



ANNUAL SUBSCRIPTION

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EDITORIAL

Incredible Indian CA Firms



CA Vinod Jain*

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The Accounting profession in India is well established for several centuries. The Indian accounting professionals have all qualities and attributes of modern accounting and have played a very important role in shaping the businesses established, groomed, grown and prospered in India and even those Indian Businesses which were established here

and spread their wings across the globe. The accounting profession got substantially strengthened after constitution of The Institute of Chartered Accountants of India by the government in 1949.

The profession of Chartered Accountants has taken a centre stage and played a very active role in development of modern India and its economy in last 75 years.

The Indian CA profession has highly developed deep rooted knowledge and technology to set up most sophisticated Internal Operational controls as well as Internal Financial Controls in the businesses. The Modern Indian Accounting Systems, have also enabled development of appropriate management information systems to enable well informed decision making, planning and growth of Indian businesses. **Indian Chartered Accountants have played a key role in strategic planning, financial management, treasury management, forex risk management, meeting all Regulatory compliances, taxation and Economic Legislations** and even benchmarking Corporate Governance to one of the best in world. Indian Chartered Accountants have guided the Indian businesses to face internal and external challenges, competition, and threats in a positive and pervasive manner. This has enabled a strong backbone of development of Indian businesses and economy towards the achievement of USD 5 Trillion GDP and heading strongly and steadily towards higher levels.

The Indian Chartered Accountant firms have been a

continued to page 7

Auditors' Independence and Integrity: A Concept Misunderstood



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The Independence of Auditors is inbuilt into the ethics of all Chartered Accountants. The code of ethics is being religiously followed by the Chartered Accountants community for last more than 75 years and there are no examples or cases where the independence is compromised by the profession. In certain small number of exceptional cases due diligence and audit standards have been

compromised. In all such cases strict punishment has been levied on delinquent persons. On detailed research of all such cases, there are only two or three examples out of millions of audits, where auditors have been subject to allegation of compromise of independence.

It is important to distinguish ethical requirements and regulatory requirements. Over the last decade, several regulatory changes have been introduced to strengthen Audit Quality. **In this pursuit, certain restrictions have been imposed on accepting non audit assignments by auditors much beyond internationally accepted and laid out ethical requirements** through code of ethics. apprehending impact on the Independence of Auditors. Some of these changes are pushed by a wrong narrative being promulgated by a select few that if an auditor is engaged by a client or its related parties for services other than Audit services than it shall impact "Independence of Auditor". To prevent conflicts of interest, the Ministry of Corporate Affairs (MCA) introduced stricter rules regarding the provision of non-audit services by auditors. **Auditors are proposed to be further restricted from offering all kind of non-audit services** such as management consultancy, valuation advisory and taxation related services **to their audit clients.** These

continued to page 2

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Auditors' Independence and Integrity: A Concept Misunderstood

continued from page 1

amendments clearly ignore that the Auditors' appointment and Remuneration are being determined by those charged with governance in most cases.

In case the Audit firm provide additional services, it will also spend professional resources. In case these thought leaders have wrong apprehensions, they may rather advocate appointment of Auditors by independent public authority. In current scenario appointment, remuneration as well as removal of auditors is practically controlled by majority shareholder, who are also those who are in charge of Governance. In spite of such a situation Audit community has always stood high on their independence, integrity and excellence.

We have strong reasons to believe that the Auditors Independence do not get impacted by engaging them for non-audit services. The professional Auditors role is of reposing a very high level of trust in their fiduciary duties and **the non-Audit assignments cannot have any bearing on Auditors independence.** In fact, the Auditor is in best position to provide strategic advisory, cost effectiveness, corporate structuring, strengthening of controls and risk management beside taxation and other regulatory advisory, being a subject matter expert and having the knowledge and understanding of business of the client. This negative approach in recent past of suspecting auditors' integrity has adversely impacted the growth of Indian Businesses, especially MSME sector and unorganised businesses, which have been historically depending on auditors as their friend, philosopher and guide. Any wrong doers can be punished commensurate to their negligence or misconduct, but having apprehensions without sufficient cause of this kind, will adversely impact all sectors and fabric of society negatively.

Ola am the top three non-bank PPI players, whereas Paytm Payments Bank, Airtel Payments Bank, and HDFC Bank are the largest PPI Players that are bank.

Government transactions through integration with e-Kuber on 30th March 2025

The RBI has decided to keep its e-Kuber ,the Core Banking Solution platform used by the Reserve Bank of India (RBI) for government and other payments. open for government transactions on **Sunday, March 30, 2025**, to ensure all transactions are processed and cash balances for the Central and State Governments are accurately accounted for. (RBI Circular 103/2024, dated 03/01/2025)

Roll Out 'Beneficiary Look-Up' for RTGS & NEFT by Apr 1: RBI

India's banking regulator Monday asked banks enabling RTGS & NEFT transfers to facilitate the 'beneficiary account name look-up facility' before April 1. With this, customers will be able to verify the name of the beneficiary through their bank's internet banking and mobile banking services.

Reporting Platform for OTC transactions to hedge price risk of gold

RBI has introduced new reporting guidelines for over-the-counter (OTC) gold derivative transactions to enhance transparency and regulatory oversight. Effective from 1 Feb, 2025, banks must report all such transactions conducted in domestic markets, International Financial Services Centers (IFSC), or overseas to the trade repository (TR) of the Clearing Corporation of India Ltd. (CCIL). This applies to transactions carried out both by banks and their eligible customers.

Central bank takes a step to popularise digital currency

The Reserve Bank of India (RBI) will test its own digital money (CBDC) by paying some of its employees' allowances directly into their digital wallets. CBDC is like digital cash issued by the government. People can swap their regular money for this digital cash. This might mean banks have less money deposited. Banks help connect people's accounts to their digital wallets. This digital money doesn't earn interest, but you can use it to buy things. While there are some concerns, digital money could make sending money faster and cheaper

No Extra Time for Banks to Term Dodgy Borrower as Wilful Defaulter

RBI told the industry that the decision to classify a wilful defaulter must be completed within six months. It is felt that giving a long time to errant borrowers for putting across their point runs the risk of bringing down the value of the assets.

RBI raises collateral-free agri loan limit to 2 lakh to help farmers

THE RESERVE BANK of India (RBI) has enhanced the collateral-free loan limit for farmers from 1.6 lakh to 2 lakh, effective January 1, 2025.

Latest in Finance

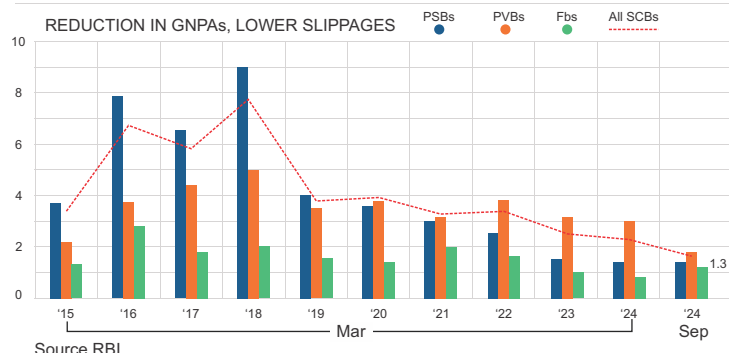
RBI allows interoperability of PPIs using third-party apps

The Reserve Bank of India (RBI) allowed interoperability of Prepaid Payment Instruments (PPIs) for Unified Payments interface (UPI) transactions through third party application providers (TPAPS).

PPIs are instruments that facilitate purchase of goods and services, financial services, and remittances, among other use cases, against the value loaded onto them via payment applications. **As per RBI Data ,currently, there are over 1.14 billion PPI wallets issued by banks and non-banks cumulatively. The RBI classifies PPIs into two categories Small PPIs and Full-KYC FPPIs.**

The latest notification from the regulator focuses on full-KYC PPIs, which are issued only after completing requisite KYC of the Customer (PPI Holder). This gives customers more options for making transactions as they can choose from a wider range of platforms. Phone Pe ,Mobi Kwik, and

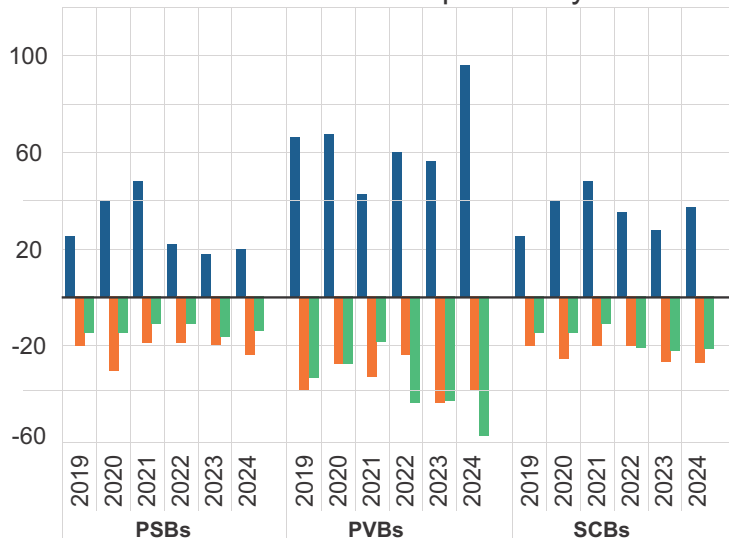
Banks' bad loan ratio at 13-yr low on higher recoveries



Movemnet in NPAs (At end March)

● Additions ● Write-offs ● Upgradations or recoveries

% of GNPA's at the close of previous year



Centre Proposes Bill to Ban Unregulated Lending

The government has proposed a new law which seeks to ban unregulated lending and slap a fine of upto ₹21 crore on offenders along with imprisonment of 10 years. The move follows action against several digital loan apps for unregulated lending over the past two years and complaints about their unfair lending and predatory recovery practices. A draft bill-Banning of Unregulated Lending Activities (Draft) Bill-was put out by the finance ministry for comments, which can be submitted till February 2025.

NARCL (National Asset Reconstruction Company Ltd) Progress

NARCL, till date, NARCL which came into the scene in mid-2021, has acquired 22 accounts with an exposure of 95,711 crore. NARCL acquires these loans by paying 15 per cent of the amount in cash and the remainder in government-guaranteed SRs, which banks can invoke during the resolution or liquidation of bad loans. Banks have been reluctant to transfer stressed assets to the bad bank in the wake of a price expectation mismatch between them and NARCL and seemingly low offers made by the latter.

Capital Market

Front-running case: Sebi bans nine entities

SEBI has uncovered a front-run scheme running sch Involving PNB MetLife equity dealer. The regulator, through an interim order, prohibited PNB MetLife equity dealer Sachin Bakul Dagli, 8 others from the securities market.

SEBI suspends trading in Bharat Global

SEBI suspended trading in the shares of Bharat Global Developers and barred the company's promoters from accessing capital markets in- definitely, in an interim order.

FPIs instruments with derivatives as underlying assets barred

The Securities and Exchange Board of India (SEBI) has barred foreign portfolio investors (FPIs) from issuing offshore derivative instruments (ODIs) with derivatives as underlying assets or using derivatives to hedge their ODIs in India in bid to curb regulatory arbitrage.

Guidelines for boarding of investment advisors eased

The Securities and Exchange Board of India (Sebi) has introduced major changes in the norms governing investment advisors and research analysts (RAs), relaxing requirements on minimum qualification, experience, mandatory examination to be passed periodically, and net worth requirements.

The minimum qualification has been reduced to graduation, while the requirement for prior experience has been done away with. While base certifications from NISM will be required initially for registration, the need for repeating the base examination subsequently has been removed.

Inter-se transfer of locked-in units in InvITs, REITs among sponsors allowed

The Securities and Exchange Board of India (SEBI) has permitted real estate investment trusts and infrastructure investment trusts to invest in unlisted shares under certain conditions and has also allowed the inter-se transfer of locked-in units among sponsor group entities. Until now, units held by sponsors and sponsor groups of REITs and In VITs, including multiple sponsors, were subject to a lock-in period of up to three years, with no provision for inter-se transfer of such locked-in units among sponsors and sponsor groups.

SEBI Allows Subscription to Non-Convertible Securities During Trading Window Closure Period:

The Securities and Exchange Board of India (SEBI) has issued a circular permitting the subscription to non-convertible securities during the trading window closure period. This change extends the previously relaxed trading window restrictions for rights issues, public offerings, preferential allotments, buy-back offers, and other specified transactions to include subscriptions for non-convertible securities.(SEBI Circular Dated 30/12/2024)



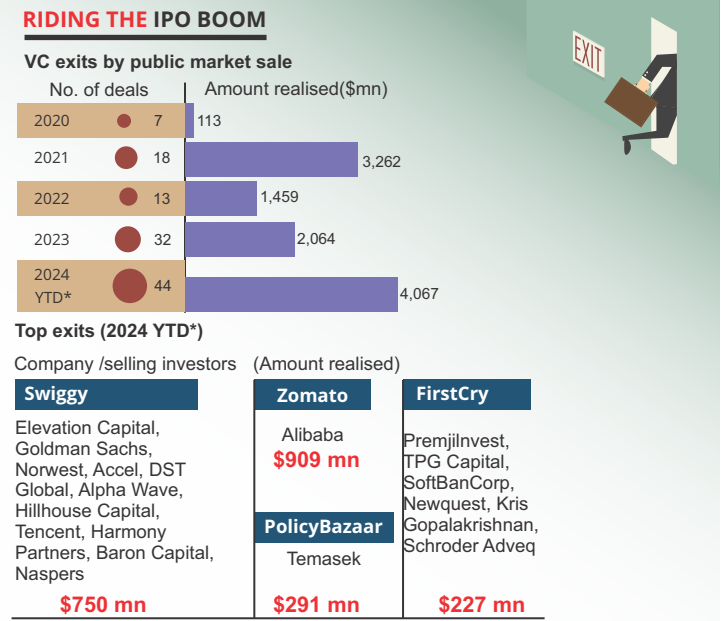
INTEGRITY

अखंडता के लिए हम प्रतिबद्ध हैं

Enhanced SEBI Guidelines for Research Analysts

SEBI's Circular strengthens compliance and transparency for Research Analysts (RAs). Key mandates include strict KYC procedures, maintaining interaction records for five years, and adhering to audit requirements, with adverse findings reported by October 31 annually. RAs must also operate functional websites and disclose detailed model portfolio frameworks, including rationale, risks, and benchmarking with indices. Grievances must be resolved within seven business days, and optional fee collection mechanisms are recommended. Implementation deadlines include June 30, 2025, for KYC compliance and website confirmations.

VCs double returns from public market exits to \$4 billion



Direct Tax

Deadline for 'Vivad Se Vishwas' extended

The Central Board of Direct Taxes (CBDT) on Monday announced an extension of the deadline for taxpayers participating in the Vivad Se Vishwas scheme. Initially set for December 31, 2024, the new deadline is now January 31, 2025. The CBDT stated that the extension allows taxpayers additional time to determine the amount payable as specified in column (3) of the relevant table in the scheme.

Cryptos to be taxed as Capital Gains: ITAT

The Income Tax Appellate Tribunal (ITAT) in Jodhpur has clarified on the taxation of cryptocurrencies, ruling that profits from crypto sales should be considered as capital gains, rather than income.

VIVAD SE VISHWAS Appeals Pending as on July 22, '24 will be Eligible

The Central Board of Direct Taxes said all appeals pending as on July 22, irrespective of whether they have been subsequently disposed of or with- drawn, will be eligible under the Vivad Se Vishwas Scheme, 2024.

TDS Exemption for Goods Purchased from IFSC Units:

No TDS is required under Section 194Q for goods bought from IFSC Units, subject to seller's declaration.

Direct Tax (Case Laws)

ITAT Delhi: ACIT v. Al-Dua Food Processing Pvt. Ltd.

The Delhi ITAT ruled that a decline in Gross Profit (GP) and Net Profit (NP) ratios compared to prior years, without corroborative evidence, is insufficient to reject books of account under Section 145. In this case, the assessee, a meat export company, reported GP of 5.89% and NP of 1.72%, lower than the previous year's 7.19% and 2.35%. The AO rejected the books, alleging violations of Section 40A(3) due to supposed cash payments of ₹12.04 crores and estimated NP at 4%, leading to an addition of ₹23.48 crores. The CIT(A) found that 99.67% of purchases were made through banks, with only 0.33% (₹2.76 crores) in cash, disproving the AO's claim. The ITAT upheld CIT(A)'s decision, noting the decline in profit margins was justified, the AO's rejection of books lacked evidence, and any addition would be tax-neutral due to the assessee's Section 80IB exemption. The Revenue's appeal was dismissed.

SC, Revenue appeal allowed in claiming exemption u/s. 10(38) by manipulating share price:

In the case of **S.N. Sodhani HUF vs. Principal Commissioner of Income Tax (PCIT)**, the Supreme Court of India addressed the issue of taxpayers claiming exemptions under Section 10(38) of the Income Tax Act, 1961, through the manipulation of share prices. On December 9, 2024, the SC allowed the Revenue's appeal, overturning the ITAT's decision. The Court reversed the precedent set in the case of Swati Bajaj, emphasizing that transactions lacking genuine economic substance, designed solely to evade taxes, should not be granted exemptions under Section 10(38).

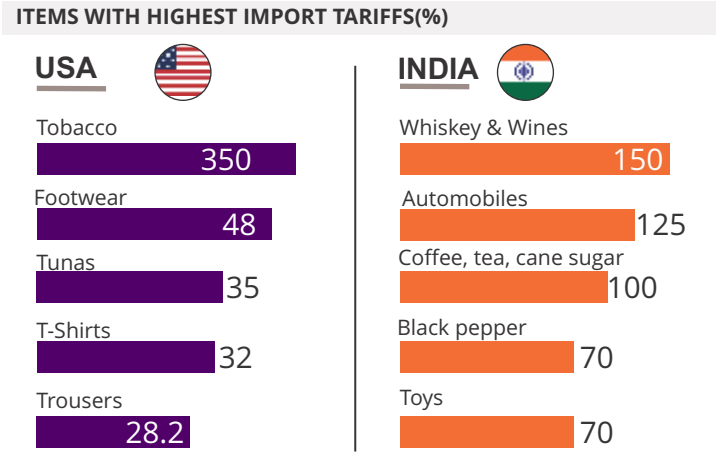
Industry Update

RIL, Rosneft ink mega \$13-bn oil supply deal

Russia's State Oil firm Rosneft has agreed to supply nearly 500,000 barrels per day (bpd) of crude to Reliance Industries in the biggest-ever energy deal between the two countries, three sources familiar with the deal said. The 10-year agreement amounts to 0.5% of global supply and is worth roughly \$13 billion a year.

Import & Export

India Faces Threat of Tariffs as Trade Relations with Triumph Sour



Event organizers to receive ITC benefits

The Goods and Services Tax (GST) Council has decided to classify the supply of sponsorship services provided by corporate bodies under the forward charge mechanism (FCM), under which the supplier of service pays indirect tax. Currently, GST for sponsorship services was being paid in reverse charge mechanism (RCM), under which the recipient of service pays the tax. This change would allow the event organizers to also avail input tax credit (ITC). This will clarify the tax implications surrounding sponsorship services.

Clarification on ITC availed by electronic commerce operators (ECO)

The CGST Circular 240/2024 clarifies that electronic commerce operators (ECOs) are not required to reverse input tax credit (ITC) under Section 17(1) or 17(2) of the CGST Act for inputs and input services used in providing services under Section 9(5). ECOs are liable to pay tax in two cases:

- For specified services where they act as the deemed supplier under Section 9(5).
- For their own services, such as charging platform fees or commissions.

This ensures that ITC on inputs and input services remains fully available, even when ECOs pay tax as deemed suppliers for specified services.

Clarification on ITC under section 16(2)(b) in respect of goods delivered by the supplier at his place of business under Ex-Works Contract:

CGST Circular 241/2024 clarifies ITC eligibility under Section 16(2)(b) for goods delivered under Ex-Works contracts, particularly in the automobile sector. It confirms that dealers can claim ITC on goods delivered to them at the supplier's factory gate when ownership transfers upon handing the goods to the transporter, as long as the goods are used for business purposes.

Clarification on place of supply of Online Services supplied by the suppliers of services to unregistered recipients:

CGST Circular 242/2024 clarifies the place of supply for online services provided to unregistered recipients under Section 12(2)(b) of the IGST Act. If the recipient's address is on record, the place of supply is their location; otherwise, it defaults to the supplier's location. For online services like e-books or cloud services, suppliers must include the recipient's state name on invoices as per Rule 46(f) of the CGST Rules. This state name is treated as the address on record to determine the place of supply. Suppliers must collect state details from unregistered recipients to ensure accurate GST compliance.

Clarification on various issues pertaining to GST treatment of vouchers

The council recently clarified that vouchers will not attract GST, as they are neither a supply of goods nor services.

No more duty-free import of items for solar power: CBIC

To Push Domestic manufacturing, the government has withdrawn a scheme which permitted duty-free import of goods for solar power generation.

- The notification comes into effect immediately
- Basic customs duty on solar modules is 40% and 25% on solar cells
- Experts say the move will have an impact on profitability of power companies

GST on Used EV and sale of old EV's explained:

The GST Council recommended an increase in the GST rate on the sale of all old and used vehicles, including electric vehicles, from 12% to 18%. However, **only registered persons**, such as businesses involved in the purchase and sale of old and used vehicles, are liable to pay GST. Importantly, GST **is not** applicable when an individual sells their old or used **car to another individual**.

Furthermore, the GST payable is not calculated on the full sale value of the vehicle. If the registered person has claimed depreciation on the vehicle for income tax purposes, GST is only payable on the profit margin. This margin is determined by subtracting the depreciated value of the vehicle on the date of sale from the selling price [**i.e. Sale value – (Cost-depreciation)**]

GST Notices Sent to over a Dozen CNG Kit Providers

The Goods and Services Tax (GST) authorities have sent show cause-cum-demand notices to over a dozen companies providing CNG cylinders to motor vehicles, alleging misclassification of such fuel tanks. The notices, sent between September and November, allege that companies wrongly classified CNG fuel tanks as general cylinders for compressed gas and paid 18% GST (as against 28% hsn code 8708), despite these cylinders being exclusively used in motor vehicles.

Customers may gain as high-end hotels get GST options on dining

Starting April 1 next year, according to the GST Council's decision last week, high end hotels will have the option to choose between two GST rates: **5 per cent without Input Tax Credit (ITC) or 18 per cent with ITC**, if the value of accommodation rented out exceeds INR 7,500 per unit a day in the previous year.

GST (Case Laws)

HC Upholds GST Levy on Mining Royalty:

The Himachal Pradesh High Court upheld the levy of GST on mining royalty. The court relied on a recent Supreme Court judgment that ruled royalty is not a tax, overturning a previous precedent. This cleared the path for the government to impose GST on royalty payment.



EXCELLENCE

उत्कृष्टता के लिए हम प्रतिबद्ध हैं



Input Tax Credit Allowed for Telecommunication Towers Under CGST Act: Delhi HC Judgment

In the case of Bharti Airtel Limited vs. Commissioner, the Delhi High Court clarified that telecommunication towers are not to be classified as immovable property under the CGST Act. The Court clarified that the specific exclusion of telecommunication towers from the definition of "plant and machinery" should not be interpreted as implying that such towers are immovable property. Therefore, the denial of ITC on telecommunication towers was deemed unsustainable in law. This judgment confirms that telecommunication towers are eligible for ITC under the CGST Act, as they do not qualify as immovable property within the statutory framework.

Levy of IGST on ocean freight unconstitutional:

The Delhi High Court ruled in favor of Tavrur Oils and Fats Pvt Ltd, declaring the levy of Integrated Goods and Services Tax (IGST) on ocean freight unconstitutional. The court directed the GST Department to refund the service tax paid by the petitioner on ocean freight during the period from April 2017 to June 2017. The Court relied on the SC's judgment in *Union of India vs. Mohit Minerals Pvt. Ltd.*, which held that the collection of IGST on ocean freight would violate the provisions of the CGST Act, 2017 and be unconstitutional.

Other Laws

NBCC Appointed Consultant for Supertech's 16 Projects

Insolvency appellate tribunal NCLAT has appointed state-owned NBCC as a project management consultant to complete debt-ridden realty firm Supertech Ltd's 16 real estate projects at a cost of nearly 9,500 crore, a move that will provide relief to thousands of homebuyers. Moreover, the National Company Law Appellate Tribunal (NCLAT) has also directed "for constitution of an Apex Court Committee and Project-wise Court Committee for each Project".

Approval of the Shareholders would be Mandatory before the Shares are accepted for Listing SC

Jyoti Limited applied to the BSE for listing of certain equity shares. BSE rejected the application because Jyoti Limited had not obtained prior in-principal approval from the BSE. Jyoti Limited had not secured shareholder approval for the allotment of shares to Asset Reconstruction Company (ARC). The Securities Appellate Tribunal upheld BSE's decision. Jyoti Limited then appealed to the Supreme Court.

Conclusion: The Supreme Court held that the absence of shareholder approval for the debt-to-equity conversion and subsequent share issuance was a significant legal deficiency that prevented the listing of the shares.

Extension of due date filing Form CSR-2 i.e. Report on Corporate Social Responsibility:

The deadline for filing Form CSR-2, which requires companies to report details of their Corporate Social Responsibility (CSR) initiatives such as projects, committees, spending, and unspent funds, has been extended to March 31, 2025 (previously Dec 31, 2024).

Indian Companies Face Liquidation Crisis: Low Asset Recovery & Years of Delays

Stressed companies ending up with liquidation orders under insolvency law, including large ones, have had assets worth less than 5% of the amount they owe to their lenders, as per the bankruptcy regulator's data i.e. IBBI.

- 2,630 - Liquidation orders until Sept 2024
- 1,517 Liquidations in progress, 1,113 closed
- ₹9.51 lakh cr Aggregate dues of all 2,630 firms
- ₹45,000 cr Assets on the ground of these firms
- 499 Days spent on liquidating each firm
- 55% Ongoing cases stretch beyond 2 years.

Audit & Accountancy

NFRA slaps penalties on Deloitte, two CAs for lapses in Zee Entertainment case

The National Financial Reporting Authority (NFRA), the country's sole independent audit regulator, has imposed a penalty of 2 crore on Deloitte Haskins & Sells, along with penalties on two chartered accountants for lapses in the audit of Zee Entertainment Enterprises Ltd (ZEEL) during the 2018-19 and 2019-20 financial years. In September 2018, the Chairman of ZEEL, who is also the promoter of Essel Group of Companies, had issued a letter to YES Bank, committing 200 crore fixed deposit of ZEEL as a guarantee for the loans given by YES Bank to a promoter group company Essel Green Mobility Ltd. YES Bank appropriated the FD in July 2019, towards settlement of loan amounts due from seven promoter group companies. Neither the creation and maintenance of FD nor its re-appropriation by the bank was with the approval of the Board or shareholders of the Company. The statutory auditor failed to identify and report this misrepresentation, NFRA order said.

Disciplinary committee probing Byju's auditing 'lapses': ICAI

The Institute of Chartered Accountants of India (ICAI)'s disciplinary committee is looking into auditing lapses at edutech firm Byju's on the recommendation of the Institute's disciplinary directorate. ICAI shared that the total number of cases heard by ICAI in FY25 till December 19 was 262 against 336 in FY24. Punishment was awarded in 211 cases till December 19 against 119 in the previous financial year.

SEBI extends ESG disclosure deadline to FY26

Market regulator SEBI has decided to defer the environmental, social and governance (ESG) disclosure deadline for value chain partners of listed companies by one year until FY26, giving more time to them to comply with the Business Responsibility and Sustainability Reporting (BRSR) requirements.



TRUTH
सत्य के लिए हम प्रतिबद्ध हैं



Sebi names auditor to examine TARC's finances during FY21-23

Sebi has appointed a **forensic auditor** to look into financial statements of New Delhi-based real estate company TARC for FY21-23, citing a disclosure by the company which may have been 'detrimental to the interest of investors'.

Other Important Case Laws

SC: Not All Private Property Can Be Taken Over by State for 'Common Good'

In a significant ruling on property rights, a nine-judge bench of the Supreme Court of India held that not all private property qualifies as a "material resource of the community" eligible for redistribution under Article 39(b) of the Constitution. The Court clarified that while some private property may be considered "material resources of the community," this does not apply to all privately owned assets. This ruling effectively overturns decades of Supreme Court precedents that had included both public and private resources under the definition of "material resources of the community," a view originating from a minority opinion by Justice V.R. Krishna Iyer in the 1977 case of *State of Karnataka v. Shri Ranganatha Reddy*.

Supreme Court's Judgment in Jet Airways and the Future of Airline Insolvencies:

The Supreme Court set aside the NCLAT's ruling, citing JKC's failure to meet its obligations under the resolution plan. The Court rejected JKC's plea for ownership transfer, emphasizing that it cannot be granted without fulfilling commitments to creditors and employees. Consequently, the Court ordered the liquidation of Jet Airways to allow creditors to recover funds through the sale of the company's assets. By prioritizing the rights of creditors and employees, the Supreme Court's judgment reaffirms the need for strict compliance with IBC provisions.

Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC)

The NCLT, New Delhi, admitted an insolvency petition under Section 7 of the IBC 2016, against Raheja Developers Limited for delays in possession of units in the "Raheja Shilas Low Rise" project despite payments of ₹112.9 crores by 43 homebuyers. The tribunal rejected the developer's force majeure defense, finding the delays attributable to its inaction, including late applications for statutory approvals and non-compliance with environmental norms. It was held that the payments constituted "financial debt," and the recurring defaults established "default" under the IBC, making the claim within the limitation period. The project, though separately registered under RERA, was found to be part of a larger phased development. NCLT initiated the

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pioneer in implementing a strong financial discipline and transparent Financial Reporting framework, which is most advanced in the world. The contemporary audit techniques of vouching, ledger scrutiny, financial analysis, walk through and many more have enabled Indian CAs to identify all unusual transactions. The Indian CA firms audit, assurance and review have been deep and rugged to identify all control weakness, inefficiencies, risk of fraud or material error, diversion of funds, misuse of funds and resources besides controlling and monitoring all taxation and regulatory compliances. Internationally Indian CAs and Indian CA firms have been recognised as the best in technology, efficiency, effectiveness and proficiency.

The European, American and accountants from rest of the world are far behind in professionalism, skills and understanding of complex accounting and financial products and transactions as compared to highly knowledgeable, sharp, efficient, effective and technically advanced Indian Counterpart.

After the advent of international investment in India, a false and baseless narrative has been promulgated and spread by the large multinational foreign CA firms and international consulting giants amongst foreign investors, Indian industrialist and businesses, Senior officials in Government and Public Sector enterprises that if they engage an International Consulting or a CA Firm with a foreign brand for Audit, Assurance or Consulting engagements they will get internationally best professional services.

The actual experience of Indian Government and Indian businesses in last 3 decades with the Indian CA firms is substantially better than the foreign branded firms and **there has been no material business failure or risk to the business entities and clients who have been taking services from the Indian homegrown firms.** Most of the major scams tainted entities like Satyam Computers, ILFS, Dewan Housing, Global trust bank, Zee or coffee day have experienced inefficient and ineffective services of foreign branded firms.

The foreign branded firms have been able to influence their international clients, Private equity firms, venture capitalist and investment bankers investing in India to insist on appointment of foreign branded auditors of Indian Companies by putting a condition in their collaboration or joint venture or shareholders agreements. The foreign firms have spent huge resources in India on branding and advertising to create a preference in their favour amongst Senior Executives in Private and/or Public Sector by creating a false belief that appointing international consultants or foreign branded CA firms can safeguard their skin by taking an alibi that they had relied upon the best or largest of the available consultants or auditors for the job and could not have done any better, although the quality of professionals available in Indian Chartered Accountant Firms are second to none in the World.

continued to page 8



DISCIPLINE
अनुशासन के लिए हम प्रतिबद्ध हैं



EDITORIAL Incredible Indian CA Firms

continued from page 7

It is a well-known fact that the Chartered Accountants qualified from The Institute of Chartered Accountants of India are best in the world. Internationally all Strategic positions in the field of Finance, Accounting, Auditing and even key operational and business positions are filled up by Indian Chartered Accountants as first priority. The International business community and governments based in Europe, America and other developed part of the world are meeting all their critical requirements by engaging Indian Chartered Accountants in On Shore and Off-shore manner. There is a big demand for Indian Chartered Accountants due to their Integrity, Excellence, Professional Acumen and abilities to meet diverse and varied situations and challenges by their Versatility, Rationality and far sightedness. The foreign investors from Japan, China, Korea, are relying on CA firms grown in India and their experience is good.

The branding effort of the large multinational CA firms and international consulting firms has further enabled them to either have limited tender or pick and choose selection only from amongst foreign branded CA firms or international Consultants by Government of India, Public sector Corporations, banks and even Private sector by creating false apprehensions and reservations in respect of capability of Indian chartered accountant firms. The eligibility criteria being announced by appointing authorities for professional assignments seek a very large level of turnover, number of assignments handled internationally or in India, a high net worth and other criteria in such a manner that none of the Indian home-grown CA firms are able to get included even for consideration for all large and complex jobs. The large-scale failure or prosecutions and punishments for professional misconduct to the foreign firms are being ignored under undue influence.

Honourable Prime Minister of India Shri Narendra Modi has a "vocal for Local" policy and a clear exclusivity and advantage have been given to Indian suppliers of goods by the Government and PSUs as per Ministry of Finance mandatory policy. Indian CA profession request the top leadership to give a fair chance to India grown Indian branded CA firms and Indian Consulting firms. **A clear direction and advisory will also be necessary that any**

mandate to appoint any international firms based on insistence of foreign investors or partners shall be assumed to be at the behest of the concerned international firm and **will amount to misconduct of soliciting clients which is currently prohibited**. Indian CA firms request for a fair chance to prove their credibility, competence and expertise which is many times better than any international or foreign branded firm.

The Govt is Requested to issue very strict guidelines against limited tender and without tender appointment of any of the foreign branded CA firm or international consulting firms. Also, it is important to ensure by the Govt that criteria of turnover, net worth and experience of the firms do not limit eligible applicants to a select few.

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