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

AHMEDABAD BRANCH (WIRC)
E-NEWSLETTER

WOFA 2.0
WORLD FORUM OF ACCOUNTANTS
2026 | 30th JAN to 1st FEB | GREATER NOIDA INDIA
Nation Building to Global Collaboration: Strengthening Trust, Enabling Growth

CA INDIA

Volume: 12 | ISSUE NO: 09 | November-2025

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

AHMEDABAD BRANCH (WIRC)

"ICAI Bhawan", Opp. Aaryan Euphoria / Eminent, Nr. Tavish Avenue,
Chanakyapuri Road, Ghatlodia, Ahmedabad-380061
Ph: 079 - 6810 3989 / 27680537 / 27680946,
E-mail: ahmedabad@icai.org,

Contents

Chairman's Message

CA. Neerav Agarwal
Chairman,
ICAI - Ahmedabad (WIRC)

Dear Members,

Warm greetings from the Ahmedabad Branch!

As we step into the month of **November**, I am reminded of the deeper significance this month holds—not just in the calendar, but for us as professionals and for our community. November is a time of transition – from the festivities and energy of end-year celebrations into a phase of reflection, renewal and preparation for what lies ahead. It offers us the opportunity to consolidate our learnings, renew our commitments, and set clear intentions for the coming year.

In that spirit, I would like to reflect upon some of the key events we held in October and underline their importance as stepping-stones for our ongoing journey of professional excellence and community engagement.

1. **1st October – Navratri Celebration**

   On 1st October, the Branch organised a grand Navratri celebration, where over 4,000 members and students joined in a joyful Garba night. This event was more than a cultural festivity — it reinforced our sense of camaraderie, belonging and spirit of the CA fraternity. The energy, enthusiasm and togetherness displayed by all participants are such affirmations of our shared identity.

2. **10th October – Seminar on Transfer Pricing & International Taxation**

   On 10th October, we hosted a dedicated seminar on Transfer Pricing and International Taxation. (While the national body of The Institute of Chartered Accountants of India lists a webinar on "Transfer Pricing: Compliance Framework in India" held on 7th October 2025 under its Committee on International Taxation, this greater focus underscores the dynamic challenges faced by CAs in a globalising world.)

   With cross-border transactions, changing tax treaties and evolving regulatory demands, this seminar served as a timely and much-needed forum for our members to engage with the subject matter, share practical insights, and strengthen their readiness to serve clients in an international setting.

3. **11th October – Seminar on GST**

   On 11th October, we held a seminar focusing on GST – a core pillar of indirect tax compliance and advisory services in India. While I could not locate a publicly posted detailed event listing specifically for the Branch on that date, our collective experience affirms that the seminar enabled participants to sharpen their knowledge of new developments, compliance issues and advisory opportunities under GST-regime.

Together, these three events demonstrate our Branch's commitment: (i) to foster professional development (via the two seminars) and (ii) to build community and fellowship (via the Navratri celebration).

As we move into November, I encourage each member and student to take a moment to reflect on the following:

- **Consolidation**: Use this time to review your learnings from the seminars. Have you applied any of the insights in your practice or study? What further knowledge gap remains?
- **Renewal of Purpose**: With the festive rush behind us, November gives us space for quieter focus—to renew our dedication to ethics, quality of service, continuous learning and mentoring the next generation of Chartered Accountants.
- **Preparation for the Future**: The professional landscape is evolving fast – in taxation, in assurance, in advisory services, and in the digital dimension. Our seminars in October were steps in that direction; November is the month to plan how you will move forward with what you have learned.
- **Community Engagement**: Our Branch thrives when members and students actively participate—not just in programmes, but in mentoring, volunteering, networking and supporting each other. Let us carry forward the spirit of togetherness from Navratri into our day-to-day interaction and professional life.

In the coming weeks, I urge all of you to keep an eye on our Branch communications for upcoming programmes and to make the most of the opportunities. Let us continue to foster a culture of learning, sharing and excellence. A special word of thanks to our event organisers, the speakers, the volunteers and all participants who made October's events successful.

Finally, to the students of our profession: let November be your month of steady progress. Keep building your knowledge, sharpen your skills, seek mentors and stay engaged. To our practising members: may this month be one of reflection, renewal and readiness to chart new paths for the year ahead.

Together, let us move forward with confidence, purpose and camaraderie.

Wishing you and your families a healthy, successful and meaningful November.

Warm regards,

CA. Neerav Agarwal
Chairman
Ahmedabad Branch of WIRC of ICAI

Editorial

CA. Sahil Gala
Editor and Chairman, Newsletter Committee
ICAI - Ahmedabad (WIRC)

The past month has been a remarkable blend of festivity and professional commitment. With the celebrations of Navratri, Dussehra and Diwali adding colour, devotion and joy to our lives, we simultaneously concluded key professional responsibilities such as Audit, TDS and MCA-related compliances. This reflects the dedication and resilience of our fraternity.

Each edition of our newsletter is designed with the objective of inspiring continuous learning and professional growth. We take pride in presenting insights that are relevant, diverse and forward-looking — from regulatory updates and financial perspectives to personal development and emerging technological trends.

I take this opportunity to express my sincere gratitude to all the esteemed members who have contributed their thoughtful articles and insights in this edition. Your willingness to share knowledge strengthens the intellectual foundation of our professional community and ensures that this newsletter continues to remain a valuable learning resource.

We strongly encourage more members to actively come forward and contribute. Articles on professional practice, technical updates, case studies, personal development, or even unique experiences from practice and industry are most welcome. If any of our members have achieved notable milestones or received recognition, we would be delighted to highlight such accomplishments in future editions.

Your knowledge, perspectives and experiences are what make this publication meaningful. By contributing, you not only enrich others but also strengthen the collective stature of our fraternity.

As we step into the new month, which brings with it renewed energy and opportunities, I extend my warm wishes to all. May Goddess Laxmi bless us with prosperity and growth, and Goddess Saraswati guide us with wisdom and knowledge.

With warm regards

CA. Sahil Gala
Chairman, Newsletter Committee
Ahmedabad Branch of WIRC of ICAI

India's Wealthtech Moment:
From Demat to Data, How Digital Finance Is Re-wiring Household Wealth

Contributed by:
CA. Swati Panchal

My Views / Article Content:

India today stands at the threshold of a profound transformation in personal finance. What began as the opening of demat accounts in the early 2000s has now become a structural shift in how Indian households **earn, save, invest, and preserve wealth**. At the center of this change is wealthtech—a powerful convergence of technology, regulation, and finance that is quietly re-wiring the nation's financial behavior.

From Relationship-Driven to Data-Driven

Barely a decade ago, retail participation in capital markets was limited, and investment advice was relationship-based, often dependent on brokers or family networks. Fast forward to 2025: India has **over 10 crore demat accounts**, monthly **SIP inflows crossing ₹20,000 crore**, and mutual fund assets in the **tens of lakh crores**. This is not an incremental change—it is a revolution driven by **low-cost digital platforms, instantaneous payments, and data-backed insights**.

The core shift is also psychological: investing has become less about speculation and more about **goal-based planning**. Individuals now look at wealth creation not as a luxury, but as a disciplined necessity. And this discipline is made possible by wealthtech platforms that integrate real-time data, automated investing, and customized asset allocation strategies.

The Infrastructure Behind the Revolution

The rise of wealthtech has been enabled by India's unique **digital public infrastructure**. UPI, UPI AutoPay, and the Account Aggregator (AA) framework have redefined how people transact and share financial data. Today, a SIP, insurance premium, or even tax-saving investment can be automated with a click. Account Aggregator, in particular, allows households to share encrypted, consent-based financial data, enabling advisers to view a 360° portfolio instantly and provide meaningful, outcome-based advice.

This has turned financial planning from "product selling" into **performance-driven advisory**. Risk profiling, tax efficiency, and customized portfolio rebalancing are no longer elite services—they are becoming accessible to the middle class and even tier-2/3 towns.

Opportunities for Professionals, Investors, and Educators

The impact of wealthtech is not limited to investors—it is reshaping professional careers and education.

- **For Chartered Accountants and finance professionals**, the opportunity goes far beyond audits and compliance. The demand is rising for **wealth advisors who can integrate taxation, inheritance planning, and investment strategies** into cohesive solutions. With intergenerational wealth transfer expected to cross **$1.5 trillion in India over the next decade**, this advisory space will explode in relevance.
- **For investors**, wealthtech ensures **transparency, access, and personalization**. Instead of being locked out of markets, small investors can now participate in equities, bonds, sovereign gold bonds, and even newer asset classes like REITs and InvITs. The concept of "financial inclusion" has matured into "financial empowerment."
- **For educators and academic leaders**, there is a responsibility to prepare a new generation of wealth managers, fintech professionals, and financial educators. The demand for **financial literacy in ata**

tier-2/3 India is growing rapidly, where micro-SIPs, vernacular user experiences, and goal-based financial planning are onboarding millions of first-time investors. Business schools and universities must therefore design programs that blend finance, technology, and behavioral economics to shape this workforce.

Beyond Traditional Asset Classes

The wealthtech boom is also broadening India's investment universe. Asset classes once limited to institutions—alternative investment funds, private credit, global equities—are now entering household portfolios in small, structured allocations. Sovereign gold bonds, digital government securities, and retail access to infrastructure investments are also becoming popular.

At the same time, **IFSC-GIFT City in Gujarat** is positioning itself as India's international wealth management hub, enabling investors to diversify globally while staying within India's regulatory perimeter. This not only strengthens India's financial sovereignty but also reduces capital leakage abroad.

Challenges and Risks

Like any fast-growing sector, wealthtech comes with risks. Over-trading driven by app notifications, unregulated financial influencers offering risky advice, and the ever-present risk of cybersecurity breaches are real challenges. Regulators like SEBI and RBI are already tightening norms around advisory, disclosure, and data privacy. For platforms and professionals, trust will be the ultimate differentiator.

India's Wealth Moment

Perhaps the most profound impact of wealthtech will be seen in "India." In smaller towns and semi-urban centers, wealthtech is not just about investing—it is about **first-time inclusion**. Goal cards framed in practical terms—"child's first semester," "healthcare buffer for parents," or "three months of expenses"—are replacing jargon. Vernacular platforms, voice-based advisory, and micro-investing are ensuring that wealth creation reaches the last mile.

For MSME owners, treasury tools embedded within accounting systems now forecast cash flow gaps and automatically park surpluses in liquid instruments. This integration of wealthtech with everyday business operations ensures that small enterprises, the backbone of India's economy, also benefit from financial optimization.

Conclusion: From Inclusion to Empowerment

India's wealthtech revolution is not just about apps, dashboards, or fintech valuations. It is about creating a resilient financial culture where households can withstand volatility, fund their aspirations with discipline, and pass on their legacies with clarity. It is about giving CAs, investors, and educators new opportunities to lead in shaping this financial ecosystem.

As India adds millions of new investors every year and global capital flows increasingly into Indian fintech and wealthtech startups, the real question is not whether India will lead in wealthtech; it already is. The real question is: **how do we use this infrastructure to ensure outcomes—resilient households, disciplined investors, and empowered professionals?**

Because in the end, when **demat meets dand advice meets accountability**, we don't just create investors—we create a financially confident nation.

"Ethics must begin at the top of an organization. It is a leadership issue and the chief executive must set the example."
– Edward Hennessy

Want to hold on to good talent?

Contributed by:
Dr. Anurag Mehta

To understand how we control attrition, we must first discover the reasons why people leave an organisation. In that, although enough literature is available, we are far from finding a durable solution towards employee motivation and retention. Probably much of our focus has been on the surface and we have not really addressed the roots. We need to find solutions in core human psychology and discover areas of empathy with the employee.

Humans per se, as a species do not like to be bound to report to a stranger and yet they have to. Almost all other concerns an employee might have for being dissatisfied can be linked with this root cause. Secondly, humans feel better where the organisational culture favours teamwork, better relationships, altruism, co-operation and honesty. If only a leader can be trained to cultivate empathy with the employee and cultivating a positive work culture while keeping all other aspects of leading the team intact, we should be heading towards finding an organic solution.

Having said that, leadership today has become a difficult art to master and so an employee cannot simply be promoted as a leader just on the basis of performance alone. The stakes are too high out there. The 21st century employee is not the same meek sub-ordinate to his boss but an individual who is very ambitious and knows his rights and options and is also outspoken. That is the reason why many evolved organisations in recent times have decreased the weightage of performance in the process of employee performance assessment through appraisal and included interpersonal skills and self-discipline amongst others as significant criterion for moving an individual up on the hierarchical ladder.

Leadership has a larger role to play in retaining the employee than HR. As they say – '*people leave bosses*'. In addition to get the work done, quantitatively and qualitatively, it is very important for a leader to ensure a healthy team spirit and camaraderie at the workplace. It is equally challenging for a leader to not get swayed by the pressures of the rat race and make the humanitarian factors in himself and his team to be avoided.

Man being a social animal, it is quite safe to assume that any method that enhances his social recognition will be quite acceptable to him. Altruism and cooperation go a long way in ensuring the same. If a leader can inculcate an atmosphere of teamwork and togetherness as a part of the team culture, the chances are that the employees would like to be a part of that team as well as perform better as a team. It is important though that the leader ensures that discipline and performance shouldn't take a back seat in this process and no such feeling of togetherness should be used against the organisation.

Additionally, the employee needs to be trained well, explained his job role and description in detail and then given the much-needed autonomy at work so that he doesn't feel tied up and crave for freedom. The fact that employees hate Mondays and keep count of their weekends and other holidays is an indicator that given a chance, the employee will certainly explore other options. Getting work done from an employee like a robot is widespread because leaders don't exercise delegation. Just like a child, an adult needs the requisite freedom and the liberty to make mistakes without the fear of punishment to perform better and also like to work.

To summarise, the root cause of why people leave their jobs should be addressed from the vantage point of human psychology. We need to understand the human angle at work and not treat employees as a mere means to the end. Employees need to be given basic autonomy and due respect as well as a positive culture at work to retain them, keeping discipline as a priority of course. For that leadership has to be chosen and trained well to understand that the core human needs when satisfied, human beings have a natural tendency to automatically self-actualise themselves at the highest level.

FEMA Updates through Press Releases and A.P.
(DIR Series) Circulars – October 2025

Contributed by:
CA. Jay Joshi

A. Updates through Press Releases

A statement on Developmental and Regulatory Policies (DRP) is a periodic announcement by the Reserve Bank of India (RBI) that outlines new and existing measures to foster economic growth (developmental) and ensure stability and fairness in the financial system (regulatory). These statements typically cover areas like liquidity, financial markets, payment systems, and the supervision of financial institutions to promote efficiency, innovation, inclusion, and resilience.

he RBI recently issued a statement on Developmental and Regulatory Policies on 1st October 2025, highlighting various developmental and regulatory policy measures relating to (i) Regulations; (ii) Foreign Exchange Management; (iii) Consumer Protection; and (iv) Financial Markets.

a. Foreign Currency Accounts by Indian Exporters – Extension of Time Period for Repatriation from Accounts Held in IFSC in India

In January 2025, RBI had permitted Indian exporters to open foreign currency accounts with a bank outside India for realisation of export proceeds. As per the amendment, the funds in these accounts were to be used for making import payment or have to be repatriated by the end of next month from the date of receipt of the funds.

Promoting IFSC, RBI has further extended this liberalisation for foreign currency accounts maintained in IFSC in India. It has now been decided to extend the time period for repatriation, from one month to three months, in case of such foreign currency accounts maintained in IFSC in India. (This will encourage Indian exporters to open accounts with IFSC Banking Units and also increase forex liquidity in IFSC. The amendments to regulations are yet to be notified.)

B) Merchanting Trade Transactions (MTT)

Global uncertainties in trade are resulting in supply chain disruptions, making it challenging for Indian merchants to meet their contractual obligations in time. As per MTT rules, outlay of foreign exchange is allowed upto four months. It has now been decided to increase the period for the forex outlay from four months to six months, in case of MTT. (This relaxation is expected to help Indian merchants overcome the challenges they face in completing their business transactions efficiently while maintaining profitability.)

C) Relaxation in Compliance Requirements for Small Value Exporters/Importers

In order to ease compliance for small value goods and services exporters/importers, RBI has decided to simplify the process of reconciliation in EDPMS and IDPMS.

As per the revised guidelines:

Bills can be reconciled and closed by an AD bank in EDPMS or IDPMS,

Based on a declaration by the concerned exporter or importer,

That the amount has been realised for a shipping bill, or paid against a Bill of Entry,

For entries (including outstanding entries) in EDPMS/IDPMS of value less than INR 10 lakh per bill.

The revised procedure will also enable a reduction in the realisable value of bills by AD banks based on such a declaration. (This measure is expected to reduce compliance burden on small value exporters and importers and enhance ease of doing business.)

D) Review of External Commercial Borrowing Framework

To rationalise and simplify the regulations governing External Commercial Borrowings (ECB), RBI has undertaken a review of the existing provisions under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018. Based on the review, a revised framework that provides for expansion of the eligible borrower and recognized lender base, rationalization of borrowing limits, rationalization of restrictions on the average maturity period, removal of restrictions on the cost of borrowing for ECBs, review of end-use restrictions, and simplification of reporting requirements, is proposed to be introduced. (The ECB framework was liberalised to a great extent in 2019. Further liberalisation would benefit the Indian economy. Vide Press Release 2025-2026/1235, RBI has issued draft regulations for feedback up to 24 October 2025.)

E) Rationalisation of Regulations for Establishment in India of a Branch Office, Liaison Office, Project Office or any other Place of Business

The current regulations for establishment of a Branch Office, Liaison Office, Project Office, or any other place of business in India were issued by the Reserve Bank in 2016. Vide Press Release 2025-2026/1232, the RBI has issued draft regulations for feedback from stakeholders up to 24 October 2025. (RBI has provided that the revised regulations will be principle-driven and enable delegation of more powers to AD banks, reducing the compliance burden and enhancing ease of doing business in India.)

Directions to AD Banks – Measures to Provide Flexibility and Ease Compliance Burden

As announced in the Statement on Developmental and Regulatory Policies dated 1st October 2025, the RBI issued another press release directing AD Banks to implement the following changes:

(A) Merchanting Trade Transactions (MTT): To facilitate Indian merchants in managing their MTT efficiently amidst global trade uncertainties, RBI issued A.P. (DIR Series) Circular No. 11 dated 1st October 2025, increasing the time period for forex outlay from four to six months.

(B) Simplified Process for Closure of Shipping Bills and Bills of Entry: RBI had earlier issued draft Directions on 11th July 2025 for public comments to simplify reconciliation of small-value export transactions in EDPMS. After reviewing stakeholder feedback, small-value import transactions reported in IDPMS were also included under the simplified reconciliation process. RBI has now issued A.P. (DIR Series) Circular No. 12 dated 1st October 2025.

B. Amendment through A.P. (DIR Series) Circular

1) Merchanting Trade Transactions (MTT) – Review of the Time Period for Outlay of Foreign Exchange

Currently, as per the MTT framework, the entire MTT is required to be completed within an overall period of nine months, and no outlay of foreign exchange is permitted beyond four months. The commencement date of merchanting trade shall be the date of shipment/export leg receipt or import leg payment, whichever is first. The completion date shall be the date of shipment/export leg receipt or import leg payment, whichever is the last.

In order to facilitate merchanting traders to manage their MTT efficiently, RBI has decided to increase the time period for outlay of foreign exchange from four to six months.

involves an intermediary or “merchant” who buys goods from a foreign supplier and sells them to another foreign buyer, without the goods entering India. For classification as MTT: (i) Goods must not enter the Domestic Tariff Area, and (ii) Goods should not undergo transformation. The last overhaul of this framework was in 2020. The current liberalisation maintains the nine-month overall timeline.)

2) Export Data Processing and Monitoring System (EDPMS) & Import Data Processing and Monitoring System (IDPMS) – Review of Guidelines

AD banks have been instructed by RBI to adopt the following procedure while closing entries (including outstanding entries) in EDPMS & IDPMS of value equivalent to ₹10 lakh per entry/bill or less:

a. Such entries shall be reconciled and closed based on a declaration provided by the concerned exporter that the amount has been realised or by the importer that the amount has been paid.

b. Any reduction in declared value or invoice value of the shipping bills/bills of entry shall also be accepted, based on the declaration by the concerned exporter or importer.

c. The declarations referred above may also be received on a quarterly basis from the exporters and importers in a consolidated manner (by combining several bills in one declaration) for bulk reconciliation and closing of EDPMS/IDPMS entries.

RBI has instructed AD banks to review the charges levied for handling these small value export and import transactions, ensuring that they are commensurate with services rendered. AD banks are not permitted to levy any penal charges for regulatory delays.

Circular No. 12 dated 1st October 2025.

Building a Three-Way Match Exception Framework for Smarter Internal Audits

Contributed by:
CS. Disha Gatecha

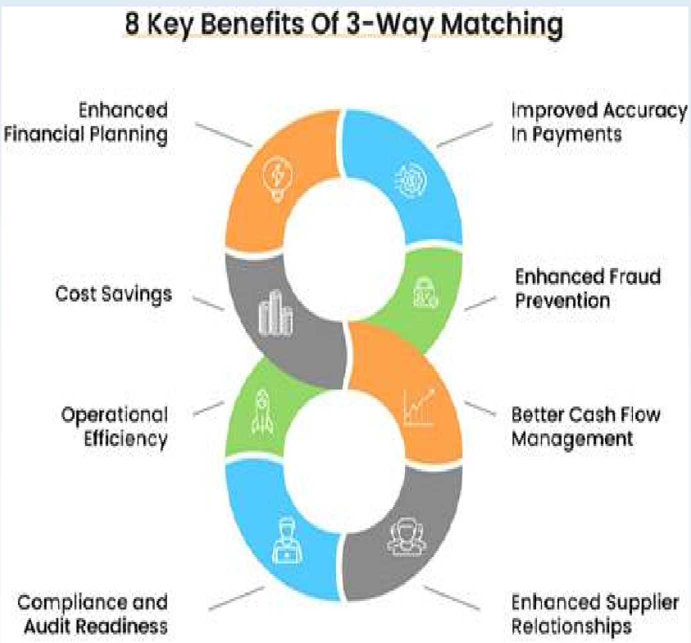
Smarter Audits, Fewer Surprises

Modern businesses run fast. Payments move quickly, procurement is automated, yet mismatches between Purchase Order (PO), Goods Receipt (GRN), and Invoice can quietly leak value or distort reporting.

A Three-Way Match Exception Framework helps auditors and CFOs move beyond checking transactions to identifying patterns of control failure.

Why It Matters

Traditional audits are important and help ensure compliance, but they can miss small errors like an invoice that doesn't match the GRN or a late entry. An exception-based framework works alongside audits to catch these issues early, reduce mistakes, and make checking more efficient and data-driven.



How to Implement It

Here's a practical roadmap for organizations:

1. Integrate Data: Pull PO, GRN, and Invoice data from ERP systems (SAP, Oracle, Tally, QuickBooks) Ensure completeness and accuracy.
2. Define Exception Rules: Identify mismatches worth flagging — e.g., missing GRN, duplicate invoices, price/quantity variance, DoA breaches.
3. Build an Exception Library: Maintain a central repository of recurring exceptions, their causes, owners, and resolution status.
4. Assign Ownership: Clearly define who resolves each exception — AP, Procurement, Tax, or Stores.
5. Set KPIs & Monitor: Track number of exceptions, financial impact, and days to resolution. Use dashboards in Power BI, Tableau, or Excel for real time insights.
6. Review & Update: Reassess exception rules quarterly to align with business changes and policies.

Exception Pattern	What it Means	Where to Stop It	Owner	KPI to Watch
No PO / No GR	Payment without proof	Block at posting	Stores / AP	Count, ₹ at risk
Price/Qty outside tolerance	Leakages due to outdated limits	Block; weekly review	Procurement	% within band
Potential duplicate	Same vendor + amount	Check before payment	AP	Duplicates caught
Cancelled IRN, open invoice	Invalid payment risk	Block & reverse	Tax / AP	Zero such cases
Split POs below limit	DoA circumvention	Analytics + review	Procurement	Splits per month
E-waybill mismatch	Dispatch & invoice misaligned	Month-end sweep	Tax / Stores	Exceptions in last 3 days

Auditor's Evolved Role

Today's auditors are not just reviewers they're now control architects design exception logic, analyze root causes, recommend corrective action, and monitor trends. The goal is continuous assurance, not just periodic review.

Contributed by:
CA. Mayur Modha

RBI Keeps Policy Rates Unchanged; Maintains Neutral Stance

The Monetary Policy Committee (MPC) convened on September 29–October 1, 2025, to review the evolving macroeconomic landscape. After a comprehensive assessment, the Committee unanimously decided to keep the policy repo rate unchanged at 5.50%. Consequently, the Standing Deposit Facility (SDF) rate remains at 5.25%, while the Marginal Standing Facility (MSF) rate and the Bank Rate stay at 5.75%. The MPC also opted to maintain its neutral policy stance, reflecting a balanced approach toward supporting growth while managing inflation.

In the month of October 2025, 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: 03.10.2025
Master directions/ Master circulars/ notifications No.: RBI/2025-26/90 A.P. (DIR Series) Circular No. 13
Applicability: All Authorised Dealer Category-I banks
Brief understanding : Investment in Corporate Debt Securities by Persons Resident Outside India through Special Rupee Vostro account:

The RBI has expanded investment options available to persons resident outside India maintaining **Special Rupee Vostro Accounts (SRVAs)**. Earlier, such rupee surplus balances could be invested only in **Central Government securities**, including Treasury Bills. Under the revised framework, SRVA holders are now permitted to invest these funds in **non-convertible debentures (NCDs), bonds, and commercial papers issued by Indian companies**. These investments will fall under the **corporate debt securities limit** of the General Route. The move aims to **enhance the attractiveness of rupee-based international trade settlements** and **broaden investment avenues** for foreign entities dealing in INR. The updated provisions are effective **immediately** and reflected in the amended **Master Direction – Non-Resident Investment in Debt Instruments (2025)**.

Date of issue: 07.10.2025
Master directions/ Master circulars/ notifications No.: Ref. CO.CEPD.PRS.No. S684/13-55-001/2025-2026
Applicability: State Co-operative Banks, Central Co-operative Banks
Brief understanding :Reserve Bank - Integrated Ombudsman Scheme, 2021 (RB-IOS, 2021):

The RBI has extended this scheme, to include **State Co-operative Banks** and **Central Co-operative Banks** as "Regulated Entities" under the scheme. This move, effective **from November 1, 2025**, ensures that customers of these banks will now have access to the same grievance redressal mechanism available to other regulated financial entities. With this inclusion, the scheme will cover **commercial banks, regional rural banks, co-operative banks (with deposits of ₹50 crore and above), eligible NBFCs, system participants, and credit information companies**. The RBI's step aims to strengthen customer protection and promote a more uniform, accessible, and transparent complaint resolution process across India's banking ecosystem.

AI, Data, and Ethics in Cybersecurity in CA Profession: The Next Decade

Contributed by:
CA. Dr. Fenil Shah

Artificial Intelligence (AI) is rapidly reshaping the world of cybersecurity. For professionals like Chartered Accountants, who increasingly rely on digital tools and handle sensitive financial data, understanding AI's role in cybersecurity has become crucial. Over the next decade, AI will serve as both a powerful shield and a potential threat. While it can detect and prevent cyberattacks faster than humans, it also introduces new risks—especially related to data privacy and ethical use. Balancing innovation, privacy, and ethics will be essential for building a secure and trusted digital environment.

The Impact of AI on Cybersecurity

AI has changed how organizations identify and respond to cyber threats. It can analyze large sets of financial and operational data, detect suspicious activity, and automate responses to prevent fraud or data breaches. For Chartered Accountants managing client data, AI-powered tools can identify anomalies in financial transactions, unusual login patterns, or phishing attempts in real time. However, AI can also be used by attackers to create highly convincing scams and digital frauds.

AI as a Tool for Cyber Offense

Cybercriminals are now using AI to make their attacks more intelligent and difficult to detect. Phishing emails and messages are no longer generic—they are customized using personal or business information available online. Malicious AI tools, such as WormGPT and FraudGPT, have made it easy for even non-technical individuals to commit digital fraud. Deepfake technology is also being used to create fake videos or voice messages that can deceive employees, leading to major financial losses.

Attackers also use AI-driven malware that changes its code continuously to avoid detection. This type of advanced threat has already been seen in many phishing and ransomware campaigns. These developments highlight the need for CAs and firms to adopt AI-aware cybersecurity practices and regular system audits.

AI as a Tool for Cyber Defense

AI is equally a strong ally for defense. It helps detect unusual activities before they turn into security incidents. For example, AI can identify abnormal logins to accounting software, unauthorized data access, or patterns that suggest internal misuse. Predictive AI can also forecast possible vulnerabilities and suggest preventive actions.

Security systems powered by AI can automate repetitive monitoring tasks, reducing the burden on human staff and improving accuracy. Many organizations using AI in cybersecurity have reported reduced response time and lower data breach costs. However, even AI-based systems are not foolproof—they can be manipulated by feeding them incorrect or biased data. Therefore, combining technology with continuous human monitoring is essential.

Ethical and Privacy Challenges

AI-powered surveillance and data monitoring raise significant ethical and privacy concerns. In financial professions, this is even more critical because of the sensitive nature of client data.

AI tools often collect and analyze large amounts of information, sometimes without clear consent. This can lead to issues around data ownership, privacy, and compliance with laws like the Data Protection Act or GDPR. If AI systems are trained on biased data, they can make unfair or incorrect decisions—such as misidentifying fraud risks or wrongly flagging genuine transactions.

Moreover, overdependence on AI-based monitoring may create a culture of constant surveillance, reducing trust between employers and employees or between firms and clients. Maintaining transparency in how AI tools collect and use data is essential to preserve professional ethics.

Balancing Innovation with Responsibility

To ensure that AI serves as a safeguard rather than a risk, organizations and professionals must integrate ethical practices into their technology strategy.

1. Adopt "Privacy by Design" principles—embed data protection in every step of software and system development.
2. Ensure informed consent—communicate clearly to clients how their data will be used, stored, and protected.
3. Establish ethical governance—adopt frameworks that promote fairness, accountability, and transparency in AI usage.
4. Conduct regular risk assessments and data audits—ensure systems remain compliant and secure.
5. Promote digital awareness among teams—train employees to recognize cyber risks and responsible data practices.
6. Collaborate globally and locally—stay updated with changing regulations and best practices in cybersecurity.

The Road Ahead

The future of cybersecurity will depend not just on stronger technology but also on stronger ethics. AI will continue to evolve, automating risk detection and security management. But professionals must ensure that its use respects privacy, maintains transparency, and aligns with ethical principles.

For Chartered Accountants, this means staying informed about AI tools and their implications for data protection, audit integrity, and compliance. Building a digital environment that is both secure and ethical will protect clients, strengthen trust, and uphold the credibility of the profession.

The future of cybersecurity is not just about technology—it's about trust, ethics, and professional responsibility.

Mandatory Reporting of First Auditor Appointment

Contributed by:
CA. Parag Raval

The Ministry of Corporate Affairs (MCA) has amended the Companies (Audit and Auditors) Rules, 2014 through a notification dated 30th May 2025, and introduced significant changes regarding Form ADT-1, particularly in relation to reporting the appointment of the first auditor. The following details cover the exact provisions, procedural changes, and implications based on the official notification and MCA portal update:

MCA Notification Details

- The MCA issued a notification dated 30th May 2025 amending the Companies (Audit and Auditors) Rules, 2014.
- The amendment involved substituting the Annexures under these Rules for Form ADT-1.
- The revised Form ADT-1 was posted on the MCA V3 portal, effective from 14th July 2025.

Key Changes in Form ADT-1

- **Annexure Substitution:** The earlier annexures attached to Form ADT-1 have now been replaced, introducing a new structure and format as notified in the latest amendment.
- **Express Reporting for First Auditor:** The updated Form ADT-1 now provides a dedicated section for reporting the appointment of the first auditor of the company, which was not expressly covered in the previous version of the form.
- **Mandatory Filing:** It is now mandatory for companies to file Form ADT-1 with the Registrar of Companies (ROC) for the appointment of the first auditor. This was a procedural shift, as earlier the reporting of the first auditor's appointment was not required to be filed in Form ADT-1.

- Companies must designate their first auditor within 30 days from the date of its incorporation, according to the existing rules of the Companies Act, 2013.

- Pursuant to Section 139(6), the Board of Directors or, in the case of government businesses, the Comptroller and Auditor General of India (CAG) make the nomination.

- Until recently, filing Form ADT-1 for the first auditor's appointment was not mandatorily required by law. According to Section 139(1), the filing requirement was only applicable to later auditor appointments approved by the members of the Company in the General Meetings. Companies fulfilled the Compliance requirement only by passing a board resolution in its first board meeting.

Effective Date and Requirements

- **Effective Date:** The requirement to use the substituted Form ADT-1 and to report the first auditor's appointment applies to all appointments made on or after 14th July 2025.
- **Filing Procedure:** Companies must file the revised Form ADT-1 through the MCA V3 portal, ensuring that details of the first auditor are furnished as per the new annexure format.
- However, w.e.f. 14th July, 2025 all Companies will be mandatorily required to file Form ADT-1 for the appointment of First Auditor by the Board of Directors with ROC. The Following amendment is made to align with the changes in forms made available under MCA V3 portal and

with the aim of achieving increased regulatory transparency.

Impact and Compliance

- **Compliance Requirement:** All newly incorporated companies and those appointing their first auditor from 14th July 2025 onward must comply with the updated procedure.
- **Registrar Review:** The ROC will formally record the first auditor's appointment based on the data provided in the revised Form ADT-1.

Table: Changes in Form ADT-1 Reporting

Provision	Earlier Rule	Revised Rule (from 14th July 2025)
Reporting of first auditor	Not required	Mandatory (in Form ADT -1)
Form format	Old annexure format	New substituted annexure
Filing portal	MCA v2	MCA V3
Effective for appointments	N/A	After 14 July 2025

Reference to MCA Notification

These changes are as per the notification dated 30th May 2025 from the Ministry of Corporate Affairs and further detailed on the MCA V3 portal update for stakeholders regarding filing and compliance requirements of Form ADT-1.

For further details or to review the exact substituted annexure and instructions, companies should refer directly to the MCA's published notification and examine the revised Form ADT-1 available on the MCA V3 portal.

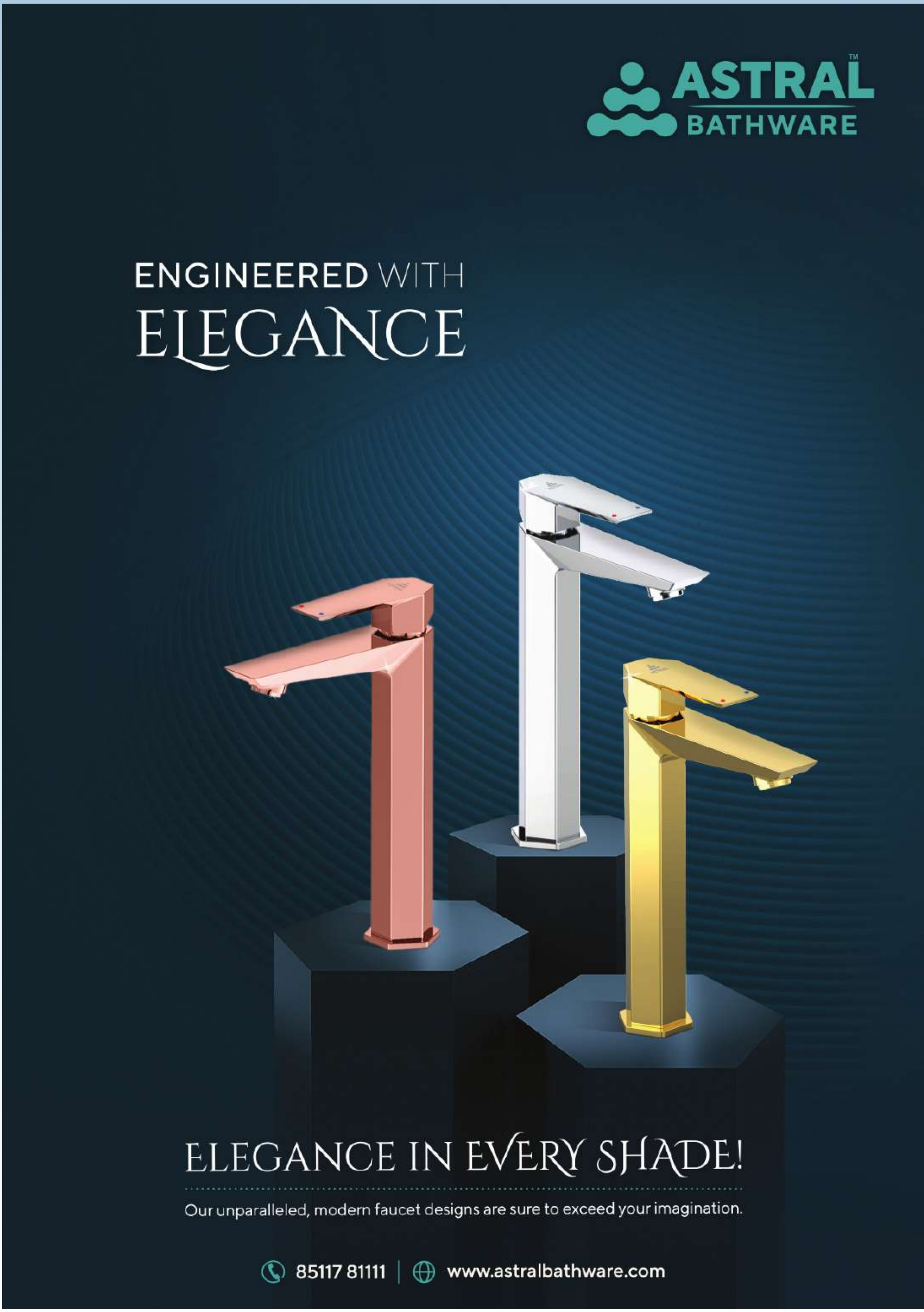
Event in Images

NAVRATRI 2025 ON 01.10.2025

SEMINAR ON TRANSFER PRICING AND INTERNATIONAL TAXATION on 10.1020.25

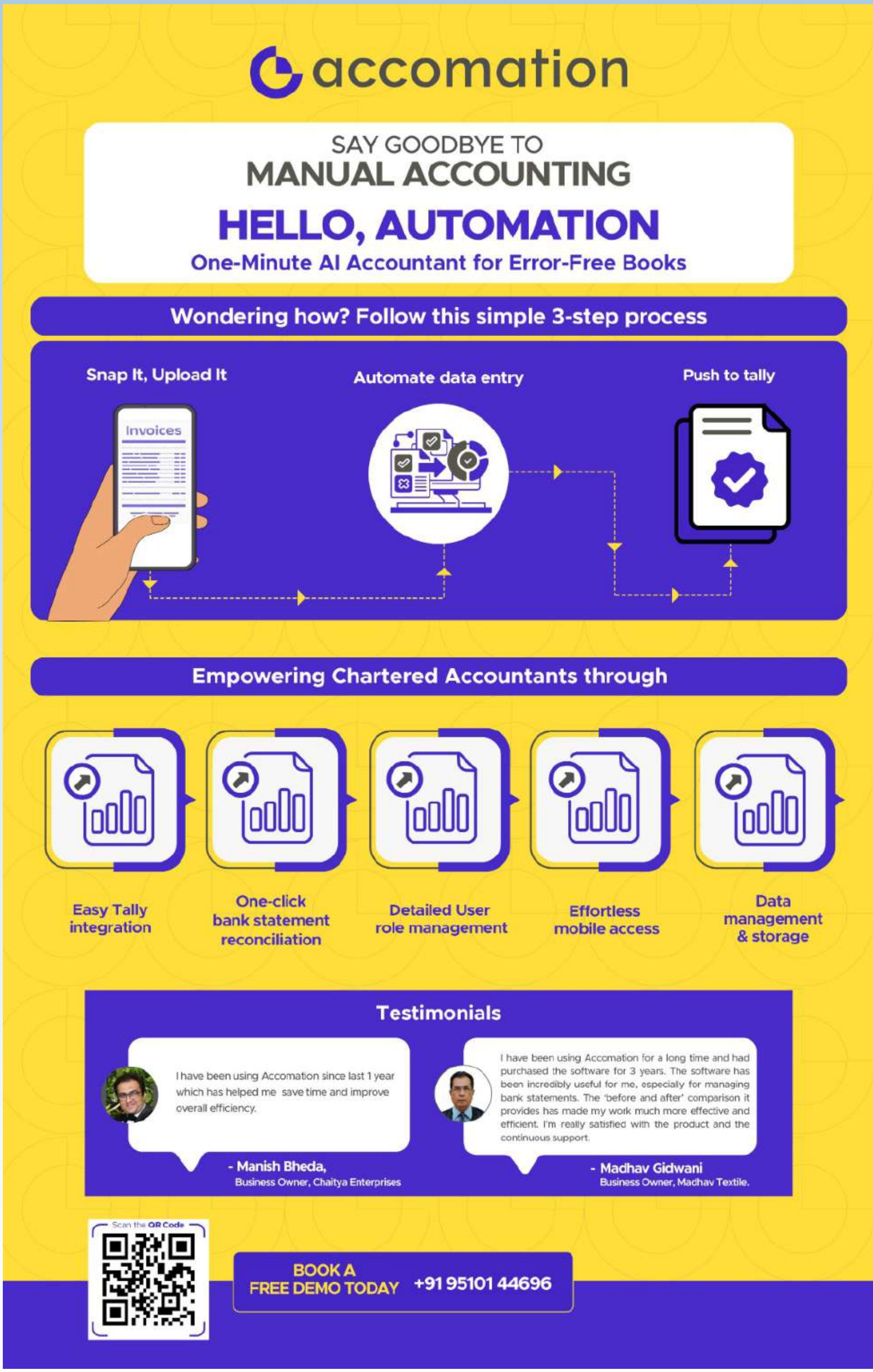
SEMINAR ON GST on 11.10.2025


SERVO
IndianOil
WORLD-CLASS LUBRICANTS
THE SCIENCE OF EXTREME
DRIVE SYNTHETIC,
DRIVE FUTURISTIC
With the New SERVO
BLACKBIRD X
API-SP
ACEA C3-21
SERVO
BLACKBIRD X
4L
FULLY SYNTHETIC ENGINE OIL
• FULLY SYNTHETIC PASSENGER CAR ENGINE OIL
• EXTENDED DRAIN INTERVAL UP TO 15000 KMS
• HIGHEST PERFORMANCE LEVEL - API SP / ACEA C3-21


ASTRAL BATHWARE
ENGINEERED WITH ELEGANCE
ELEGANCE IN EVERY SHADE!
Our unparalleled, modern faucet designs are sure to exceed your imagination.
85117 81111
www.astralbathware.com


KAKA®
PVC PROFILE
श्रेष्ठ कभी सस्ता नहीं होता। सस्ता कभी श्रेष्ठ नहीं होता।।
Expanding Horizons
FOR A BETTER FUTURE
PVC Furniture Ply
PVC / WPC Solid Ply & WPC Doors & Door Frames
PVC & WPC Digital Doors
FMD Doors
Decorative Louvers & Panels
uPVC Windows & Doors Profile
3 & 4 Layer uPVC Roofing Sheet
Environment Friendly
KAKA INDUSTRIES LIMITED
NICE PLAST
Jinwin
BARBARIKA uPVC PROFILE
ROOF TOUCH SHEETS
www.kakaprofile.com | E-mail - info@kakaprofile.com


GIFT CITY
GUJARAT INTERNATIONAL
FINANCE TEC - CITY


accomation
SAY GOODBYE TO
MANUAL ACCOUNTING
HELLO, AUTOMATION
One-Minute AI Accountant for Error-Free Books
Wondering how? Follow this simple 3-step process
Snap It, Upload It
Invoices
Automate data entry
Push to tally
Empowering Chartered Accountants through
Easy Tally integration
One-click bank statement reconciliation
Detailed User role management
Effortless mobile access
Data management & storage
Testimonials
I have been using Accomation since last 1 year which has helped me save time and improve overall efficiency.
- Manish Bheda,
Business Owner, Chaitya Enterprises
I have been using Accomation for a long time and had purchased the software for 3 years. The software has been incredibly useful for me, especially for managing bank statements. The 'before and after' comparison it provides has made my work much more effective and efficient. I'm really satisfied with the product and the continuous support.
- Madhav Gidwani
Business Owner, Madhav Textile.
Scan the QR Code
BOOK A FREE DEMO TODAY
+91 95101 44696


Tally
Prime
Everything tallies
Intuitive and Powerful Dashboards
Excel Import Function
TallyPrime with WhatsApp
Connected Banking
e-Invoicing
Easy & Accurate Tax Compliance
Stay Audit-Ready with IMS
24*7 Secure Cloud Access
Buy / Upgrade, Contact:
PRAJAPATI COMPUTERS
Tally Certified Partner
B-1010, Sivanta One Business Park, Opp. Nalli Silk Sarees,
Pritam Nagar, Paldi, Ahmedabad, Gujarat - 380 006.
Mobile: 97232 27388 / 90230 35271 | Email: sales@prajapaticomputers.in
Website: prajapaticomputers.com