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

AHMEDABAD BRANCH (WIRC)

Newsletter - August 2026

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Chairman's Message

CA. Rinkesh K. Shah

Chairman, ICAI Ahmedabad Branch (WIRC)

Chairman's Message – August 2026

Dear Esteemed Members,

Warm Greetings!

The month of July stands as a powerful reflection of what we can achieve together as a united and progressive professional fraternity. It has been a month driven by purpose, participation, and pride—where every initiative reinforced our commitment to excellence, nation-building, and continuous learning. At ICAI Ahmedabad, we are not merely conducting programs; we are creating platforms that inspire, empower, and transform. The overwhelming response from members and students across all initiatives demonstrates the vibrancy and strength of our community. As we continue to move forward, our focus remains clear—building future-ready professionals, fostering leadership, and contributing meaningfully to the evolving economic and regulatory landscape.

We began the month on a high note by celebrating the **78th CA Day on 1st July** with great enthusiasm and unity.

• The **Walkathon at Sabarmati Riverfront** witnessed spirited participation, with more than 200 CAs and students coming together to promote fitness and fraternity.

• The **Flag Hoisting Ceremony** filled us with pride, reinforcing our identity as responsible nation-builders.

• The **Blood Donation Camp** stood as a testament to our commitment towards saving lives and giving back to society.

• The **Plantation Drive** reflected our dedication towards environmental sustainability.

• The **Bird Feeder Distribution** initiative showcased our compassion towards all living beings.

• The **Body Check-up Camp** emphasized the importance of health and well-being among professionals.

• The **Cultural Evening**, attended by more than 2500 participants, was a grand success, offering a truly world-class experience featuring a **Mega Anamorphic Opening**, **RF-Controlled Synchronized LED Wristbands**, a **Grand LED Entrance Tunnel**, an **AI-Powered Photo Booth**, and a spectacular **Live Concert by Bhumik Shah**, creating unforgettable moments of celebration and unity.

On **2nd July**, we organised an impactful **Outreach Program on Registration/Re-registration of Trusts under Income Tax**, along with a seminar on *Decoding Trust & NPO Taxation under Income Tax 2025*, in the esteemed presence of **Shri V. Nandakumar, IRS – Commissioner of Income Tax (Exemption)**, equipping members with critical insights in a rapidly evolving domain.

From **3rd to 5th July**, the **Women RRC at Jawai** emerged as a remarkable initiative, fostering leadership, networking, and empowerment among women professionals in an inspiring setting.

On **12th July**, the initiative **"Rejuvenate Your Sunday – Sunday ON CYCLE"** witnessed enthusiastic participation, with more than 200 members and students promoting fitness and well-being at the Veer Savarkar Sports Complex, Naranpura, Ahmedabad.

On **16th July**, the Branch had the privilege of hosting a **high-level physical meeting with CA. C.V. Chitale, Chairman – Direct Tax Committee, and CA. Purushottam Khandelwal, CCM**, to deliberate on the *Draft Guidance Note on Tax Audit (Section 44AB)*—a reflection of our proactive role in contributing to policy and professional development.

On **17th July**, the seminar on *Practical Guide on ITR Filings: From Forms to Intricacies* provided valuable practical insights, enabling members to enhance efficiency and accuracy in compliance.

The **18th July** featured two knowledge-driven seminars:
• The **Seminar on Valuation** offered deep insights into evolving valuation practices and methodologies.
• The session on *Unlock Professional Opportunities in Qatar* opened new global avenues for members, encouraging international professional expansion.
On **24th July**, *ICAI Global Orbit – From GCCs to Global Leadership*, with the valuable presence of **CA. Sanjiv Singhi, Chairman – Global Trade & Services Committee, ICAI, and CA. Purushottam Khandelwal, CCM**, brought a forward-looking perspective, inspiring members to explore global leadership roles and strategic opportunities.

On **30th July 2026**, ICAI Ahmedabad witnessed a historic milestone as the **Financial Markets and Investors' Awareness Committee of ICAI** officially launched the *Certificate Course on Regulatory Framework for Fund Management in IFSC* and the *Certificate Course on Regulatory Framework for Capital Market Intermediaries and Listing Requirements of IFSCA* at **GIFT City**, in the esteemed presence of **Shri K. Rajaraman, Chairperson – IFSCA**. This landmark initiative marks a significant step towards empowering members with specialised knowledge in global financial services and strengthening their role in the evolving IFSC ecosystem.

As we move into August, we continue our journey with equally dynamic and forward-thinking initiatives:

• **3rd – 7th August**: 5 Days Seminar on Startups at i-Hub – nurturing entrepreneurial mindset and innovation through focused learning sessions.
• **7th – 9th August**: RRC on Practice Summit 2.0 at Goa – strengthening practice management, including insights on firm valuation and attracting private equity.
• **9th August**: 65th Campus Orientation Programme – guiding and shaping the next generation of Chartered Accountants.
• **12th – 13th August**: The Branch is organising an **Industrial Visit to Adani Power Limited and Adani Ports & SEZ Limited, Mundra**, offering members a unique opportunity to gain first-hand exposure to large-scale infrastructure and integrated business operations. This visit is designed to provide deep insights into the practical aspects of finance, operations, and project execution, thereby bridging the gap between theoretical knowledge and real-world application, and enhancing members' strategic and commercial understanding.
• **13th August**: Seminar on New Labour Code 2025 – addressing key regulatory developments.
• **19th August**: Workshop on Creating a Better Financial Reporting Ecosystem with NFRA – a prestigious program graced by **CA. Prasanna Kumar D (President, ICAI)**, **Shri Nitin Gupta (Chairperson, NFRA)**, and **CA. Mangesh Kinare (Vice President, ICAI)**.
• **21st August**: Career Counselling Programme – inspiring and guiding aspiring Chartered Accountants.
• **22nd August**: Commencement of Certificate Course on Concurrent Audit of Banks – enhancing specialised professional capabilities.
Our vision is not just to organise events, but to create impact—to build knowledge, foster leadership, and strengthen the professional ecosystem. Together, let us continue to strive for excellence, embrace opportunities, and contribute meaningfully to the profession and society at large.
"We are not just adapting to change—we are shaping the future of the profession with vision, leadership, and purpose."
Warm Regards,
CA. Rinkesh K. 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

CA. Rinkesh Shah
Chairman

CA. (Dr.) Fenil Shah
Chairman - Newsletter Committee

CA. Chetan Jagetiya
Secretary

Editorial

CA. Dr. Fenil Padmini Rajendra Shah
Editor & Chairman, Newsletter Committee

EDITORIAL

EDITORIAL

"A nation is not built by machines alone, but by the vision, integrity, and diligence of the people who put those machines to purpose."

Dear Esteemed Members,

It gives me immense pleasure to present before you the August 2026 edition of the E-Newsletter of ICAI Ahmedabad Branch (WIRC). August is a month steeped in meaning for every Indian — it is the month we pause to celebrate our hard-won freedom, and equally, the month we look ahead and ask what kind of nation we wish to build with it. This edition takes that very spirit as its theme: an India rising on the pillars of infrastructure, technology, sustainability, and inclusive growth.

Celebrating the Spirit of Independence. As we observe the 80th year of India's independence this 15th of August, we are reminded that freedom was never meant to be an end in itself, but the foundation for progress. From the ports that connect our shores to global trade, to the high-speed rail corridors reshaping how our cities are linked, to the wind turbines and solar fields quietly powering a cleaner tomorrow — the India of today is being built in real time. Our warmest wishes to every member and article assistant on this Independence Day; may it renew in each of us a sense of duty toward the nation we serve.

" "A nation is not built by machines alone, but by the vision, integrity, and diligence of the people who put those machines to purpose." "

A Nation Reimagined. This edition mirrors the transformation unfolding around us — smart cities rising alongside green energy, artificial intelligence and automation entering our factories and farms, digital payments and fintech reshaping how India transacts, and a renewed thrust on education and skilling to prepare our youth for the decades ahead. Members will find within these pages a thoughtful blend of updates on taxation and GST, audit and assurance, corporate law, and the evolving regulatory landscape, alongside perspectives on how technology and sustainability are redefining professional practice.

For our profession, this transformation is not a distant spectacle — it is our direct concern. Every port expansion, every renewable energy project, every smart-city bond, and every agri-tech venture rests on sound financial structuring, transparent reporting, and rigorous assurance. As India invests in its physical and digital infrastructure at an unprecedented scale, Chartered Accountants stand at the very centre of this journey — as auditors safeguarding public trust, as advisors structuring capital, and as strategists enabling sustainable, responsible growth. The tools of our trade may increasingly be digital, but the values we bring to them — independence, diligence, and integrity — remain the true infrastructure on which the profession, and the nation, is built.

My sincere gratitude also goes to all our contributors, whose articles bring depth, diversity, and relevance to this edition. I thank **CA. Rinkesh Shah, Chairman, ICAI Ahmedabad Branch (WIRC)**, for his continued trust and encouragement, the entire **Newsletter Committee** for their tireless efforts, and everyone associated with this initiative for helping bring out yet another meaningful edition.

We warmly invite our members and professionals to continue contributing their knowledge, experience, and insights for future editions. This newsletter remains a shared platform — one built by the fraternity, for the fraternity.

As we celebrate this Independence Day, let us reaffirm our commitment to building a stronger, more sustainable, and more inclusive India — one balance sheet, one audit, and one act of integrity at a time.

Jai Hind, and happy reading.

Warm regards,

CA. Dr. Fenil Padmini Rajendra Shah

Editor & Chairman, Newsletter Committee

spICAI – Ahmedabad Branch (WIRC)

Black Money Act and Foreign Asset Disclosure: A Wake-Up Call for Returning NRIs

CA. Parag Raval
Member of the Institute

Black Money Act and Foreign Asset Disclosure: A Wake-Up Call for Returning NRIs

"Transparency in Global Wealth is No Longer Optional"

The globalization of business, employment, and investment opportunities has enabled millions of Indians to accumulate wealth across jurisdictions. Foreign bank accounts, stock options, retirement funds, overseas properties, and investment portfolios have become increasingly common among Non-Resident Indians (NRIs).

While the creation of such assets through legitimate earnings is perfectly lawful, their existence carries significant compliance implications once an individual returns to India and assumes Resident and Ordinarily Resident (ROR) status under the Income-tax Act, 1961.

The enactment of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 marked a paradigm shift in India's approach towards offshore wealth. The legislation was not merely intended to uncover illicit foreign assets but also to establish a robust reporting framework that promotes transparency, accountability, and voluntary compliance.

In today's environment of Automatic Exchange of Information (AEOI), Common Reporting Standards (CRS), FATCA-based reporting, and extensive cross-border cooperation among tax administrations, the probability of undisclosed foreign assets escaping regulatory scrutiny has reduced dramatically. Consequently, the challenge before taxpayers is no longer concealment – it is compliance.

For returning NRIs, therefore, foreign asset disclosure is not merely a procedural requirement; it is an essential component of responsible tax governance.

Professional Perspective

A noteworthy aspect often overlooked by taxpayers is that the Black Money Act distinguishes between *taxability* and *disclosure*. Even where a foreign asset does not generate taxable income, the obligation to disclose may still arise.

In professional practice, many defaults arise not because the taxpayer intended to suppress information but because:

- Foreign pension accounts remain dormant.
- Employee Stock Option Plans (ESOPs) granted abroad are forgotten.
- Foreign bank accounts opened during overseas employment remain active with nominal balances.
- Overseas brokerage accounts continue to hold residual investments.

From a compliance perspective, the absence of taxable income is not a defence against failure to disclose foreign assets.

Budget 2024 – Significant Relief but Not an Exemption

The Finance (No. 2) Act, 2024 introduced a welcome relaxation under Sections 42 and 43 of the Black Money Act. With effect from 1 October 2024, the ₹10 lakh penalty provisions do not apply to foreign assets (other than immovable property) where the aggregate value of such assets does not exceed ₹20 lakh. However, the disclosure obligation itself remains unchanged.

The amendment was introduced primarily to address hardships faced by employees of multinational corporations who held small-value foreign ESOPs, pension accounts, social security balances, or overseas bank accounts and inadvertently omitted reporting them.

Professionals should therefore clearly advise clients that:

> *" With effect from 1 October 2024, the ₹10 lakh penalty provisions do not apply to foreign assets (other than immovable property) where the aggregate value of such assets does not exceed ₹20 lakh. "*

Relief from penalty does not mean relief from disclosure.

This distinction is crucial and should be emphasized during tax return reviews.

Practical Case Studies

Case Study 1 – The Returning Software Professional

Mr. A worked in the United States for ten years before returning to India permanently. He retained:

- A US bank account,
- Employer-sponsored retirement benefits,
- Shares acquired under ESOP schemes.

Believing that these assets were acquired from taxed income abroad, he omitted reporting them in Schedule FA of his Income Tax Return.

While there may be no dispute regarding the legitimacy of the source of funds, non-disclosure itself could attract proceedings under the Black Money Act. The issue is not the origin of the asset but the failure to disclose it.

Case Study 2 – The Overseas Property Investor

Mr. B purchased an apartment in Dubai while employed there. After becoming an ROR in India, he continued to hold the property and earn rental income.

His obligations include:

- Disclosure of the foreign immovable property.

- Disclosure of rental income.
- Reporting any eventual capital gains upon sale.

Notably, even after the Budget 2024 relaxation, foreign immovable properties remain outside the ₹20 lakh relief framework and continue to attract stricter consequences in case of non-disclosure.

Professional Due Diligence Checklist for professionals

Before finalizing the return of a returning NRI, professionals should consider:

> *“ Notably, even after the Budget 2024 relaxation, foreign immovable properties remain outside the ₹20 lakh relief framework and continue to attract stricter consequences in case of non-disclosure. ”*

✓ Verification of residential status.

✓ Review of all foreign bank accounts.

✓ Examination of overseas employment benefits.

✓ Identification of foreign stock holdings and ESOPs.

✓ Review of foreign pension and retirement accounts.

✓ Verification of overseas immovable properties.

✓ Examination of foreign-source income.

✓ Completion of Schedule FA and Schedule FSI.

✓ Documentation supporting valuation and ownership.

✓ Review of DTAA implications.

A structured checklist can significantly reduce professional risk as well as client exposure.

Suggested Judicial and Regulatory Discussion

Although litigation under the Black Money Act is still evolving, courts and appellate authorities have consistently emphasized that disclosure obligations must be interpreted seriously. Recent enforcement trends indicate increased reliance upon international information-sharing mechanisms and data analytics for identifying discrepancies in foreign asset reporting.

Tax professionals should therefore expect greater scrutiny of Schedule FA disclosures in future years.

Powerful Conclusion

The Black Money Act is often viewed solely as an anti-evasion statute. In reality, its broader objective is to create a culture of transparency in relation to global wealth held by Indian residents.

For returning NRIs, the challenge is not merely paying tax on foreign income. The greater challenge lies in understanding that legitimate assets accumulated abroad become part of a disclosure ecosystem once resident status is acquired in India.

As professionals, we occupy the first line of defence against inadvertent non-compliance. Our role extends beyond return preparation to educating taxpayers about disclosure obligations, documenting foreign holdings, and ensuring complete transparency.

The message is simple yet profound: in the era of global information exchange, undisclosed foreign assets represent not merely a tax risk but a governance risk. Compliance, therefore, is no longer a matter of prudence – it is a necessity.

The old tax principle remains as relevant today as ever:

“Disclosure may invite scrutiny; non-disclosure may invite consequences.”

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The Automation Paradox

CA. Dhruv Gor
Member of the Institute

The Automation Paradox

Trump changed the way how the all the Global Economies used to work.

Yes. President of USA, Donald Trump who is many a times referred as the driver of Indian Stock Market, was re-elected in Nov-24. He had taken up the presidency with the mission of MAGA (Make America Great Again).

So, let’s get the timeliness correct here. Post WW-II and slow recovery around 1950s the global economies open up for World Trade. The countries opened their trade barriers and allowed free trade across all the economies thereby utilising resources of each country for what it had the best. Like Middle East for Crude, Russia for Oil, US for technology, Mexico & India for Agriculture & Services, Taiwan for semiconductors, China for a complete ecosystem exporter, etc. And the show went on.

> *“ In a similar vein, AI is driving unprecedented efficiency and productivity across businesses. ”*

But, As Trump came into picture, he had primarily made sanction over Russia-Ukraine war for liquidation of Russi owned assets in USA, and then placed tariffs over all the countries. These moves made countries question, that “Are our assets safe and liquid with US” and secondly, “Do we really need to rely over other countries for resources?” Over the past 7 decades, the countries like China and Taiwan had developed self-sufficient systems and economies.

All these steps, resulted into convergence of globalized economies into closed economies. The US bond yields spiked and the dollar depreciated against other currencies and global trade became a lot more difficult than it ever was, but it never reduced. These steps made a difference, but it also opened up the internal demand and self-dependencies of multiple nations and changed the idea of Global Trade.

Similarly, something else also changed since past 3 years. And that’s how people and firms actually work!!

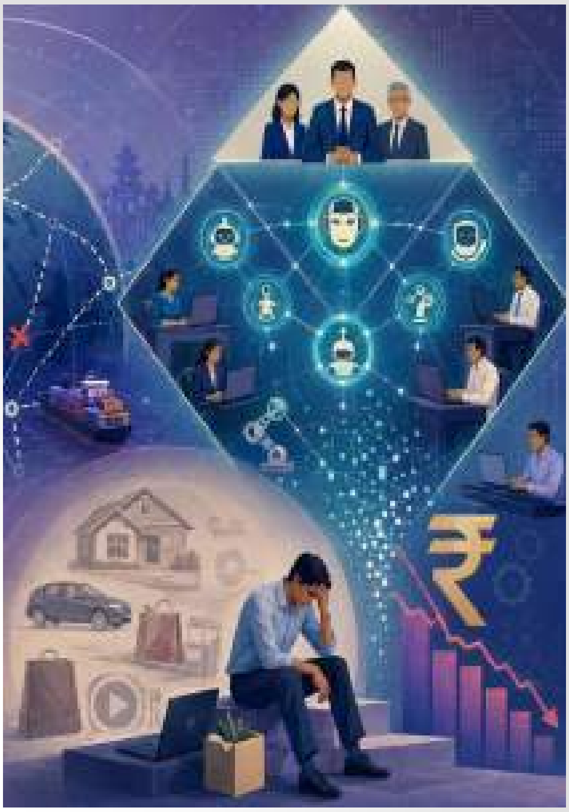
AI has massively changed the working of firms. We were taught that the organisation structures are Pyramid Shaped being the group of very few people stay on top of it. Today the organisation structures are being converted into Diamond shaped, meaning thereby that multiple AI agents would be working and employed on behalf of the organisation, and a small group controlling the working of the organization. CXO's started relying on this diamond shaped structure with much of the reliability and dependency on the AI Agents.

"AI doesn't take Toilet Breaks". With this mindset, much of the employees got fired and much of the efficiency came its way. Livspace cut 1,000 jobs which is 12% of its workforce. TCS axed 12,000 jobs and Oracle axed 10,000 jobs. The total number is never out of the whole Indian economy, but BBC forecasts approximately 50,000 employees lost jobs in Tech industry itself. The data does not project job losses in other domains due to AI Automation.

" President of USA, Donald Trump who is many a times referred as the driver of Indian Stock Market, was re-elected in Nov-24. "

Every structural shift comes with trade-offs. Tariffs pushed nations toward greater self-reliance, while sanctions on Russia prompted many countries to reassess their dependence on U.S. Treasuries. In a similar vein, AI is driving unprecedented efficiency and productivity across businesses. However, the other side of the equation cannot be ignored: if automation reduces employment opportunities, it could eventually dampen consumption and demand—the very engines that power India's large and growing economy.

The chunk of developers that got fired is relating to often a good and luxury lifestyle enjoying monthly subscriptions of OTTs, paying off the EMI's of lavish House and a Luxurious Car, ordering in Food and going out on weekend for some clubs and lounges. All of this stops, as soon as the credit of salary stops in the bank account and concerns over job security rises.



We see that all the tasks can be performed by AI, thereby firing every human in every other field or domain. Well, AI doesn't take toilet breaks or does not even sleep, but it does not even go out for clubbing, nor does it consume and enjoys all the luxuries. All it does is live on virtual tokens. The direct hit is taken into the economy. The past history tells us that all the tech bubbles have made their way out into the economy.

But this being considered a revolutionary innovation. Only the future will tell us how the future economies would run.

Special thanks to @Vivek Kaul for inspiration of this Article.

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The DPDP Act, 2023: A Compliance Cum An Opportunity for Chartered Accountants

CA. Animesh Modi
Member of the Institute

The DPDP Act, 2023: A Compliance Cum An Opportunity for Chartered Accountants

India's personal data law has i.e. The Digital Personal Data Protection Act, 2023 received Presidential assent in August 2023, and on 13 November 2025 the Ministry of Electronics and Information Technology notified the Digital Personal Data Protection Rules, 2025. With the Rules in place, the framework now has a working timetable. For a profession that lives by governance, controls and evidence, this is squarely our territory, not the legal department's alone.

The framework, and the timetable that matters the most

The regime sits on two levels. The Act carries the substantive law, namely who is covered, on what basis data may be processed, what rights individuals have, and what penalties apply. The Rules supply the operating detail: how notices read, how consent is captured, how long data is kept, how breaches are reported, and how audits run. Neither stands alone. A slip on a procedure under the Rules can become a breach of the matching obligation in the Act.

Commencement is staggered, and the dates are worth knowing for us. The institutional machinery, including the Data Protection Board of India, came into force on 13 November 2025. Registration of Consent Managers begins a year later, around 13 November 2026. The provisions most businesses will feel, covering notice, consent, security, retention, breach reporting and cross-border transfers, take effect roughly eighteen months after notification, on or after 13 May 2027. The reading for clients is plain. The regulator already exists. The window to mid-2027 is for building systems, not for waiting.

The Act covers digital personal data processed in India, and it follows Indian users abroad: processing done outside the country is caught when it relates to offering goods or services to people in India. For example, A payroll platform run from Singapore for an Indian employer falls inside the law even if no server sits here. What is outside the purview of the Acts are, 1. Data handled by an individual for purely personal or domestic reasons is outside the Act, 2. Personal data, the individual has made public or that the law requires to be public. The personal-use exclusion is narrow. For instance A CA keeping family numbers on a phone is outside it; the same phone holding client's personal data or information is not. Beyond these, Section 17 sets out further exemptions, including for the enforcement of legal claims, certain regulatory and judicial functions, and research or statistical work, and it lets the Government ease some obligations for notified classes such as startups.

Who is who, and why it decides liability

The Data Principal is the individual the data is about, and the holder of the rights. The Data Fiduciary is whoever decides the purpose and the means of processing. Liability tracks that decision-making, not who happens to hold the file. It is a classic case of substance over form:

the test is who sets the why and the how, not who owns the server. The Data Processor acts only on the Fiduciary's instructions and has no say over purpose, which is the position of most cloud hosts, payroll bureaus and analytics vendors.

The point clients miss is that sharing data does not share the liability. Under Section 8(1) the Fiduciary stays answerable for processing done on its behalf, and Section 8(2) allows a processor to be engaged only under a valid contract. You can outsource the work, but you cannot outsource the responsibility.

A Significant Data Fiduciary (SDF) is one the Central Government notifies as such, judged on the volume and sensitivity of the data, the risk to people's rights, and the bearing on matters such as the security of the State and electoral integrity. There is no turnover trigger; the test is risk, not size. A Consent Manager is an entity registered with the Board that gives an individual one place to grant, review and withdraw consent across different Fiduciaries, and it owes that individual a duty of good faith.

The two ways data may lawfully be processed

cConsent is the route most people know, but it is not the only one, and treating it as the only one is a common and costly error.

Where consent is the basis, it must be free, specific, informed, unconditional and unambiguous, and it must follow a plain notice under Section 5 that says what is collected, why, and how the person can exercise rights and complain. Withdrawal has to be as easy as giving consent was. When a dispute arises, Section 6(10) puts the burden on the Fiduciary to show valid consent was held, which turns consent records into front-line audit evidence.

The second route is the closed list of "certain legitimate uses" in Section 7. These let data be processed without consent in strictly defined situations, including:

" The provisions most businesses will feel, covering notice, consent, security, retention, breach reporting and cross-border transfers, take effect roughly eighteen months after notification, on or after 13 May 2027. "

- Where a person voluntarily hands over data and doesn't object.
- For employment purposes (Some relief for HR departments).
- To meet a legal obligation or court order.
- To respond to medical emergencies.

The list is closed. Operational convenience does not qualify. The advisory task here is to stop clients from reverse-engineering a "legitimate use" just because their consent architecture is broken.

Rights, duties and a hard line on children

Individuals can ask to see what information or data is held about them and how it has been used (Section 11), have it corrected or erased (Section 12), raise a grievance (Section 13), and nominate someone to act for them on death or incapacity (Section 14). The Act also gives Data Principals duties under Section 15, including not filing false or frivolous complaints, with a penalty of up to ten thousand rupees for breach.

Children are treated separately and more strictly. Before processing the data of anyone under eighteen, a Fiduciary must obtain verifiable consent from a parent or guardian, and it may not run behavioural tracking or targeted advertising aimed at children, save for narrow exemptions the Rules allow for sectors such as healthcare and education. Any platform that schools, games or apps reach, edtech in particular, should treat children's data as its highest-risk processing.

Following the data through its life

The most efficient way to assess an organisation is to trace its data from collection to deletion.

At collection, each field has to be tied to a stated purpose, and that data cannot quietly be reused for something else without a fresh basis. In processing, only the data actually needed for the purpose should be touched and asked for. Minimisation and purpose limits are continuing tests, not a one-time sign-off. If you cannot show the audit trail connecting the data field to the consent log, the control has failed.

Retention runs on two clocks at once. Section 8(7) requires deletion once the purpose is met, a duty the Fiduciary must act on without waiting to be asked. For e-commerce, online gaming and social media platforms, the Rules deem the purpose served after three years of user inactivity, after which the data must go, with at least 48 hours' notice to the user first. At the same time, Rule 8(3) requires processing logs to be kept for at least a year to support audits and investigations. Both duties bind together, so systems must delete personal data on schedule while preserving the logs that record how it was handled.

Under the DPDP Act, responsibility for personal data always stays with the Data Fiduciary. Even if the data is shared with vendors, service providers, or transferred outside India, the Data Fiduciary remains accountable.

When data is corrected, all parties holding that data must receive the updated information. When data is deleted, every copy held by processors or other recipients must also be securely deleted so that it cannot be recovered.

The basic principle is simple: data can move, but responsibility does not.

> *“ The Data Processor acts only on the Fiduciary's instructions and has no say over purpose, which is the position of most cloud hosts, payroll bureaus and analytics vendors. ”*

Proving it, not just doing it

The regime turns on accountability, and that has a sharp edge for documentation. It is not enough to comply; the organisation has to be able to show it did. When the Board opens an inquiry, the job of producing the evidence falls on the organisation, not the regulator.

The baseline duties sit in Section 8: process lawfully and in line with the notice, keep reasonable security safeguards (with the technical and organisational detail in Rule 6), hold to the retention and erasure rules, and run a working grievance mechanism under Section 8(10). If a breach happens, the Fiduciary must tell the affected people without delay and give the Board full particulars within 72 hours under Rule 7.

A Significant Data Fiduciary carries more. It must appoint an India-based Data Protection Officer under Section 10(2)(a), an obligation that bites from the moment of designation. It must appoint an independent data auditor under Section 10(2)(b). And under Rule 13 it must run a Data Protection Impact Assessment (DPIA) and an audit every year, and report the significant findings to the Board.

Penalties are set by the Board under Section 33 and the Schedule. The figures below are ceilings, not fixed amounts. The Board fixes the actual sum by weighing the gravity and duration of the breach, the sensitivity and volume of data, whether the conduct was repeated, the gain made or loss avoided, and the steps taken to put things right.

Contravention	Maximum Penalty
Failure to take reasonable security safeguards	₹250 crore
Failure to notify a breach	₹200 crore
Breach of children's-data obligations	₹200 crore
Breach of SDF obligations	₹150 crore
Breach of Data Principal duties	₹10,000
Breach of any other provision	₹50 crore

Note on penalties: Because the heads of failure are separate, one incident rarely travels alone. A breach that reveals a security failure *and* triggers a late reporting failure exposes the organization under both heads cumulatively.

The Board, constituted under Sections 18 to 26, runs as a digital-first body, can issue binding directions, and can accept a voluntary undertaking under Section 32 to settle a matter. Individuals must use a Fiduciary's internal grievance route before coming to the Board, and appeals from the Board's orders lie to the Appellate Tribunal.

Where the work is for us as a Chartered Accountants

The skills this law rewards are the ones the profession already delivers: Testing Controls, Relying on Evidence, Risk Assessment, and Documentation Management that holds up. Several lines of work follow directly.

The independent data audit under Section 10(2)(b) is the best opportunity for us as a Chartered Accountant. Kindly note that, the Act or Rules have not defined the criteria for eligibility to become an Auditor under this Act. Every SDF needs an external, genuinely independent auditor to test its compliance with the Act and the Rules, which is assurance work of a familiar kind. The annual DPIA under Rule 13 is the other recurring engagement, and high-risk projects in organisations that are not SDFs need DPIAs too, usually at the design stage. Around these sit readiness reviews, gap assessments, records of processing, consent design, and the drafting and monitoring of processor contracts. For mid-sized firms that need governance leadership without a full-time hire, a fractional or virtual DPO role is a natural fit.

There is a caution to set beside the opportunity. A CA firm is itself a Data Fiduciary. It holds tax filings, identity documents and sensitive financial records, about as high-stakes as personal data gets, and the Act's duties run alongside our own confidentiality obligations under the ICAI Code of Ethics. The habit of pushing PAN cards and tax filings through WhatsApp, where files land on personal phones and unmanaged cloud backups, is a massive governance failure. We cannot issue a clean DPIA report on Friday and share the working papers over consumer chat apps on Saturday. For members who want to build the competence formally, ICAI's Digital Accounting and Assurance Board runs a Certificate Course on Data Protection Compliance and Audit Certification aimed at exactly this work.

The Closing of the article but the real Beginning for Data Governance, Security and Chartered Accountants

The DPDP Act turns data protection from an IT concern into an assurance discipline, and it puts the burden of proving good governance on the organisation rather than the regulator. The Board is already in place, and the main duties land by mid-2027, so the preparation has to start now. That timing, and the nature of the work, place Chartered Accountants in a strong position to help Indian business build what the law asks for, and to put their own practices in order while they do it.

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The Alternative Investment Fund Ecosystem in GIFT City:

Legal Framework, Challenges, Accounting Dimensions, and the Outbound Investment Opportunity

CA. Dipen Shah
Member of the Institute

Gujarat International Finance Tec-City, popularly known as GIFT City, has quickly become India's most important international financial centre. Located near Ahmedabad, it has been designed to compete with established global hubs such as Singapore, Dubai and Luxembourg.

1. Introduction

1.1 Gujarat International Finance Tec-City, popularly known as GIFT City, has quickly become India's most important international financial centre. Located near Ahmedabad, it has been designed to compete with established global hubs such as Singapore, Dubai and Luxembourg. Within this ecosystem, Alternative Investment Funds, or AIFs, have emerged as one of the most active and strategically important financial products.

1.2 AIFs are privately pooled investment vehicles that collect money from sophisticated investors and invest in areas such as private equity, venture capital, real estate, hedge strategies, distressed assets and other alternative opportunities. In GIFT City, these funds are regulated under a unified framework administered by the International Financial Services Centres Authority, or IFSCA. The focus is not merely on individual schemes, but on the fund manager and the overall governance framework.

1.3 By late 2025, GIFT-IFSC had more than 300 registered funds with cumulative commitments exceeding USD 26 billion. This growth shows that the jurisdiction has moved beyond its initial experimental phase and is now being viewed as a serious fund domicile. This article explains the legal framework for AIFs in GIFT City, the key challenges faced by the ecosystem, important accounting considerations, and the growing opportunity for outbound investments through GIFT City structures.

2. Legal and Regulatory Framework

2.1 The foundation of the AIF framework in GIFT City is the IFSCA (Fund Management) Regulations, 2025. These regulations came into force on 19 February 2025 and replaced the earlier 2022 framework. The new regulations mark an important shift from a fund-centric approach to a manager-centric approach. In simple terms, the regulator now focuses more on the Fund Management Entity, or FME, rather than treating every scheme as a separate regulatory starting point.

2.2 Once an FME is registered with IFSCA, it can launch multiple schemes under one umbrella registration. These may include venture capital schemes, restricted non-retail schemes and retail schemes. This structure reduces repeated compliance requirements and makes the process more efficient, while still maintaining regulatory oversight.

2.3 The 2025 Regulations also introduced several practical improvements. Appointment of Key Managerial Personnel no longer requires prior approval from IFSCA; an intimation is generally sufficient. This removes a procedural delay that fund managers previously faced. At the same time, larger FMEs managing more than USD 1 billion in assets are required to appoint an additional KMP within six months, ensuring stronger governance for larger platforms.

2.4 The regulations have also broadened the eligibility criteria for KMPs by recognising experience in consulting, advisory and corporate finance. A certification-based route has also been introduced to address the shortage of specialised talent. Further, investment flexibility has improved by allowing bank deposits and overnight schemes for cash and treasury management, bringing GIFT City funds closer to global market practice.

2.5 One of the most notable developments is the Third-Party Fund Management Services framework, introduced in July 2025. This allows registered FMEs in GIFT City to manage schemes on behalf of global asset managers that are regulated in their home jurisdictions but do not want to set up full operations in GIFT City. This platform model is similar to structures used in Luxembourg and the Cayman Islands and can help international managers access Indian and Asian markets more efficiently.

2.6 In December 2025, IFSCA approved further relaxations to address operational concerns. These included a one-time three-month window for certain schemes whose Private Placement Memoranda had expired, and a 24-month migration window for FMEs required to appoint an IFSC-based custodian. These changes show that the regulator is actively responding to industry feedback while continuing to strengthen the overall framework.

“ At the same time, larger FMEs managing more than USD 1 billion in assets are required to appoint an additional KMP within six months, ensuring stronger governance for larger platforms. ”

3. Categories and Structural Advantages

3.1 AIFs in GIFT-IFSC broadly follow the familiar three-category structure. Category I includes funds focused on venture capital, start-ups, SMEs and infrastructure. Category II covers private equity, debt and other funds that do not use complex leverage strategies. Category III includes funds that follow more complex trading strategies, including leverage, and has seen strong growth because it suits hedge fund and cross-border trading strategies.

3.2 GIFT City AIFs offer several advantages over onshore Indian AIFs. Domestic AIFs face

restrictions on overseas investment and non-resident participation, whereas GIFT-IFSC AIFs can generally be structured in foreign currency and can invest globally with greater flexibility. This reduces foreign exchange friction and makes the structure more attractive for investors seeking international exposure.

3.3 Minimum investment thresholds have also been rationalised over time. The standard minimum commitment for AIFs has been reduced to USD 75,000 from the earlier USD 150,000, while retail-facing schemes have separate lower thresholds. These measures are intended to make the fund platform more accessible while still preserving investor protection standards.

4. Key Challenges Facing the Ecosystem

4.1 Although the regulatory progress has been impressive, the AIF ecosystem in GIFT City still faces important challenges. The first challenge is regulatory change itself. While most changes are positive and investor-friendly, frequent amendments require fund managers to regularly update compliance systems, Private Placement Memoranda, internal policies and investor disclosures.

4.2 The second challenge is talent availability. Expertise in IFSC fund administration, compliance, valuation and cross-border tax structuring is still developing in India. Skilled professionals are available, but the talent pool remains smaller than in mature financial centres. Operating costs can also be higher because of relocation, housing and lifestyle factors in a still-developing financial city.

4.3 The third challenge is the depth of the service-provider ecosystem. Custodians, fund administrators, specialised legal advisors, valuation experts and dispute resolution infrastructure are growing, but they are not yet as mature as those in Singapore, Hong Kong or Luxembourg. This gap is gradually narrowing as more service providers establish or expand operations in GIFT City.

4.4 The fourth challenge is taxation, particularly for outbound investment structures. While the regulatory route for outbound investment is relatively clear, India does not yet have a dedicated outbound tax regime for such funds. This uncertainty affects fund structuring, investor returns and the competitiveness of GIFT City when compared with established global fund jurisdictions.

4.5 Another emerging concern is the use of Category III AIFs by ultra-high-net-worth family offices as vehicles for concentrated overseas investments. IFSCA has indicated that AIFs should operate as genuinely pooled investment vehicles and should not become private investment arms of single families. Until the dedicated Family Investment Fund framework receives full operational clarity, this area is likely to remain under regulatory scrutiny.

5. Accounting Aspects

5.1 From an accounting and reporting perspective, GIFT City AIFs require careful attention because many of them operate in foreign currency and invest across jurisdictions. Net Asset Value computation is now closely linked to independent valuation of portfolio assets. This is particularly important where funds hold unlisted, illiquid or difficult-to-value securities.

“ Within this ecosystem, Alternative Investment Funds, or AIFs, have emerged as one of the most active and strategically important financial products. ”

5.2 Open-ended schemes have specific accounting implications during their ramp-up phase. Until the minimum corpus threshold is achieved, they are restricted to investing in low-risk and liquid instruments. Investment in unlisted securities is permitted only after the required threshold is met. This sequencing affects portfolio classification, disclosure and valuation reporting.

5.3 Tax treatment also influences accounting. Category I and Category II AIFs generally follow a pass-through model for certain types of income, meaning that capital gains, interest and dividend income are taxed in the hands of investors, while business income is taxed at the fund level. Category III AIFs are treated differently, with income generally taxed at the fund level. This distinction affects tax provisioning, investor reporting and distribution planning.

5.4 Fund administrators must also maintain strong documentation, including valuation records, investor-level allocation statements, compliance policies, distribution records and audit trails. Where the fund invests overseas, withholding taxes, treaty claims, repatriation timelines, currency movements and hedging costs must be tracked carefully. For US-connected investors, additional reporting considerations such as PFIC classification, FATCA and FBAR may also become relevant.

6. Usefulness for Outbound Investments

6.1 One of the most important uses of GIFT City AIFs is outbound investment. These funds allow Indian resident capital to access global opportunities through a regulated structure. Under India's overseas investment framework, resident entities face several restrictions when investing directly outside India. GIFT-IFSC, however, is treated as a separate jurisdiction for foreign exchange purposes, allowing an IFSC AIF to invest globally with greater flexibility.

6.2 Resident individuals can participate in such structures through the Liberalised Remittance Scheme, subject to the applicable annual limit of USD 250,000. This creates a regulated route for Indian investors to access international equities, private markets, infrastructure, thematic funds and other global strategies without directly opening and managing separate offshore investment accounts.

6.3 GIFT City outbound AIFs are also attractive when compared with domestic international mutual funds, which remain subject to an industry-wide overseas investment limit. When such limits are reached, domestic mutual funds may stop accepting fresh investments. GIFT-based outbound AIFs do not face the same cap and can deploy their corpus into foreign securities in a more flexible manner.

6.4 The biggest limitation, however, is the absence of a dedicated tax-neutral outbound investment regime. In some cases, income arising from frequent portfolio churning may create a higher tax burden for investors than comparable structures in jurisdictions such as Singapore. IFSCA has therefore recommended a clearer regime under which income would be taxed mainly when distributed to investors. If such a framework is introduced, it could significantly improve GIFT City's competitiveness as a preferred outbound fund domicile.

7. Conclusion

7.1 The AIF ecosystem in GIFT City has developed rapidly since the original fund management framework was introduced in 2022. The 2025 regulatory overhaul is an important milestone because it makes the framework more practical, globally comparable and manager-focused. The manager-centric model, greater investment flexibility, third-party fund management platform and rationalised investment thresholds have all strengthened GIFT City's position.

7.2 At the same time, the ecosystem must still address important gaps. Talent availability, service-provider depth, family office structuring concerns and, most importantly, the lack of a dedicated outbound tax regime will influence how quickly GIFT City can compete with centres such as Singapore and Hong Kong.

7.3 For fund managers, investors and accounting professionals, GIFT City offers a powerful opportunity but also requires careful regulatory, tax and accounting planning. As the framework continues to evolve, staying updated with IFSCA notifications, FEMA rules and tax developments will be essential for making informed decisions.

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AI in the Accountant's Toolkit: Rethinking How We Prepare Financial Statements

CA. Pooja Appa
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AI in the Accountant's Toolkit: Rethinking How We Prepare Financial Statements

AI in the Accountant's Toolkit: Rethinking How We Prepare Financial Statements

A practitioner's perspective on using AI tools alongside Excel for statutory financial statement preparation

For most of us in practice, financial statement preparation has always meant long hours inside Excel — linking trial balances to schedules, reconciling movements, drafting notes, and proof-reading formulas until every number tallies. Over the past year, I have started using AI tools as a working partner alongside Excel in this process, not to replace professional judgment, but to remove the mechanical drag that eats up the most productive hours of a closing cycle. This article shares how that has worked in practice, the areas where AI has genuinely helped, and where a chartered accountant's own judgment continues to be irreplaceable.

Where the Time Actually Goes

Anyone who has built a Profit & Loss and Balance Sheet schedule from a trial balance knows the real effort is rarely in the accounting itself. It lies in the mechanics: mapping hundreds of ledger heads to the correct schedule lines, building formula links that survive when new ledgers are added mid-year, catching a broken reference before it silently understates a number, and then repeating a version of this exercise across multiple group entities that each report slightly differently. When statements involve financial instruments, related-party notes, or consolidated cash flow workings, the volume of cross-checking multiplies further. This is precisely the layer where AI tools have made the most difference for me.

How I Have Used AI in Practice

1. Building and Auditing Formula Structures

" This is precisely the layer where AI tools have made the most difference for me."

Rather than writing every VLOOKUP, SUMIFS, or INDEX-MATCH formula from scratch, I now describe the mapping logic in plain language — for instance, how a trial balance ledger should roll up into a schedule head, or how a note should pull its opening and closing balances — and let the AI tool draft the formula. More usefully, when a workbook throws a #REF! or a number simply looks wrong, I can paste the formula and ask the tool to trace the logic and flag where the link breaks. This has repeatedly caught errors — a fixed reference that should have been relative, a range that did not expand when new rows were inserted, a sign convention flipped in one sheet but not another — far faster than scanning cell by cell.

2. Drafting Standard Notes to Accounts

Certain notes, such as those on financial instruments, related party disclosures, or accounting policies, follow a fairly standard structure once the underlying figures are ready. I have used AI to prepare the first draft of the narrative portions of these notes — categorisation of financial assets and liabilities, fair value hierarchy language, or the boilerplate policy paragraphs — based on the figures and classifications I provide. This does not replace technical judgment on classification or measurement, which remains entirely mine to apply and review, but it removes the drafting burden and gives me a clean starting point to edit, tighten, and align with the applicable Schedule III or Ind AS requirements.

3. Consolidating Inputs Across Entities

When a reporting deck draws on inputs from several colleagues covering different group entities, formats rarely match on the first pass. AI tools have helped me quickly reconcile formatting inconsistencies, standardise currency and rounding conventions across sheets, and identify where one entity's figures do not tie back to another's before I present a consolidated view. What used to involve several rounds of manual back-and-forth has become a much faster first-pass clean-up, leaving more time for the substantive review.

4. Tracing Cash Flow Workings

Cash flow statements are notoriously prone to small errors compounding into large mismatches — a working capital movement picked up twice, or a non-cash adjustment missed entirely. I have found AI genuinely useful as a second pair of eyes here: describing the movement in each balance sheet line and asking whether the treatment in the cash flow working is logically consistent, before I finalise the statement myself.

5. Spotting Structural Issues in Complex Workbooks

" What used to involve several rounds of manual back-and-forth has become a much faster first-pass clean-up, leaving more time for the substantive review. "

Multi-sheet workbooks with dozens of cross-references eventually develop structural issues that are hard to see just by looking at the numbers — a sheet that was copied but not fully relinked, a named range pointing to the wrong version, or formatting inconsistencies that suggest a broken formula chain. AI tools have been effective at scanning through such structures when I describe the workbook's architecture, helping me isolate where the underlying issue originates rather than chasing symptoms across dozens of sheets.

What This Has Not Changed

None of this shifts where professional responsibility sits. Every classification, every judgment call on materiality, recognition, or disclosure, and every final figure that goes into a statutory financial statement is reviewed and owned by me as the signing professional, exactly as ICAI standards require. AI has not been used, and should never be used, to process actual client data through public or unsecured tools, to draft opinions or signed reports, or to substitute for the professional scepticism that audit and assurance work demands. In my own practice,

any AI assistance is confined to structure, formulas, drafting scaffolding, and logic-checking on illustrative or anonymised data — never on live client figures shared with external tools without appropriate safeguards. Confidentiality obligations under the Code of Ethics apply with full force regardless of the tool being used.

The Net Effect

What AI has genuinely bought me is time — time that was previously spent on formula plumbing and formatting clean-up, now redirected to the actual review: does this note say what it should, does this treatment reflect the substance of the transaction, does this number make commercial sense. For a profession where compliance timelines are unforgiving and every closing season brings the same repetitive structural work across multiple entities, that shift matters. It has not made the accountant's judgment any less necessary; if anything, it has freed up more hours to exercise it properly.

A Word to Fellow Members

For members hesitant about AI adoption, my suggestion would be to start small and stay within safe boundaries: use it for structure, formulas, and drafting scaffolding on non-sensitive or illustrative data, keep actual client information out of public tools, and always apply full professional review before anything reaches a client or a regulator. Used this way, AI is simply another instrument in the practitioner's toolkit — no different in principle from moving from manual ledgers to Excel a generation ago. The judgment, the responsibility, and the signature remain, as they always have, entirely ours.

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Clause 11 of Form No. 3CD - Reporting of Books of Account under Section 44AA

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Among the various clauses of Form No. 3CD, Clause 11 is sometimes completed as a routine compliance requirement. In reality, it is one of the most significant disclosures in the tax audit report because it identifies the accounting records on which the audit has been carried out.

Clause 11 of Form No. 3CD – Reporting of Books of Account under Section 44AA: Practical Issues, Judicial Guidance and Audit Considerations

Part I – Understanding the Scope of Clause 11 and Reporting under Clause 11(a)

1. Introduction

Among the various clauses of Form No. 3CD, Clause 11 is sometimes completed as a routine compliance requirement. In reality, it is one of the most significant disclosures in the tax audit report because it identifies the accounting records on which the audit has been carried out. It informs the tax authorities whether any books of account are prescribed by law, what books are actually maintained by the assessee, where those books are kept, and the records that have been examined by the tax auditor.

The importance of this clause has grown considerably with the increasing use of Enterprise Resource Planning (ERP) systems, cloud-based accounting platforms and digital record-keeping. Modern businesses no longer maintain only traditional books such as cash books and ledgers. Accounting information is generated through integrated software, inventory management systems, production modules, GST applications and cloud servers. Consequently, a tax auditor can no longer rely on a standard list carried forward from earlier years. Clause 11 requires an understanding of the assessee's accounting environment and careful reporting based on the actual facts of the case.

The disclosure made under Clause 11 also assumes importance during assessment and appellate proceedings. Questions relating to rejection of books under section 145, estimation of income, stock discrepancies, unverifiable purchases, or revisionary proceedings under section 263 often involve examination of the books reported in Form No. 3CD. Accordingly, the information furnished under this clause should be consistent with the audit working papers and the records actually produced before the auditor.

This article discusses the scope of Clause 11, the distinction between its three sub-clauses, practical issues arising in modern accounting environments, and the judicial principles that have emerged over the years.

2. Statutory Framework

Clause 11 derives its authority principally from section 44AA of the Income-tax Act, 1961 and Rule 6F of the Income-tax Rules, 1962.

Section 44AA requires specified persons carrying on business or profession to maintain such books of account and other documents as may enable the Assessing Officer to compute their taxable income. However, the Act itself does not prescribe a uniform list of books applicable to every assessee.

Rule 6F prescribes books only for certain specified professions. In contrast, businesses and professions not covered by Rule 6F are required to maintain such books as are necessary to correctly determine their income.

Another important provision is section 2(12A) of the Income-tax Act, which gives an inclusive definition of "books or books of account". The definition specifically recognises records maintained in written form as well as those maintained in electronic form. Consequently, books generated through accounting software, ERP applications and other digital systems constitute books of account for the purposes of the Income-tax Act, provided they satisfy the statutory requirements.

3. Understanding Clause 11

Clause 11 consists of three independent reporting requirements. Although they appear together in Form No. 3CD, each serves a distinct purpose.

Clause 11(a)

This requires the auditor to state whether books of account are prescribed under section 44AA and, where applicable, to specify those prescribed books.

Clause 11(b)

This requires disclosure of the books of account actually maintained by the assessee and the places where those books are maintained.

Clause 11(c)

This requires disclosure of the books of account and the nature of relevant documents examined by the tax auditor while conducting the audit.

One of the most common mistakes in practice is to reproduce the same list under all three clauses. Such an approach overlooks the fact that the books prescribed by law, the books actually maintained by the assessee and the books examined during the audit may not necessarily be identical.

For example, Rule 6F may prescribe certain books for a specified professional. The assessee may voluntarily maintain several additional records, such as project registers, inventory records or cost sheets. During the audit, the auditor may also examine invoices, agreements, bank statements and other supporting documents, which are not books of account in the strict sense. Each sub-clause, therefore, calls for a separate and considered response.

4. Clause 11(a) – Books Prescribed under Section 44AA

Clause 11(a) requires the auditor to report whether any books of account are prescribed under section 44AA.

This is essentially a legal question rather than a factual one. The auditor must first determine whether the assessee falls within a category for which books have been prescribed under Rule 6F.

Specified professions

Rule 6F presently applies to specified professions such as:

- Legal profession
- Medical profession
- Engineering
- Architectural profession
- Accountancy
- Technical consultancy
- Interior decoration
- Authorised representatives
- Film artists

For these professions, Rule 6F prescribes maintenance of books such as:

- Cash Book
- Ledger
- Journal (where mercantile system is followed)

In addition, medical practitioners are required to maintain a daily case register in Form No. 3C and an inventory of drugs, medicines and other consumable accessories. These are statutory maintenance requirements applicable to medical practitioners. They should, however, be distinguished from the core books of account prescribed under Rule 6F.

Businesses and other professions

For businesses and professions not covered by Rule 6F, no books of account are specifically prescribed. Such assessees are nevertheless required to maintain books that enable the computation of their taxable income.

Accordingly, a business entity may maintain cash books, journals, ledgers, purchase registers, sales registers, inventory records or fixed asset registers. These may be essential books maintained by the assessee, but they are not "prescribed books" for the purposes of Clause 11(a).

This distinction is often overlooked in practice. Merely because an assessee maintains a cash book and ledger does not mean those books are prescribed under Rule 6F.

5. Practical Issues under Clause 11(a)

Certain practical situations deserve careful consideration.

Multiple activities

An assessee may carry on more than one activity. For example, a chartered accountant may also run a consultancy business or own a trading concern. In such cases, books may be prescribed only in respect of the specified professional activity. The reporting should make this distinction clear.

Hybrid accounting systems

Many professional firms maintain manual records for statutory purposes while simultaneously maintaining complete electronic books through accounting software. Clause 11(a) should refer only to the prescribed books and not to every internal record generated by the software.

Voluntarily maintained records

Businesses often maintain production registers, quality control records, project costing statements, GST reconciliation registers and management reports. Although these records may be important for audit purposes, they do not become prescribed books merely because they are maintained regularly.

6. Judicial Guidance

Judicial decisions demonstrate that the distinction between prescribed books and maintained books is not merely academic. It has practical implications in penalty proceedings and in determining whether statutory obligations have been complied with.

(i) Harshavardhan v. DCIT

ITA Nos. 404 to 416/Bang/2019 (ITAT Bangalore)

The Tribunal examined the case of a civil contractor against whom penalty proceedings had been initiated. One of the issues was whether books of account were prescribed under Rule 6F. The Tribunal observed that Rule 6F prescribes books only for specified professions and not for civil contractors. The decision highlights the importance of correctly identifying whether prescribed books exist before making any disclosure under Clause 11(a).

Practical takeaway: Before reporting under Clause 11(a), the auditor should first determine whether Rule 6F is applicable to the assessee's activity. Merely maintaining books does not mean they are prescribed by law.

(ii) S.J. Agarwal & Co. v. ITO

[2008] 114 ITD 27 (Pune) (ITAT)

In this case, the Tribunal considered whether the assessee could contend that no books had been maintained despite preparing financial statements. The Tribunal observed that preparation of a profit and loss account and balance sheet necessarily presupposed the existence of books of account. The assessee could not avoid statutory obligations by asserting otherwise.

Practical takeaway: The auditor should ensure that the reporting under Clause 11 is consistent with the financial statements and the records actually produced during the audit. A disclosure that contradicts the accounting records may not withstand scrutiny.

Emerging Principle

These decisions underline an important principle. Clause 11(a) should not be completed mechanically. The auditor should distinguish between:

- books prescribed by law;
- books maintained by the assessee; and
- books examined during audit.

Keeping these categories separate results in more accurate reporting and avoids unnecessary disputes during assessment.

Part II – Clause 11(b): Books of Account Maintained and Place Where They Are Kept

Clause 11(b) moves from the legal requirement under Clause 11(a) to the factual position. While Clause 11(a) asks whether books are prescribed under section 44AA, Clause 11(b) requires the auditor to report the books that are actually maintained by the assessee and the place where those books are kept.

This distinction is important. An assessee may maintain several books voluntarily even though they are not prescribed under Rule 6F. Equally, the books maintained may vary depending upon the nature, size and complexity of the business. The auditor's responsibility is not to reproduce a standard list, but to describe the accounting records that are actually maintained and produced during the audit.

7. Scope of Clause 11(b)

Clause 11(b) requires disclosure of two aspects:

- the books of account actually maintained; and
- the place or places where those books are maintained.

The reporting should be based on verification and discussions with management. Wherever possible, the auditor should reconcile the list with the books produced during the audit and the accounting system followed by the assessee.

Unlike Clause 11(a), this is a factual disclosure. Therefore, reporting should reflect the position as it exists during the relevant previous year.

8. Books Commonly Maintained

The books maintained will naturally depend upon the business carried on by the assessee. There is no universal list.

For a trading concern, the books may include:

- Cash Book
- Bank Book
- Journal
- General Ledger
- Sales Register
- Purchase Register
- GST Registers
- Debtors' Ledger
- Creditors' Ledger
- Stock Register
- Fixed Asset Register

A manufacturing concern may additionally maintain:

- Raw Material Register
- Work-in-Progress Register
- Finished Goods Register
- Production Register
- Consumption Register
- Job Cost Records
- Scrap Register

Service organisations may maintain:

- Project Registers
- Assignment Registers
- Time Sheets
- Client Billing Registers
- Revenue Recognition Records

The auditor should avoid copying a standard list from the previous year's report. The accounting system should be reviewed every year because businesses frequently introduce new modules, discontinue manual registers or migrate to integrated ERP systems.

9. Place Where Books Are Maintained

The second part of Clause 11(b) requires disclosure of the place where books are maintained.

Traditionally, this meant the registered office or principal place of business. Today, however, books may be maintained simultaneously at several locations.

For example:

- Registered Office
- Corporate Office
- Factory
- Branch Offices
- Warehouses
- Shared Service Centres

- Data Centres
- Cloud Servers

Where books are maintained at more than one location, each significant location should be disclosed clearly.

The purpose of this disclosure is to enable the tax authorities to understand where the primary accounting records are maintained and where they may be inspected, if required.

10. Computerised Books of Account

The manner in which books are maintained has changed significantly over the last decade.

Very few medium-sized or large businesses now maintain entirely manual books. Most accounting records are generated through ERP systems such as SAP, Oracle, Microsoft Dynamics, Tally Prime or other customised accounting applications.

In such cases, merely stating that "books are maintained in ERP" does not adequately satisfy Clause 11.

A better approach is to identify the books generated by the system, for example:

- Cash Book

> *" In reality, it is one of the most significant disclosures in the tax audit report because it identifies the accounting records on which the audit has been carried out. "*

- Bank Book
- General Ledger
- Journal
- Purchase Register
- Sales Register
- Inventory Register
- GST Registers
- Fixed Asset Register

This provides a clearer picture of the accounting records maintained by the assessee and examined during the audit.

11. Cloud-Based Accounting Systems

Increasingly, accounting data is stored on cloud platforms rather than on local servers.

This does not change the nature of the books of account. Electronic books are recognised under the Income-tax Act, provided they remain accessible and capable of being produced when required.

Where books are maintained through cloud-based applications, the report should briefly indicate:

- that the books are computerised;
- the principal place from which they are maintained or accessed;
- where appropriate, that data is hosted on cloud infrastructure.

For confidentiality and cyber-security reasons, public illustrations should use masked IP addresses rather than disclosing complete server details.

12. Books Maintained at Multiple Locations

Many businesses operate through factories, depots, warehouses and branch offices.

The reporting under Clause 11(b) should identify these locations wherever separate books or subsidiary records are maintained.

For example, a manufacturing company may maintain:

- financial books at its registered office;
- inventory and production records at its factory;
- dispatch records at warehouses;
- branch accounting records at regional offices.

A single address in such situations may not present the complete picture.

13. Judicial Guidance

Judicial decisions have repeatedly demonstrated that the books disclosed under Clause 11(b) may become important evidence during assessment proceedings.

(i) Punjab Hide Company v. ITO

ITA No. 190/Asr/2018 (ITAT Amritsar)

The assessee was engaged in the business of hides and skins. During assessment, the Assessing Officer noted that an effective stock register was not available for verification. The Tribunal observed that quantitative records assume considerable importance in businesses where inventory forms a significant part of the trading activity. The absence of reliable stock records supported the Revenue's action.

Principle emerging: Where stock registers are material for the business, the auditor should ensure that the reporting under Clause 11(b) accurately reflects whether such records are maintained.

(ii) Gopal Sharma v. ACIT

ITA No. 416/Kol/2014 (ITAT Kolkata)

In this case, the Tribunal noted that the Assessing Officer had verified the books and stock records maintained by the assessee before drawing conclusions regarding the assessment. The availability of the accounting records supported the enquiry undertaken during assessment.

Principle emerging: Proper maintenance and disclosure of books strengthen the evidentiary value of the accounting records during assessment proceedings.

(iii) Galaxy Impex v. DCIT

ITA No. 529/JP/2016 (ITAT Jaipur)

The Tribunal emphasised that additions cannot be sustained merely on suspicion where the assessee has maintained regular books of account supported by primary records and those records have not been shown to be unreliable.

Principle emerging: Properly maintained books continue to carry significant evidentiary value unless specific defects are established.

(iv) Golechas Jewels v. ITO

ITA No. 600/JP/2023 (ITAT Jaipur)

The Jaipur Bench reiterated that accounting records maintained in the ordinary course of business deserve due evidentiary weight. The Revenue must identify concrete defects before disregarding regularly maintained books.

Principle emerging: Clause 11(b) disclosures should faithfully represent the books actually maintained because these disclosures may subsequently assume importance during assessment or appellate proceedings.

14. Practical Points for Auditors

Before completing Clause 11(b), the auditor should consider the following:

- Obtain a management-certified list of books maintained.
- Verify that the books produced correspond with the list furnished.
- Identify books maintained at factories, warehouses and branches.
- Understand whether the accounting system is manual, computerised or hybrid.
- Identify important subsidiary records such as inventory registers, production registers and fixed asset registers.
- Review whether there have been significant changes since the previous year.
- Avoid reproducing standard wording without verifying the facts.

A carefully drafted Clause 11(b) not only improves the quality of reporting but also helps avoid misunderstandings during assessment proceedings.

Part III – Clause 11(c): Books and Documents Examined, Practical Reporting and Illustrative Annexure

15. Clause 11(c): Books of Account and Nature of Relevant Documents Examined

Clause 11(c) requires the tax auditor to state the books of account and the nature of the relevant documents examined during the course of the tax audit.

Although this appears to be a straightforward reporting requirement, it is often misunderstood. Clause 11(c) is not intended to repeat the information given under Clause 11(b). Instead, it requires the auditor to identify the accounting records that were actually examined and the supporting evidence relied upon while conducting the audit.

In other words, Clause 11(b) answers the question "What books are maintained?", whereas Clause 11(c) answers "What books and supporting documents were examined by the auditor?"

The two disclosures may overlap, but they are not necessarily identical.

16. Books of Account and Supporting Documents – An Important Distinction

A distinction should always be maintained between books of account and supporting documents.

Books of account are the principal accounting records in which financial transactions are recorded. These generally include:

- Cash Book
- Bank Book
- Journal
- General Ledger
- Sales Register
- Purchase Register
- Stock Register
- Fixed Asset Register
- Production Records
- GST Registers

Supporting documents, on the other hand, are the evidence on the basis of which entries are made in those books. Depending upon the nature of the business, these may include:

- Purchase invoices
- Sales invoices
- Debit notes
- Credit notes
- Payment vouchers
- Receipt vouchers
- Journal vouchers
- Bank statements
- Bank advices
- Contracts
- Agreements
- Purchase orders
- Sales orders
- Delivery challans
- Goods Receipt Notes (GRNs)
- E-way bills
- Lorry receipts
- Import and export documents
- GST returns
- TDS records
- Payroll records
- Attendance records
- Statutory registers

The auditor should avoid reproducing an exhaustive list merely to make the disclosure lengthy. The reporting should reflect the principal documents that were actually examined during the audit.

17. Reporting in an ERP and Digital Environment

Accounting systems today are considerably different from those that existed when Form No. 3CD was originally introduced.

Transactions are captured once and simultaneously update multiple books through ERP systems. Inventory, finance, production, procurement, sales and GST modules are often integrated into a single database.

Accordingly, merely reporting that "accounts are maintained in SAP", "Tally", "Oracle" or any other software is not sufficient.

The auditor should identify the principal books generated through the system, such as:

- Cash Book
- Bank Book
- General Ledger
- Journal
- Purchase Register
- Sales Register
- Inventory Register
- GST Registers
- Fixed Asset Register

This provides a much clearer description of the accounting records maintained and examined.

Similarly, where records are maintained through cloud-based applications, the report may mention that the books are maintained on servers located at the registered office or other authorised locations and backed up on cloud infrastructure. For security reasons, illustrations should use masked IP addresses.

18. Illustrative Annexure (FY 2025-26)

The following specimen is intended only as an illustration of the manner in which Clause 11(b) and Clause 11(c) may be presented.

Appendix

XYZ PRIVATE LIMITED

Assessment Year : 2025-26

Annexure to Form No. 3CD

Clause 11(b) – List of Books of Account Maintained

A. Registered Office

7, Jolly Bhavan No. 2, Ground Floor,

New Marine Lines,

Mumbai – 400020

Sr. No.	Books Maintained	Computerised
1	Cash Book	Yes
2	Bank Book	Yes
3	Journal	Yes
4	General Ledger	Yes
5	Petty Cash Book	Yes
6	Sales Register	Yes
7	Purchase Register	Yes
8	Fixed Asset Register	Yes
9	Finished Goods Stock Register	Yes

B. Factory

" One of the most common mistakes in practice is to reproduce the same list under all three clauses. "

71, HPIDC,

Baddi,

Himachal Pradesh

Sr. No.	Books Maintained	Computerised
1	Cash Book	Yes
2	Bank Book	Yes
3	Journal	Yes
4	General Ledger	Yes
5	Petty Cash Book	No
6	Raw Material Stock Register	Yes
7	Finished Goods Stock Register	Yes
8	Production Register	Yes
9	Consumption Register	Yes

Author's Note

Where books are maintained at branches, depots, warehouses or project offices, those locations and the books maintained there should also be reported.

Clause 11(c) – Books of Account and Nature of Relevant Documents Examined (Illustrative)

We have examined the books of account referred to above together with the relevant supporting records, including payment vouchers, receipt vouchers, journal vouchers, purchase invoices, sales invoices, debit notes, credit notes, bank statements, contracts, agreements, inventory records, GST records and other documents considered necessary for the purposes of the tax audit.

The computerised books of account are maintained on servers located at the registered office and factory premises with masked IP addresses 101.102.xxx.3 and 101.102.xxx.4, respectively, and are backed up on cloud infrastructure with masked IP address 101.102.xxx.5.

19. Judicial Guidance on Clause 11(c)

Judicial decisions indicate that the disclosure under Clause 11(c) often assumes evidentiary importance during assessment proceedings.

(i) Shri Rama Multi Tech Ltd. v. ACIT

(2005) 92 TTJ 568 (ITAT Ahmedabad)

The Tribunal examined extensive accounting records while considering the issues arising in the assessment. The decision illustrates that properly maintained books and supporting documentation form the primary basis for examining the correctness of financial transactions.

Practical significance: The books reported under Clause 11(c) should correspond with the records actually examined by the auditor.

(ii) Style Gems and Jewells v. ITO

ITA No. 1495/Kol/2016 (ITAT Kolkata)

The Tribunal considered the evidentiary value of regularly maintained accounting records together with the supporting documents produced by the assessee.

Practical significance: Merely maintaining books is not sufficient. They should be supported by appropriate documentary evidence capable of verification.

(iii) Becon Constructions Pvt. Ltd. v. ACIT

ITA No. 5034/Del/2016 (ITAT Delhi)

The Tribunal observed that accounting entries should be examined together with the underlying documents and surrounding facts before adverse conclusions are drawn.

Practical significance: Clause 11(c) should indicate not only the books examined but also the broad nature of the supporting records verified during audit.

(iv) DCIT v. Manuvel Mezhukanal

ITA No. 1550/Del/2022 (ITAT Delhi)

The Tribunal emphasised that the evidentiary value of books depends upon their consistency and the supporting material available on record.

Practical significance: Proper documentation strengthens both the audit process and the assessee's position in assessment proceedings.

20. Practical Reporting Considerations

Experience suggests that the quality of reporting under Clause 11(c) improves significantly when auditors avoid standard wording and instead tailor the disclosure to the facts of each engagement.

The following principles may be useful:

- Describe the books actually examined.
- Briefly indicate the nature of supporting documents relied upon.
- Avoid reproducing the same list as Clause 11(b).
- Keep the disclosure concise but sufficiently informative.
- Ensure consistency with the audit working papers.
- Update the reporting every year rather than carrying forward the previous year's description.

A carefully drafted Clause 11(c) provides readers of the tax audit report with a fair understanding of the audit evidence considered by the tax auditor and enhances the credibility of the reporting.

Part 4 (Final Part)

Practical Issues, Judicial Guidance, Common Reporting Errors and Conclusion

9. Judicial Guidance on Clause 11

Although Clause 11 appears to be only a disclosure requirement, judicial decisions show that the information reported under this clause often assumes considerable significance during assessment and appellate proceedings. The existence or absence of books of account, stock records, quantitative registers and supporting documents has frequently influenced the outcome of litigation relating to rejection of books, estimation of profits, revision proceedings and penalties.

The following judicial principles emerge from the reported decisions.

(i) Absence of Stock Register

In Punjab Hide Company v. ITO, the Tribunal observed that maintenance of quantitative records assumes considerable importance where the nature of business permits such records to be maintained. The absence of a stock register, coupled with other deficiencies, was considered while examining the correctness of the books of account.

The decision does not lay down that every business must invariably maintain a stock register. Rather, it reiterates that the necessity of quantitative records depends upon the nature of the business. Nevertheless, where such records are normally expected, their absence may adversely affect the credibility of the accounts.

For tax auditors, this underlines the importance of ensuring that Clause 11(b) correctly reports whether quantitative records are maintained instead of mechanically reproducing a standard list.

(ii) Books Actually Produced During Assessment

Several judicial decisions have emphasised that maintaining books is different from producing them before the Assessing Officer.

Where Form No. 3CD states that books of account are maintained and examined, the assessee should ordinarily be in a position to produce those books whenever called upon during assessment proceedings. Failure to do so may weaken the evidentiary value of the books and invite adverse inferences.

Accordingly, Clause 11(c) should accurately describe the books and supporting documents actually examined during the audit.

(iii) Computerised Records

Modern litigation increasingly involves electronically maintained books rather than traditional manual records.

Tribunals have accepted computer-generated ledgers, inventory records and electronic accounting systems as books of account where they are properly maintained and are capable of being produced whenever required.

Conversely, where electronic records reveal inconsistencies, undisclosed databases or parallel accounting systems, they may become evidence against the assessee.

This reinforces an important practical point. Merely stating that books are maintained in ERP, SAP or Tally is not sufficient. The auditor should identify the books generated by the system—for example, cash book, bank book, general ledger, sales register, purchase register, inventory register and fixed asset register—and report them appropriately under Clause 11(b).

(iv) Evidentiary Value of Clause 11

Although Clause 11 itself does not determine the correctness of income, it forms part of the tax audit report and therefore becomes part of the assessment record.

During scrutiny proceedings, the Assessing Officer frequently refers to the disclosures made under Clause 11 while examining—

- completeness of books of account;
- availability of stock records;
- maintenance of branch records;
- accounting software used;
- supporting documents relied upon; and
- consistency of disclosures with the financial statements.

Accordingly, the information reported under Clause 11 should always be consistent with the audit working papers and management representations.

10. Common Reporting Errors

Experience suggests that many reporting deficiencies under Clause 11 arise not because of lack of knowledge but because earlier year's disclosures are simply carried forward without verification.

Some of the more common errors are discussed below.

Reporting ordinary business books as "prescribed books"

Clause 11(a) requires reporting of books prescribed under section 44AA read with Rule 6F.

For most businesses, Rule 6F does not prescribe any specific books. Therefore, describing cash book, journal and ledger as "prescribed books" in every case is legally incorrect.

Using the same list for Clauses 11(a), 11(b) and 11(c)

This is perhaps the most frequent mistake.

The three clauses deal with different matters.

- Clause 11(a) concerns books prescribed by law.
- Clause 11(b) concerns books actually maintained.
- Clause 11(c) concerns books and supporting documents examined.

The disclosures should therefore be prepared independently.

Mentioning only ERP or accounting software

Statements such as—

"Books are maintained in SAP."

or

"Books are maintained in Tally."

do not adequately answer Clause 11.

The auditor should specify the books generated through the software and, where appropriate, indicate the location at which electronic records are maintained.

Not mentioning multiple locations

Many businesses maintain books at—

- registered office;
- factory;
- branch office;
- warehouse;
- shared service centre; or
- cloud servers.

Where books are maintained at more than one location, the report should disclose the relevant places instead of mentioning only the registered office.

Confusing books with supporting documents

Books of account and supporting documents are not the same.

Books include—

- cash book;
- journal;
- ledger;
- purchase register;
- sales register;
- stock register; and
- fixed asset register.

Supporting documents include—

- invoices;
- vouchers;
- debit notes;
- credit notes;
- bank statements;
- agreements;
- contracts;
- goods receipt notes; and
- statutory records.

Clause 11(c) should distinguish between these two categories.

11. Practical Checklist for Tax Auditors

Before finalising Clause 11, the auditor may consider the following practical checks:

✓ Obtain a management-certified list of books maintained.

✓ Verify that the books produced during audit agree with the list furnished.

✓ Identify books maintained at each branch, factory or warehouse.

✓ Understand the accounting software or ERP environment.

✓ Identify books generated electronically.

✓ Verify where electronic records are stored.

✓ Where cloud infrastructure is used, disclose the mode of storage appropriately without revealing confidential technical information. Masking IP addresses in illustrative formats is a prudent practice.

✓ Ensure that disclosures under Clauses 11(a), 11(b) and 11(c) are mutually consistent.

✓ Cross-check the disclosures with audit working papers.

✓ Avoid reproducing the previous year's wording without confirming that no changes have occurred.

12. Conclusion

Clause 11 occupies only a small space in Form No. 3CD, but its importance extends well beyond the disclosure itself. It provides the reader with a clear picture of the accounting records maintained by the assessee and the extent of the auditor's examination.

Good reporting under Clause 11 is not achieved by reproducing a standard format. It requires the auditor to understand the assessee's accounting system, distinguish between books prescribed by law and books actually maintained, identify the records examined during the audit, and report these matters accurately.

As accounting systems continue to evolve from manual books to ERP-based and cloud-enabled environments, Clause 11 must also evolve in its presentation. At the same time, the underlying principle remains unchanged: the disclosures should be factual, complete, and supported by appropriate audit documentation.

A carefully prepared Clause 11 not only improves the quality of the tax audit report but also assists the assessee, the tax authorities and appellate forums by providing a transparent picture of the books of account forming the basis of the audit.

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Beyond Compliance: How AI Agents Are Redefining the Role of Chartered Accountants

CA. Bhumika Pandya
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Beyond Compliance: How AI Agents Are Redefining the Role of Chartered Accountants

The Chartered Accountancy profession has always been built on three pillars—knowledge, integrity, and trust. While these principles remain unchanged, the way professionals deliver their services is undergoing a remarkable transformation. Artificial Intelligence (AI), particularly AI agents, is no longer a futuristic concept; it is becoming an integral part of professional practice.

For decades, Chartered Accountants have been recognized primarily for ensuring statutory compliance. Today, clients expect much more. They seek timely advice, business insights, risk management, and strategic guidance. AI agents are enabling this transition by automating repetitive tasks and allowing professionals to focus on high-value advisory services.

The question is no longer “Will AI replace Chartered Accountants?” Rather, it is “How can Chartered Accountants use AI responsibly to deliver greater value?”

Understanding AI Agents

Unlike conventional software that performs predefined tasks, AI agents can understand natural language, interpret documents, summarize lengthy reports, perform research, generate drafts, and assist in analytical decision-making.

Think of AI as an intelligent professional assistant that works tirelessly, processes large volumes of information within seconds, and supports better decision-making. However, like every assistant, it requires guidance, supervision, and validation from the Chartered Accountant.

From Compliance Professional to Strategic Advisor

Technology has significantly reduced the time required for routine compliance activities such as return preparation, reconciliations, and document management.

The time saved creates an opportunity to focus on services that truly add value:

- Tax planning rather than merely tax filing.

- Business advisory instead of only financial reporting.

- Risk management and internal controls.

- Financial analysis and performance improvement.

- Succession and growth planning for MSMEs.

This shift enhances both professional satisfaction and client relationships.

Practical Applications of AI in CA Practice

AI can assist in:

- Summarizing amendments to the Income-tax Act.

- Preparing initial drafts of replies to notices.

- Researching judicial precedents.

> *" In this environment, AI should be viewed as a catalyst for innovation rather than a competitor. "*

- Comparing provisions across different assessment years.

Audit and Assurance

AI tools can:
- Identify unusual accounting trends.
- Highlight potential risk areas.
- Assist in analytical procedures.
- Improve documentation quality.

Client Communication

Professionals can prepare:
- Newsletters.
- Compliance reminders.
- Meeting summaries.
- Advisory notes.
- Educational content for clients.

Knowledge Management

AI helps firms create searchable knowledge repositories containing case laws, circulars, departmental instructions, and internal guidance notes.

A Practical Example

Consider a small manufacturing client who receives a notice seeking clarification regarding certain financial transactions.

Traditionally, the professional would spend several hours reviewing documents, researching applicable provisions, and drafting a response.

With AI assistance, the process becomes more efficient. The AI can organize documents, summarize relevant legal provisions, identify comparable judicial decisions, and prepare a structured draft. The Chartered Accountant then applies professional judgment, verifies the legal position, customizes the response, and submits it confidently.

This demonstrates that AI enhances professional efficiency but does not replace professional responsibility.

Challenges That Demand Professional Vigilance

Despite its advantages, AI must be used carefully.

- AI-generated information should never be accepted without verification.

- Confidential client information must be handled securely.

- Ethical standards prescribed by ICAI should remain paramount.

- Professional skepticism must continue to guide every assignment.

The credibility of the profession lies not in the speed of preparing a report but in the reliability of the opinion expressed.

Skills for the Future Chartered Accountant

The future professional will need more than technical knowledge. Key competencies will include:

- Technological literacy.

- Data interpretation.

- Critical thinking.

- Strategic advisory skills.

- Effective communication.

- Continuous professional learning.

These abilities will distinguish successful practitioners in the years ahead.

The Road Ahead

India's digital economy continues to expand rapidly. Government initiatives, digital tax administration, faceless assessments, and technology-driven compliance are reshaping the professional landscape.

In this environment, AI should be viewed as a catalyst for innovation rather than a competitor.

Chartered Accountants who embrace technology while preserving professional ethics, independence, and sound judgment will remain trusted advisors to businesses, entrepreneurs, and society.

> *"Artificial Intelligence may process information, but only a Chartered Accountant can transform information into trustworthy professional advice."*

Artificial Intelligence cannot replicate professional wisdom, ethical values, or the trust built through years of client relationships. Those qualities remain uniquely human.

The future belongs to Chartered Accountants who combine technological capability with professional excellence. By embracing AI responsibly, the profession can move beyond compliance and become an indispensable partner in business growth and governance.

"Artificial Intelligence may process information, but only a Chartered Accountant can transform information into trustworthy professional advice."

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A Practical Look at the Global Corporate Treasury Framework in GIFT IFSC

CA. Vidit Khandelwal
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A Practical Look at the Global Corporate Treasury Framework in GIFT IFSC

A corporate group can run excellent treasury in every subsidiary but may still run a poor treasury as a group. For example –

- A promoter group that routes surplus funds to overseas subsidiaries through direct loans from India — and eats withholding tax on every interest flow on the way back.
- A group whose overseas trading arm sits between its plants and its customers, buying and selling on paper — with the margin and the financing parked offshore, mostly for historical convenience.
- A group whose subsidiaries settle dozens of intercompany balances gross every quarter, each remittance carrying its own FX spread and paperwork — while surplus cash idles in one company and a sister entity borrows at a premium.

Different symptoms, same cause: the group has no single entity whose only job is to manage group's money.

The Global/Regional Corporate Treasury Centre ("GRCTC") framework in GIFT IFSC — revised by IFSCA in April 2025 —lets a group set up one regulated entity that sits at the centre of its money and answers each of these problems directly. The policy support is real and treasury centres in GIFT IFSC already account for loan and advances of over **USD 5.6 billion** as of 31 March 2026.

About GRCTC and "Service Recipients"

In plain terms, a GRCTC is an in-house bank for a corporate group. Like a bank, it borrows, lends, invests and manages risk; unlike a bank, its only customers are its own group. It is set up in GIFT IFSC either as a company or as a branch of an Indian or foreign company, and registered with IFSCA.

It can only serve to the specified "Service Recipients", which are – its group entities in India or overseas; group entities of the Parent of GRCTC; or Branches of such Parent or Group entities of the GRCTC.

Here is the first surprise: "group" is defined more widely than most would expect. It covers subsidiaries, joint ventures, associates and related parties — but also any entity with an equity investment of 20% or more, and even

entities connected only by **a common brand name**. For promoter-led Indian houses, where businesses often share a brand without sharing a clean holding structure, that last limb may quietly bring the whole business family within reach.

Use cases

1. Direct loans and tax leakage → intra-group financing through GIFT. Instead of the Indian parent lending directly to its overseas arms, the GRCTC raises the money — as capital, borrowings or inter-company deposits — and lends it onward to group entities. The parent's money goes in once, as equity or debt; the GRCTC then faces the world. Every flow sits in one regulated entity, in a jurisdiction designed for exactly this. And the tax treatment, covered below, is where the numbers genuinely change.

2. The overseas trading arm → a re-invoicing centre in GIFT. A GRCTC can finance the buying and selling of goods for group entities — the same role the overseas trading arm plays today. In simple terms, the GRCTC issues and receives the invoices and provides the trade finance, while the goods travel straight from the seller to the buyer. Only two conditions apply: the GRCTC must never take physical possession of the goods, and one party to every transaction must be a group entity. The trade continues as before; only the paperwork and the financing change address.

> *" The policy support is real and treasury centres in GIFT IFSC already account for loan and advances of over USD 5.6 billion as of 31 March 2026. "*

3. Gross settlements and idle cash → the netting and pooling hub. Pooling means the group's cash balances are swept into one master account, so one entity's surplus offsets another's shortfall. The framework permits this, and also allows intercompany balances to be netted — only the net amounts get settled — and vendor payments to be processed centrally, with supplier terms negotiated for the whole group. Treasurers call this a payment factory. Dozens of settlements collapse into a handful, and idle cash finally goes to work.

And the list goes on. These three are only the easiest places to start. Among its permissible activities, a GRCTC can also:

- lend to group entities and extend credit guarantees and performance bonds on their behalf;
- borrow, raise capital and accept inter-company deposits;
- hedge currency and commodity risks through derivative contracts;
- factor group receivables — turning tomorrow's collections into today's cash;
- invest the group's surplus funds;
- manage the group's insurance and pension-linked obligations;
- act as the group's holding company, holding shares and debt of group companies; and
- run the treasury back office — accounting, valuations, payment processing and lender relationships — from one place.

Setting one up: the regulatory requirements at a glance

The entry conditions are deliberately proportionate rather than bank-like:

Requirement	Position under the Framework
Legal form	Company in IFSC, or branch of an Indian or foreign company
Owned fund	USD 0.2 million at all times (broadly, paid-up capital and free reserves, less accumulated losses and intangibles); a branch may maintain it at parent level
Substance	Office in IFSC; at least 5 qualified personnel based in GIFT City, including a Head of Treasury and a Compliance Officer. IFSCA may, on request, relax the personnel requirement for up to one year
Fit and proper	Applicant, KMPs and controlling persons; parent must not be from a FATF "call for action" jurisdiction
Governance	Board-approved policies required for corporate governance, risk management and permitted activities
Fees	Application fee - USD 1,000; Registration fee - USD 12,500; Annual fee - USD 25,000

Key tax aspects

> *“ Different symptoms, same cause: the group has no single entity whose only job is to manage group's money.”*

Tax benefits are why the framework is moving from concept to adoption:

- **Tax holiday** — 100% deduction of eligible income under Section 147 of the Income-tax Act, 2025. Finance Act, 2026 stretched the deduction window to any 20 consecutive years out of the first 25 years. For a treasury entity earning interest and fees from group companies, that is two decades of essentially tax-free operations.
- **Minimum Alternate Tax (MAT)** – applicable at the rate of 9% of book profits for Company setup as a unit in IFSC. However, it is not applicable to companies in IFSC opting for new tax regime.
- **Interest paid to non-residents (on monies borrowed)** — Exempt (also subject to withholding tax exemption)
- **Dividend paid to shareholders** – Dividend paid by GRCTC is taxable in the hands of shareholders. However, if the shareholder is a non-resident, the rate of tax shall be 10% (plus applicable surcharge and cess).
- **Deemed dividend** — Loans / advances between GRCTC and its group entities (of a listed foreign parent) are outside the purview of ‘deemed dividend’ provisions.
- **Thin capitalization rules** – Such norms are not applicable to GRCTCs subject to interest paid to non-residents being in foreign currency.
- **GST** — supplies received by the IFSC unit are zero-rated; services between IFSC units as well as services to offshore entity by IFSC unit carry no GST; services to mainland residents remain taxable.

Having said the above, one may have to carefully look at the transfer pricing provisions.

Worth evaluating, not presuming

A note of balance is due here. The GRCTC is not a straightforward or universal solution. Whether it works depends entirely on the facts of the corporate group — where its entities sit, what its money flows look like, which activities actually matter, and how the regulatory, tax and FEMA positions play out on those specific facts. For some groups the structure will be genuinely

useful; for others, the conditions and costs will outweigh the benefit. What has changed is simpler than that: a codified, evolving, onshore framework for group treasury now exists.

The views expressed in this article are strictly personal and intended solely for academic and knowledge-sharing purposes. Further, the regulatory and tax considerations discussed above are generic in nature and are subject to various conditions. Thus, the views expressed in this article should not be considered as an opinion on any tax or regulatory matter.

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The Dholera Playbook: What Smart Investors Need to Know in 2026

CA. Sweta Changlani
Member of the Institute

The Dholera Playbook: What Smart Investors Need to Know in 2026

Executive Summary

Dholera, Gujarat's 920 sq. km. Special Investment Region (422 sq. km developable area) near Ahmedabad, has moved from a largely speculative land story to a project with visible execution: trunk infrastructure in its 22.54 sq. km Activation Area has been developed, and CM-office reporting says Phase-1 is 95% complete, the Ahmedabad–Dholera Expressway was inaugurated in March 2026, and anchor semiconductor and solar investments are underway. For Investors evaluating exposure, the practical work has shifted from "should I get in early" to disciplined title diligence, zone selection, and getting the tax and compliance structuring right.

This note is written for getting general information on recent developments and initivates taken by government in Dholera, not as investment advice. Infrastructure and investment figures below are drawn from current market reporting and may change from time to time.

Why Dholera Now

Dholera was legally constituted under Gujarat's Special Investment Region Act, 2009, with the Dholera Special Investment Region Development Authority (DSIRDA) established in 2010 to plan and administer the region; execution runs through Dholera Industrial City Development Ltd. (DICDL), a joint SPV of the central NICDC Trust and DSIRDA. What has changed recently:

- **Funding**: The Gujarat Budget 2026–27 reportedly allocated around ₹610 crore for Phase-1 trunk infrastructure, alongside further allocations under the state's Semiconductor Policy and a bulk water pipeline project
- **Anchor industry**: A large semiconductor fabrication is under construction, with first chip targeted around by end 2026 (reported investment around ₹91,000 crore) and a separate power-semiconductor investment, plus an SEZ reportedly notified in April 2026, are shifting Dholera from planned city to functioning industrial node.
- **Connectivity**: The 109 km Ahmedabad–Dholera Expressway was officially opened in March 2026 after a trial operating period. Dholera International Airport is under development, with the official timeline still subject to construction and regulatory progress.

What Is Dholera, Briefly

The master plan is implemented through Town Planning (TP) Schemes - six are planned, with TP Schemes No. 5 (~75 sq. km) and No. 6 (~67 sq. km) among the more advanced. The Activation Area is the only zone with substantially complete trunk infrastructure; the remainder of the 920 sq. km footprint is at varying stages of land assembly and servicing. Pricing, liquidity, and delivery risk differ materially between the Activation Area and outer TP schemes.

Investment Zones at a Glance

Zone	Infrastructure readiness	Horizon	Return profile	Liquidity
Industrial – Activation Area	High	Short–medium	Moderate, income-capable via lease	Moderate
Industrial – outer TP schemes	Low–moderate	Medium–long	Higher theoretical upside	Low
Residential – planned sectors	Low–moderate	Long	Speculative, job-base dependent	Low
Commercial/mixed-use	Low	Long	Anchor-dependent	Very low
Logistics /freight	Low–moderate	Medium–long	Rail/expressway-dependent	Low

> *" Long-term capital gains (holding >24 months) on eligible long term asset acquired on/after 23 July 2024 are taxed at a flat 12.5% without indexation. "*

Due Diligence Points

- **Title chain**: 30-year title search; Investors should confirm the land is properly converted (agricultural to non-agricultural) or is government-allotted DSIR land and not informally sold agricultural land, which remains the most common source of disputes in Dholera.
- **TP scheme status**: Investors should insist on the *final* plot allotment (F-form) within a notified TP scheme, not draft-scheme boundaries, which can change before finalization.
- **Encumbrances and litigation**: Dholera has a documented history of land-acquisition disputes, including around the expressway corridor; investors should check land-conflict records for the specific village.
- **Utility connection**: Confirm actual connection status at the specific plot, not zone-level infrastructure claims.
- **RERA applicability**: Confirm with GujRERA whether the specific transaction (raw industrial land vs. a developer-built residential/commercial project) is under RERA scope.

Taxation and Compliance:

Capital gains on sale.

Long-term capital gains (holding >24 months) on eligible long term asset acquired on/after 23 July 2024 are taxed at a flat 12.5% without indexation. For such eligible assets acquired before 23 July 2024, *resident individuals and HUFs* can opt for a 20% rate with indexation, choosing whichever produces lower liability.

Short-term gains (≤24 months) arising on sale of property are added to total income and taxed as per the applicable income tax slab, not a flat rate.

Reinvestment exemptions. Section 54F (reinvestment in another residential property) and Section 54EC (specified bonds, capped near ₹50 lakh in a financial year with a lock-in) remain available levers for clients looking to defer or eliminate LTCG on exit

GST. Plotted land sales generally sit outside GST scope, but under-construction built units attract GST at rates that differ between affordable/non-affordable residential and commercial categories, typically without input tax credit for residential buyers. GST treatment varies by transaction structure and buyer/seller arrangement.

TDS. Buyers of property above the transaction cap of Rs.50 lakh or more must deduct TDS under Section 194-IA at 1% when the seller is resident; a materially different, higher-rate withholding regime under Section 195 applies when the seller is an NRI. Contractor payments during construction attract separate TDS provisions.

Stamp duty and registration (Gujarat-specific). Stamp duty is 4.9% of the higher of transaction value or the government's Jantri (guideline) rate (sole female ownership 3.9%). Registration fee is 1% of the same base value, (sole female ownership 0%). Both are calculated on the higher of agreement value or Jantri rate, Jantri rates for the specific village/TP scheme can be confirmed via the Garvi portal before estimating transaction costs.

> *" For such eligible assets acquired before 23 July 2024, resident individuals and HUFs can opt for a 20% rate with indexation, choosing whichever produces lower liability. "*

NRI considerations. NRI clients can generally acquire non-agricultural immovable property under FEMA (agricultural land is restricted), but must route funds through NRO/NRE channels and face higher Section 195 withholding under Income Tax Act depending on the nature of income and applicable DTAA relief.

Risk Summary for Investors

Risk	Mitigation to recommend
Title/regulatory	Independent title search; confirm TP-scheme finality with DSIRDA directly
Infrastructure delay	Favor Activation Area or already-serviced plots; phase payments to milestones
Demand/market	Tie thesis to named anchor tenants, not aggregate population projections
Liquidity at exit	Match horizon to realistic buyer pool; avoid assuming near-term resale outside Activation Area
Litigation/acquisition disputes	Check village-level land-conflict records before purchase

Recommendations for Investors

- **Conservative/long-term Investors**: Favor Activation Area or serviced-plot exposure, ideally income-generating (leased) assets; prioritize title certainty over price.
- **Opportunistic Investors**: Outer-zone plots offer higher theoretical upside but require genuine multi-year illiquidity tolerance; recommend position sizing and diversification across TP schemes.
- **Institutional Investors**: Direct DSIRDA/DICDL engagement or JV structures with established developers for larger parcels, where anchor-tenant-linked lease income reduces speculative exposure.

Action Items

- Verify TP-scheme status and utility connection with DSIRDA directly, not via broker representations. T**he single biggest exposure for a first-time client -** Title and TP-scheme-finality risk - remains the most common source of investor loss in Dholera transactions
- Commission a 30-year independent title and encumbrance search.
- Benchmark the deal against current Jantri rates before negotiating.
- Engage a Gujarat-licensed property lawyer for title and RERA scoping alongside tax implications on capital gains and TDS.
- Structure capital deployment (phased purchase, JV, milestone-linked payment) to match the investor's real liquidity horizon.

This note is for professional reference only and does not constitute investment, legal, or tax advice for any specific client situation.

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The Plot Twist Is in the Footnotes

CA. Shad Aly Syed

Member of the Institute

"The Plot Twist Is in the Footnotes"

"Why the Smartest Readers Don't Stop at the Profit Figure, the Hidden Story Behind Every Annual Report"

Investor: "Did you see Vodafone Idea's results? ₹ 34,552 crore profit! That's an unbelievable turnaround."

Chartered Accountant: "Interesting. Did you read the Notes to Accounts?"

Investor: "No... I just looked at the Profit & Loss Statement."

Chartered Accountant: "Then you've only read half the story."

This fictional conversation reflects a reality that many finance professionals encounter every day. Within minutes, the headline was everywhere. Television debates celebrated it. Social media buzzed with optimism. Investors began discussing whether the company had finally turned the corner.

However, the real explanation behind those numbers is often found elsewhere.

The Notes to Accounts are frequently treated as a statutory attachment something to skim through or skip altogether. Yet, they are where companies explain the accounting policies adopted, significant judgments exercised and the rationale behind the presentation of financial information.

For a Chartered Accountant, reading financial statements is never just about the numbers. It is about understanding the business events, accounting standards and commercial substance that shape those numbers.

A few real-life corporate examples demonstrate why this distinction matters.

- **PLOT TWIST-1**: **When a Record Profit Doesn't Mean Record Business Performance**
- When **Vodafone Idea Limited** reported a Profit After Tax of ₹ 34,552 crore, the financial world took notice. For many readers, it appeared to be one of the most remarkable corporate turnarounds in recent years.
- But was the business suddenly generating record operational profits?..... Not exactly…!!!
- A closer reading of the financial statements revealed that the company had remeasured its Adjusted Gross Revenue (AGR) liability following the Government's revision of the repayment schedule. In accordance with **Indian Accounting Standard (Ind AS) 109:** Financial Instruments, the revised payment terms reduced the present value of the liability and the resulting gain was recognized in the Statement of Profit and Loss.
- The accounting treatment was entirely appropriate under the applicable accounting standard. However, the reported **profit primarily arose from an accounting re-measurement rather than a significant improvement in the company's operating performance**.
- Without understanding the accounting treatment explained in the Notes to Accounts, one could easily conclude that the company's core business had suddenly become highly profitable.
- Sometimes, the numbers are correct but the interpretation isn't.
- **PLOT TWIST-2**: **Wait… Why Is Excise Duty Sitting Under Expenses?**

Another interesting example comes from the financial statements of **United Breweries Limited**.

Q: A common question is:

"Why is excise duty shown as an expense instead of being deducted from revenue like GST?"

A: The answer lies in understanding the nature of the levy.

- Under **Indian Accounting Standard (Ind AS) 115:** Revenue from Contracts with Customers, taxes such as GST are collected by businesses on behalf of the Government. Since the entity merely acts as an agent, these amounts are excluded from revenue.
- State excise duty on alcoholic beverages is fundamentally different.
- As **alcohol for human consumption is outside the GST regime**, **excise duty is levied on the manufacturer.** Consequently, the company is the primary obligor, making excise duty a cost of doing business. Revenue is therefore presented gross of excise duty, while the duty itself appears as an operating expense.
- This accounting presentation often surprises readers because excise duty can constitute 40-50% of an alcohol company's revenue.
- The revenue appears impressive, but a substantial portion ultimately belongs to the Government.
- Understanding the accounting treatment completely changes the way the financial statements are interpreted.
- **PLOT TWIST-3**: **20% of the Balance Sheet Looks Like Debt… But Is It?**

Imagine opening a company's balance sheet and noticing that nearly 20% of its total liabilities comprise Lease Liabilities.

A casual observer may immediately conclude that the company has borrowed heavily.

> *" This accounting presentation often surprises readers because excise duty can constitute 40-50% of an alcohol company's revenue. "*

The balance sheet of **Vishal Mega Mart Limited** provides an excellent illustration of why such conclusions can be misleading.

- Under **Indian Accounting Standard (Ind AS) 116**: Leases, companies are required to recognize the present value of future lease payments as Lease Liabilities, together with corresponding Right-of-Use Assets.
- These liabilities generally represent future rental obligations relating to retail stores, warehouses, distribution centers and office premises.
- They are not traditional bank borrowings.
- Economically, **nothing changed when Ind AS 116 became applicable. The company was already committed to paying rent under lease agreements. The accounting standard simply made those commitments more visible by bringing them onto the balance sheet**.

!.......................The liability increased; ! ....Transparency improved.

- But the underlying business economics remained largely unchanged.
- This is a classic example of how accounting presentation can influence perception.
- **PLOT TWIST-4**: **The Biggest Numbers Aren't Even in Profit**

Most readers instinctively focus on Profit After Tax while analyzing financial statements.

However, if one examines the financial statements of **Tata Investment Corporation Limited**, an interesting pattern emerges.

The most significant movements are reflected not in the Statement of Profit and Loss but in Other Comprehensive Income (OCI).

WHY?

The answer again lies in **Ind AS 109**.

- Being an investment holding company, Tata Investment classifies a substantial portion of its long-term equity investments as Fair Value Through Other Comprehensive Income (FVTOCI).
- **Under this classification, dividend and interest income are recognized in Profit or Loss, whereas unrealized gains and losses arising from changes in the market value of investments are recognized in OCI.**
- As market prices fluctuate, shareholder's equity may witness significant changes without materially affecting reported profits.

- An investor who focuses only on Profit After Tax may overlook one of the most significant developments in the financial statements.
- Sometimes, the biggest story is hidden outside the Profit & Loss Statement altogether.

SAME NUMBERS. DIFFERENT STORY.

These four examples relate to different accounting standards and different industries.

Yet they all reinforce one important lesson.

- A large profit may originate from accounting adjustments rather than operational performance.
- High revenue does not necessarily mean the company retains the entire amount.
- Large liabilities do not always represent financial debt.
- Significant gains and losses may bypass the Statement of Profit and Loss and flow directly through OCI.

The financial statements are accurate.

The challenge lies in interpreting them correctly.

Accounting standards determine how economic events are presented. They do not necessarily change the underlying economics of the business.

Understanding this distinction separates informed analysis from superficial reading.

THE NOTES ARE WHERE THE REAL STORY BEGINS

The Notes to Accounts are often perceived as technical disclosures prepared merely to satisfy regulatory requirements.

In reality, they are among the most informative sections of an annual report.

They explain:

- Significant accounting policies.

> *" Yet, they are where companies explain the accounting policies adopted, significant judgments exercised and the rationale behind the presentation of financial information. "*

- Critical estimates and management judgments.
- Accounting standards applied.
- Exceptional transactions.
- Lease arrangements.
- Financial instruments.
- Contingent liabilities and commitments.
- Related party transactions.
- Segment information and business risks.

In many situations, the Notes answer the most important question that the financial statements alone cannot:

"Why do these numbers look the way they do?"

For Chartered Accountants, this understanding is what transforms compliance into meaningful financial analysis.

<u>THE CA ADVANTAGE</u>: <u>READING BETWEEN THE LINES</u>

Anyone can compare revenues.

Anyone can calculate profit.

Anyone can notice an increase in liabilities.

But a Chartered Accountant approaches financial statements differently. Rather than accepting numbers at face value, a CA seeks to understand the story behind them.

A CA asks:

- Why did the profit increase?
- Is the gain operational, exceptional or merely an accounting adjustment?
- Which Indian Accounting Standard (Ind AS) influenced the presentation?
- Do the liabilities represent actual borrowings or lease commitments?
- Should Other Comprehensive Income (OCI) be analyzed alongside the Statement of Profit and Loss?

These questions transform financial reporting from a compliance exercise into meaningful business analysis. They reflect the professional skepticism and analytical mindset that distinguish a Chartered Accountant from an ordinary reader of financial statements.

<u>CLOSING THOUGHTS</u>: <u>THE HEADLINE ENDS; THE STORY DOESN'T;</u>

Every Annual Report tells two stories.

The first is visible in the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow

Statement. The second is revealed through the Notes to the Financial Statements.

While the primary statements present the numbers, the Notes explain the accounting policies, management judgments, assumptions and significant transactions that shape those numbers. Without this context, even technically correct figures can lead to incorrect conclusions.

For Chartered Accountants, financial reporting is not merely about reading numbers; it is about interpreting economic reality. Our role extends beyond compliance to applying professional judgment, understanding the substance of transactions, and communicating financial information with clarity and credibility.

In an era where headlines travel faster than understanding, the ability to read beyond the obvious is what truly defines our profession.

Because in financial reporting, the most important story is rarely written in bold; it is often hidden in the **FOOTNOTES**.

Key Takeaways:

- Headlines attract attention; the Notes provide context.
- Accounting presentation should never be confused with business performance.
- Understanding Ind AS is not just about compliance, it is about interpreting financial reality.
- The best financial analysts don't just read the numbers; they understand the story behind them.

"THE PROFIT & LOSS STATEMENT TELLS YOU WHAT HAPPENED. THE NOTES TELL YOU WHAT ACTUALLY HAPPENED"

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Transit State Cannot Penalise: Section 129 Jurisdiction and the Allahabad High Court's Ruling in Maruti Enterprises

CA. Pinkesh Chhajed
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TRANSIT STATE CANNOT PENALISE: SECTION 129 JURISDICTION AND THE ALLAHABAD HIGH COURT'S RULING IN MARUTI ENTERPRISES

TRANSIT STATE CANNOT PENALISE: SECTION 129 JURISDICTION AND THE ALLAHABAD HIGH COURT'S RULING IN MARUTI ENTERPRISES

Maruti Enterprises v. State of U.P. [2026] 186 taxmann.com 980 (Allahabad HC)

- **Introduction**

Inter-state transportation of goods has long been a friction point in GST enforcement. A recurring question is: to what extent can the authorities of a State through which goods are merely transiting - with no origin, destination, or tax incidence in that State - exercise powers of detention, seizure, and penalty under Section 129 of the CGST Act, 2017? The Allahabad High Court's Division Bench in Maruti Enterprises v. State of U.P. [2026] 186 taxmann.com 980 provides the most comprehensive judicial answer yet - with implications for every taxpayer, transporter, and practitioner involved in inter-state commerce.

- **Facts of the Case**

Five writ petitions were decided together (Writ Tax Nos. 1423, 1573, 2001, 2445, and 2451 of 2026) by a bench of Justice Saumitra Dayal Singh and Justice Swarupama Chaturvedi. In the lead matter, M/s Maruti Enterprises (Delhi GSTIN: 07ACCFM9401F1ZF) purchased 30,100 kgs of dried Areca nuts from M/s A.K. Enterprises (West Bengal GSTIN: 19FGDPR7364N1ZF). The goods were dispatched from Falakata, West Bengal to New Delhi by road, accompanied by a physical Tax Invoice and valid e-Way Bill (No. 881632659464).

When the vehicle reached Gautam Buddh Nagar, UP - near the Delhi border - it was intercepted on 24th January 2026. The sole deficiency noted was the absence of an *e-Tax Invoice* under Rule 48(4) of the CGST Rules, 2017 (applicable since M/s A.K. Enterprises had aggregate turnover exceeding ₹5 crores). The physical Tax Invoice was not alleged to be bogus; the goods were not alleged to be different from those declared; and UP was neither the origin nor destination of the supply. A penalty of ₹33,18,525 was nonetheless imposed under Section 129(1)(d). Across all five matters, penalties exceeded ₹1.83 crores.

- **Issues Framed**

The Court framed two issues: (i) whether UP authorities have jurisdiction to detain and penalise goods in transit through UP, in respect of an inter-state transaction between West Bengal and Delhi; and (ii) whether Sections 6, 68, 129 of the CGST/UPGST Act read with Sections 4 and 20(xv) of the IGST Act and Rules 138A/138B/138C confer such jurisdiction where there is zero tax incidence in UP.

- **The Court's Analysis and Holdings**

> *" State of U.P. [2026] 186 taxmann.com 980 provides the most comprehensive judicial answer yet - with implications for every taxpayer, transporter, and practitioner involved in inter-state commerce. "*

- **Interception and Verification – Permissible**

The Court accepted that UP authorities may stop, intercept, and physically verify goods in transit - even without any tax incidence in UP. This flows from Sections 68, 138A, 138B, and 138C and constitutes a valid reasonable restriction on free inter-state trade under Article 301 of the Constitution. This was not contested by the petitioners.

- **Cross-Empowerment Does Not Extend Between Two States**

The Revenue's core argument was that cross-empowerment under *Section 6 of the CGST Act and Section 4 of the IGST Act* empowered UP authorities to act against any taxpayer. The Court firmly rejected this. Cross-empowerment operates between the Central GST authorities and the State GST authorities of the **same State** - confined to transactions with **tax incidence in that State.** It does not operate between two different State GST authorities. In the present case, cross-empowerment could arise in West Bengal (supplier's State) or Delhi (recipient's State) - not in UP.

- **Section 129 Requires Tax Payable in the Acting State**

The penalty provisions in Section 129(1)(a) and (b) are calculated as a percentage of *"tax payable on such goods."* The Court held - relying on the Supreme Court's construction of "tax payable" in *J.K. Synthetics Ltd. v. Commercial Taxes Officer* (1994) 4 SCC 276 - that where no levy arises in UP (the place of supply under Section 10 of the IGST Act being Delhi), there is no "tax payable" in UP, and Section 129 cannot be invoked. No tax incidence means no penalty jurisdiction.

- **Recipient Cannot Be Penalised for Supplier's Default**

The obligation to issue an e-Tax Invoice under Rule 48(4) is linked to the supplier's turnover - information in the supplier's exclusive knowledge. A buyer cannot be expected to verify the supplier's preceding year's turnover before every purchase. Where the Tax Invoice is genuine and the goods match the documents, imposing penalty on the recipient for the supplier's e-invoicing default is unreasonable and without jurisdiction.

Hope the Hon'ble Apex Court will uphold the same principle while dealing with the constitutionality of the Section 16(2)(c) of the CGST Act.

- **The Only Permissible Action - Record and Intimate**

> *" For the GST litigation community, this judgment provides a well-reasoned and powerful tool against what has in practice become a significant compliance burden for businesses in inter-state trade. "*

The Court directed: upon noticing the absence of an e-Tax Invoice, UP authorities must **record the deficiency and communicate it to the competent authorities in West Bengal and Delhi.** Thereafter, the goods must be allowed to continue their journey. Detention and penalty were wholly impermissible.

- **Convergence With the Andhra Pradesh High Court**

The Allahabad HC expressly approved the AP High Court's ruling in *Golden Traders v. Deputy Assistant State Tax Officer* [2026 SCC OnLine (AP) 803]. That judgment similarly held that a State GST officer cannot exercise Section 129/130 powers under the IGST Act for inter-state supplies where the State has neither origin nor destination of the goods, nor an entitlement to any share of tax under Section 17 of the IGST Act. The convergence of two High Courts on this principle creates a strong persuasive consensus - and makes a Revenue SLP before the Supreme Court a near-certainty.

- **Practical Implications**
- **Challenge pending penalties:** Businesses penalised in UP or other transit States for inter-state supplies with no local nexus should examine the applicability of this ruling and consider writ petitions for recovery.
- **Respond strategically at interception:** Ensure the interception memo records the goods' origin, destination, and e-Way Bill validity - these admissions become the foundation for challenging any subsequent penalty.
- **Supplier e-invoicing compliance:** This ruling protects the recipient - but does not shield the supplier. Suppliers above the e-invoicing threshold must comply with Rule 48(4) to avoid triggering enforcement in any transit State.
- **Monitor the SLP:** A Supreme Court challenge by Revenue is anticipated. Until the Apex Court speaks, practitioners can cite Maruti Enterprises and Golden Traders confidently in writ proceedings before High Courts.
- **Conclusion**

The Allahabad High Court's ruling in Maruti Enterprises draws a principled and constitutionally grounded line: the power to inspect goods in transit exists in every State - but the power to detain and penalise requires a tax nexus in that State. Cross-empowerment does not give every transit State a freestanding enforcement licence over inter-state commerce.

For the GST litigation community, this judgment provides a well-reasoned and powerful tool against what has in practice become a significant compliance burden for businesses in inter-state trade. It must be read carefully, cited promptly in appropriate matters, and tracked closely as the Supreme Court's eventual ruling on this question will settle the law for the entire country.

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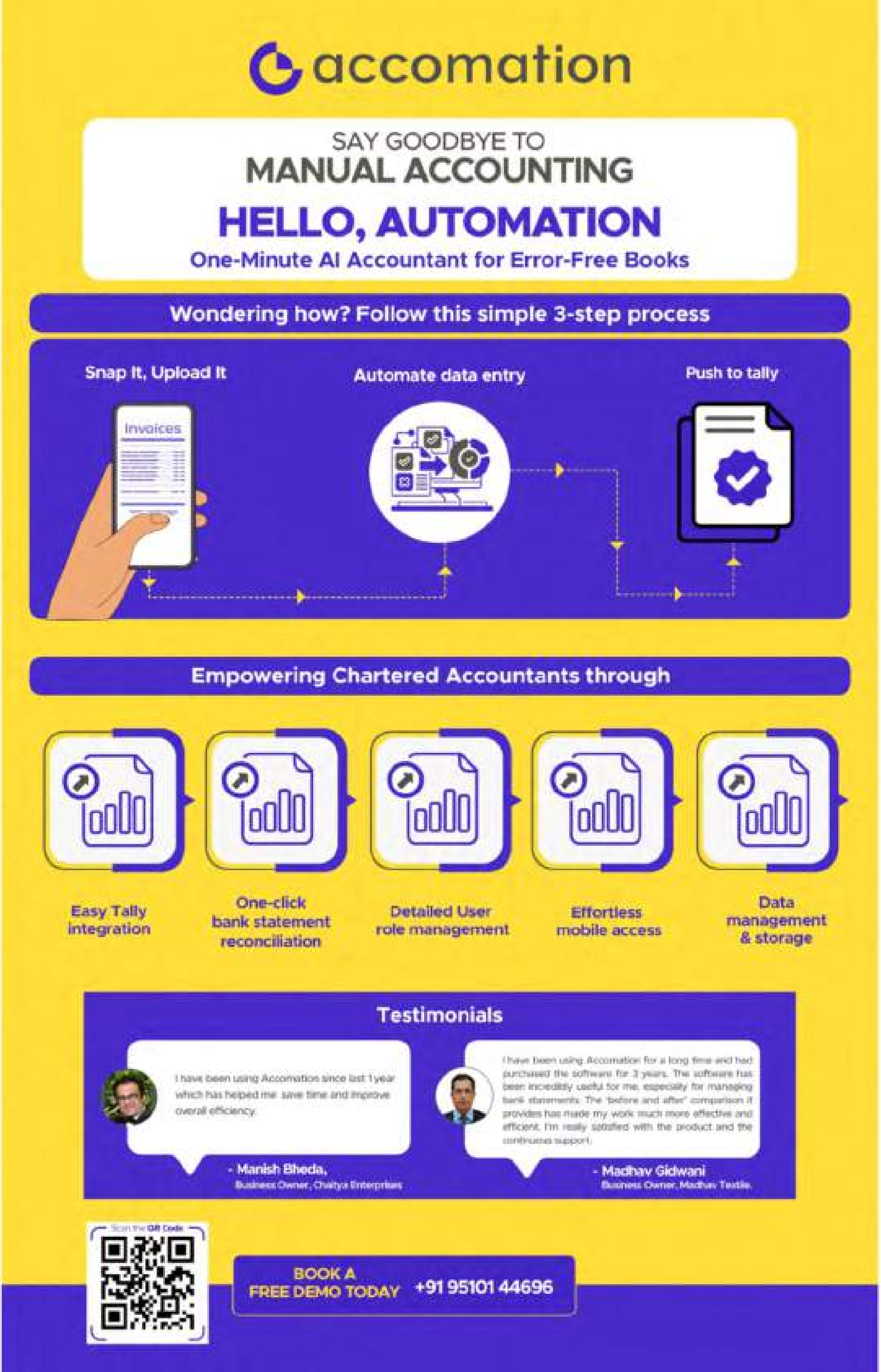

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Buy Now, Pay Later: A Convenience Reshaping and Complicating the Indian Consumer's Balance Sheet

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Buy Now, Pay Later: A Convenience Reshaping and Complicating the Indian Consumer's Balance Sheet

Buy Now, Pay Later: A Convenience Reshaping and Complicating the Indian Consumer's Balance Sheet

What is BNPL and how it works

BNPL is a short-tenure, point-of-sale credit facility that allows a consumer to acquire goods or services immediately while repaying the cost over a small number of instalments, frequently interest-free if repaid within the stipulated window (commonly 15 to 45 days, or a "pay in three or four instalments" structure). Three broad models operate in India today:

- Merchant-embedded instalment credit which is offered at checkout on e-commerce and travel platforms, typically underwritten by a partner NBFC or bank.
- Pay-later wallets which works like a running credit line that can be used across multiple merchants and settled monthly.
- UPI-linked credit lines which is a pre-sanctioned credit limit from a bank, made spendable through the UPI rail, blurring the line between BNPL and a conventional line of credit.

Critically, under RBI's regulatory architecture, the actual lending must be undertaken by a regulated entity named as a bank or an NBFC with the fintech app typically acting as the customer-facing origination and servicing layer. Standalone, unregulated credit cannot legally be extended to a prepaid instrument or wallet; this was made explicit when the RBI barred non-bank BNPL providers from loading credit lines onto prepaid payment instruments (PPIs), a move that forced several fintechs to restructure their offerings and pushed large players, including banks that had offered Pay Later-style credit lines on UPI, to withdraw or redesign those products during 2025.

Advantages of BNPL

- Interest-free access to credit for consumers who repay on time, effectively deferring cash outflow without cost.
- Faster, simpler onboarding than a personal loan or credit card, which widens access to credit for thin-file consumers, including gig workers and young professionals without a long credit history.

> *" This is the argument most often advanced by industry participants and platforms. "*

- Improved cash-flow management for planned, lumpy expenses such as a laptop purchase or a medical bill which spread over a few weeks rather than paid in one lump sum.

- A functional on-ramp into the formal credit system for first-time borrowers, provided repayment behaviour is reported to credit bureaus and helps build a credit history.
- Merchant-side benefits (higher average order values, lower cart abandonment) that indirectly support e-commerce and MSME sellers on these platforms.

BNPL can become debt trap too

The risks of BNPL are less about any single transaction and more about behavioural and structural design features that compound over time.

- **Loan stacking**: A consumer can hold several concurrent BNPL lines across different apps — an e-commerce pay-later, a food-delivery pay-later, a UPI credit line — with no single lender seeing the aggregate exposure, and, until reporting norms tighten fully, without this exposure necessarily appearing in a consolidated credit report.
- **Penal charges**: While the base facility is often interest-free, late payment fees, penal interest and reactivation charges on a missed instalment can translate into extremely high effective annualised costs.
- **Impulse spending:** Behavioural research consistently associates one-click deferred payment with higher discretionary and impulse purchases, since the psychological cost of paying is decoupled from the moment of purchase.
- **Erosion of financial literacy signals:** A traditional loan application with its interest rate, EMI schedule and tenure forces a borrower to consciously evaluate affordability. BNPL's near-instant approval removes several of these natural checkpoints.

Effect on Consumption, Savings and Financial Planning

> *" The risks of BNPL are less about any single transaction and more about behavioural and structural design features that compound over time. "*

From a macroeconomic lens, the growth of BNPL is, in part, a demand-side story: it lets households smooth consumption and bring forward purchases they might otherwise defer, which supports retail and e-commerce volumes and, in aggregate, contributes to consumption-led GDP growth. This is the argument most often advanced by industry participants and platforms.

The household-level picture is more nuanced. Every rupee committed to a BNPL instalment is a rupee of future in-hand income that is already spoken for before it is earned. When this is a single, planned purchase, the effect on a household's finances is trivial. When it recurs across multiple concurrent BNPL lines which the product's design actively encourages, it behaves like a silent, rolling reduction in disposable income which affects investment goals, monthly surplus and budgeting.

RBI Digital Lending Directions, 2025

Until recently, BNPL in India operated under a patchwork of circulars issued piecemeal since the RBI's original 2022 Digital Lending Guidelines. That patchwork has now been consolidated. The RBI Digital Lending Directions, 2025 bring all regulated entities and their lending service providers under a single rulebook covering customer onboarding, Key Fact Statements (KFS) disclosing the annualised cost of credit, direct fund flow between the lender and the borrower (routing money through the fintech's own pool account is prohibited), data usage and consent, and a structured grievance redress mechanism. The clear regulatory intent is to treat BNPL as what it economically is — a form of consumer credit — rather than as a payments "feature" exempt from lending discipline.

For practitioners, the KFS requirement is particularly significant: it obliges lenders to disclose the effective annualised percentage rate (APR) of a BNPL facility, including all processing and late fees, rather than allowing the "0% interest" framing to obscure the true cost of default. This is analogous, in spirit, to APR disclosure norms already familiar from credit card and NBFC lending regulation.

Practical Implications for Chartered Accountants

- While advising businesses that are considering offering embedded BNPL or pay-later checkout options to customers, ensure the arrangement is structured through a properly regulated bank/NBFC partner in line with the RBI Digital Lending

Directions, 2025, with appropriate disclosure, data-sharing and grievance-redress clauses built into the commercial agreement.

- Where clients rely on BNPL as a recurring source of liquidity rather than an occasional convenience, treat this as an early warning sign warranting a broader review of the household budget, akin to persistent credit card revolving.

Concluding Remarks

BNPL is neither an unambiguous good nor an inherently predatory product; it is a credit instrument whose outcome for any given household depends heavily on discipline, disclosure and visibility. What distinguishes BNPL, at least in its current stage of evolution in India, is the ease with which it can be stacked across multiple providers with limited consolidated visibility, and the speed with which a "free" instalment can turn costly on default.

The RBI's move to bring BNPL fully within the digital lending rulebook mandating regulated lenders, direct fund flows, and standardized cost disclosure is a necessary and welcome step. For the accounting and advisory profession, the task is complementary: to help clients see BNPL for what it is on their personal balance sheet, so that the convenience of paying later does not quietly compromise their capacity to save, invest and plan for later.

Compliance Calendar - August 2026

CA. Bhavin Soni
Member of the Institute

Income Tax Due Dates			
Date	**Period**	**Compliance**	
7	July'26	Deposit TDS/TCS liability	
7	July'26	Upload Declaration received in Form 127 from buyer	
14	May'26	TDS certificate in Form 132 u/s 395(4) for TDS deducted u/s 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)]	
15	July'26	Form 137 [Old Form 24G]	
15	July'26	Statement in Form 1 by the stock exchange	
15	Apr-June'26	Statement in Form131 for non-salary TDS	
15	Apr-June'26	Issuance of TCS Certificate in Form 133	
30	July'26	Payment of TDS u/s 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)]	
31	PY 2025-26	Furnishing of Form No. 10EE, 10BBD, 10BA, 10E, 10CCD, 10CCE, 10H, 10IA, 3CT, 3CFA, 5C, 9A, 10	
31	AY 2026-27	Due Date to file ITR for - assessee having PGBP income and not covered under audit - partner of partnership firms not covered under Audit or spouse of such partner	

GST Due Dates			
Date	**Period**	**Compliance**	
10	July'26	GSTR-7 (TDS) & GSTR-8 (TCS)	
11	July'26	GSTR-1 (Monthly)	
13	July'26	IFF (QRMP)	
13	July'26	GSTR-5 (NRTP) & GSTR-6 (ISD)	
20	July'26	GSTR-3B (Monthly) & GSTR-5A (OIDAR)	
25	Apr-July'26	PMT-06 (QRMP)	

PF/ESIC & ROC Due Dates			
Date	**Period**	**Category**	**Compliance**
15	July'26	PF/ESIC	PF/ESIC Deposit & Return
31	-	ROC	Last date to avail benefit of CCFS, 2026 scheme

Networking for Chartered Accountants: A Professional Imperative

CA. Preety Jain
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Networking has long been regarded as a soft skill, something professionals attend to after the technical work is done. For Chartered Accountants (CAs), however, networking is not peripheral to practice; it is central to it. A CA's career is built on trust, referrals, and the ability to stay current with a fast-changing regulatory and business environment.

Networking has long been regarded as a soft skill, something professionals attend to after the technical work is done. For Chartered Accountants (CAs), however, networking is not peripheral to practice; it is central to it. A CA's career is built on trust, referrals, and the ability to stay current with a fast-changing regulatory and business environment. All three depend on the strength and quality of one's professional network. At the same time, the Institute of Chartered Accountants of India (ICAI) and comparable global bodies place clear ethical boundaries around how CAs may present themselves and solicit work. This article examines why networking matters for CAs, the tangible benefits it offers, and how it can be pursued without compromising the profession's Code of Ethics.

Why Networking Matters for CAs

Accountancy is a relationship-driven profession. Clients rarely select a CA through advertising; they choose one on the recommendation of a trusted banker, lawyer, fellow business owner, or colleague. A CA who is visible and well regarded within professional and business circles is naturally positioned to receive such referrals. Beyond client acquisition, networking connects a CA to peers who face similar technical and practical challenges, creating an informal support system for resolving complex questions on taxation, audit, or compliance.

Networking also keeps a CA current. Regulations governing taxation, corporate law, and financial reporting change frequently, and much of the practical, on-the-ground interpretation of new rules circulates first through professional conversation, before it appears in formal guidance. A CA connected to study circles, industry bodies, and fellow practitioners hears about emerging issues early and can advise clients proactively rather than reactively.

Key Benefits of Professional Networking

- Client acquisition through trust: Referrals from bankers, lawyers, and existing clients remain the primary source of new engagements for most practising CAs.

> *“ The most successful CAs are, in the end, those who have learned to let their competence and integrity do the networking for them. ”*

- Continuous learning: Study circles, branch meetings, and industry forums expose CAs to practical interpretations of new laws and standards well before formal circulars arrive.

- Cross-functional collaboration: Relationships with lawyers, company secretaries, and bankers allow a CA to offer clients well-rounded advice on transactions that span multiple disciplines.
- Career and firm growth: Partnerships, articleship recruitment, and succession planning within a firm are often built on networks formed through ICAI events and alumni associations.
- Mentorship: Senior members of a network provide guidance to younger CAs on practice management, client handling, and career decisions that are rarely taught in the classroom.
- Reputation and personal branding: Consistent, ethical engagement in professional circles builds a reputation that outlasts any single engagement or client relationship.

Where CAs Can Build These Networks

ICAI branch and regional council events, CPE study circles, and industry conferences remain the backbone of professional networking for CAs. Alumni associations of articleship batches and coaching institutes also provide durable, trust-based networks that often last an entire career. Increasingly, professional platforms such as LinkedIn allow CAs to share technical commentary and engage with a wider audience, provided this is done in a manner consistent with the profession's advertising restrictions, discussed below. Cross-professional bodies, such as joint forums with the Bar Council or bankers' associations, further extend a CA's reach into adjacent disciplines, opening the door to composite advisory work on mergers, restructuring, and cross-border transactions that a single discipline could not handle alone.

“ ICAI branch and regional council events, CPE study circles, and industry conferences remain the backbone of professional networking for CAs. ”

Firm-level networking deserves equal attention. Encouraging partners and articled assistants to participate in industry chambers, trade associations, and sector-specific forums builds a pipeline of relationships that benefits the practice long after any individual engagement ends. Smaller and mid-sized firms, in particular, often find that a handful of well-maintained relationships with bankers and corporate counsel generate a steadier stream of referrals than any marketing expenditure could.

Networking Within the Code of Ethics

The value of networking for a CA cannot be separated from the ethical framework that governs the profession. Unlike many commercial fields, chartered accountancy restricts direct solicitation and advertising of professional services. The ICAI Code of Ethics prohibits touting, canvassing for clients, and advertising in a manner that suggests self-promotion beyond what the Institute permits. This means that networking for a CA must remain about building genuine professional relationships and demonstrating competence, not about direct solicitation of work.

Several ethical principles should guide a CA's networking activity. First, confidentiality must be preserved at all times; discussing client matters, even anonymised, in informal networking settings risks breaching client trust. Second, independence and objectivity must not be compromised by close personal or financial ties formed through networking, particularly where a CA is engaged in audit or attest functions for a firm connected to that network. Third, professional courtesy requires that CAs refrain from directly criticising or undermining fellow practitioners while building their own reputation, and from approaching another CA's existing client with an unsolicited offer of services.

A useful practical discipline is to treat networking as an opportunity to share knowledge and build credibility rather than as a sales channel. Speaking at a study circle on a technical topic, contributing balanced commentary on a regulatory change, or simply being known as a reliable and ethical practitioner will, over time, generate the referrals that direct solicitation cannot ethically achieve. Digital platforms deserve particular care: a LinkedIn post that educates readers on a change in tax law is consistent with the Code of Ethics, whereas one that promotes a firm's services or compares it favourably to competitors is not.

Conclusion

For Chartered Accountants, networking is not an optional extra but a professional necessity, feeding client trust, continuing education, and long-term career growth. Its value, however, depends entirely on how it is conducted. A CA who networks generously, shares knowledge freely, and maintains strict confidentiality and independence builds a reputation that generates business ethically and sustainably. One who treats networking as a shortcut to solicitation risks both professional discipline and the erosion of the trust on which the entire profession depends. The most successful CAs are, in the end, those who have learned to let their competence and integrity do the networking for them.

The Chartered Accountant as Mediator: Bridging Finance and Dispute Resolution

CA. Tarak Shah
Member of the Institute

The Chartered Accountant as Mediator: Bridging Finance and Dispute Resolution

The Chartered Accountant as Mediator: Bridging Finance and Dispute Resolution

यदा यदा हि धर्मस्य ग्लानिर्भवति भारत।

अभ्युत्थानमधर्मस्य तदात्मानं सृजाम्यहम्॥

परित्राणाय साधूनां विनाशाय च दुष्कृताम्।

धर्मसंस्थापनार्थाय सम्भवामि युगे युगे॥

(Bhagavad Gita, Chapter 4, Verses 7–8)

Krishna's Peace Mission

Long before mediation became a legal term, Bharat had already practised it. In the Udyoga Parva of the Mahabharata, Krishna travelled to Hastinapura as a Shanti Duta, a messenger of peace, to reconcile the Kauravas and the Pandavas before war broke out. He heard both sides, appealed to reason, and proposed a settlement that could have avoided bloodshed. The mission did not succeed, but its method, a trusted neutral working to prevent conflict through dialogue, is the essence of mediation even today. In that sense, Krishna may fairly be called Bharat's earliest recorded mediator.

1. Introduction

For decades, Indian businesses treated the courtroom as the only serious forum for resolving disputes. Litigation, however, is slow and expensive. It also damages commercial relationships and locks up working capital for years. As India works to improve its Ease of Doing Business ranking, Mediation and Conciliation have moved from the margins to the mainstream of commercial dispute resolution.

Most commercial disputes are, at their core, financial. They involve valuation disagreements, cash flow disputes, or tax exposure. This is where Chartered Accountants fit in naturally. Their training in financial analysis, combined with their professional commitment to independence and objectivity, makes them well suited to serve as mediators, conciliators, and expert advisors.

2. Mediation, Conciliation, and Arbitration

> *" A CA representing a client makes sure any proposed settlement is financially sound, not only legally valid. "*

These three terms are often used loosely, but they describe distinct processes with different levels of intervention by the neutral third party.

Basis	Mediation	Conciliation	Arbitration
Nature	Facilitative and voluntary	Evaluative and voluntary	Adjudicatory
Role of neutral	Improves communicati	Assesses evidence and	Hears evidence and

Basis	Mediation	Conciliation	Arbitration
	on; does not propose terms	drafts settlement terms	decides the case
Who decides	The parties themselves	The parties, guided by the conciliator	The arbitrator
Governing law	Mediation Act, 2023	Arbitration and Conciliation Act, 1996, Part III	Arbitration and Conciliation Act, 1996, Part I
Enforceability	As a court decree, once signed	Same status as an arbitral award	Binding arbitral award

3. Legal Foundations in India

Section 89 of the Code of Civil Procedure, 1908, inserted in 1999 and effective 2002, was a turning point. It places a duty on civil courts to explore settlement before trial begins. Where the court sees scope for settlement, it may refer the dispute to arbitration, conciliation, judicial settlement, or mediation.

The Supreme Court clarified how this works in Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co. Private Ltd. (2010). Three points from that ruling still govern ADR referrals today. First, a court cannot send parties to arbitration without their written consent. Second, a court can direct parties to mediation or conciliation even without mutual consent, if the dispute is suitable. Third, the Court listed which disputes suit ADR, such as trade, contract, and consumer matters, and which do not, such as election disputes and serious fraud.

The Mediation Act, 2023, took this further by making mediation an independent profession, not just a court-linked process.

Feature	What it means
Enforceability	A signed mediated settlement is final and binding, like a court decree
Timeline	Proceedings must close within 120 days, extendable by 60 days with consent
Institution building	Sets up the Mediation Council of India and formal accreditation for mediators, opening the door for CAs to register as certified professionals

4. Where the Chartered Accountant Fits In

A Chartered Accountant can enter the ADR process in two distinct roles.

As a Neutral: Mediator or Conciliator

The profession's core values, independence, objectivity, and confidentiality, align closely with what mediation demands. When a dispute involves business valuation or corporate restructuring, a CA acting as conciliator can read the balance sheet directly, work through the cash flow projections, and pinpoint where the real financial friction lies. This lets them suggest settlement terms that a purely legal approach might miss.

> *" For decades, Indian businesses treated the courtroom as the only serious forum for resolving disputes. "*

As an Expert Advisor to a Party

Parties in mediation are allowed to bring expert support. A CA representing a client makes sure any proposed settlement is financially sound, not only legally valid. This protects the client from agreeing to terms that quietly trigger a large tax bill or breach FEMA rules later.

5. What a Chartered Accountant Brings to the Table

Area	How the CA adds value
Valuing the claim	Applies ICAI Valuation Standards and compares the net present value of a likely court outcome against a present settlement, replacing emotion with numbers
Tax structuring	Decides whether a settlement receipt is a capital receipt or a revenue receipt, checks exposure under Sections 45 and 56(2)(x) of the Income Tax Act, 1961 OR New sections Income Tax Act, 2025 and flags GST under Schedule II of the CGST Act
Protecting the business	In shareholder or family business disputes, keeps daily operations insulated from boardroom conflict so the going concern value is not eroded by delay
Drafting financial terms	Structures escrow accounts, payment triggers, default interest, and the fair split of dues such as provident fund or pending GST liabilities

6. Conclusion

The Mediation Act, 2023, and the courts' steady push under Section 89 of the CPC mark a lasting shift toward settling disputes outside the courtroom. For Chartered Accountants, this is a chance to grow beyond the traditional roles of audit and tax compliance. By building skills in negotiation and in the ADR legal framework, CAs can become trusted partners in resolving commercial conflict, in India and abroad. As Krishna's mission at Hastinapura reminds us, the effort to bring warring sides to the table has always been worth making.

References

1. Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co. Pvt. Ltd., (2010) 8 SCC 24.

2. The Code of Civil Procedure, 1908, Section 89.

3. The Mediation Act, 2023 (Act No. 32 of 2023), Gazette of India.

4. The Arbitration and Conciliation Act, 1996, Part III.

5. Income Tax Act, 1961, Sections 45 and 56; Central Goods and Services Tax Act, 2017, Schedule II, and Income Tax Act, 2025.

Section 17(5) of CGST Act: Blocked Credit Under GST and Frequently Litigated

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Section 17(5) of CGST Act: Blocked Credit Under GST and Frequently Litigated

Section 17(5) of CGST Act: Blocked Credit Under GST and Frequently Litigated

Introduction :

Input Tax Credit (ITC) is the backbone of the Goods and Services Tax (GST) regime. The seamless flow of credit was one of the principal objectives behind the introduction of GST. However, the legislature, while allowing broad availability of ITC under Section 16 of the Central Goods and Services Tax Act, 2017 ("CGST Act"), has consciously restricted credit in certain situations through Section 17(5), commonly referred to as the "Blocked Credit" provision.

Over the years, Section 17(5) has emerged as one of the most litigated provisions under GST. Several notices, audit objections, and proceedings initiated by the tax authorities revolve around the denial of ITC under this section. The complexity arises not only from the language employed in the provision but also from differing interpretations by taxpayers and the department.

Frequently Litigated Clauses :

- Food and Beverages, Outdoor Catering, Health Services
- Motor Vehicles and Transportation Expenses
- Works Contract Services and Immovable Property
- Leasing of land
- Life Insurance & Health Insurance

" Input Tax Credit (ITC) is the backbone of the Goods and Services Tax (GST) regime. "

- Personal Consumption
- Club, Health & Fitness Memberships

Recent Judicial Developments :

Chief Commissioner of Central Goods and Service Tax v. Safari Retreats (P.) Ltd. [2024] 167 taxmann.com 73/90 GSTL 3 (SC) has introduced much-needed clarity on the application of Input Tax Credit (ITC) under the GST framework, specifically in the context of immovable property. This judgment provides a comprehensive interpretation of Section 17(5)(c) and (d) of the Central Goods and Services Tax Act, 2017, and its applicability to goods and services used in constructing immovable property for commercial leasing and renting. Given the implications for developers and infrastructure companies, the judgment is a cornerstone for interpreting ITC provisions under GST.

Budget 2025-26 Amendments to Section 17(5) :

Amendment 1: "Plant or Machinery" → "Plant and Machinery" in Section 17(5)(d)

Previously, Section 17(5)(c) referred to “plant and machinery” while Section 17(5)(d) referred to “plant or machinery.” This created an unintended interpretive divergence with “plant and machinery” suggesting a composite item (both elements needed simultaneously) versus “plant or machinery” suggesting either element independently.

The amendment aligns both clauses by substituting **“plant and machinery”** uniformly in Section 17(5)(d) as well. Further, the Explanation defining “plant and machinery” which was previously applicable only to Section 17(5)(c) is now explicitly stated to apply to Section 17(5)(d) as well. This clarifies that the exception for plant and machinery in the construction context covers the same category in both clauses.

Amendment 2: Removal of References to Sections 129 and 130

Previously, ITC was blocked when tax was paid under Section 129 (detention, seizure, and release of goods and vehicles in transit) and Section 130 (confiscation of goods or conveyances and levy of penalty). The Budget 2025-26 proposed removing these references from Section 17(5) meaning once these amendments are notified by CBIC, ITC will no longer be blocked merely because goods were detained or seized in transit and tax was paid for their release.

> *“ Over the years, Section 17(5) has emerged as one of the most litigated provisions under GST. ”*

Reporting in GSTR-9 Annual Return :

In the GSTR-9 annual return, blocked ITC and other ineligible ITC must be declared in Table 7. Specifically:

- Table 7A: ITC reversed as per Section 17(5) for the financial year
- Table 7D: Ineligible ITC as per Section 17(5) — items appearing in GSTR-2B but which were never claimed because they were identified as blocked at the time of receipt

Consequences of Wrongly Claiming Blocked ITC Under GST :

Mandatory ITC Reversal with Interest at 24% - Under Section 50(3) of the CGST Act, if ITC has been wrongly availed and utilised (i.e., used to pay output tax), interest is charged at 24% per annum from the date of utilisation until the date of reversal. This is the highest interest rate in the CGST Act.

Blocked Credit vs. Ineligible ITC :

Basis	Blocked Credit (Section 17(5))	Ineligible ITC (Other Reasons)
Legal Basis	Statutory prohibition - CGST Act Section 17(5)	Failure to meet conditions (Section 16), or proportionate reversal (Rule 42/43)
Can It Ever Be Claimed?	No - permanently disallowed by law	May become available once conditions are met
GSTR-3B Reporting	Table 4(B)(1) - reversal for Section 17(5)	Table 4(B)(2) - reversals as per Rules 42 and 43, or non-payment
Interest on Wrong Claim	24% per annum if wrongly utilised	18% per annum in most cases (e.g., Rule 42 reversal)
GSTR-9 Table	Table 7A — declared as blocked/ineligible per Section 17(5)	Table 7B/C - other reversals and adjustments

Conclusion :

Knowing which transactions are eligible/ineligible for ITC does not just make it easier to file your returns but also lets you manage your cash flow more effectively. You should hence make it a general practice to cross-check your eligible ITC with what’s available in your GSTR-2B every month. This way, you will never end up reversing any ITC which was claimed due to ineligibility as per section 17 (5). At 24% interest per annum and potential penalties equal to 10% to 100% of the wrongly claimed amount, a simple error in GSTR-3B can compound quickly into a serious financial liability.

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The Transparent Tax Era: CBDT's AIS Foreign Asset Update & What It Means for CAs

CA. Jigar Soni
Member of the Institute

The Transparent Tax Era: CBDT's AIS Foreign Asset Update & What It Means for CAs

The Transparent Tax Era: CBDT's AIS Foreign Asset Update & What It Means for CAs

If your clients hold foreign bank accounts, ESOPs or overseas brokerage portfolios, their AIS is about to tell you more than they do.

On 8 July 2026, CBDT authorised the Director General of Income-tax (Systems) to upload information received under the Automatic Exchange of Information (AEOI) framework directly into taxpayers' Annual Information Statement (Form 168) within 90 days of receiving it, and to similarly populate Form 26AS for past calendar years. India already receives financial account data on its residents from over 100 jurisdictions under AEOI/CRS, covering foreign bank accounts, custodial and investment accounts, and reportable income streams.

What changes inside AIS?

Foreign financial data that was earlier used mainly for backend risk assessment will now be visible to the taxpayer and the department in the same place.

This includes: foreign bank accounts, brokerage and custodial accounts, overseas shares and funds, interest, dividends, and other reportable foreign-source income traced through AEOI.

Who must worry about Schedule FA and FSI?

Foreign asset reporting in Schedule FA applies primarily to individuals who are Resident and Ordinarily Resident (ROR) in India, with disclosures aligned to the calendar year rather than the usual financial year. ROR taxpayers are expected to report foreign assets and financial interests, while non-residents generally report only income that accrues or is received in India.

> *“ Under the Black Money (Undisclosed Foreign Income and Assets) Act, failure to disclose a foreign asset can attract a ₹10 lakh penalty per assessment year, alongside potential prosecution in serious cases. ”*

For Chartered Accountants, this is a shift from “disclosure-based” to “data-matched” compliance.

Here's the new action plan for CAs:

Make AIS the starting point, not an afterthought.

Ask every globally mobile client, returning NRI, HNI or founder with overseas ESOPs to download and share their updated AIS foreign-asset view before you touch Schedule FA or FSI.

Reconcile calendar-year AEOI data with Indian financial-year returns.

AEOI feeds arrive on a calendar-year basis; Schedule FA also uses calendar-year reporting, while Indian tax computations follow April–March, making careful period mapping essential.

Treat mismatches as a risk signal, not a minor error.

" ROR taxpayers are expected to report foreign assets and financial interests, while non-residents generally report only income that accrues or is received in India. "

Under the Black Money (Undisclosed Foreign Income and Assets) Act, failure to disclose a foreign asset can attract a ₹10 lakh penalty per assessment year, alongside potential prosecution in serious cases. Even technical non-reporting can escalate when the department already has corroborating AEOI data.

Use ITR-U and FAST-DS 2026 as clean-up tools, not last-minute fixes.

The Updated Return (ITR-U) mechanism allows correction of past returns within a defined window, while the Foreign Assets of Small Taxpayers Disclosure Scheme, 2026 (FAST-DS 2026) offers a time-bound opportunity for eligible small taxpayers to regularise undisclosed foreign income or assets with immunity from specified penalties and prosecution under the Black Money law.

The bigger message:

Cross-border compliance is no longer about what clients choose to disclose; it is about whether their filings match what the global data network already shows.

The CAs who stay ahead of this curve will be the ones who:

1. Make AIS foreign-asset review mandatory in their workflow.

2. Educate clients on Schedule FA and FSI obligations rather than treating them as obscure annexures.

3. Use ITR-U and FAST-DS 2026 strategically to close legacy gaps before automated matching flags them.

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How AI is Redefining Chartered Accountancy Services

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How AI is Redefining Chartered Accountancy Services

How AI is Redefining Chartered Accountancy Services

The Chartered Accountancy (CA) profession is undergoing its most profound transformation since the transition from paper ledgers to digital spreadsheets. Artificial Intelligence (AI)—spanning optical character recognition (OCR), robotic process automation (RPA), machine learning (ML), and generative AI—is reconfiguring how accounting, auditing, taxation, and advisory services are delivered.

Rather than eliminating the CA, AI is shifting the core value proposition of financial professionals from **compliance execution** to **strategic data guardianship and advisory**.

The AI-Driven CA Workflow Flowchart

Below is a conceptual flowchart illustrating how traditional CA tasks transition through an AI-augmented pipeline, moving from raw transactional inputs to high-value human decisions.

Stage	Activities
1. Client Data Ingestion	Bank Statements, Invoices, Receipts, Contracts
2. AI Automated Processing	OCR Data Extraction & Smart Field Mapping; Automated Bank & Ledger Reconciliation; Preliminary Categorization & Classification
3. AI Anomaly & Risk Check	Fraud Pattern Detection (100% Data Audit); Tax Mismatch Detection (GST / Income Tax); Predictive Cash Flow & Variance Flagging
4a. Standard / Verified → Automated Documentation & Draft Filing Generation	4b. Anomalies / Complex → CA Professional Review (Human-in-the-Loop Oversight)
5. Chartered Accountant Action	Professional Judgment & Ethics Validation; Strategic Client Advisory & Tax Planning; Final Certification & Regulatory Filing

Positive Impact: Opportunities & Efficiency Gains

1. Automation of High-Volume, Repetitive Tasks

Traditional CA practice dedicates hundreds of billable hours to data entry, manual voucher matching, and bank reconciliations. AI tools process millions of transactions in seconds, extracting unstructured document data via advanced OCR and mapping entries with minimal human intervention.

- **Impact:** Up to an 80% reduction in manual data entry processing times.
- **Result:** Firms can handle higher client volumes without a linear increase in headcount.

2. Paradigm Shift in Audit Quality (Sample vs. Population)

Historically, audit methodology relied on statistical sampling, leaving room for undetected irregularities in unexamined batches.

- **100% Data Testing:** AI algorithms analyze entire transaction populations rather than samples, instantly flagging duplicate invoices, unusual posting times, or round-number anomalies.

> *“ The Chartered Accountancy (CA) profession is undergoing its most profound transformation since the transition from paper ledgers to digital spreadsheets. ”*

- **Continuous Auditing:** Instead of year-end post-mortems, AI allows real-time risk monitoring and anomaly alerts throughout the fiscal year.

3. Transition to Strategic & Predictive Advisory

As routine compliance becomes commoditized, client expectations are shifting toward forward-looking insights.

- **Predictive Analytics:** AI models analyze historical trends to forecast cash flow crunches months in advance, enabling proactive working capital management.
- **Tailored Tax Planning:** Generative AI tools scan vast tax codes, case laws, and financial statements to highlight custom deduction strategies and risk profiles for client review.

Key Insight: According to global accounting surveys, over 79% of professionals expect growth in advisory revenue as AI takes over mechanical compliance execution.

Negative Impact: Challenges & Operational Risks

AI RISKS IN CA PRACTICE		
Black Box Issue & Explainability	Data Security & Confidentiality	Entry-Level Skill Development Gap

1. The “Black Box” Problem & Professional Liability

Many deep-learning AI models provide conclusions without explicit, step-by-step audit trails explaining *how* the output was reached.

- **Liability Risk:** In tax filings or statutory audits, the legal responsibility rests entirely on the signing Chartered Accountant—not the software vendor.
- **Hallucinations & Incorrect Citations:** Unchecked generative AI tools can fabricate legal precedents or misinterpret ambiguous tax clauses, posing serious reputational and legal threats if unverified.

2. Data Security, Privacy, and Confidentiality

> *“ 100% Data Testing: AI algorithms analyze entire transaction populations rather than samples, instantly flagging duplicate invoices, unusual posting times, or round-number anomalies. ”*

CA firms handle highly sensitive financial data, trade secrets, and personal identity records.

- **Data Leakage:** Insecure API integrations or public cloud models risk exposing confidential client records during model training.
- **Cyber Threats:** Centralized financial data repositories create attractive targets for cyberattacks and ransomware.

3. Disruption of Article Assistants and Junior Roles

The traditional CA training model relies on junior articles spending early years doing manual reconciliations, voucher verification, and draft preparation to build foundational intuition.

- **Skill Gap:** Automated routine tasks make it harder for junior CAs to gain practical experience unless firm training models evolve.
- **Automation Bias:** Over-reliance on AI outputs can cause junior staff to unquestioningly accept system suggestions without applying critical professional skepticism.

Comparison Matrix: Positive vs. Negative Dimensions

Service Area	Positive Impact (AI Benefit)	Negative Impact (AI Risk)
Bookkeeping & Accounting	Instant invoice extraction, continuous bank feed reconciliation, and real-time ledger posting.	Inaccurate categorization caused by poor source data (“Garbage In, Garbage Out”).
Statutory Auditing	Full population analysis (100% data coverage), instant fraud detection, and continuous audit trails.	“Black Box” algorithms lack clear reasoning, making audit defense difficult.
Taxation & Compliance	Rapid matching of registers (e.g., GSTR-2B vs. Purchase Register),	Misinterpretation of newly amended, nuanced tax laws or notifications.

Service Area	Positive Impact (AI Benefit)	Negative Impact (AI Risk)
	automated draft generation.	
Client Advisory	Predictive cash flow modeling, scenario analysis, and custom financial reporting.	Risk of client over-reliance on unverified AI recommendations.
Talent & Practice	Higher billable value per employee, reduced burnout during filing seasons.	Disruption of entry-level learning paths and high upskilling/software costs.

The Path Forward: "Human-in-the-Loop" Governance

To maximize the benefits of AI while mitigating its inherent risks, CA firms must adopt a strict **Human-in-the-Loop (HITL)** operational framework:

- **Maintain Professional Oversight:** Treat AI outputs purely as draft suggestions or analytical aids; final review and sign-off must remain human-driven.
- **Prioritize Explainable AI (XAI):** Opt for tools that provide verifiable source documentation, clear audit logs, and confidence scoring.
- **Establish Data Governance:** Enforce enterprise-grade encryption, zero-retention vendor policies, and strict compliance with local data privacy regulations.
- **Reskill the Workforce:** Reorient accounting education from rote computational skills toward prompt engineering, data analytics, systemic audit evaluation, and strategic communication.

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Payment Service Provider (PSP) Framework in GIFT IFSC: Transforming Cross-border Transactions

CA. Malhar R Shah
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Payment Service Provider (PSP) Framework in GIFT IFSC: Transforming Cross-border Transactions

Payment Service Provider (PSP) Framework in GIFT IFSC: Transforming Cross-border Transactions

India has undergone a remarkable digital payments revolution. Today, most domestic payments can be completed within seconds by scanning a QR code or using digital payment applications and wallets. The convenience, speed, and affordability of these payment systems have significantly reduced reliance on physical cash.

However, the experience is markedly different when a payment involves a foreign currency or a cross-border transaction. Whether it is remitting money to a relative abroad or paying for imported goods or services, the transaction typically has to be routed through the traditional banking system using the SWIFT network. Such transactions often involve multiple intermediaries, longer processing timelines, foreign exchange conversion costs, SWIFT charges, and other transaction fees.

While digital wallets have transformed domestic payments, a similar ecosystem for seamless foreign currency payments has largely been absent. Consequently, cross-border payments continue to be comparatively slower, more expensive, and operationally complex.

Recognising this opportunity, GIFT City, India's first and only International Financial Services Centre (IFSC), is emerging as a global hub for payment and fintech innovation. In addition to banking, fund management, and other financial services, the IFSC framework enables Payment Service Providers (PSPs) and fintech entities to develop innovative foreign currency payment solutions aimed at making cross-border transactions faster, more efficient, and cost-effective.

To promote cross-border payment and fintech activities from IFSC, the International Financial Services Centres Authority (IFSCA) has introduced a dedicated regulatory framework for Payment Service Providers (PSPs). Unlike the mainland regime, where different payment activities generally require separate licences from the Reserve Bank of India (RBI) and, in many cases, can be undertaken only by banks or eligible NBFCs, the IFSC framework permits multiple cross-border payment services under a single PSP licence with comparatively lower net worth requirements, thereby fostering ease of doing business and innovation.

A PSP licensed in IFSC can provide the following services to eligible resident and non-resident users:

- Account issuance service (including e-money issuance)
- Escrow services
- Cross border money transfer services
- Merchant acquisition services

The following sections discuss each of these services, their operating model and benefits for end users in brief.

- **Account issuance service (including e-money issuance)**

Under the IFSCA PSP Framework, a licensed PSP can issue multi-currency prepaid accounts, e-wallets and travel cards (physical or virtual), subject to applicable FEMA provisions and approval from IFSCA. These instruments enable users to load foreign currency and make payments at overseas merchant establishments or online platforms through approved payment networks.

Unlike the conventional model, where each overseas transaction requires conversion and settlement through the banking channel, the pre-funded wallet or travel card enables seamless foreign currency payments, thereby improving the overall payment experience for users travelling or transacting abroad.

> *" Today, most domestic payments can be completed within seconds by scanning a QR code or using digital payment applications and wallets. "*

Benefits for end users

- Reduced exposure to exchange rate fluctuations by pre-loading foreign currencies.
- Access to multi-currency wallets and travel cards through a single platform.
- Faster and seamless foreign currency payments at overseas merchant locations.
- **Escrow Services**

Under the IFSCA PSP Framework, a licensed PSP can provide escrow services for cross-border commercial transactions. The PSP acts as a neutral intermediary by holding funds in an escrow account until the contractual obligations agreed between the parties are fulfilled. Upon satisfaction of the agreed conditions, the funds are released to the beneficiary, enabling secure and efficient settlement of international transactions. In appropriate commercial arrangements, escrow services may also serve as a cost-effective alternative to traditional payment security mechanisms, such as Letters of Credit (LCs), particularly where the parties seek a simpler and faster settlement process.

Benefits for end users

- Reduces counterparty and payment default risks.
- Provides a practical alternative to Letters of Credit (LCs) for suitable transactions.
- Enhances trust between transacting parties.
- Enables faster release of funds upon fulfilment of contractual conditions.
- Helps minimise foreign exchange exposure through timely settlement.
- **Cross border remittance- Inward and Outward remittance**
- Under the IFSCA PSP Framework, a licensed PSP can facilitate inward and outward cross-border remittances in accordance with applicable FEMA regulations. Instead of processing each remittance individually through the banking system, the PSP may collect funds from customers in their respective jurisdictions through partner banks and consolidate them into bulk cross-border transfers. This reduces the number of SWIFT messages required, allowing the fixed costs associated with SWIFT and other banking charges to be distributed across multiple transactions. The resulting cost efficiencies enable PSPs to offer faster and more economical remittance services while maintaining a secure and regulated payment ecosystem.
- **Benefits for end users**

> *" Recognising this opportunity, GIFT City, India's first and only International Financial Services Centre (IFSC), is emerging as a global hub for payment and fintech innovation. "*

- Lower remittance costs through bulk settlement of transactions.
- Faster transfer of funds through settlement arrangements.
- Secure and regulated cross-border payment mechanism.
- Simplified remittance experience for users.
- **Merchant Acquisition Services**

Merchant acquisition refers to the onboarding of merchants and enabling them to accept payments through a PSP's payment platform.

Under the IFSCA PSP Framework, a licensed PSP may onboard overseas merchants, allowing Indian customers to make payments for imports of goods or services and other permissible transactions under the Liberalised Remittance Scheme (LRS). The PSP facilitates collection of payments from customers and settlement to overseas merchants. Depending on the commercial arrangement, settlement may also be undertaken on a net basis, thereby simplifying fund flows and reducing operational complexities for merchants.

Benefits for end users

- Enables overseas merchants to seamlessly accept payments from Indian customers.
- Simplifies payment collection and settlement processes.
- Supports payments in multiple foreign currencies.
- Faster settlement of funds to merchants.
- Lower payment processing and remittance costs.

Concluding Remarks

The IFSCA Payment Service Provider Framework marks a significant step towards developing GIFT IFSC as a global hub for cross-border payments and fintech innovation. By introducing a unified licensing framework, lower entry barriers, and enabling services such as account issuance, escrow, cross-border remittances, and merchant acquisition, the framework provides a compelling alternative to conventional cross-border payment models. These offerings have the potential to make international payments faster, more efficient, and cost-effective for both businesses and customers.

In addition to the regulatory advantages, eligible PSPs operating from IFSC may also avail various fiscal incentives, including income-tax benefits and GST exemptions available to IFSC units, further enhancing the attractiveness of establishing payment operations from GIFT IFSC. As the ecosystem evolves, the PSP framework is expected to play a pivotal role in positioning India as a competitive player in the global cross-border payments landscape.

Disclaimer: Views expressed are strictly personal and do not represent any organisation.

RBI Updates

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RBI Updates

In the month of July,2026 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	Master directions/ Master circulars/ notifications No.	Applicability	Brief understanding
14.07.2026	RBI/2026-27/177-178-180 DOR.HGG.GOV.150/29.67.001/2026-27	All Commercial Banks, Local Area Banks and Small Finance Banks	Reserve Bank of India (RBI), through Commercial Banks – Governance Amendment Directions, 2026: RBI has rationalized the governance framework for bank Boards to enable greater focus on strategy, risk management, and governance. The amendments permit Boards to delegate specified policy reviews and operational matters to Board Committees or Management Committees while retaining responsibility for material policy approvals, business strategy, financial soundness, governance, and compliance. Banks are also required to clearly define delegated powers, ensure adequate reporting by management, periodically review the delegation framework, and improve Board meeting effectiveness. These directions will come into force from October 1, 2026.
15.07.2026	RBI/2026-27/181-182-182-183-184-185 DOR.STR.REC.154/21-04-048/2026-27	All Commercial Banks, Small Finance Banks (SFBs), Non-Banking Financial Companies (NBFCs), All India Financial Institutions (AIFIs), and Urban Cooperative Banks (UCBs).	Reserve Bank of India (RBI), through amendments in – Credit Facilities Directions: RBI has introduced uniform amendments to the project finance framework. The amendments clarify that where a project can be operationalised as multiple independent viable units, regulated entities may finance each unit as a separate project with its own financial closure, subject to prior appraisal of its standalone viability. Further, for electricity generation projects involving both generation and transmission (evacuation infrastructure), the right-of-way requirement for the transmission component shall be determined as per the prescribed regulatory provisions. These amendments came into force with immediate effect.
16.07.2026	RBI/2026-27/187 to 202 DOR.STR.REC.168/21-04-048/2026-27	All Commercial Banks, Small Finance Banks (SFBs), Non-Banking Financial Companies (NBFCs), All India Financial Institutions (AIFIs), Urban Co-operative Banks (UCBs), Rural Co-operative Banks (RCBs), Regional Rural Banks (RRBs), and Local Area Banks (LABs).	Reserve Bank of India through Resolution of Stressed Assets) various Amendment Directions, 2026: Consequent to the corresponding amendments to the respective Resolution of Stressed Assets Directions, the RBI has amended the Income Recognition, Asset Classification and Provisioning (IRACP) Directions for these institutions to ensure a harmonised prudential treatment of SNFAs. Under the amended framework, accrued but unrealised interest and other charges relating to the extinguished exposure prior to the acquisition of an SNFA shall not be recognised as income. Further, where such income has already been recognised in

Date of issue	Master directions/ Master circulars/ notifications No.	Applicability	Brief understanding
			respect of SNFAs outstanding as on September 30, 2026, the unrealised portion must be reversed through the Profit and Loss Account by September 30, 2027. The Directions also provide that income realised from an SNFA shall be recognised only upon actual realisation and classified as "non-interest/other income", while expenses incurred towards the upkeep of an SNFA shall be recognised in the financial year in which they are incurred. These amendments come into effect from October 1, 2026, and are intended to promote prudential, consistent and conservative accounting practices for acquired non-financial assets across the banking and financial sector.
17.07.2026	RBI/2026-27/203 A.P. (DIR Series) Circular No.19	All Authorised Dealer Category-I banks	Special Rupee Vostro Accounts (SRVAs): Under the consolidated framework, AD Category-I banks are permitted to open SRVAs for their overseas branches or banks resident outside India in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016. The RBI has clarified that, in addition to facilitating cross-border trade transactions (exports and imports), SRVAs may also be used for all permissible current and capital account transactions under FEMA. AD banks maintaining SRVAs are further permitted to open exclusive current accounts for exporters and importers for settlement of export-import transactions. The circular also provides that SRVAs may be funded through inward remittances or transfers from other repatriable INR accounts, while surplus balances may be invested in debt instruments in accordance with the Master Direction – Non-resident Investment in Debt Instruments, 2025. Further, documentation and reporting requirements shall continue to be governed by the extant FEMA framework, and details of SRVAs are to be periodically updated in the FEDAI SRVA Directory. The consolidated instructions come into force with immediate effect and are intended to streamline cross-border settlement in INR, promote ease of doing business, and further strengthen the internationalisation of the Indian Rupee.

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Beyond Data Centres: Gujarat's New Policy as a Blueprint for Infrastructure Capital and Industrial Real Estate

Piyush Kothari
Guest Contributor

A strategic assessment of the Viksit Gujarat Data Centre Policy 2026–29

A strategic assessment of the Viksit Gujarat Data Centre Policy 2026–29

Piyush Kothari (Executive Director and CEO)

The Viksit Gujarat Data Centre Policy 2026–29 is being viewed largely as another state-level incentive framework competing for hyperscale investment. That interpretation misses the policy's more important function. Beyond its incentive schedule, the policy is less about attracting data centres than about directing long-term infrastructure capital into Gujarat's industrial ecosystem. Digital infrastructure is the vehicle; the underlying objective is to accelerate industrial development and attract the next cycle of institutional capital.

Gujarat's Timing Was Not Accidental

Gujarat is entering a market that has already begun to consolidate. India's operational data centre capacity has crossed 1.6 GW, with several gigawatts under development and cumulative investment commitments estimated at US $94-126 billion since 2019. More importantly, the first wave of hyperscale capital has already established geographic preferences.

That growth has not been evenly distributed. Roughly 45 percent of cumulative investment since 2019 has concentrated in six states: Maharashtra, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal, and Karnataka, each of which built a dedicated data centre policy years before Gujarat did. Maharashtra benefits from Mumbai's submarine cable landing stations, Tamil Nadu from Chennai's gateway position, Telangana from its reputation for reliable power, and Uttar Pradesh from an aggressive 2026 expansion policy.

Gujarat is therefore not attempting to create a new asset class; it is seeking to redirect a capital cycle that is already well underway. The policy is designed to convert the state's existing industrial strengths into committed private investment before the current capital-allocation cycle becomes difficult to reshape.

Why Gujarat Is Uniquely Positioned

Unlike several competing states, Gujarat is relying less on fiscal incentives than on structural advantages accumulated over decades of industrial development. Its advantages include a strong power ecosystem, India's largest renewable energy portfolio, GIFT City, planned industrial regions such as Dholera and Mandal-Becharaji, and an emerging semiconductor manufacturing base in Sanand. Together, they address many of the constraints that shape hyperscale site selection.

The Provisions That Actually Influence Investment Decisions While the policy contains numerous incentives, only a handful are likely to influence investment decisions. They determine project eligibility, capital allocation and long-term operating economics, factors that matter more than the headline incentives.

The 150 MW Eligibility Threshold

The policy's defining feature is its minimum eligibility threshold of 150 MW approved IT load. This confines incentives to hyperscale cloud providers, AI compute platforms and large data centre operators capable of developing multi-billion-rupee campuses. Rather than encouraging many smaller facilities, Gujarat is targeting a limited number of anchor projects that can drive infrastructure investment.

The Eligible Fixed Capital Investment (EFCI) Framework

The Eligible Fixed Capital Investment (EFCI) framework covers core operating infrastructure while excluding land, land development and semiconductor chips. Eligible investment is capped at 80% of Fixed Capital Investment (FCI) or ₹60,000 crore. The framework aligns with the policy's ambition to develop 7.5 GW of capacity through institutional-scale projects.

The Dholera-Exclusive Capital Subsidy

The 2.5% capital subsidy is the policy's only geographically targeted incentive, applying exclusively to projects in Dholera Special Investment Region (SIR). More than a cost incentive, it channels private capital towards an industrial ecosystem built through years of public investment, reinforcing Dholera as the focal point of Gujarat's digital infrastructure strategy.

The Power Architecture

> *“ Eligible investment is capped at 80% of Fixed Capital Investment (FCI) or ₹60,000 crore. ”*

Power is the policy's strongest differentiator. Electricity accounts for 40–50% of a hyperscale data centre's lifetime operating cost, making long-term pricing and supply reliability more important than upfront subsidies. A ₹1 per unit tariff subsidy for twenty years, Open Access, renewable procurement, dual transmission feeders and distribution licence flexibility improve long-term operating economics, improving operating economics over the life of the asset.

The Renewable Energy Mandate

Eligible projects must source at least 51% of operational electricity from renewable energy, embedding renewable procurement into project economics while supporting Gujarat's broader energy strategy.

Taken together, these provisions prioritise long-term infrastructure economics over short-term fiscal support. The remaining incentives strengthen the commercial proposition but are complementary rather than central to the policy's strategic design.

Reading the Policy Through an Institutional Lens

Viewed through its incentives alone, the policy resembles a conventional industrial promotion programme. Read more closely, however, it is designed less to subsidise projects than to attract institutional capital. Three principles define its approach: institutional scale, long-term operating economics and fiscal discipline.

Institutional Scale The 150 MW eligibility threshold, gigawatt-scale EFCI framework and recognition of project structures involving joint ventures, Special Purpose Vehicles (SPVs), subsidiaries and affiliated entities. The policy also allows Fixed Capital Investment (FCI) to be aggregated across eligible entities within a common project structure, providing flexibility to structure investments through SPVs and joint ventures without affecting incentive eligibility.

Operating Economics

Rather than providing upfront subsidies, Gujarat caps support at 75% of Eligible Fixed Capital Investment (EFCI) and disburses it over twenty years, with annual payouts capped at 5% of the eligible amount. This improves long-term project cash flows while spreading the state's fiscal commitments over time, aligning the incentive structure with how infrastructure assets are typically evaluated.

Fiscal Discipline

Interest subsidies apply only to term loans from scheduled banks and recognised financial institutions, excluding NBFC borrowings, while only disbursed, not sanctioned, debt qualifies for support. These provisions tie incentives to deployed capital financed through regulated lenders, reinforcing the policy's focus on productive investment over financial engineering.

Implications for Real Estate and Infrastructure

The policy's significance extends beyond data centres to the infrastructure required to support hyperscale development, high-capacity transmission networks, renewable power generation, substations, fibre connectivity, water systems and industrial utility corridors.

For real estate investors, the greater opportunity lies in the industrial ecosystems that develop around this infrastructure. Improved utilities and connectivity reduce development risk and strengthen industrial land values, particularly across Dholera, Mandal-Becharaji and other strategic industrial corridors.

The policy also broadens the role of developers. By recognising developers, infrastructure providers, operators and Special Purpose Vehicles (SPVs) within a common investment structure, and permitting infrastructure co-developers to jointly pursue power distribution licences, it creates opportunities for long-term infrastructure ownership alongside the operating asset.

Its land-use provisions further support this model by allowing the first instance of sub-leasing within a Data Centre Entity without additional charges or transfer duties, making multi-tenant data centre parks more commercially viable.

For institutional investors, the investable opportunity extends beyond hyperscale campuses to renewable energy, battery storage, transmission infrastructure, industrial utilities and logistics assets. Much of the policy's long-term investment opportunity is likely to emerge from these supporting infrastructure sectors.

> *“ The 2.5% capital subsidy is the policy's only geographically targeted incentive, applying exclusively to projects in Dholera Special Investment Region (SIR). ”*

Key Operational Provisions

Beyond the headline incentives, several operational provisions will influence project execution, financing and regulatory timelines.

• Eligible Investment Period: Eligible Fixed Capital Investment (FCI/EFCI) may be incurred over eight years from in-principle approval, with a discretionary two-year extension for projects demonstrating substantial progress. This accommodates the phased development typical of hyperscale campuses.

• Electricity Duty and Stamp Duty: Projects receive reimbursement of electricity duty for twenty years, together with a full exemption from stamp duty and registration charges on land acquisition or lease. These benefits maintain Gujarat's cost competitiveness but broadly mirror those offered by competing states.

• SGST Reimbursement: Reimbursement applies to eligible expenditure on plant and machinery, buildings, supporting infrastructure and the net SGST generated from eligible operational services. The operational benefit continues for twenty years, making it one of the policy's more significant long-term incentives.

• Water Security: Captive desalination projects are eligible for support of 20% of eligible project cost or ₹2 crore per MLD, subject to a maximum capacity of 20 MLD per GW, recognising water security as critical infrastructure for hyperscale development.

• Planning Norms: Higher permissible Floor Space Index (FSI), up to 70% ground coverage, reduced parking requirements and greater flexibility for utility infrastructure improve land utilisation for hyperscale campuses.

• Governance Framework: Project approvals and incentive disbursement will be administered through the Investor Facilitation Portal and DST

Incentive Management Portal under the High Powered Committee and State Level Empowered Committee. While strengthening oversight, the multi-tier approval process may lengthen execution timelines.

Execution Will Determine Success

The policy presents a credible investment framework, but its success will depend on execution rather than incentive design. Many of its advantages remain contingent on supporting infrastructure being delivered at the pace required for hyperscale development.

Power: Gujarat's generation capacity and renewable energy leadership provide a strong foundation, but reliable supply for multiple gigawatt-scale campuses will require continued investment in transmission infrastructure, grid modernisation, energy storage and firm power procurement.

Water: While the policy supports captive desalination, long-term viability will depend on desalination capacity, pipeline infrastructure, regulatory approvals and commercially sustainable operating models. At hyperscale, water availability will become as important as power and fibre connectivity in site selection.

Connectivity: Gujarat lacks the submarine cable landing infrastructure available in Mumbai and Chennai, leaving those markets better positioned for latency-sensitive international workloads, although this is less significant for domestic cloud and AI deployments.

Competition: Gujarat also enters a competitive market where Maharashtra, Tamil Nadu, Telangana, Karnataka and Uttar Pradesh already have established ecosystems. As incentives converge, execution speed, infrastructure readiness, regulatory certainty and consistent incentive disbursement are likely to become the primary differentiators.

Ultimately, the policy will be judged less by the incentives it offers than by the infrastructure it delivers. Gujarat's structural advantages in power, industrial land and renewable energy provide a strong foundation, but sustained leadership will depend on disciplined execution.

Conclusion

The Viksit Gujarat Data Centre Policy 2026–29 is more than a sector-specific incentive programme. It uses digital infrastructure to accelerate industrial investment, strengthen enabling infrastructure and attract sustained long-term infrastructure investment.

For developers and investors, the opportunity extends beyond data centres to the power, renewable energy, utilities, logistics and industrial real estate that support them. In that sense, the policy is less about creating a new asset class than about accelerating the next phase of Gujarat's industrial development.

Ultimately, the policy should be judged not by the incentives it offers or the megawatts it commissions, but by whether it succeeds in attracting sustained infrastructure investment. If execution matches ambition, it may be remembered less as a data centre policy than as the framework that cemented Gujarat's position as one of India's leading destinations for long-term infrastructure capital.

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Who Is Liable to Pay Advance Tax? Only the Sections Are Changed

CA. Ajit C. Shah
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Sections 207 to 211 explain about advance tax payable by whom, what are the conditions, how to compute payment of advance tax, it is to be paid in instalments etc. under the Income Tax Act, 1961. The same things are explained under Clauses 401 to 408 of Income Tax Bill, 2025.

Sections 207 to 211 explain about advance tax payable by whom, what are the conditions, how to compute payment of advance tax, it is to be paid in instalments etc. under the Income Tax Act, 1961. The same things are explained under Clauses 401 to 408 of Income Tax Bill, 2025.

What is Advance Tax?

The scheme of advance tax requires all assesse to estimate their current year's income and tax liability on that income, exceeds the specified limit, the assesse is required to pay the estimated tax in instalments during the financial year itself. Thus, an assesse is required to pay tax as he earns. We can say that earn and pay tax accordingly.

Income subject to advance tax: (Section 207)

The advance tax shall be payable on all the items of income included in the total income chargeable to tax for the financial year in which the advance tax is payable. In the case of capital gains, winnings from lotteries, crossword puzzles, races including horse races, card games, and other games, gambling or betting are also to be considered for advance tax payment.

It may be noted that the provisions of section 207(1), shall not apply to an individual resident in India, who does not have any income under the head, ' Profit and gains of business or profession' and is a senior citizen is not required to advance tax during the financial year 2012-13 and on words.

Liability for payment of advance tax: (Section 403) (IT ACT- 2025)

(1) We know that under the I.T.Act-2025, advance tax shall be payable during the financial year in respect of the current income of the assesse, as per the provisions of this part.

(2) For the purpose of this part, "current income" a tax year means the total income of the assesse which would be chargeable to tax for such tax year.

(3) The provisions of above (1) shall not apply to an individual resident in India, who-

(a) does not have any income chargeable under the head " Profits and gains of business or profession" ; and

(b) is a senior citizen at any time during the tax year.

Conditions of liability to pay advance tax (Section 404) (IT ACT-2025).

> *" An assesse calculate that his total income during the financial is much higher than the tax calculation of Rs.10,000, and is liable to pay advance tax for the financial year 2025-26. "*

Under the IT Act 1961 the same condition was there in Section 208, while in IT Act, 2025, the advance tax shall be payable by the assesse, whose income is liable to pay tax during the year, as computed under this Part, is Rs. 10,000 or more. This condition remains the same as under the IT Act, 1961.

Every person, whose estimated tax liability for the Financial Year is Rs. 10,000 or more, is liable to pay advance tax.

Computation of advance tax: (Section 209)

An assesse calculate that his total income during the financial is much higher than the tax calculation of Rs.10,000, and is liable to pay advance tax for the financial year 2025-26. Now the question arise in his mind that when and how much tax is to be paid?

Where the calculation is made by the assesse for the purpose of advance tax, he shall first calculate his current income and calculate the income tax thereon at the rate in force in the financial year.

How to pay advance tax?

The advance tax can be paid online (electronically) or through an authorized bank, by submitting the details in Challan No. ITNS 280. Of course it is mandatory for a Company or a person (other than a Company) who is required to get his accounts audited under section 44AB to pay the taxes through on line mode only.

Due dates for payment of advance tax: (Section 211)

Advance tax calculated under section 209 on the current income shall be payable in four instalments during each financial year. Under section 211(1)(a) of the Act, due date of payment and the amount payable in each installment during financial year is indicated in the following table:

Due date of instalment Amount payable

01. on or before 15th June Not less than 15% of such Advance tax.

02. on or before 15th September Not less than 45% of such

“ Every person, whose estimated tax liability for the Financial Year is Rs. 10,000 or more, is liable to pay advance tax. ”

Advance tax, as reduced by the amount, if any, paid in the earlier instalment.

03. On or before 15th December not less than 75% of such Advance tax, as reduced by the amounts, if any, paid in the earlier instalments.

04. On or before 15th March the whole amount of such advance tax as reduced by the amount or amounts, if any, paid in the earlier instalments.

In the case of an assesse who declares profits and gains in accordance with the provisions of Section 44AD(1) or Section 44ADA(1), as the case may be is required to pay 100% of the advance tax as calculated u/s 209 on the current year income, on or before 15th March.

Where the current years income includes, capital gains or winnings from lotteries, crossword puzzles, races etc. if the income accrues or arises after 15th March, after payment of last instalment of advance tax payable thereon, should be paid on or before 31st March.

In short, we can see that there is no change in payment dates, calculation and other things, only the sections are changed.

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Compliance on Inter Corporate Deposit

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Compliance on Inter Corporate Deposit

Compliance on Inter Corporate Deposit

- **CA Swati Panchal**

India's NBFC sector has grown into a systemically significant part of the financial system, and RBI's regulatory posture has shifted accordingly, from principle-based oversight toward increasingly prescriptive, tiered compliance obligations. Two regulatory developments land squarely on this topic in 2026, and both change what 'normal' inter-company borrowing compliance now looks like.

First Question: Is This Even a 'Deposit'?

Every borrower-side compliance analysis must start here. Under Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, any amount received from another company is excluded from the definition of 'deposit'. This means your NBFC does not need to comply with the Section 73/76 deposit-acceptance regime, deposit insurance, deposit repayment reserve, credit rating for deposits, merely because the money came from a corporate lender, provided that lending company is not itself acting as a conduit passing through public deposits.

Getting this classification wrong at the outset cascades into every subsequent step. A borrowing incorrectly treated as a deposit triggers an entirely different, and considerably heavier, compliance regime than what actually applies.

Companies Act, 2013: What the Borrower Must Do

- **Board or committee approval to borrow:** a board resolution authorising the loan, amount, tenure and terms must be passed before drawdown, not after.
- **Related-party determination:** establish whether the lending company is a 'related party', holding, subsidiary, associate, or common directorship. If yes, Section 188 applies, requiring arm's-length terms and Board approval, with audit committee approval also needed where the NBFC has one.
- **Disclosure in the Board's Report:** related-party loan particulars must be disclosed in Form AOC-2, annexed to the Board's Report for the year.
- **Register of related-party transactions:** an internal RPT register must record the loan wherever the lender is a related party.
- **Financial statement disclosure:** the borrowing must be recognised as a liability, with the lender's identity and relationship disclosed under AS 18 in the Notes to Accounts.

“ Two regulatory developments land squarely on this topic in 2026, and both change what 'normal' inter-company borrowing compliance now looks like. ”

- **Commercially reasonable terms:** while Section 186(7)'s minimum-rate floor technically binds the lender, the borrowing NBFC should independently document that terms are arm's-length, protecting itself against related-party or transfer-pricing challenge later.

RBI and NBFC-Specific Obligations, Borrower Side

- **Periodic RBI returns:** the borrowing must be reflected in the DNBS-series returns applicable to the NBFC's layer, and in the Balance Sheet, showing source and tenure.
- **Related Party Lending Directions (effective 1 April 2026):** where the lender is a related party, the NBFC must apply tiered board or committee sanctioning authority, maintain an updated related-party loan register, and ensure the arrangement is not renewed or extended past expiry without fresh compliance.
- **FEMA / ECB compliance:** where the lending company is incorporated outside India, the loan must be routed under the External Commercial Borrowing framework, sectoral and end-use restrictions, all-in-cost ceilings, and reporting through the Authorised Dealer bank all apply.
- **Covenant and exposure monitoring:** the borrowing must be tracked against leverage and exposure norms applicable to the NBFC's layer, and factored into Asset-Liability Management reporting.

Borrower's Documentation Checklist

- **Board or committee resolution** approving the borrowing, establishing authority.
- **Loan agreement** covering tenure, rate, security and covenants, evidencing arm's-length terms.
- **Related-party determination note,** deciding whether Section 188 and RBI's RPT rules apply.
- **RPT register entry,** where the lender is a related party, as the statutory record for audit and inspection.
- **AOC-2 disclosure,** drafted for the Board's Report.

> *" Under Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, any amount received from another company is excluded from the definition of 'deposit'. "*

- **Updated RBI periodic returns and ALM statements,** reflecting the borrowing.
- **FEMA/ECB filing pack,** where the lender is foreign.

Filing Requirements at a Glance

Filing / Form	Authority	Trigger	Timeline
AOC-2	ROC (MCA)	Lender is a related party, disclosed in Board's Report	With Form AOC-4
Internal RPT Register	Maintained by NBFC	Lender is a related party	Updated on drawdown/renewal
Notes to Accounts (AS 18)	ROC / Auditors	Related-party borrowing outstanding at year-end	Annual
DNBS-series Returns	RBI	Any borrowing outstanding, reported by source/tenure	Monthly/Quarterly/Annual
RP Loan Register & Board Reporting	RBI (supervisory)	Under RBI Related Party Lending Directions	Continuous; Board-reviewed
Form ECB / ECB-2 Return	RBI (via AD Bank)	Lending company incorporated outside India	At drawdown; then monthly
ALM / Structural Liquidity	RBI	Borrowing changes liability maturity profile	Per prescribed periodicity

Things to Consider Before Your Next Board Meeting

- **Audit your existing related-party borrowings now, not after the conformity window closes.**
- **Do not assume a common director automatically means non-related-party treatment is safe.** The related-party determination must be documented affirmatively, in both directions, not simply assumed.
- **Re-check your layer classification before assuming a threshold applies.** NBFCs transitioning from Base to Middle Layer, or Middle to Upper, must recalibrate their board-approval thresholds the moment that transition occurs, not at the next audit cycle.
- **If your lender is incorporated outside India, treat this as an ECB filing from day one.** Retrofitting ECB compliance after drawdown is considerably more difficult than structuring it correctly at the outset.
- **Build the RPT register as a living document, not an annual exercise.** Inspectors increasingly expect continuous, Board-reviewed records, not documentation assembled shortly before a filing deadline.

The Professional Takeaway

For chartered accountants advising NBFC clients, this is no longer a niche compliance corner. With RBI's Related Party Lending

Directions taking effect on 1 April 2026 and a parallel Amendment Direction easing the burden for low-risk NBFCs from 1 July 2026, the regulatory landscape for inter-company borrowing has genuinely bifurcated, tighter where risk is real, lighter where it is not. Advisors who can correctly classify a client's layer, determine related-party status with confidence, and build the documentation trail proactively, rather than reactively, are positioned to deliver real value in what has quickly become one of the more consequential compliance areas in NBFC practice today.

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FEMA July 2026 – Key Regulatory Changes and Their Practical Implications

CA. Jay Joshi
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FEMA July 2026 – Key Regulatory Changes and Their Practical Implications

Introduction

The Reserve Bank of India (RBI) has introduced several significant amendments under the Foreign Exchange Management Act, 1999 (FEMA) during 2026 through Notifications, A.P. (DIR Series) Circulars, amendments to Master Directions and Frequently Asked Questions (FAQs). These amendments collectively represent a shift towards a principle-based regulatory framework, simplification of compliance requirements, enhancement of ease of doing business, promotion of digitalisation and strengthening of India's position as an international financial centre.

The important regulatory changes and their practical implications are discussed below.

1. Foreign Exchange Management (Authorised Persons) Regulations, 2026

The RBI has replaced the earlier regulatory framework governing Authorised Persons with the Foreign Exchange Management (Authorised Persons) Regulations, 2026. The Regulations introduce a comprehensive framework covering all categories of Authorised Persons under FEMA.

The major changes include:

- Introduction of a three-category Authorised Dealer framework.
- Introduction of AD Category-III.
- Migration towards a principle-based regulatory framework.
- Mandatory filing of fresh applications through the PRAVAAH Portal.
- Introduction of Forex Correspondent (FxC) Scheme.
- Replacement of franchisee arrangements with the FxC framework.
- Ongoing compliance relating to minimum net worth, prescribed forex turnover and fit-and-proper criteria.
- Prior RBI approval for specified changes in ownership and management.
- Formal appellate mechanism under the Regulations.

Practical Implications

The Regulations represent a structural reform rather than a policy change. Existing Authorised Persons should review their authorisation conditions, governance structure, internal controls and operational procedures to ensure compliance with the revised framework. The principle-based approach provides RBI greater flexibility to modify operational requirements through Master Directions without frequent amendments to the Regulations.

2. Amendment to Cross Border Merger Regulations

RBI has amended the Cross Border Merger Regulations by replacing references to the National Company Law Tribunal (NCLT) with the broader expression "Competent Authority".

Practical Implications

The amendment aligns FEMA with the Companies Act, 2013 and ensures that cross-border merger regulations remain applicable irrespective of the authority approving the merger scheme. Although the amendment is largely consequential, it provides greater flexibility and future readiness to India's cross-border merger framework.

3. Restoration of Nine-Month Timeline for Export Proceeds

RBI has restored the earlier requirement that export proceeds must be realised and repatriated within nine months instead of the temporary fifteen-month period.

Practical Implications

- Exporters should immediately review:
- Customer credit terms.
- Export contracts.
- Collection mechanism.
- Receivable monitoring system.
- Businesses extending longer credit periods may require revision of commercial arrangements to avoid FEMA non-compliance.

“ The Reserve Bank of India (RBI) has introduced several significant amendments under the Foreign Exchange Management Act, 1999 (FEMA) during 2026 through Notifications, A.P. ”

4. Comprehensive Measures to Enhance Foreign Capital Inflows

The Government of India and RBI introduced a comprehensive package of reforms for attracting foreign investment and deepening Indian capital markets.

The important FEMA related changes include:

- All Individual Persons Resident Outside India (PROIs) are now permitted to invest through the Portfolio Investment Scheme.
- Individual investment limit increased from 5% to 10%.
- Aggregate investment limit increased from 10% to 24%.
- Expansion of the Fully Accessible Route (FAR).
- Relaxation of investment restrictions under the General Route.
- Operationalisation of RBI Forex Swap Facility.

Practical Implications

The reforms significantly liberalise foreign portfolio investment into India and are expected to:

- Increase foreign participation in Indian capital markets.
- Improve market liquidity.
- Deepen Government Securities market.
- Facilitate mobilisation of foreign currency resources.
- Strengthen India's external sector.

Listed companies may benefit through higher foreign participation, better valuations and improved corporate governance standards.

5. Liberalisation of Deposit Regulations and SNRR Account Framework

RBI has significantly liberalised the Special Non-Resident Rupee (SNRR) Account framework.

The amendments include:

- Wider permissible credits and debits.
- Transfer from NRO account under the USD One Million Scheme.
- Broader use of SNRR accounts for current and capital account transactions.
- Integration of SNRR framework with IFSC ecosystem.
- Permission for SNRR accounts to be maintained through overseas branches and IFSC banking units.
- Simplification of operational conditions.
- Permission for bona fide transactions between two non-residents through SNRR accounts.

Practical Implications

The amendments represent another important step towards internationalisation of the Indian Rupee.

The changes will:

- Increase operational flexibility.

> *"The RBI has replaced the earlier regulatory framework governing Authorised Persons with the Foreign Exchange Management (Authorised Persons) Regulations, 2026."*

- Simplify cross-border transactions.
- Strengthen GIFT IFSC ecosystem.
- Improve ease of doing business for global investors.
- Reduce operational restrictions for Authorised Dealer banks.

6. Rationalisation of FEMA Reporting Requirements

RBI has modified various reporting formats relating to Money Changing Activities, Money Transfer Service Scheme (MTSS) and Authorised Persons.

Several outdated returns and reporting requirements have been discontinued.

7. Withdrawal of Redundant FEMA Circulars

As part of its regulatory clean-up exercise, RBI has withdrawn 732 A.P. (DIR Series) Circulars issued between June 2000 and December 2023 which had either become redundant or were superseded.

8. New Framework for Outward Remittance through Non-Bank Entities

RBI has dispensed with the earlier approval mechanism for tie-up arrangements between non-bank entities and AD Category-I banks for outward remittance services.

The revised framework places primary compliance responsibility on Authorised Dealer Banks.

Key requirements include:

- FEMA compliance.
- KYC obligations.
- Customer transparency.
- Mandatory invoicing.
- Website disclosures.
- Data privacy compliance.
- Strong contractual arrangements with third-party service providers.
- Protection of customer funds.
- Practical Implications

The revised framework is expected to promote FinTech participation and improve digital cross-border remittance services.

While RBI approval is no longer required, compliance obligations have become significantly more structured. AD Banks must strengthen governance, contractual safeguards, technology controls and monitoring mechanisms before entering into third-party arrangements.

9. **Amendment to FLA FAQs relating to IFSC Entities**

RBI has clarified the reporting requirements for IFSC entities under the Annual Return on Foreign Liabilities and Assets (FLA).

The clarification provides that:

IFSC regulated entities shall file FLA with IFSCA instead of RBI.

Indian entities investing in IFSC entities will continue FEMA reporting with RBI wherever applicable.

Investment received by Indian entities from IFSC entities shall continue to comply with RBI reporting requirements.

Practical Implications

The clarification removes uncertainty regarding FLA reporting by IFSC entities and reinforces the regulatory autonomy of IFSCA. The revised FAQs also reduce duplication of reporting and provide greater clarity regarding reporting responsibilities of Indian entities and IFSC entities.

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Upcoming Events

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
Ahmedabad Branch (WIRC)

Supported by
i-Hub

ICAI Startup Week

3^{rd} - 7^{th} Aug 2026 | 08:00 AM 10:30 AM | **iHub Gujarat,** KCG Campus, Ahmedabad | **10** CPE Hours

08:00 AM – 08:30 AM : Breakfast
08:30 AM – 10:30 AM : Technical Session

Date	Topic	Speaker
3^{rd} Aug 2026	Understanding Startup Ecosystem & Investment Management	Shri Jaykumar Joshi (Program Head, i-Hub)
4^{th} Aug 2026	Compliance and Creation of Advanced AIF (Alternative Investment Fund) Models	CA. Kenil Thakkar
5^{th} Aug 2026	Evaluating and Crafting the perfect Pitch Deck	Sameer Shaikh Co-Founder, Fundenable
6^{th} Aug 2026	Startup Formation and Introduction to Instruments, Agreements & Investment Thesis & ExitStrategies	Vikrant Potnis Co-Founder, Fundenable
7^{th} Aug 2026	Chartered Accountants As Strategic Advisors & Wealth Managers	CA Nitin Agrawal

Fees: Rs.1000/- + GST, till 22.07.2026, thereafter Rs. 1500/- + GST Per Member

Scan QR or Register at http://tiny.cc/ISWA

Team ICAI – Ahmedabad Branch

CA. Rinkesh Shah
Chairman

CA.Chetan Jagetiya
Secretary

Event Partners
SHIVALIK HydraSure GoGST accomation

Upcoming Events

Upcoming Events

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Practice Summit 2.0

Goa

07th AUG 2026 to 09th AUG 2026

VENUE: RIVA BEACH RESORT, GOA

Date	Time	Session	Speaker
07th August 2026, Friday	1:00 pm – 3:00 pm	**Lunch**	
	3:30 pm – 5:00 pm	**Future of the CA profession ? – Need of time for collaboration / merger / aggregation / Network**	**CA. Ameet Patel, MCA,** Mumbai
	05.00 pm–05.30 pm	**Inauguration**	
	05:30 pm – 7:00 pm	**Scaling up and Growth of Professional firms – Personal journey**	**CA. Sandeep Welling,** Kirtane & Pandit, Mumbai
	07:00 pm – 8.00 pm	**Unlocking Growth from Within: Increasing Revenue Without Only Adding New Clients** **Theme: Internal growth advisory** **Key discussion points:** • Improving revenue per client • Cross–selling and collaboration across service lines • Identifying advisory opportunities hidden within existing clients • Pricing based on value instead of efforts • Client relationship management as a partner responsibility • Takeaway: Simple internal systems that can significantly improve profitability before investing heavily in branding and marketing.	**Shri Saumil Shah,** Ex-BDO, Deloitte, KNAV, Mumbai
	08.00 pm–09.30 pm	**Dinner**	
08th August 2026, Saturday	07.00 am–09.30 am	**Breakfast**	
	09:00 am – 11:00 am	**Group Discussion – I How to induct new partners / Revenue sharing / Profit sharing / Drafting the partnership deed to allow everyone to be part of success and rewards.**	**CA. Nitin Shingala,** Partner, Deloitte, Mumbai
	11.00 am–11.30 am	**Tea & Coffee**	
	11.30 am – 01.30 pm	**Master Class on Understanding Business Valuation to Successfully Structuring and Closing Transaactions:** Session Highlights: • Understanding Business Valuation Metrics • Global M&A Trends and Opportunities • Critical Deal Terms for Buyers, Sellers & JV Partners • Structuring Payment Mechanisms and Earn–outs • Live Case Studies from 18 Successful Acquisitions • Insights from Analysis of 200+ Transactions • Interactive Q&A Session	**CA. Divakar Vijaysarthy ,** DVS Global, USA
	01.30 pm–02.30 pm	**Lunch**	
	02.30 pm–03.30 pm	**Latest Development on Government / PMO initative on creating local Big 10 Firms**	**CA. Anurag Singh,** Varanasi
	03.30 pm–05.00 pm	**Private Equity and Global Scenario of Mergers & Acquitions in the Accounting Firms**	**CA. Aniket Talati,** Talati & Talati LLP, Ahmedabad
	05.00 pm–05.30 pm	**Tea & Coffee**	
	05.30 pm–07.00 pm	**Panel Discussion: Anatomy of a PE Deal: The CA & Investment Banker Perspective** **CA. Bhavesh Gandhi**, InCorp Advisory, Mumbai **Shri Ankur Gupta**, Partner, Singhi Advisors, Delhi **CA. Amish Khandhar**, KMS, Ahmedabad	Moderators: **CA. Neerav Agarwal,** Imm. Past Chairman, Ahmedabad Branch (WIRC) **CA. Sahil Gala,** Chairman, WICASA, Ahmedabad
	07.00 pm–08.30 pm	**Networking of CA Firms – One to One, One to Many, Many to One, One to Large and Large to One.**	Moderator: **CA. Anurag Singh,** Varanasi
	08.30 pm–10.00 pm	**Dinner**	

Upcoming Events

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Practice Summit 2.0 Goa

07th AUG 2026 to 09th AUG 2026

VENUE: RIVA BEACH RESORT, GOA

09th August 2026, Sunday

7:00 am – 9:30 am	Breakfast	
9:30 am – 11:30 am	Reply to Group Discussion – I by Paper Writer	CA. Nitin Shingala, Partner, Deloitte, Mumbai
11.30 pm–12.00 pm	Tea & Coffee	
12.00 pm–01.30 pm	Success stories after Practice Summit 1.0 Fireside Chat and Interaction with participants CA. Aniket Talati, Talati & Talati LLP, Ahmedabad CA. Amish Khandhar, KMS, Ahmedabad CA. Nitesh Jain, JPF Network, Ahmedabad	Moderator: CA. Rinkesh Shah, Chairman, Ahmedabad Branch (WIRC)
01.30 pm–01.45 pm	Vote of Thanks & Feedback	
01.45 pm–03.30 pm	Lunch + Departure	

RRC CHAIRMAN: CA. Satish Kumar Gupta, CCM & Chairman, Aggregation of CA Firms Committee, ICAI

RRC CO-CHAIRMAN: CA. Sanjay Kumar Agarwal, CCM & Vice-Chairman, Aggregation of CA Firms Committee, ICAI

RRC DIRECTOR: CA. Purushottam Khandelwal, Central Council Member, ICAI

RRC CO-DIRECTOR: CA. Rinkesh Shah, Chairman, Ahmedabad Branch (WIRC)

RRC CO-DIRECTOR: CA. Vinayak V. Bhumatkar, Chairman, Goa Branch (WIRC)

RRC CO-ORDINATORS

CA. Neeraj Agarwal, Chairman, RRC Sub-Committee, Ahmedabad Branch (WIRC)

CA. Chetan Jagetiya, Secretary, Ahmedabad Branch (WIRC)

CA. Sahil Gala, Vice-Chairman, RRC Sub-Committee, Ahmedabad Branch (WIRC)

CA. Akshay Mulgaonkar, Secretary, Goa Branch (WIRC)

SCAN QR TO REGISTER

Fees :

Rs.19,500/-+GST Per Member for registration of each Cluster of 4 members till 11th July 2026

Rs.21,500/-+GST Per Member till 11th July 2026

Rs.25,000/-+GST Per Member From 12th July 2026

[Fees are Ex. Goa – includes all Meals, Accommodation in earmarked rooms on twin sharing basis]

Upcoming Events

Upcoming Events

Upcoming Events

Upcoming Events

Media Coverage

ICAI completes 78 years on CA Day

As India observed Chartered Accountants Day on Wednesday, the Institute of Chartered Accountants of India (ICAI) marked 78 years of shaping a transparent and accountable financial system.

"The role of CAs has changed significantly with technology and globalisation. Today, CAs are not only financial experts but also advisors and partners in sustainable growth," said branch chairman CA Rinkesh Shah.

Chartered Accountants Leading the Way : CA Rinkesh K. Shah

Ahmedabad, CA Day : On the occasion of the 78th Chartered Accountants Day, we celebrate the remarkable journey of the Institute of Chartered Accountants of India (ICAI), established on 1st July 1949 by an Act of Parliament. Over the decades, ICAI has evolved into one of the largest and most respected professional bodies in the world. CA Rinkesh K. Shah, Chairman, ICAI Ahmedabad Branch (WIRC) said, "Today, with a strong network of nearly 4.5 lakh Chartered Accountants serving across India and globally, the profession stands as a pillar of trust, integrity, and excellence. Chartered Accountants have been instrumental in strengthening India's financial architecture—ensuring transparency, enhancing corporate governance, supporting entrepreneurship, and contributing to policy frameworks that shape the nation's economic progress. The ICAI Ahmedabad Branch (WIRC) proudly carries forward this legacy. As one of the most dynamic branches, it continues to nurture professional excellence through knowledge initiatives, student development programs, and community-driven activities, while upholding the highest ethical standards. (19-10)

રાષ્ટ્રનિર્માણના ૭૮ વર્ષ – ચાર્ટર્ડ એકાઉન્ટન્ટ્સનો વૈશ્વિક ગૌરવ : સી.એ. રિંકેશ કે. શાહ

CA DAY CELEBRATION

100થી વધુ લોકોએ વોકાથોન કરી હેલ્થ અને વેલનેસના મેસેજ સાથે CA ડેની ઉજવણી કરી

અમદાવાદ : ચાર્ટર્ડ એકાઉન્ટન્ટ્સ ડે નિમિત્તે ICAI અમદાવાદ ચેપ્ટર દ્વારા વોકાથોનનું આયોજન કરવામાં આવ્યું હતું. વહેલી સવારે યોજાયેલ વોકાથોનમાં સીએ પ્રોફેશનલ્સ મોટી સંખ્યામાં જોડાયા હતા. જેમણે સાથે મળીને સ્વાસ્થ્ય પ્રત્યે જાગૃતિ લાવવાનો પ્રયાસ કર્યો હતો. વોકાથોન દ્વારા હેલ્થ-વેલનેસનો સંદેશ આપવાનો પ્રયાસ કર્યો છે. સવારે 6 વાગ્યે રિવરફ્રન્ટ પર યોજાયેલ આ વોકાથોનમાં સીએની સાથે વિદ્યાર્થીઓ જોડાયા હતા.

ચાર્ટર્ડ એકાઉન્ટન્ટ્સનો વૈશ્વિક ગૌરવ : સી.એ. રિંકેશ કે. શાહ

અમદાવાદ, ચાર્ટર્ડ એકાઉન્ટન્ટ્સ ડેના ૭૮મા અવસરે, ઇન્સ્ટિટ્યૂટ ઓફ ચાર્ટર્ડ એકાઉન્ટન્ટ્સ ઓફ ઇન્ડિયા (ICAI)ના ગૌરવસભર પ્રવાસને આપણે ઉજવીએ છીએ. ૧ જુલાઈ, ૧૯૪૯ના રોજ સંસદીય અધિનિયમ દ્વારા સ્થાપિત ICAI આજે વિશ્વની અગ્રણી વ્યાવસાયિક સંસ્થાઓમાં સ્થાન ધરાવે છે. સી.એ. રિંકેશ કે. શાહ, ચેરમેન, ICAI અમદાવાદ બ્રાંચ (WIRC) એ જણાવ્યું હતું કે, "આજે લગભગ ૪.૫ લાખ ચાર્ટર્ડ એકાઉન્ટન્ટ્સ ભારત અને વિશ્વભરમાં સેવાઓ આપી રહ્યા છે, જે વિશ્વાસ, ઈમાનદારી અને ગુણવત્તાના મજબૂત સ્તંભ છે. નાણાકીય પારદર્શિતા, મજબૂત કોર્પોરેટ ગવર્નન્સ, ઉદ્યોગોને માર્ગદર્શન, સ્ટાર્ટઅપને સહાયતા અને નીતિનિર્માણમાં યોગદાન આ તમામ ક્ષેત્રોમાં આજે રાષ્ટ્રના વિકાસના મહત્વપૂર્ણ સહયોગી રહ્યા છે." ICAI અમદાવાદ બ્રાંચ (WIRC) આ ગૌરવસભર વારસાને આગળ ધપાવતી અગ્રણી બ્રાંચ તરીકે સતત કાર્યરત છે. જ્ઞાનવર્ધન, વ્યાવસાયિક ઉત્તમતા, વિદ્યાર્થી વિકાસ અને સામાજિક પહેલો દ્વારા બ્રાંચ ICAIના મૂલ્યોને મજબૂત બનાવે છે. ટેકનોલોજી અને વૈશ્વિકીકરણના આ યુગમાં ચાર્ટર્ડ એકાઉન્ટન્ટ્સની ભૂમિકા વધુ વ્યાપક બની છે. આજનો CA માત્ર નાણાકીય નિષ્ણાત નથી, પરંતુ વ્યૂહાત્મક સલાહકાર, જોખમ વ્યવસ્થાપક અને સ્થિર વિકાસનો માર્ગદર્શક છે.

ચાર્ટર્ડ એકાઉન્ટ્સની અમદાવાદ બ્રાન્ચ દ્વારા સીએ ડે પર વૉકાથોન

ઇન્સ્ટિટ્યૂટ ઓફ ચાર્ટર્ડ એકાઉન્ટ્સ ઓફ ઇન્ડિયાની અમદાવાદ બ્રાન્ચ દ્વારા સીએ ડેની ઉજવણી રિવરફ્રન્ટ ખાતે વૉકાથોન કરી કરવામાં આવી હતી. વૉકાથોનમાં આઇસીએઆઇના ચેરમેન, મેનેજિંગ કમિટીના સભ્યો તેમજ ચાર્ટર્ડ એકાઉન્ટન્ટ્સ અને સ્ટુડન્ટ્સ ઉપસ્થિત રહ્યા હતા.

Media Coverage

Celebrating 78 Years of Nation Building - Chartered Accountants Leading the Way : CA Rinkesh K. Shah

રાષ્ટ્રનિર્માણના ૭૮ વર્ષ-ચાર્ટર્ડ એકાઉન્ટન્ટ્સનો વૈશ્વિક ગૌરવ : સી.એ. રિંકેશ કે. શાહ

ICAI અમદાવાદ દ્વારા 'સીએ ડે'ની ઉજવણી : સાબરમતી રિવરફ્રન્ટ ખાતે વૉકથોન યોજાઈ

ICAI અમદાવાદ દ્વારા "સીએ ડે" (CA Day) ની ભવ્ય ઉજવણી

Celebrating 78 Years of Nation Building – Chartered Accountants Leading the Way : CA Rinkesh K. Shah

(Agency)

On the occasion of the 78th Chartered Accountants Day, we celebrate the remarkable journey of the Institute of Chartered Accountants of India (ICAI), established on 1st July 1949 by an Act of Parliament. Over the decades, ICAI has evolved into one of the largest and most respected professional bodies in the world.

CA Rinkesh K. Shah, Chairman, ICAI Ahmedabad Branch (WIRC) said, "Today, with a strong network of nearly 4.5 lakh Chartered Accountants serving across India and globally, the profession stands as a pillar of trust, integrity, and excellence. Chartered Accountants have been instrumental in strengthening India's financial architecture—ensuring transparency, enhancing corporate governance, supporting entrepreneurship, and contributing to policy

frameworks that shape the nation's economic progress.

The ICAI Ahmedabad Branch (WIRC) proudly carries forward this legacy. As one of the most dynamic branches, it continues to nurture professional excellence through knowledge initiatives, student development programs, and community-driven activities, while upholding the highest ethical standards.

In an era defined by rapid technological advancements and global integration, the role of Chartered Accountants has transformed significantly. Today's CA is not just a financial expert but a strategic advisor, risk manager, and enabler of sustainable growth.

As India progresses towards becoming a global economic powerhouse, Chartered Accountants will continue to play a crucial role in nation building—driving accountability, fostering innovation, and strengthening trust in the financial ecosystem.

Let us celebrate this proud legacy with renewed commitment to excellence and service to the nation.

દેશના આર્થિક વિકાસમાં ચાર્ટર્ડ એકાઉન્ટન્ટ્સે હંમેશા 'બેકબોન' તરીકેની ભૂમિકા ભજવી છે

ICAI અમદાવાદ દ્વારા રિવરફ્રન્ટ ખાતે વૉકથોન યોજીને સીએ ડેની ઉજવણી કરી

Events in Recap

CA Day Walkathon - 01.07.2026

CA Day Flag Hoisting - 01.07.2026

Events in Recap

CA Day Blood Donation Camp

CA Day Flag Hoisting - 01.07.2026

Events in Recap

CA Day Plantation Drive

CA Day Swacch Bharat Abhiyan

Events in Recap

CA Day Past Chairman Felicitation

Events in Recap

CA Day Past Chairman Felicitation

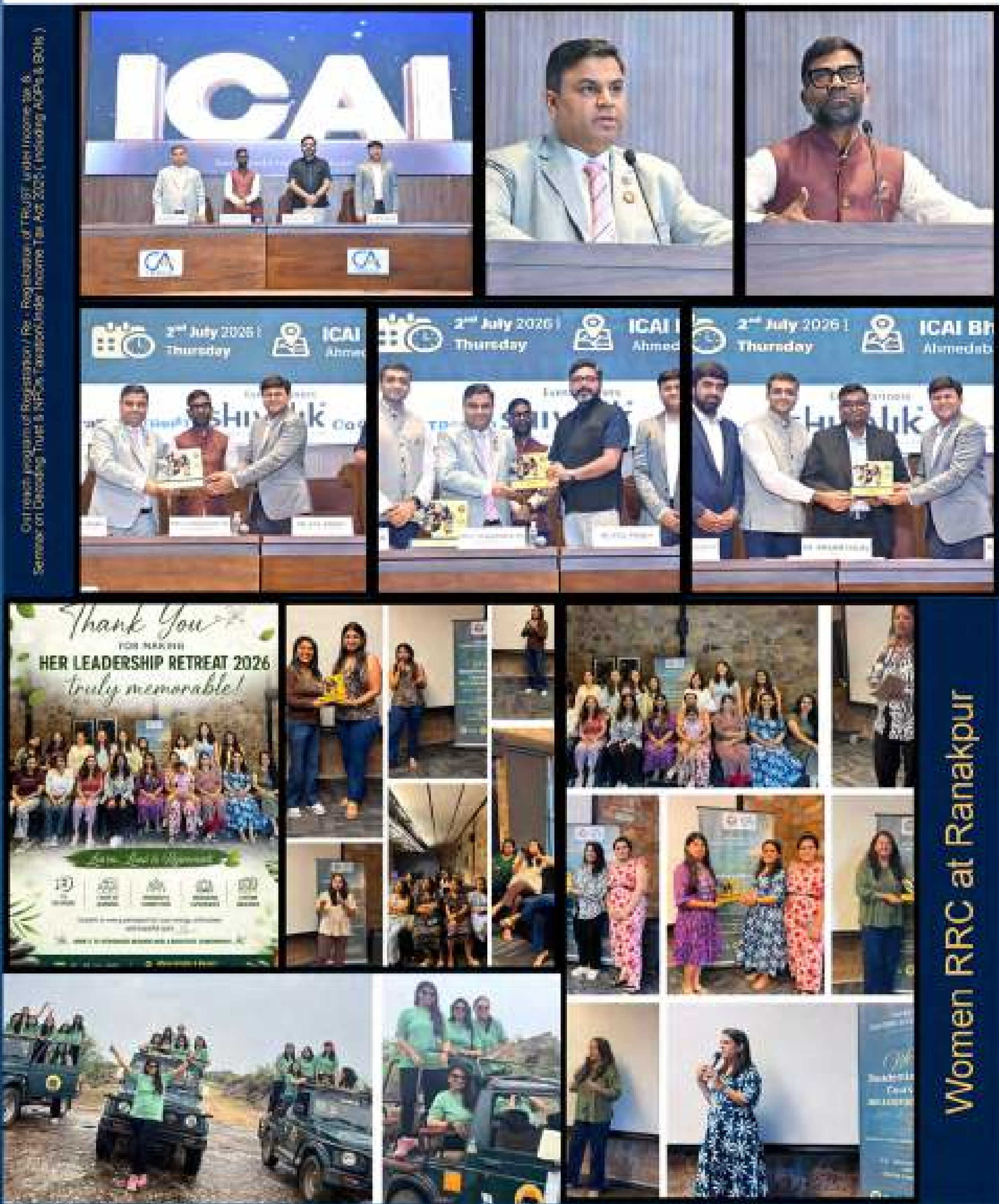
Events in Recap

CA Day Cultural Evening

Events in Recap

CA Day Cultural Evening

Events in Recap



Events in Recap

Events in Recap

Seminar on "Practical Guide on ITR Filings: From Forms to Intricacies

Seminar on Valuation

Events in Recap

Unlock Professional Opportunities in QATAR

A New Begining at Gift City

Events in Recap

ICAI GLOBAL ORBIT - FROM GCCs TO GLOBAL LEADERSHIP

Events in Recap

ICAI GLOBAL ORBIT - FROM GCCs TO GLOBAL LEADERSHIP

Events in Recap

THE LAUNCH OF TWO CERTIFICATE COURSESATGIFT IFSC

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

AHMEDABAD BRANCH (WIRC)

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