to provide covered parking space.

The promoter contested the complaint by submitting that no car parking space was ever sold to the appellant and the building was constructed strictly as per the sanctioned plan. It was further contended that parking spaces were available in basement and ground floor and that temporary shed parking in open areas is permissible under Development Control Regulations (DCR 20.5). It was also submitted that the Association of Allottees had already been formed and parking allocation was managed by the society, which had allotted a parking space to the appellant.

The MahaRERA Authority, after considering the submissions, dismissed the complaint holding that the agreement for sale does not provide for sale of car parking space and reliance on Index-II is misplaced as it cannot override the terms of the agreement. It was further held that there was no violation of Section 14 of the RERA Act.

Being aggrieved by the said order, the appellant preferred an appeal before the MahaRERA Appellate Tribunal seeking setting aside of the impugned order and direction to the promoter to provide covered parking space.

The appellant contended that the promoter had



made representations at the time of agreement and possession regarding provision of covered car parking space, and that construction of shed parking in open areas without disclosure amounts to deficiency and violation of RERA provisions. It was further submitted that the promoter had disclosed a larger number of parking spaces on the RERA portal, thereby creating a legitimate expectation in favour of the allottee.

Per contra, the respondents/promoters submitted that no parking space was sold or agreed to be sold to the appellant as evident from the agreement for sale. It was further contended that as per RERA, open parking spaces cannot be sold and therefore were not included in the agreement. The promoters also submitted that temporary shed parking in open areas is permissible under applicable regulations and that management and allotment of such parking falls within the jurisdiction of the cooperative housing society of the allottees.

The Appellate Tribunal, upon examination of the agreement for sale and material on record, observed that the agreement clearly reflects sale of only the subject flat for consolidated consideration and does not disclose any sale or allotment of car parking space. It was further noted that Schedule-II of the agreement, which describes the apartment, also does not mention any parking space.

The Tribunal placed reliance on Clause 13 of the agreement for sale, which specifically provides that the promoter has not sold or allotted any covered or open parking spaces and that parking allocation is to be facilitated by the organization of flat purchasers. This clause was held to be binding on the parties.

The Tribunal further observed that under the provisions of RERA, open parking spaces cannot

be sold and therefore omission of such provision in the agreement was justified. It was also held that temporary shed parking constructed in open spaces does not violate the statutory provisions, as such spaces are to be managed by the cooperative housing society of the allottees.

It was conclusively held that the promoter is obligated to provide covered parking only when it is specifically agreed and sold as part of the agreement for sale. In the absence of such contractual stipulation, no such obligation can be imposed on the promoter.

In view of the above findings, the Appellate Tribunal held that the appeal is devoid of merits and does not warrant interference with the order passed by the MahaRERA Authority. Accordingly, the appeal was dismissed. It was further clarified that the judgment shall not affect the arrangement of allotment of temporary parking space made by the cooperative housing society. The parties were directed to bear their own costs.

Conclusion

The present judgment reiterates that the right to claim car parking space by an allottee must emanate strictly from the agreement for sale, and no relief can be granted based on alleged oral representations or expectations. The decision also reinforces the legal position that open parking spaces cannot be sold under RERA and their management vests with the association of allottees. Further, it clarifies that construction of temporary shed parking in open areas, where permissible under applicable regulations, does not constitute violation of RERA provisions. The ruling thus strengthens the principle that contractual terms govern the rights of parties in real estate transactions, and statutory provisions cannot be invoked to override explicit contractual arrangements.

REAL ESTATE REGULATION & DEVELOPMENT ACT, 2016 (RERA)

CASE LAW STUDY: PRADHYUMNA N. PRABHALE VS M/S SHREE VENKATESH SHARDA INFRACON & ORS.

FACTS OF THE CASE:

- FLAT #34 (PUNE, OCT 2011)
- CONSIDERATION: ₹45.30 LACS
- POSSESSION: ALLEGEDLY ASSURED
- TEMPORARY SHED PARKING: OWNER LEGAL NOTICE
- MANAGERIAL COMPLAINT & DISMISSAL

ISSUES:

- CLAIM FOR COVERED PARKING AND SPECIFIC CONTRACT
- TEMPORARY SHED PARKING IN OPEN AREAS

APPELLATE TRIBUNAL FINDINGS:

- AGREEMENT FOR SALE: NO COVERED PARKING MENTIONED
- NO COVERED PARKING: MENTIONED IN AGREEMENT
- OPEN PARKING: CANNOT BE SOLD UNDER RERA
- TEMPORARY SHED PARKING: PERMISSIBLE

APPELLATE TRIBUNAL DECISION:

- APPEAL DISMISSED
- MANAGERIAL ORDER UPHOLD
- KEY PRINCIPLE: RIGHT TO PARKING MUST STEM FROM AGREEMENT FOR SALE. NO RELIEF FOR ORAL REPRESENTATIONS.

CA Mahadev & Co.



The FII Exodus — Why Foreign Investors Are Pulling Out of India and Should We Worry?



Contributed by:
CA. Vanshkumar Parmar

Introduction:

Recently the Indian Equity market has shown an impossible to ignore trend - the Foreign Institutional Investor (FII) are withdrawing large sums from Indian equities and bonds. Which raises a concern for the Indian Investor, Policy makers and student of finance alike. The scale and persistence of recent outflow is going to affect the exchange rate, market stability, future portfolio theory, capital flows etc.

Why FII matters?

FII (also known as foreign portfolio investor - FPI) are the large Investors such as mutual funds, Hedge funds, pension funds, asset management companies. They bring in foreign capital in the Indian market and in 2026 they withdraw approximately \$20-21 billion from Indian markets. The selling pressure pushed the Sensex down by 7.9% and caused significant weakness in the rupee.

Key Reasons Behind the FII Pullout:

- **Decline in Revenue Growth prospects**
Hampering of crude supply chain, slower GDP growth than as forecasted by RBI and other Financial Institution, IT companies are facing headwinds due to AI which leads to Higher the PE ration of Indian markets.
- **Rupee depreciation and tax change**
A weaker rupee and recent tax or regulatory changes (such as higher surcharges or disclosure requirement) have reduced the net-of-tax return for FII. Which results FII exists and putting further pressure on the currency.
- **Higher Interest rates in US bonds**
In compare to Indian Fixed rate instruments the US Instruments are providing the higher risk-free return and

safe Investment option which attracts the FII to Invest in high Yield investment option.

- **China's Comeback**

As Recently China the introduced significant stimulus measures to revive its economy, offering higher potential returns via rate cuts, government spending boosts and stock market support. This made attractive of Chinese equities for FII. This results FII routed money from Expensive Indian market to cheap Chinese stocks.

Impact on the Indian stock market:

Foreign Institutional Investors pulling out money from the Indian stock markets has significant short-term and potentially long-term impacts. Here are some potential impacts:

- **Increased Volatility:** FIIs account for a substantial portion of trading volume in Indian markets, so their exit has led to sharp declines in stock prices. We have seen increased volatility as domestic investors react to the sell-offs. A strong FII outflow has also resulted in the market swinging unpredictably, which has created concerns among retail investors. The support by DIIs this around has been a big relief for the Indian investors.
- **Downward Pressure on Stock Prices:** Large FII outflows caused a broader sell-off in stocks, particularly in blue-chip and large-cap companies where FIIs have significant stakes. It led to a fall in market indices like the NIFTY and the Sensex, impacting overall investor sentiment and wealth.



- **Currency Depreciation:** FII outflows translated to higher demand for foreign currency as investors convert their rupee holdings to dollars before repatriating. This increased demand has led to the depreciation of the Indian rupee. A weaker rupee makes imports more expensive and can add to inflationary pressures in the economy.
- **Impact on Liquidity and Domestic Sentiment:** A large FII sell-off led to reduced liquidity in the stock market, making it harder for investors to buy or sell large quantities of shares without affecting the price. This reduction in liquidity can further have a cooling effect on market sentiment, especially if domestic investors fear continued outflows.

Should worry?

In Generally No, Because

- It's tractile relocation not a permeant exists from Indian market
- The India-US trade deal in 2026 create fresh optimism for FII inflows
- India's strong macroeconomic fundamentals, robust domestic consumption, and ongoing structural reforms continue to make it an attractive long-term investment destination.
- India weights in global indices reflects the passive money of FII in market
- Despite of FII sold the Domestic institutional investor (DII) surge in retail

SIP investment and for first time DII balance the FII scale.

- On the positive side, FII selling has led to lower stock prices, which has created attractive buying opportunities for long-term domestic investors. High-quality stocks are trading at discounted prices, allowing patient investors to acquire shares at valuations that could lead to higher returns in the future. This is especially beneficial for retail investors who have a long investment horizon and are not swayed by short-term volatility.

What Should Investors Do?

- **Stay Calm:** Market corrections due to FII outflows are often temporary. Long-term investors should avoid panic selling.
- **Invest Systematically:** SIPs can help investors benefit from rupee-cost averaging during volatile periods.
- **Focus on Fundamentals:** Look for fundamentally strong companies with good growth potential. Corrections often provide opportunities to buy quality stocks at discounted prices.

Conclusion:

Investors should monitor the ongoing selling by FIIs. For now, DIIs have been able to support the sharp fall, thanks to the high inflow and cash reserves they held up until recently. However, if FIIs continue to sell and DIIs are unable to buy, we can see an even sharper correction from the current levels. Along with FII selling, other factors that we have discussed will also play a crucial role in deciding the market direction.



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IFRS IN ESG - IFRS S1 & S2: Sustainability Disclosures for Finance Professionals



Contributed by:
CA. Shraddha Thakkar

What is the ISSB and Why Does It Matter?

The International Sustainability Standards Board (ISSB) was established in 2021 under the IFRS Foundation with a mandate to develop a globally consistent baseline of sustainability-related financial disclosures. The ISSB consolidates prior fragmented frameworks — the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), Climate Disclosure Standards Board (CDSB), and others — into a unified, investor-focused framework.

India's own Securities and Exchange Board of India (SEBI) has proactively aligned its Business Responsibility and Sustainability Reporting (BRSR) framework with ISSB principles. With SEBI mandating BRSR disclosures for the top 1,000 listed companies and pushing toward BRSR Core — an assurance-ready subset — Indian Chartered Accountants must grasp these standards to serve their clients and employers effectively.

IFRS S1: General Requirements for Sustainability Disclosure

IFRS S1 lays the foundation for all sustainability-related financial disclosures. It requires entities to disclose information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance, or cost of capital over the short, medium, and long term.

Core Principle: Financial Materiality

S1 adopts the principle of financial materiality — disclosures are required when information could influence the decisions of primary users such as investors, lenders, and creditors. Importantly, IFRS S1 does not adopt double materiality (which considers impact on people and planet), unlike the European Sustainability Reporting Standards (ESRS) framework. This investor-centric focus ensures that disclosures remain directly relevant to capital markets decision-making.

The Four Pillars of IFRS S1

IFRS S1 is structured around four disclosure pillars that mirror the widely adopted TCFD recommendations:

| Pillar | What to Disclose | Key Question Answered |
|-------------------|--|--------------------------------|
| Governance | Oversight of sustainability risks; roles of board and management | Who is accountable? |
| Strategy | Sustainability risks and their effect on business model and financial position | How does it affect our future? |
| Risk Management | Processes for identifying, assessing, and monitoring sustainability risks | How are we managing it? |
| Metrics & Targets | Performance indicators and progress toward sustainability targets | Are we on track? |

Key Insight for CAs: IFRS S1 requires entities to use SASB Standards to identify industry-specific metrics. Familiarity with SASB standards for your client's sector — whether Financials, Energy, Healthcare, or Technology — is crucial for assurance and advisory engagements.



IFRS S2: Climate-Related Financial Disclosures

IFRS S2 is the climate-specific standard that operates alongside S1. It requires entities to disclose material information about climate-related risks and opportunities, with particular emphasis on transition risks — arising from the shift to a lower-carbon economy — and physical

risks, arising from climate change itself, including floods, droughts, and extreme weather events.

Scope of Greenhouse Gas (GHG) Disclosures

One of the most technically demanding aspects of S2 is the requirement to disclose Scope 1, 2, and 3 GHG emissions using the GHG Protocol Corporate Accounting and Reporting Standard:

| GHG Scope | Definition | Examples |
|----------------------|--|--|
| Scope 1— Direct | Emissions from owned or controlled sources | Fuel combustion in company vehicles and boilers |
| Scope 2— Indirect | Emissions from purchased energy (electricity, heat, steam) | Office and plant electricity consumption |
| Scope 3— Value Chain | All other indirect emissions across the value chain | Employee travel, purchased goods, product end-of-life disposal |

Scope 3 measurement remains the most challenging, as it requires collaboration across the entire value chain. For many Indian conglomerates with diversified supplier bases, this will necessitate significant data infrastructure and supplier engagement programmes.

Paris Agreement. This is a materially new competency requirement for finance teams: the ability to model climate scenarios, quantify financial impacts, and communicate uncertainty ranges to investors.

Transition vs Physical Risk: Transition risks arise from policy changes (such as carbon pricing and stricter regulations) and technology shifts toward clean energy. Physical risks include acute events (cyclones, floods) and chronic changes (sea-level rise, temperature shifts). Both categories must be assessed, disclosed, and integrated into financial planning under IFRS S2.

Scenario Analysis: A New Imperative

S2 requires entities to assess their climate resilience using scenario analysis — including scenarios aligned with the 1.5 degree Celsius and 2 degree Celsius warming pathways per the

Comparing IFRS S1 and IFRS S2

| Dimension | IFRS S1 | IFRS S2 |
|-------------------|---|---|
| Scope | All sustainability related risks and opportunities | Climate-specific risks and opportunities only |
| Materiality Basis | Financial materiality (enterprise value impact) | Financial materiality with climate centrality |
| Key Metrics | Industry-specific metrics per SASB standards | GHG emissions (Scope 1, 2, 3), transition plans |
| Scenario Analysis | Not specifically required | Mandatory climate scenario analysis |
| Effective Date | Annual periods beginning on or after 1 January 2024 | Annual periods beginning on or after 1 January 2024 |

India's ESG Journey: BRSR and ISSB Alignment

India has been proactively building its sustainability reporting framework ahead of many other major economies. SEBI's BRSR, mandated for the top 1,000 listed companies since FY 2022-23, and BRSR Core — requiring

reasonable assurance — from FY 2023-24, reflects a strong and accelerating policy direction toward ISSB alignment.

In my experience at a large listed Indian conglomerate, sustainability data is now a CEO and Board-level agenda item. The question is no longer whether to report, but how to ensure



that reported data is accurate, consistent, and independently assured. This is precisely where Chartered Accountants can add transformative value.

The Institute of Chartered Accountants of India (ICAI) has published guidance on sustainability assurance and has established a dedicated Sustainability Reporting Standards Board, recognising the pivotal role CAs will play in this ecosystem. Early movers in developing these competencies will command a significant professional advantage.

Practical Implications for Chartered Accountants

The rise of IFRS S1 and S2 creates concrete professional opportunities and responsibilities for practising and industry CAs:

- Upskill in GHG accounting methodologies, climate scenario analysis techniques, and SASB industry-specific standards relevant to your sector.
- Develop internal audit frameworks that cover sustainability data accuracy, completeness, and internal controls over sustainability reporting.
- Assist corporate clients and employers in identifying and assessing material climate-related risks within their business models and financial statements.
- Provide assurance on BRSR Core disclosures and prepare for future S1/S2 third-party assurance mandates as regulatory requirements evolve.
- Engage proactively with Board Audit Committees on integrating sustainability governance frameworks into corporate oversight structures.
- Champion the integration of ESG metrics into long-term financial planning, capital

allocation frameworks, and investor communications.

Conclusion: *IFRS S1 and S2 represent the most significant evolution in corporate reporting since the advent of IFRS itself. They are not a compliance burden — they are an opportunity to communicate genuine, forward-looking enterprise value in a language that investors and capital markets understand. Chartered Accountants, positioned at the intersection of financial rigour and organisational strategy, are uniquely equipped to lead this transformation. Embracing these standards today is an investment in professional relevance for tomorrow.*

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Your Money Matters: A Personal Finance Newsletter



Contributed by:
CA. Jay Desai

The Big Picture: Why Personal Finance Matters

Money touches nearly every part of life — whether it's where you live, the work you take, or how confidently you approach the future. Yet few of us are taught to manage it well. Understanding personal finance isn't about becoming an investment expert; it's about gaining control. When you have a plan for your income, spending, savings, and goals, you replace stress with direction. The purpose of this newsletter is simple: to give you tools and clarity so your money serves your life, not the other way around.

1. The Foundation: Budgeting Without the Guilt (Financial GPS)

The word "budget" often brings to mind restriction and sacrifice. It's time to reframe that thinking. A budget is not a financial diet; it's a map. It gives you a clear picture of your financial landscape, showing you where your money comes from and, more importantly, where it goes. It's the single most powerful tool for gaining control.

A simple yet highly effective method to start with is the **50/30/20 Rule**. It splits your after-tax income into three categories:

- **50% Needs:** Essentials like rent, groceries, utilities, minimum debt payments, basic transport.
- **30% Wants:** Dining out, entertainment, hobbies, shopping, subscriptions.
- **20% Savings/Debt Paydown:** Emergency fund, investments, retirement, extra debt payments.

Action Step: Review your tracking. Does your spending align roughly with 50/30/20? If not, identify one "Want" category to reduce slightly this month. Even 5% more towards savings makes a difference.

2. Saving: Building Your Safety Net (Peace of

Mind)

Saving isn't just for big goals; it's your shield against life's curveballs.

- **Emergency Fund FIRST:** Aim for 3-6 months of essential living expenses. Start small – even ₹500/week adds up. **This is non-negotiable.** Park this in a safe, liquid account (e.g., a high-yield savings account or liquid mutual fund).
- **Pay Yourself First:** Treat savings like a non-negotiable bill. Set up automatic transfers to your savings/investment accounts *immediately* after your salary hits.

Action Step: Open a dedicated "Emergency Fund" account *today* if you don't have one. Set up an automatic transfer for even a small amount (₹1000/month) right now.

3. Debt Management: Breaking Free (The Weight Lifter)

High-interest debt (especially credit cards) is a wealth killer. Tackling it is crucial.

- **Know Your Enemy:** List all debts: balances, interest rates, minimum payments.
- **Strategies:**
 - **Avalanche Method:** Pay minimums on all, throw extra cash at the debt with the *highest interest rate*. Saves the most money on interest.
 - **Snowball Method:** Pay minimums on all, throw extra cash at the *smallest balance* first. Builds momentum with quick wins.
- **Stop Digging!** Avoid new high-interest debt while paying down existing debt. Use cash/debit where possible.

Action Step: Choose one strategy (Avalanche is mathematically better). Calculate how much extra you can pay towards your target debt this



month. Do it.

4. Investing: Making Your Money Work (Growing Wealth)

Saving protects; investing grows. Start early, even with small amounts. Time is your biggest ally (thanks, compounding!).

- **Start Simple & Diversified:**
 - **Equity Mutual Funds (SIPs):** Systematic Investment Plans allow you to invest small, regular amounts in diversified stock portfolios. Choose low-cost index funds or large-cap funds for core holdings. **Perfect for beginners.**
 - **Public Provident Fund (PPF):** Government-backed, tax-efficient, long-term savings. Safe, fixed returns.
 - **National Pension System (NPS):** Offers market-linked returns with tax benefits. Good for retirement core.
- **Key Principles:**
 - **Long-Term Mindset:** Don't panic over short-term market dips. Focus on 5-10+ years.
 - **Diversify:** Spread your money across different asset classes (equity, debt, gold) to manage risk.
 - **Costs Matter:** Choose low-expense-ratio funds. Fees eat into returns.

Action Step: Open a demat/mutual fund account if you don't have one. Set up a small SIP (₹500-₹1000/month) in a diversified equity fund *this week*. Just start.

5. Retirement: Your Future Self Will Thank You (Don't Delay!)

It's easy to put off, but starting even 5 years earlier makes a massive difference.

- **Estimate Your Need:** A rough guide is 70-80% of your pre-retirement income. Use online calculators.
- **Leverage Tax-Advantaged Accounts:**
 - **Employee Provident Fund (EPF):** Mandatory for salaried employees. Excellent foundation.
 - **PPF:** As mentioned, great tax-efficient option.
 - **NPS:** Offers additional tax deduction (Section 80CCD(1B)).
 - **Mutual Funds (ELSS):** Equity-Linked Savings Schemes offer tax deduction (Section 80C) and market growth potential.

Action Step: Increase your EPF contribution by 1% if possible. Or, start a small SIP in an ELSS fund specifically for retirement. Do it *this month*.

6. Common Money Mistakes to Avoid

- **Lifestyle inflation:** Spending more as you earn more
- **No written goals:** Vague plans lead to vague results
- **Emotional investing:** Buying high in greed, selling low in fear
- **Ignoring inflation:** ₹100 today won't buy the same in 10 years
- **Not reviewing regularly:** Set quarterly finance check-ins

7. Digital Tools for Financial Success

Make technology work for you:

- **Budgeting apps:** Track expenses automatically
- **Investment platforms:** Low-cost access to markets
- **Bill reminders:** Never miss due dates
- **Expense splitters:** Manage shared costs easily
- **Portfolio trackers:** Monitor all investments in one place

8. This Month's Action Plan

Here's your 5-step action plan:

- **Week 1:** Review last month's expenses and create a budget
- **Week 2:** Open a separate emergency fund account, automate ₹500 weekly
- **Week 3:** List all debts with interest rates, choose avalanche or snowball method
- **Week 4:** Research one investment option—index fund, mutual fund, or ETF
- **Month-end:** Schedule annual insurance and investment review

The Takeaway: Start Small, Win Big

Financial wellness isn't a destination; it's a journey built on consistent, small actions. Don't aim for perfection. Aim for progress.

- **Pick ONE action** from above that resonates most. Do it *today*.
 - **Review & Adjust:** Check your budget and progress once a month. Tweak as needed.
 - **Educate Yourself:** Read reputable finance blogs, listen to podcasts (focus on basics). Avoid get-rich-quick noise.

"Do not save what is left after spending, but spend what is left after saving." - Warren Buffett (It works!)



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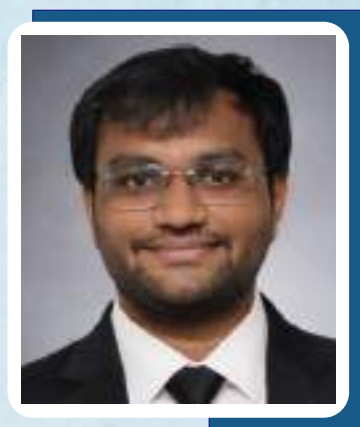
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Trust Registration in the New Income Tax Act, 2025: A New Era Dawns



Contributed by:
CA. Parth Patel

Imagine a century-old charitable trust — quietly running a charitable activity in a small town of India, year after year. Its trustees never imagined that one day the trust would need to periodically reaffirm its eligibility before the tax authorities. Yet, that reality has already been part of the compliance landscape since the introduction of the five-year revalidation regime under Sections 12AB and 80G(5) of the Income-tax Act, 1961. (From year 2021).

Now, with the arrival of the **Income-tax Act, 2025 ("ITA 2025")**, effective from **Tax Year 2026–27**, this familiar framework has not disappeared — it has been **recast and renumbered**. The earlier provisions governing charitable registration and donation approvals — **Sections 12A/12AB** and **Section 80G(5)** — now find their place under **Section 332 (Registration of Trusts and Institutions)** and **Section 354 (Approval for Donor Deduction)**.

The Architecture: Section 332 at a Glance

Section 332 is the successor to Section

12AB and governs registration of non-profit organisations. Who can apply? The list is familiar: public trusts, registered societies, Section 8 companies, Universities, government-aided institutions, and others notified by the Board (**Section 332(1)**).

Eligibility under **Section 332(2)** is anchored on two essentials: (a) the entity must be constituted in India for charitable or public religious purposes under Section 2(23); and (b) its properties must be held for the benefit of the general public under an irrevocable trust. A private trust or a family-benefit arrangement will simply not qualify.

Seven Scenarios, Seven Clocks: The Section 332(3) Table

The heart of Section 332 is a seven-row table under sub-section (3). Each row represents a distinct life-stage scenario of a charitable entity. Choosing the wrong row — and hence the wrong section application code on Form 105 — can render your application invalid. Here is a practitioner's map:

| Sl. No. | Scenario | Apply By | Validity | Form 105 Code |
|---------|---|---------------------------------|-----------------------|--|
| 1 | Activities NOT commenced, never registered | Anytime during tax year | 3 years (provisional) | N/A — provisional (will be governed by Form 104) |
| 2 | Activities commenced, never registered before | Anytime during tax year | 5 tax years | Code 01 |
| 3 | Has provisional reg., activities commenced | Within 6 months of commencement | 5 tax years | Code 03 |



| Sl. No. | Scenario | Apply By | Validity | Form 105 Code |
|---------|--|---------------------------------|---------------------|---------------|
| 4 | Provisional reg. due to expire, activities not commenced | At least 6 months before expiry | 5 years (following) | Code 07 |
| 5 | Registration due to expire (renewal) | At least 6 months before expiry | 5 years (following) | Code 11 |
| 6 | Registration inoperative — regime switch (Sec. 333) | Anytime during tax year | 5 tax years | Code 15 |
| 7 | Modification of objects by registered NPO | Within 30 days of modification | 5 tax years | Code 19 |

PRACTICAL EXAMPLE — SL. NO. 3

A trust receives provisional registration in May 2024. It launches activities in August 2025. The six-month window to convert closes on 28 February 2026. Filing Form 105 on 1 March 2026 — even one day late — triggers Section 332(6): the delay is not automatically condoned, and the trust risks tax on accreted income under Section 352. **Section 332(3) — Table Sl. No. 3 | Form 105 Code: 03**

The 10-Year Validity Clause — Quietly Written, Rarely Discussed A noteworthy practitioner insight lies in Section 332(5) of the Income-tax Act, 2025. Where an entity applies under Sl. Nos. 3 to 7 of the prescribed Table, and its total income for each of the two immediately preceding tax years does not exceed ₹5 crore, the standard validity period of five years is automatically enhanced to ten years. Importantly, this benefit operates by default under the statute, and no separate application is required to avail the extended validity. Practically, however, it is advisable that the assessee specifically highlight this eligibility in its submission before the PCIT/CIT, so that the extended ten-year validity is duly considered and reflected in the registration order.

PRACTITIONER'S TIP: Always verify the two-year income threshold before filing. Many small trusts qualify for 10-year validity but miss this benefit simply because their consultants didn't check.

Section 354: The 80G Successor — Approval for Donor Deduction: Section 354 (corresponding to Section 80G(5) of the 1961 Act) governs approval that entitles donors to claim deductions under Section 133(1)(b)(ii).

The conditions are stringent: the entity must not benefit a particular religious community or caste, must be established for charitable purposes, must limit religious expenditure to **5% of total income**, maintain regular accounts, issue donor certificates, and more (**Section 354(1)(a) to (g)**).

Section 354(2) mirrors the structure of Section 332(3) with five scenarios — from Sl. No. 1 (activities not commenced) to Sl. No. 5 (approval due to expire). The section codes on Form 105 run from 23 to 26. Notably, condonation of delay is not available under Section 354 — late applications are simply not entertained.

PRACTICAL EXAMPLE — SEC. 354(2) SL. NO. 5

A well-established hospital trust whose 80G approval expires on 31 March 2027 must file its renewal application by 30 September 2026 (at least 6 months prior). Missing this date means the approval lapses. Donors contributing after the lapse date cannot claim deductions — a reputational and fundraising disaster for the trust.

Section 354(2) — Table Sl. No. 5 | Form 105 Code: 26

Condonation of Delay: The Lifeline — and Its Limits

Under **Section 332(4)**, if an application is filed beyond the time limits in Sl. Nos. 2 to 7, the PCIT/CIT may condone the delay — but only if there is a **reasonable cause**. This is a discretionary power, **NOT AN AUTOMATIC RIGHT**.

CRITICAL WARNING

Section 332(6) is unambiguous: if the delay in



filing under Sl. No. 3, 4, 5, or 7 is NOT condoned, the entity becomes liable to tax on accreted income under Section 352. This is not a penalty — it is a deemed distribution tax, potentially wiping out years of accumulated corpus. The stakes could not be higher.

What Is 'Reasonable Cause'? — The Case Law Framework

Courts have articulated 'reasonable cause' as a cause that would constrain a person of average intelligence and ordinary prudence from acting under normal circumstances, without negligence, inaction, or want of bona fide.

Rejecting an application for condonation of delay operates as a substantive denial of exemption benefits under Sections 11 and 12. Therefore, strict adherence to the principles of natural justice mandates that the applicant be granted a fair hearing before their explanation is dismissed. A blanket statement by the Commissioner dismissing the reasons as “not satisfactory” is wholly inadequate; it represents a mere conclusion rather than a reasoned justification. As established in *Society of Divine Province v. Union of India* [1999] 102 Taxman 42 (MP), the competent authority is duty-bound to record clear and cogent reasons explaining precisely why the cause shown for the delay was rejected.

Some of the Judgments for reference where delay has been condoned:-

In **Saarth Pratishthan v. CIT(E) 2026 185**

taxmann.com 331 (Mumbai - Trib.), the ITAT Mumbai dealt with a case where Form 10AB was filed with a delay of about 35 months after provisional registration. The CIT(E) rejected the application solely on the ground of delay, without recording any adverse findings regarding the objects or genuineness of activities. The Tribunal held that rejection merely due to delay, in absence of deliberate default, was contrary to principles of natural justice. It observed that procedural delay should not defeat substantive charitable compliance where bona fide reasons exist. *Accordingly, the delay was condoned and the matter was restored to the CIT(E) for fresh consideration on merits.*

In **Tirth Global Foundation vs ITO 27(3)(1) Mumbai, the Income Tax Appellate Tribunal** (Appeal No. ITA No. 7265 & 7266/Mum/2025) condoned the delay in filing the appeal, holding that the delay occurred due to bonafide lack of awareness of procedural requirements. The Tribunal observed that although Form 10AB was filed beyond the prescribed time limit, no adverse findings were recorded regarding the objects or activities of the trust. Considering the proviso inserted by the Finance Act, 2024 empowering the CIT(E) to condone delay, the matter relating to registration under Section 12AB was restored to the file of CIT(E) for fresh adjudication. Consequently, the rejection of approval under Section 80G was also set aside and remanded for reconsideration. Both appeals were thus allowed for statistical purposes.

On Form 105, the section codes for condonation applications are distinct:

| Scenario (Section 332) | Original (No Delay) | After Condonation Received | Along with Condonation Request |
|-----------------------------------|---------------------|----------------------------|--------------------------------|
| Sl. No. 3— Provisional to Regular | 03 | 04 | 05 |
| Sl. No. 5— Registration Renewal | 11 | 12 | 13 |
| Sl. No. 7— Object Modification | 19 | 20 | 21 |

What the Adjudicating Authority Examines: Section 332(7)

Once an application is filed under Sl. Nos. 2 to 7, the PCIT/CIT is empowered to call for documents, information, and make inquiries to satisfy themselves on two counts: (a) genuineness of activities, and (b) compliance

with requirements of other applicable laws (FCRA, state trust law, etc.). If satisfied, registration is granted in writing. If not, the authority must afford a reasonable opportunity of being heard before rejection — and in cases of Sl. Nos. 3, 4, 5, or 7, rejection also **Cancels existing registration**. This twin consequence



makes the inquiry stage critically important for trusts to prepare thoroughly.

With the Income Tax overhaul effective 2025, Form No. 105 now allows a combined application under both Section 332 (the new 12A) and Section 354 (the new 80G) in a single filing. One form. One submission. One ARN.

What changes practically:

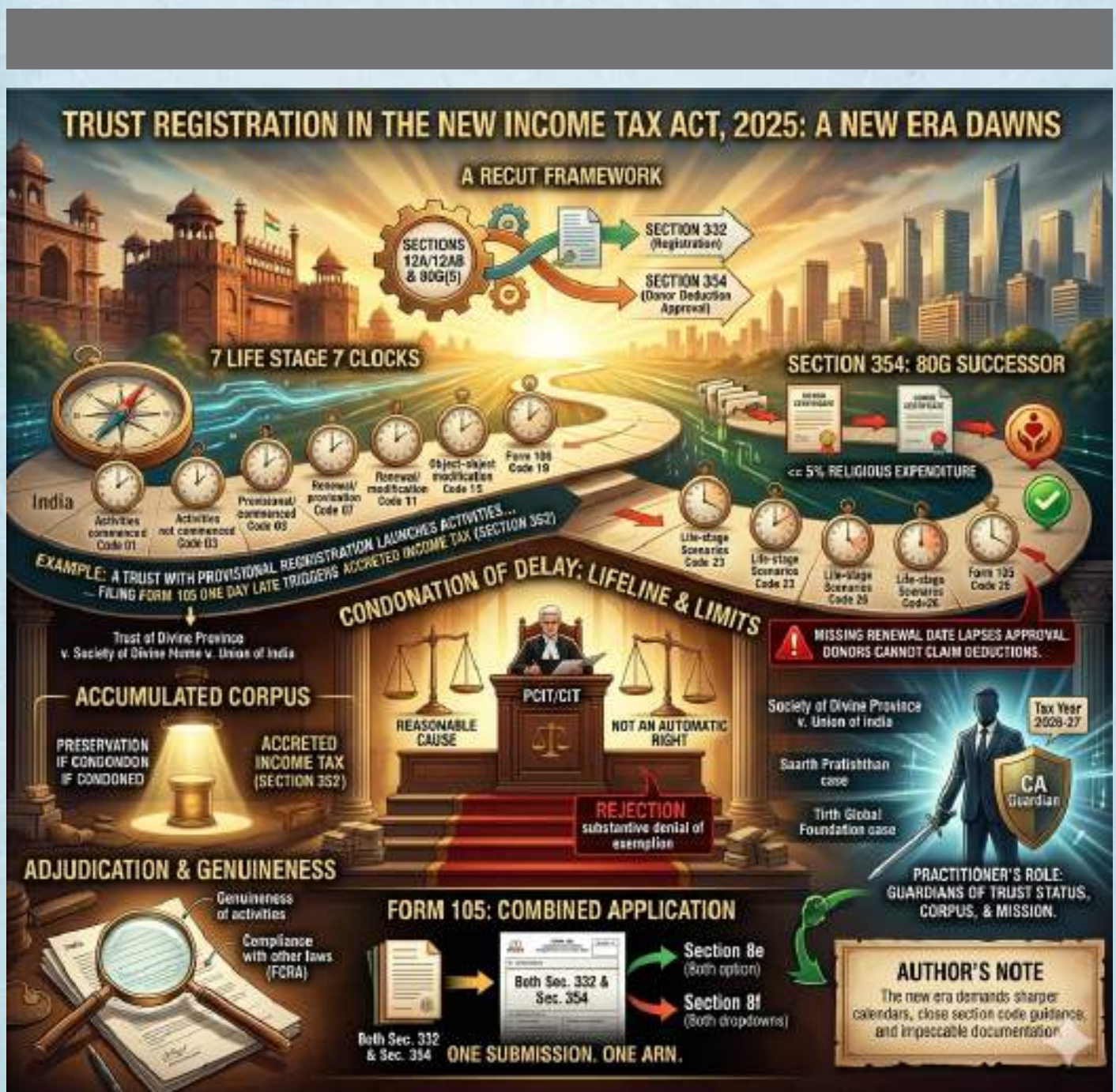
→ Section 8e (of form) now has a "Both" option — select it, and both registration tracks open up simultaneously

→ Section 8f (of form) shows two dropdowns: one for Sec. 332 code, one for Sec. 354 code — fill both in the same form.

Author's Note

The Income Tax Act, 2025 has ushered in a regime that is more structured, more time-bound for charitable organizations. The days of casual compliance are over. Whether you are converting a provisional registration, renewing an expiring one, reviving an inoperative one, or seeking 80G approval for your donors — each scenario has its own clock, its own Form 105 code, and its own consequence for delay.

As practicing CAs, our role has never been more critical. We are not just form-fillers — we are the guardians of the trust's tax-exempt status, its corpus, and ultimately its charitable mission. The new era demands we keep our calendars sharper, our section code guidance close, and our documentation impeccable.





RBI Updates



Contributed by:
CA. Mayur Modha

MPC Maintains Interest Rates, Adopts 'Wait and Watch' Approach Amid Economic Stability

The Monetary Policy Committee (MPC) met from 6th to 8th April and decided to keep key interest rates unchanged to maintain stability in the economy. The main policy repo rate stays at 5.25%, with the standing deposit facility (SDF) rate at 5.00% and the marginal standing facility (MSF) and Bank Rate at 5.50%. In simple terms, this means borrowing costs remain the same for now. The committee noted that while inflation is currently under control, rising energy prices and possible weather-related food issues could push it up, and global tensions may slow economic growth. Since the economy is still showing strong activity and stability, the MPC chose to "wait and watch" rather than make changes, keeping a neutral approach so it can act later if needed.

In the month of April, there are various Master directions, Master circulars, notifications issued by RBI, Summary and brief understanding of few of them are as under:

Date of issue: 10.04.2026

Master directions/ Master circulars/ notifications No.: RBI/2026-27/10A.P. (DIR Series) Circular No. 06

Applicability: All Authorised Dealer Category-I banks

Brief understanding: Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025 – amendment:

This update consolidates and streamlines existing regulatory instructions issued under the Foreign Exchange Management Act, 1999,

particularly those relating to investments by Non-Resident Indians (NRIs) and the use of such debt instruments as collateral in exchange-traded derivative transactions. The revised direction aims to enhance clarity, regulatory consistency, and ease of compliance for Authorised Dealer Category-I banks and stakeholders.

Date of issue: 01.04.2026

Master directions/ Master circulars/ notifications No.: RBI/DCM/2026-27/395
DCM (NE) No.G-2/08.07.18/2026-27

Applicability: All Banks

Brief understanding: Master Direction – Facility for Exchange of Notes and Coins:

The Direction mandates all bank branches to provide services such as issuing clean notes and coins, accepting and exchanging soiled, mutilated, or imperfect currency, and ensuring availability of coins and small denomination notes to the public without discrimination. It also prescribes procedures for handling damaged notes, grievance redressal mechanisms, and operational requirements like note-counting machines and proper display of information. Importantly, earlier circulars on the subject stand withdrawn, making this Master Direction a comprehensive and unified regulatory framework aimed at improving public access to currency exchange services and enhancing customer convenience.

Date of issue: 02.04.2026

Master directions/ Master circulars/ notifications No.: RBI/2026-27/05
A.P. (DIR Series) Circular No. 04

Applicability: All Authorised Persons

Brief understanding: Master Direction - Money Changing Activities:



The Reserve Bank of India has issued a circular under the Foreign Exchange Management Act, 1999 to update rules for forex counters at international airports. As per the new instruction, both residents and non-residents are now allowed to exchange Indian Rupees at forex counters located in departure areas, including duty-free or security hold zones beyond immigration or customs. This amendment improves convenience for travellers and updates earlier guidelines on money changing activities.

Date of issue: 01.04.2026

Master directions/ Master circulars/ notifications No.: RBI/DCM/2026-27/394
DCM (FNVD)/G-1/16.01.05/2026-27

Applicability: All Banks

Brief understanding: Master Direction on

Counterfeit Notes – Detection, Reporting and Monitoring:

The Direction mandates banks to strictly identify fake notes using machines, impound them without returning to customers, and issue receipts while reporting such cases to police and regulatory authorities. It also requires banks to establish dedicated vigilance cells, install detection devices, ensure proper checking of notes before circulation or ATM loading, and regularly report data to agencies like RBI and law enforcement. The framework further prescribes staff training, record maintenance, and penal provisions for non-compliance. By withdrawing earlier circulars, this Master Direction provides a unified and comprehensive regulatory mechanism aimed at strengthening the prevention and control of counterfeit currency in the banking system.

MPC
MONETARY POLICY COMMITTEE (MPC) - APRIL 2026

KEY RATES: UNCHANGED → **WAIT & WATCH APPROACH** → **STABILITY**

POLICY REPO RATE: 5.25% **STANDING DEPOSIT FACILITY (SDF) RATE: 5.00%** **MARGINAL STANDING FACILITY (MSF) & BANK RATE: 5.50%**

BORROWING COSTS REMAIN THE SAME **INFLATION UNDER CONTROL** **STRONG ECONOMIC ACTIVITY**

- RISING ENERGY PRICES
- WEATHER-RELATED FOOD ISSUES
- GLOBAL TENSIONS

11.04.2026, RBI/2026-27/10, A.P. (2018 Series) Circular No. 08
NON-RESIDENT INVESTMENT IN DEBT INSTRUMENTS (REVISED DIRECTIONS, 2005)

NO INVESTMENTS → DEBT INSTRUMENTS → EXCHANGE-TRADED DERIVATIVES

CONSOLIDATES & STREAMLINES RULES **ENHANCED CLARITY & EASE OF COMPLIANCE** **AUTHORIZED CATEGORY-I BANKS**

FOR FOREIGN EXCHANGE MANAGEMENT ACT (FEMA) 1999

01.04.2026, RBI/DCM/2026-27/395, DCM (FNVD) No. G-2, 08.01.16.7000-27
FACILITY FOR EXCHANGE OF NOTES AND COINS

ALL BANK BRANCHES **ISSUING CLEAN NOTES** **ACCEPTING SOILED/MUTILATED** **ENSURING COINS AVAILABILITY** **WITHOUT DISCRIMINATION**

TRAVELLERS & PUBLIC **COUNTING MACHINE**

02.04.2026, RBI/2026-27/105, A.P. (2018 Series) Circular No. 04
MONEY CHANGING ACTIVITIES

EXCHANGE IN DEPARTURE AREAS (DUTY FREE, SECURITY HOLD ZONES) **IMPROVED CONVENIENCE FOR TRAVELLERS**

01.04.2026, RBI/DCM/2026-27/394, DCM (FNVD) No. G-1, 16.01.05-27
COUNTERFEIT NOTES – DETECTION, REPORTING & MONITORING

STRICTLY IDENTIFY FAKE NOTES **POLICE & REGULATORY REPORTING** **DEDICATED VIGILANCE CELLS** **ATM LOADING CHECK** **STAFF TRAINING & RECORD MAINTENANCE** **PENAL PROVISIONS**

SUMMARY OF SELECT MASTER DIRECTIONS/ MASTER CIRCULARS/ NOTIFICATIONS **COMPREHENSIVE REGULATORY FRAMEWORK**



Mastering NRE, NRO, FCNR(B), SNRR & RFC Accounts in India's Globalized Financial Landscape - BEYOND BORDERS :



Contributed by:
CA. Parag Raval

Engaging Introduction

In our hyper-connected 2026 world—where over 18 million NRIs contribute remittances exceeding \$100 billion annually—Indians abroad navigate complex cross-border finances with poise. The Foreign Exchange Management Act, 1999 (FEMA), amended through 2026 to streamline digital remittances and RNOR transitions, empowers NRIs, PIOs, OCIs, foreign investors, and returning residents with tailored accounts for seamless wealth management.

Why These Accounts Matter

These FEMA-compliant powerhouses—

- NRE (fully repatriable foreign earnings hub),
- NRO (Indian income manager),
- FCNR(B) (currency-risk shield),
- SNRR (non-interest business transaction tool), and
- RFC (returning resident's forex retainer)

—address eligibility from 182+ days abroad, tax exemptions under Sections 10(4) and 10(15), and repatriation up to unlimited from NRE/FCNR while capping NRO at \$1 million post-tax. Practical

perks include joint holdings with residents (except SNRR credits from NRO), no exchange risk on FCNR(B), and RNOR tax-free interest on RFC, aiding informed decisions amid RBI's latest borrowing clarifications.

1. Non-Resident External (NRE) Account: Your Gateway to Repatriable Global Wealth

Strategic Overview

The NRE account stands as a cornerstone for Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs), enabling seamless parking of foreign-earned income — like salaries, business profits, or dividends from abroad — converted to Indian Rupees (INR) at real-time exchange rates for optimal value capture. Tailored for those eyeing tax-efficient repatriation amid 2026's volatile forex markets (with INR fluctuations up to 5% YoY), it supports flexible variants: Savings (up to 3.5-4% interest), Current (no interest, for transactions), Recurring Deposits (RDs), and Fixed Deposits (FDs) yielding 6.5 - 7.5% p.a., all fully liquid except term commitments.

Enhanced Key Features

| Feature | Details | Practical Edge |
|-------------------------------|--|---|
| Eligibility | NRIs/PIOs (status via 182+ days abroad) | Quick KYC via passport, OCI/PIO card, or overseas address proof |
| Currency & Funding | INR only; funded exclusively by foreign remittances (no Indian sourced income like rent/pension) | Auto-conversion shields against INR depreciation; SWIFT/RTGS inflows seamless |



| Feature | Details | Practical Edge |
|---------------------------|--|---|
| Repatriation | 100% principal + interest freely transferable abroad anytime, no RBI caps | Powers overseas investments, family support, or asset buys – key for 18M+ NRIs remitting \$129B in FY25 |
| Taxation | Interest fully exempt u/s 10(4) of Income Tax Act, 1961 (no TDS for residents) | Boosts post-tax yields vs. taxable alternatives; DTAA benefits for double-tax avoidance |
| Account Types | Savings, Current, RD, FD | Mix-match for liquidity (Savings) + growth (FDs up to 5 yrs) |
| Joint Holding | Only with fellow NRIs/PIOs (no residents) | Survivor clauses add estate planning security |
| Risks & Limits | Exposed to INR forex risk; no local credits allowed | Hedge via pairing with FCNR(B) for currency stability |

This refined profile empowers tax professionals to guide clients on FEMA-compliant strategies, blending liquidity, tax savings, and repatriation freedom for borderless financial mastery.

1. Non-Resident Ordinary (NRO) Account: Precision Manager for Indian-Sourced Income

Strategic Overview

The NRO account empowers NRIs, PIOs, and

even returning residents (during RNOR transition) to efficiently consolidate and operate India-generated income – think rental yields from properties, dividend streams, pension credits, or sale proceeds – while navigating FEMA's balanced repatriation guardrails. Unlike the forex-exposed NRE, it mandates INR denomination for withdrawals, blending flexibility with compliance amid 2026's \$129B NRI remittance surge.

Enhanced Key Features

| Feature | Details | Practical Edge |
|-------------------------------|--|--|
| Eligibility | NRIs/PIOs; returning NRIs retain temporarily pre-conversion to resident accounts | Ideal bridge for repatriates in managing legacy Indian assets |
| Currency & Funding | INR only for ops; credits from Indian income or foreign inflows (fully accepted) | Captures rents (post-TDS), pensions; no NRE-style foreign-only restriction |



| Feature | Details | Practical Edge |
|-------------------------|---|---|
| Repatriation | Capped at USD 1 million/FY (post-tax & CA certification via Form 15CA/CB) | Powers strategic outflows like family support or overseas investments —key post -Budget 2026 clarifications |
| Taxation | Interest taxable at slab rates; TDS @ ~30% (lower via Form 15G/H if eligible) | Plan via DTAA credits; pairs with ITR -2/3 for optimization |
| Account Types | Savings (3 -3.5% p.a.), Current (transactional), FD/RD (6 -7% yields) | Balances liquidity needs with growth for domestic cash flows |
| Joint Holding | With NRIs or residents ("former or survivor" mode) | Enhances estate planning vs. NRE's NRI -only limit |
| Risks & Tips | No forex hedge; TDS auto - deducted | Link to NRE for hybrid strategy; annual Form 26QB compliance for property sales |

This refined profile empowers tax professionals to guide clients on FEMA-compliant strategies, blending liquidity, tax savings, and repatriation freedom for borderless financial mastery.

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Enhanced Key Features

| Feature | Details | Practical Edge |
|-------------------------------|---|---|
| Eligibility | NRIs/PIOs (no residents) | Seamless for overseas professionals hedging against rupee slides |
| Currency & Funding | Foreign currency only; via remittances or NRE transfers | No INR credits—preserves dollar strength for global liquidity needs |
| Term Structure | Fixed deposits: 1 year minimum, up to 5 years maximum | Premature withdrawal penalties apply; ladder for steady inflows |



| Feature | Details | Practical Edge |
|-----------------------|---|--|
| Repatriation | 100% principal + interest, freely and without RBI limits | Ultimate flexibility for overseas education, property, or reinvestment |
| Taxation | Interest fully exempt under Section 10(15)(iv)(fa) of Income Tax Act – no TDS | Maximizes net returns vs. taxable NRO; DTAA -aligned |
| Exchange Risk | Zero—held and repaid in deposit currency | Critical in 2026's uncertain forex amid global rate shifts |
| Joint Holding | With other NRIs/PIOs ("former or survivor") | Adds security for family wealth planning |
| Account Limits | No upper cap; minimums per bank (e.g., \$1,000 equivalent) | Pairs with NRE for diversified NRI portfolio |

This fortified profile equips Gandhinagar tax advisors to champion currency-secure strategies, blending high yields, tax efficiency, and repatriation prowess for borderless prosperity.

1. Special Non-Resident Rupee (SNRR) Account: Tactical Hub for Non-Resident Business Plays

Strategic Overview

SNRR accounts empower non-residents—think

foreign firms, investors, or contractors from beyond the NRI/PIO circle—tackling India-specific deals like ECB inflows, JV setups, or export credits without NRE/NRO eligibility. This rupee-based, mostly non-interest current account thrives on brevity, syncing validity to contract lifespans (max 7 years per RBI), ensuring clean closure post-transaction while channeling funds for trade settles or FDI legs.

Enhanced Key Features

| Feature | Details | Practical Edge |
|-------------------------------|--|---|
| Eligibility | Non-residents in permitted India business/contract (excl. NRE/NRO qualifiers; Pak/Bangla restrictions apply) | Bridges for overseas entities eyeing Gujarat's booming SEZs or infra bids |
| Currency & Funding | INR only; inflows via ECB, trade payments, investments | No forex hedging —pure rupee ops for local compliance |
| Interest | Typically nil (RBI -approved exceptions rare) | Transaction -focused; no yield chase, all about liquidity |



| Feature | Details | Practical Edge |
|-------------------------|---|--|
| Validity/Term | Tied to contract duration; auto - close post-purpose (max 7 years) | Prevents dormant accounts; audit-proof for FEMA scrutiny |
| Repatriation | Fully allowed per underlying transaction (e.g., ECB norms, export proceeds) | RBI greenlights outflows post-CA certs, dodging indefinite locks |
| Taxation | Transaction -specific (e.g., WHT on payments; no interest tax perk) | Aligns with DTAA; ITR integration for foreign principals |
| Joint Holding | Not standard; single -entity focus | Streamlines corporate control vs. personal NRI accounts |
| Risks & Tips | Short-lived; strict purpose -use | Pair with EEFC for forex needs; pre -approve via AD banks |

This streamlined blueprint arms tax pros with tools to guide global players through FEMA's niche lane, fusing transaction agility and repatriation clarity for India's 2026 investment surge.

1. Resident Foreign Currency (RFC) Account: Bridge Between Global Past and Indian Future

Resident Foreign Currency accounts are designed for returning NRIs/PIOs who wish to continue holding a portion of their wealth in foreign currency even after becoming residents of India, instead of compulsorily converting all balances into INR. These accounts offer a smooth transition for individuals who have spent a significant period abroad and now want to maintain flexibility for future foreign commitments, such as travel, education, or investments.

Refined Concept Note

A Resident Foreign Currency (RFC) account enables a returning NRI/PIO to retain and manage eligible foreign currency holdings—such as overseas savings,

investments proceeds, or balances from NRE/FCNR accounts—after shifting back to India on a permanent basis (typically following at least one year of non-resident status). The account can be maintained in freely convertible currencies like USD, GBP, EUR and others, giving the returning resident a natural hedge against rupee volatility.

RFC accounts are available in the form of Savings, Current, or Term/Fixed Deposit accounts, allowing flexibility between liquidity and better yields. They can also serve as a parking vehicle for funds transferred from existing NRE and FCNR deposits upon a change in residential status, instead of forcing an immediate rupee conversion. Repatriation from RFC accounts is generally permissible for bona fide purposes, such as foreign travel, overseas education, medical treatment abroad, or investment outside India, thus preserving international financial flexibility for the account holder.



Polished Key Features

| Feature | Details | Practical Edge |
|-------------------------------|---|--|
| Eligibility | Returning NRIs/PIOs now permanent residents (post ≥1 year abroad) | Perfect for Gandhinagar repatriates retaining overseas nest eggs during RNOR phase |
| Currency & Funding | Foreign currencies (USD/GBP/EUR etc.); from NRE/FCNR transfers or inbound forex | Avoids rupee risk; continues dollar strength amid INR volatility |
| Account Types | Savings (2 -3% yields), Current (transactional), Term/FDs (3.5 - 5% p.a.) | Balances daily access with growth for post-return finances |
| Repatriation | Freely for bonafide uses (travel, education, medical abroad) | No caps—maintains global mobility vs. resident account restrictions |
| Taxation | Interest exempt during RNOR (up to 2-3 years post-return) u/s 10(4)/(15) | Tax holiday bridges NRI perks to resident status |
| Joint Holding | With other eligible returnees/residents ("former or survivor") | Family-friendly for spousal or heir planning |
| Validity & Risks | Ongoing for residents; forex exposure continues | Pair with domestic savings for hybrid portfolio |

This returnee lifeline ensures FEMA-compliant transition strategies blending forex security continuity, empowering tax advisors to craft and Indian residency ease.

Key Comparison Snapshot

| Account | Eligibility | Key Features | Repatriation | Tax Notes |
|---------|------------------------------------|---|--------------------------|-------------------------------|
| NRE | NRIs/PIOs/OCIs | Rupee, fully repatriable principal/interest | Unlimited | Interest tax-exempt u/s 10(4) |
| NRO | NRIs + residents/foreign nationals | Rupee, non-repatriable Indian income | Up to \$1M/year post-tax | Taxable, TDS applies |



| Account | Eligibility | Key Features | Repatriation | Tax Notes |
|---------|--|--|----------------------|------------------------------------|
| FCNR(B) | NRIs/PIOs/OCIs | Foreign currency, 1-5 yr term | Unlimited | Interest exempt u/s 10(15)(iv)(fa) |
| SNRR | Non-residents (excl. Pak/Bangla) with India business | Rupee, non-interest, transaction-based (max 7 yrs) | Fully repatriable | No interest, so no tax |
| RFC | Returning NRIs (RNOR/ROR) | Foreign currency/rupee, post-return forex | Flexible to maturity | Exempt till RNOR status |



BEYOND BORDERS : MASTERING INDIA'S GLOBALIZED FINANCIAL LANDSCAPE

NRE, NRO, FCNR(B), SNRR & RFC ACCOUNTS

NAVIGATING HYPER-CONNECTED FINANCE WITH POISE - 18M+ NRIs CONTRIBUTING \$100B+ ANNUALLY IN REMITTANCES (2026)

MRIs, PIOs, Foreign Investors, Returning residents

FEMA 1999

RURAL TRANSFORMATIONS

DIGITAL REALITIES

THE FEMA-COMPLIANT POWERHOUSES

NRE (Non-Resident External) Account: Your Gateway to Repatriable Global Wealth

NRIs/PIOs

100% REPATRIABLE (UNLIMITED)

INTEREST TAX-EXEMPT u/s 10(15)(iv)(fa)

Savings, Current, FD

Joint holding with fellow NRIs/PIOs

SMIFT/RTGS inflows, auto-conversion to INR, fully liquid

NRO (Non-Resident Ordinary) Account: Precision Manager for Indian-Sourced Income

NRIs/PIOs & Returning NRIs

Consolidates Rents, Pensions, Dividend Streams

REPATRIATION CAPPED AT \$1M/yr (POST-TAX & SA CERTIFICATION via IGA/CE)

INTEREST TAXABLE AT slab rates @ 10% - 30%

Account types: with residents

Joint holding with residents

FCNR(B) (Foreign Currency Non-Resident (Bank)) Account: Forex Fortress for NRIs

1-5 YR TERM DEPOSITS

2000 EXCHANGE RISK

UNLIMITED REPATRIATION

Diversified with other PIOs

Joint holding with other NRIs/PIOs

HIGH YIELDS (e.g., USD FR 4.5-5.5% p.a.)

Zero Exchange rate volatility

INTEREST TAX EXEMPT u/s 10(15)(iv)(fa)

Diversified Portfolio

SNRR (Special Non-Resident Rupee) Account: Tactical Hub for Non-Resident Business Plays

India-Specific Deals

NON-RESIDENTS (Foreign Firms, Investors, Contractors) RUPEE-BASED CURRENT ACCOUNT

TIED TO CONTRACT LIFESPAN (MAX 7 YRS)

Audit-proof, strict purpose-use

FULLY allowed per underlying transaction

Transaction-specific taxation (TNT)

Streamlines Corporate Control

RFC (Resident Foreign Currency) Account: Bridge Between Global Past and Indian Future

(1) NRI wealth - Overseas savings - NRE/FCNR balances

(2) RR - RETAIN FOREX after shift back to India (overseas residents) - Avoids rupee risk - natural hedge against volatility

(3) PERMISSIBLE REPATRIATION for bonafide purposes (Educ, Medical, etc.) - TAX EXEMPT during RROR (upto 2-3 yrs post-return)

KEY COMPARISON SNAPSHOT

| Account | NRE | NRO |
|--------------|--|--|
| Eligibility | NRIs/PIOs/OCIs, Rupee, fully repatriable | Indian Income, INR, SIM post-tax |
| Key Features | Fully repatriable (interest u/s 10(15)(iv)(fa) tax-exempt) | Taxable, TDS applies |
| Repatriation | 100% tax-free & non-certification via IGA/CE | Interest taxable at slab rates & TDS=30% |
| Tax Notes | Interest tax exempt of assets ex-10(15)(iv)(fa) exempt | Taxable Domestic Cash Flows (withholding excluded) |

PRACTICAL PERKS FOR INFORMED DECISIONS

Unlimited from NRE/FCNR, Capped NRO at \$1M post tax

Joint holdings with residents (except SNRR), natural hedge with FCNR(B) & RFC, RFC has holiday bridges NRI perks

*GST/levies increasing classifications



Upcoming Events



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

AHMEDABAD BRANCH (WIRC)



Seminar on

THE GCC

(GULF COOPERATION COUNCIL)

HORIZON

STRATEGIC OPPORTUNITIES FOR
INDIAN CAs & BILATERAL
VALUE CREATION



1st May 2026,
Friday



09:30 AM to
12:00 PM



ICAI Bhawan,
Ghatlodia, Ahmedabad



02 CPE
HOURS

09:30 AM - 10:00 AM : Networking & Registration

10:00 AM - 12:00 PM : Technical Session



SPEAKERS

CA. NEELESH BHATNAGAR

Serial Entrepreneur and
Venture Capitalist, UAE



CA. ASHISH FAFADIA

Partner,
Blume Ventures

FEES (PER MEMBER)



RS. 100+GST
till 30.04.2026
thereafter

RS. 150+GST
Per Member

Scan QR or
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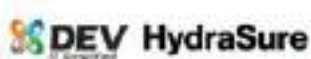
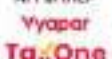


TEAM ICAI-AHMEDABAD BRANCH (WIRC)

CA. RINKESH SHAH
Chairman

CA. CHETAN JAGETIYA
Secretary

AI Partner





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(Set up by an Act of Parliament)
AHMEDABAD BRANCH (WIRC)



TUBE PLANTER PAINTING WORKSHOP

Women & Kids (Duo Participation)



03rd May
2026 | SUNDAY

10:30AM -
12:30PM



ICAI Bhawan
Ahmedabad



Activity Details:

- Tube Planter Painting
(Size: 4.5 x 4 inches)
- All materials will be provided
- Both Mother & Child will participate together



₹500 +GST
Per Member



<http://tiny.cc/TPPW>



Team ICAI – Ahmedabad Branch (WIRC)

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CA. Shikha Agarwal
Chairperson, Women & Young Members Excellence
Committee, ICAI Ahmedabad Branch (WIRC)

CA. Chetan Jagetiya
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Title Sponsored



SUMMER GROUND PREMIER LEAGUE 2026

*First time in Udaipur**
where the battles of the best will come alive.

Co-Sponsored By



AADHY FINSERVE INDIA
THE GAME LOVERS' FRIENDS

(Terms & Condition Apply)

12/15/16 Overs Match(TBD) | 7 Days | 1 Champion



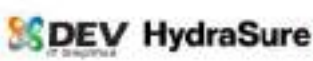
03rd - 09th May 2026

Scan QR or visit <http://tiny.cc/SPL2026>



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AHMEDABAD BRANCH (WIRC)



SUMMER PREMIER LEAGUE 2026

 **03rd - 09th May 2026**

 **3rd to 8th May 2026 : Ahmedabad** **9th May 2026 : Udaipur***
(Terms & Condition Apply)

Fees

| | Corporate Team: | Non-Corporate Team: | Individual Player : |
|------------|-------------------------------------|-------------------------------------|----------------------------------|
| Early Bird | Rs. 35,000/- + GST till 18.04.26 | Rs. 30,000/- + GST till 18.04.26 | Rs. 2,500 +GST till 18.04.26 |
| Late Bird | Rs. 40,000/-+ GST till 22.04.26 | Rs. 35,000/-+ GST till 22.04.26 | Rs. 3,000 + GST till 22.04.26 |

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<http://tiny.cc/SPL2026>



SCAN ME

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Chairman

CA. Sahil Gala
Chairman,
Sports & Cultural
Committee

CA. Chetan Jagetiya
Secretary

CA. Samir Chaudhary
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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

AHMEDABAD BRANCH (WIRC)



Bridging Experience with AI

Exclusive Workshop for Senior CA Members (50 Years & Above)

04th-05th MAY
2026 | MON | TUE

3:30 PM – 7:00 PM
3:30 PM to 4:00 PM: Networking & Registration
4:00 PM to 7 PM: Technical Sessions

ICAI Bhawan,
Ghatlodia, Ahmedabad

06
CPE HOURS

₹ 750
+GST per Member
till 20.04.2026
then after
₹ 1250
+GST per Member



<http://tiny.cc/BEWA>

* Participants are requested to bring their laptops for hands-on learning during the sessions

04th May 2026 Monday

AI Demystified: Building Your Digital Foundation

Basic Terms Used, Mindset to Use AI, Hallucination Issues, Confidentiality & Privacy Issues, Prompt Engineering

CA. Saloni Patel, Ahmedabad

AI Toolkit 1.0: Your Everyday Digital Assistant

Chat GPT & its Utilities, Perplexity, Napkin AI & Other Tools, Gemini

CA. Mitt Patel, Ahmedabad

05th May 2026 | Tuesday

AI Toolkit 2.0: Expanding Your Smart Workspace

Claude, Notebook LM

CA. Harshid Patel, Ahmedabad

Automation Edge: AI-Powered Productivity for Cas

Co-Pilot, Comet Browser, AI With Excel, VBA Coding Basics

CA. Bhavesh Sharma, Ahmedabad

Team ICAI - Ahmedabad Branch (WIRC)

CA. Rinkesh Shah
Chairman

CA. Chetan Jagetiya
Secretary

CA. Jiten Trivedi
Vice-Chairman, Information Technology Committee
ICAI - Ahmedabad Branch (WIRC)

CA. (Dr.) Fenil Shah
Chairman, Information Technology Committee
ICAI - Ahmedabad Branch (WIRC)

Event Partners





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



ICAI
Global Orbit
From GOCs to Global Leadership



ICAI Members' Delegation Visit to GIFT City-IFSCA

Fees
Rs. 5000
plus GST



6th & 7th May, 2026
(Wednesday & Thursday)

12
CPE Hours



CA. Prasanna Kumar D
President, ICAI



CA. Mangesh Pandurang Kinare
Vice - President, ICAI



CA. Sanjib Sanghi
Chairman,
Global Trade &
Services Committee



CA.(Dr.) Rohit Ruwatia Agarwal
Vice-Chairman,
Global Trade &
Services Committee



CA. Purushottamal
Hukamichand Khandelwal
Central Council Member, ICAI



CA. Rinkesh K. Shah
Chairman,
ICAI - Ahmedabad Branch



CA. Vinay Jagetiya
Chairman,
ICAI - Gandhinagar Branch

**Eligible
Participants:**

**ICAI
Members**

**Batch
Size:**

**60-70
Participants**

**Last Date
for filing EOI:**

**25th
April,
2026**

Highlights of the ICAI Members' Delegation Visit:

- Engaging interactive session with professionals from accounting, finance, and regulatory domains operating under IFSCA
- In-depth insights into the regulatory framework, procedures, and financial ecosystem of GIFT IFSC
- Visit jointly organized by IFSCA
- Interaction visits to GIFT International Fintech Institute (GIFT IFI)

Organized by:
Global Trade & Services Committee, ICAI

Co hosted by:
Ahmedabad and Gandhinagar Branch of ICAI



Scan the QR code to fill
Expression of Interest



Link for filing EOI

<https://forms.gle/61j2SM5HnfKUjpGn6>

Email: global@icai.in | Website: www.icai.org



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



Certification Course on
Forensic Accounting &
Fraud Detection (FAFD) At Ahmedabad

Organised by: Digital Accounting and Assurance Board, ICAI
Hosted by: ICAI–Ahmedabad Branch(WIRC)



MAY 2026

16

17

30

31



JUNE 2026

13

14

20

SATURDAY & SUNDAY



Intimate Later



₹ 16,520/-

(Inclusive of All Applicable Taxes)

For Registration
<http://tiny.cc/FAFDABAD>
or Scan QR



CA. Dayaniwas Sharma
Chairman

Digital Accounting and Assurance Board, ICAI

CA. Arpit Kabra
CCM & Vice–Chairman

Digital Accounting and Assurance Board, ICAI

CA. Purushottam Khandelwal
Central Council Member
ICAI

Team ICAI– Ahmedabad Branch (WIRC)

CA. Rinkesh Shah
Chairman

CA. (Dr.) Sunit Shah
Chairman, PQC Committee

CA. Chetan Jagetiya
Secretary

CA. (Dr.) Fenil Shah
Vice–Chairman, PQC Committee



Media Gallery

Workshop held to pitch PM internship sch

ICAI-MCA discuss how companies can integrate scheme with Rs 9,000 monthly stipend into hiring

A government-backed internship scheme offering a monthly stipend of Rs 9,000 was pitched to Ahmedabad's professionals and companies at a workshop on Monday, with officials urging firms to create opportunities for young talent.

The orientation session on the Prime Minister Internship Scheme (PMIS) was hosted by the Ahmedabad branch of the Institute of Chartered



Accountants of India (ICAI) in association with the Ministry of Corporate Affairs (MCA). The focus was on how

local companies can provide structured industry exposure. CA Rinkesh Shah, chairman of

ICAI Ahmedabad, said CAs can act as a vital link between students and industry. "Members should actively guide corporates to onboard interns and help build a stronger professional ecosystem," he noted.

The scheme offers six- to nine-month internships with a stipend of Rs 9,000, with Rs 8,100 funded by the government and Rs 900 by the host company. Interns will also receive a one-time grant of Rs 6,000, insurance

cover and a complete HR Dalmia, rep (Northwest), said designed to enhance through hands-on give youth exposure real industry environment.

Deputy director added the scheme focused learning. How firms can integrate into their hiring p

epaper.ahmedabadmirror.com

Ahmedabad Mirror

Tue, 21 April 2020
<https://epaper.ahmedabadmirror.com/c/73633748>



ગુજરાત સમાચાર plus

ICAI અમદાવાદ દ્વારા પ્રધાનમંત્રી ઇન્ટર્નશિપ યોજના અંગે ઓરિએન્ટેશન વર્કશોપ

ઈન્સ્ટિટ્યૂટ ઓફ ચાર્ટર્ડ અકાઉન્ટન્ટ્સ ઓફ ઈન્ડિયા (આઈસીએઆઈ)ની અમદાવાદ શાખા દ્વારા રિજનલ ડિરેક્ટોરેટ, મિનિસ્ટ્રી ઓફ કોર્પોરેટ અફેર્સ, ભારત સરકાર સાથે સંયુક્ત રીતે પ્રધાનમંત્રી ઇન્ટર્નશિપ યોજના (પીએમઆઈએસ) અંગે વિશેષ ઓરિએન્ટેશન વર્કશોપનું આયોજન કરાયું હતું. કાર્યક્રમમાં શ્રીમતી ચેરમેન સીએ રિંકેશ શાહે જણાવ્યું કે, આ યોજના યુવાનોને ઉદ્યોગ સાથે જોડવાની અને વ્યવહારુ અનુભવ આપવાની ઉત્તમ તક છે, જેમાં ચાર્ટર્ડ અકાઉન્ટન્ટ્સ મહત્વપૂર્ણ ભૂમિકા ભજવી શકે છે. કાર્યક્રમમાં પુરુષોત્તમ ખોલવાલ, આર.કે. દલ્મિયા, અનિકેત તથાટી, અંકિતા લાહોટી ઉપસ્થિત રહ્યા હતા. પીએમઆઈએસ યોજનામાં દરેક મહિના ઇન્ટર્નશિપની અવધી હોય છે, માસિક ૯ હજાર સહાય અને વયમર્યાદા ૧૮થી ૨૫ વર્ષની રહે છે.

CAs discuss FTA impact on India-Europe biz

Cyprus High Commissioner talks about expansion options for Indian biz in Europe

Ahmedabad Mirror Bureau
feedback@ahmedabadmirror.com

Posts @ahmedabadmirror

Over 200 chartered accountants attended a seminar on India-Europe business opportunities organised by the Ahmedabad branch of the Western India Regional Council (WIRC) of the Institute of Chartered Accountants of India at ICAI Bhawan on Monday.

The seminar focused on growing



Cyprus High Commissioner Evagoras Vryonides being felicitated

business links between India and Europe and the expected impact of the proposed Free Trade Agreement

(FTA). Chairman CA Rinkesh Shah said the upcoming deal is being seen as a major shift for trade and invest-

ment and could open up new work areas for professionals. He asked members to build expertise in international taxation, cross-border structuring and global advisory.

The keynote address was delivered by Evagoras Vryonides, Cyprus High Commissioner to India, who spoke about strengthening economic ties between India and Europe. He highlighted Cyprus as a possible entry point for businesses looking to expand into European markets due to its investment environment.



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Event in Images



Gujarat Student Startup and Innovation @ i-Hub on 03-04-2026



Seminar on Unlocking & Scaling Opportunities In US Accounting Taxation And Audit Reality Roadmap & Insights on 04.04.2026



Education Visit At ICAI Ahmedabad Branch (WIRC) From Rashtriya Raksha University On 06.04.2026



One Day Training Programme For Peer Reviewers on 10.04.2026



65th Campus Placement Programme on 11.04.2026



Interactive Meet with President, ICAI & Vice President, ICAI on 11.04.2026



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

Day & Date: Saturday 11th April 2026

AHMEDABAD BRANCH (WIRC)

Venue: Riverfront Event Centre, Ahmedabad

MEMBERS' Meet







Members Meet on 11.04 .2026



Seminar on GST ON 17.04.2026



Seminar on Insolvency & Bankruptcy Code (Amendment) Bill, 2026 on 18.04.2026



TV9 Education Expo 2026 on 18.04.2026



Special Orientation Workshop under Prime Minister Internship Scheme on 20.04.2026



Indo American felicitation group visit ICAI Ahmedabad on 21.04.2026



Seminar on GST on 22.04.2026



Women CA Members Visit at Blind Peoples Association on 25.04.2026



Seminar on Emerging Opportunities For Business And Professionals - India & Europe on 27.04.2026





FEMA Series Day-7 on 24.04.2026



FEMA Series Day-8 on 25.04.2026



FEMA Series Day-9 on 28.04.2026



FEMA Series Day-10 on 29.04.2026



FEMA Series Day-11 on 30.04.2026