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EDITORIAL Pure Indian Chartered Accountant Firms – A Call from the Nation



CA Vinod Jain*

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The Prime Minister Office (PMO) on June 5, 2025 called a meeting to explore the possibility of home-grown Chartered Accountant Firms and consulting companies that can match Big 4 Chartered Accountant Firms and certain large international consulting companies, to reduce reliance on foreign advisory firms and build global capabilities in the

professional services space. The meeting has initiated an active conversion within the Government as well as within the CA profession on how to nurture scale, quality and competitiveness among Indian Chartered Accountant firms and Indian consulting Companies.

Government Contracts

The assignments related to government work and various consulting need of Government and Public Sector undertakings, Public Sector Banks and a number of Government owned and sponsored entities assignments in respect of project management financial advice, corporate governance, internal control systems, disinvestments valuations, merger and restructuring, accounting and reporting systems, taxation, corporate law advisory and all material professional assignments are being awarded on the basis of limited tenders among 4 to 6 firms. Even expression of interest is sought only from foreign branded Chartered Accountant firms or foreign consulting firms. In case of open tenders by Government or PSUs prescribe the requirements of large capital, turnover, or experience which may not be reasonable requirement of the assignment. This facilitate Foreign firms who show case foreign experience and large size, whereas the assignment is ultimately handled by young Indian professionals without any such past experience employed with them. They are able to secure the assignment with the help of their foreign brand and are selected in preference to senior expert Indian Professional firm who really work with

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Unlocking the GCC Opportunity: A Concise Guide for Indian CA Firms



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Global Capability Centres (GCCs), also known as Centres of Excellence, are becoming key strategic assets for multinational companies. They have moved beyond simple back-office tasks. Today's GCCs manage complex finance, compliance, analytics, ESG (Environmental, Social, and Governance), and AI-driven functions. India has become the world's leading hub for GCCs. Over 1,700 centres are already operating

here, and forecasts suggest the market will grow beyond \$100 billion by 2030.

This shift creates a major opportunity for Indian CA firms. This applies to small, mid-sized, and large firms alike. They can become trusted partners for international businesses looking to set up or expand in India. Whether by helping large clients create their own GCCs or by building shared GCC models for many small and mid-sized businesses, CA firms can now play a central role in India's global service leadership.

Understanding the Opportunity

The scope of GCCs extends far beyond traditional finance to include internal audit, ESG reporting, Virtual CFO services, automation, financial advisory, treasury management, MIS, preparation of daily and weekly cash flows, monthly financials, exception reporting, monitoring funds diversion, funds misuse, compliance of policy and procedures besides internal financial control, host country and international tax advice. Indian CA firms are uniquely positioned to meet this demand due to their professional expertise, cost-effectiveness, and robust technical and digital capabilities. USA alone has a need of 300,000 qualified professionals as GCC to meet their ongoing



HONESTY

ईमानदारी के लिए हम प्रतिबद्ध हैं



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requirements.

Step-by-Step Guide to Establishing a GCC Practice

Start by selecting your service focus. Target mid-sized international firms or Indian subsidiaries of global businesses. Equip your firm with the right execution capabilities and IT infrastructure.

• **Select Your Service Focus**

Begin by choosing the services you will offer. Target mid-sized international firms with growing operations in India. Also, look at Indian branches of global companies. Start-ups with business in multiple countries are another good target.

• **Build Execution Capabilities** Your firm needs to be ready to deliver high-quality services.

- **Standard Operating Procedures (SOPs):** Create clear SOPs for each service.
- **Staff Training:** Train your team in US GAAP, IFRS, and SOX compliance. Also, invest in skills for Virtual CFO and ESG services.
- **Continuous Learning:** Encourage staff to get certifications and attend workshops to keep their skills current.

• **Ensure Robust IT Infrastructure** A strong and secure IT setup is vital.

- **Workstations:** Use dual-monitor systems with good performance (e.g., i5/i7, SSD, 16GB RAM).
- **Secure Storage:** Use secure cloud storage and VPNs for data and remote access.
- **Backup & Document Tools:** Implement document management and automated cloud backup, plus physical backups.

• **Choose the Right Software Stack** Use appropriate software to work efficiently.

- **Accounting:** Familiarize with QuickBooks, Xero, NetSuite, SAP, and Oracle and the ERP being used by the client.
- **Practice Management:** Use tools like Zoho Practice, TaxDome, or ICAI PMS.
- **Tax Compliance:** Consider Thomson Reuters UltraTax CS or CCH ProSystem fx for tax services.
- **E-signature:** Use platforms like DocuSign or Adobe Sign for secure document signing.

Getting Your First Few Clients & Revenue Models

• **Market Entry Strategy** To find initial clients, be proactive.

- **Global Forums:** Attend events like AICPA, IFAC, and World Bank Group conferences.
- **Business Chambers:** Engage with groups like AmCham, USIBC, or Indo-German Chambers.
- **Online Presence:** Build credibility through LinkedIn thought leadership, pilot projects, and clear case studies.

• **Suggested Revenue Models** Offer various pricing options to suit different clients.

- **Retainer Model:** A fixed monthly fee for ongoing services.
- **Project-Based:** For specific tasks like audits or advisory work.
- **FTE-Based:** Dedicated staff assigned to the client.
- **Hybrid:** A mix of fixed and variable fees, often with incentives.

Phased Service Roadmap in brief Grow your services in stages to offer more value over time.

- **Foundation:** Start with bookkeeping, payroll, and compliance.
- **Controls:** Add internal audit and SOX/ICFR services.
- **Insights:** Provide budgeting support and create dashboards.
- **Value Add:** Offer advanced services like ESG, RPA (Robotic Process Automation), and analytics.

Investing in Talent and Leveraging Support

- **Talent and Training** Invest in your team's skills.
 - **Certifications:** Encourage IFRS/US GAAP certifications.
 - **Workshops:** Provide training in SOX, ESG, and data analysis tools.
 - **Learning Sessions:** Host regular internal sessions to share knowledge.

Institutional Support and Ecosystem Engagement

Collaborate with key organizations.

- **Professional Bodies:** Work with ICAI, CII, and other trade bodies for certifications and outreach.
- **Networking:** Connect with international chambers (AmCham, Indo-Japan, Indo-German).
- **Government Policies:** Work with the government to use SEZ (Special Economic Zone) and GIFT City policies.
- **Publishing:** Contribute to journals and international panels to build expertise.
- **Scaling Up for Larger Firms** Larger CA firms have the option to set up complete shared service centres or help clients establish their own GCCs. Services can include:
 - Finance shared services (R2R, O2C, P2P).
 - Cross-border tax, FEMA, SEZ, and GIFT City advice.
 - ESG analytics, automation, and fraud detection.
 - Global secondment for GRC and finance transformation.

Final Thoughts

India is set to become the global capital for GCCs. This offers Indian CA firms an unprecedented chance for growth. By focusing on high quality, strong ethics, and clear transparency, and by using digital tools and smart partnerships, Indian CA firms can become global leaders in financial transformation. The potential is even larger than software and IT enabled services currently being provided.



a journey towards growth and prosperity

DISCIPLINE

अनुशासन के लिए हम प्रतिबद्ध हैं



Digital Lending Framework 2025: Enhancing Transparency, Accountability, and Consumer Protection

The Reserve Bank of India (RBI) released the **Digital Lending Directions, 2025**, a consolidated framework aimed at reinforcing **transparency, data security, and consumer protection** in the rapidly expanding digital lending ecosystem.

Provision	Details	Effective Date
Directory of Digital Lending Apps (DLAs)	RBI will publish a public directory of authorized DLAs , accessible to the public and banks, to differentiate regulated apps from fraudulent ones.	June 15, 2025
Multi-Lender Arrangement Guidelines	Specific norms for loan disbursements involving more than one lender , including clarity on risk-sharing, grievance redressal responsibilities, and transparency in borrower terms.	November 1, 2025
Standardized Loan Disclosures	Mandates uniform Key Fact Statements (KFS) disclosing all loan terms including APR, fees, and recovery mechanisms in vernacular languages.	Already in effect
First Loss Default Guarantee (FLDG)	Introduces tighter restrictions and disclosure requirements on FLDG structures between Regulated Entities (REs) and Lending Service Providers (LSPs), ensuring no disguised credit intermediation.	Immediate (as per earlier guidance)
Grievance Redressal Mechanism	Each RE must ensure that its DLAs and LSPs have a dedicated customer grievance officer , with a defined escalation matrix.	Already in effect

Monetary Easing 2025: Repo Rate Cuts to Boost Liquidity and Credit Growth

The central bank announced a significant monetary easing. The **repo rate was cut by 50 basis points**, bringing it down to **5.5%**. Simultaneously, the **Cash Reserve Ratio (CRR)** was reduced by **100 basis points to 3%**. These measures aim to **infuse over ₹2.5 lakh crore** into the banking system. Reverse Repo rate remain unchanged. Bank rate cut to 5.75%

SMBC Japan to buy 20% in yes bank

The boards of State Bank of India (SBI) and Yes Bank are set to finalise the sale of stakes in the latter to Japanese financial giant Sumitomo Mitsui Banking Corp (SMBC), SBI is the largest stakeholder in the private-sector lender, having led a rescue of the bank in 2020 at the behest of the Reserve Bank of India (RBI). Following its turnaround, SBI has been looking to monetise its stake. SMBC is one of the largest banks in Japan.

FIMMDA Gains SRO Status for Financial Markets

The Reserve Bank of India has decided to recognise the Fixed Income Money Market and Derivatives Association of India (FIMMDA) as a self-regulatory organisation (SRO), in financial markets regulated by RBI, FIMMDA represents market participants composed of scheduled commercial banks, primary dealers, financial institutions, insurance companies, and financial entities.

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Electricity derivatives

The National Stock Exchange (NSE) has received an in-principle approval from the Securities and Exchange Board of India (Sebi) for launching electricity derivatives, the company's management stated in an analyst call on Wednesday after the fourth quarter earnings

FEMA

RBI Relaxes FPI Norms in Corporate Debt: A Strategic Move to Boost Market Liquidity

The Reserve Bank of India has relaxed key restrictions on Foreign Portfolio Investors (FPIs) investing in corporate debt through the General Route. The **30% short-term investment cap** and the **50% per-issuance concentration limit** have now been **completely withdrawn**. This move grants FPIs greater flexibility in managing debt portfolios and allows corporates to attract larger foreign investments. However, despite these changes, foreign investors may continue to remain cautious due to narrowing US-India 10-year yield spreads falling to around 200 basis points and external risk factors *[(RBI Notification 35/2025 Dated 08/05/2025)]*

Indians' Overseas Remittances Drop to \$1,964.21 million

Overseas remittances by Indian residents under the RBI's Liberalised Remittance Scheme (LRS) saw a significant **29% decline** in February 2025. Total outward remittances for the month dropped to **\$1,964.21 million**, according to recent RBI data. This indicates a notable contraction in Indians sending money abroad.

All partly paid units issued to foreign investors must now be reported.

The RBI issued a circular requiring Category-I Authorised Dealer Banks to report the issuance of **partly paid units** by **investment vehicles** (like AIFs, REITs, InvITs) to **foreign investors**. This follows recent FEMA amendments allowing such issuances. Investment vehicles must now report these in **Form InVI within 30 days**. For units issued before May 23, 2025, there's a **one-time 180-day grace period** to report without late fees. However, issuances on or after this date must adhere to the 30-day rule. These directives, effective immediately, aim to enhance foreign investment reporting and AD banks are to inform their clients.

Capital Market

Regulatory Authority Mandates EBP Platform for Private Debt Placements

SEBI mandates the use of the Electronic Book Provider (EBP) platform for private placements of debt securities, NCRPS, and municipal bonds with aggregate issue size $\geq$ ₹20 crore. Issuers like REITs/InvITs may opt in voluntarily. Placement documents must be submitted 2–3 days before issue opening, with new disclosures on green shoe options, anchor allotments, and standardized timeline.

Rule 8 of Securities Contracts Regulation Rules amended

The core of the amendment is a carve-out: a broker's investments will not be considered part of their regulated business activities unless:

If the broker's investment uses money or securities belonging to clients or the investment creates new financial obligations or risks for the broker in their professional capacity.

Revised Audit Team Composition Norms for Credit Rating Agencies

CRAs must now include at least a **Chartered Accountant or Cost Accountant (ACMA/FCMA)** in their internal audit team. Information systems audit qualification can be fulfilled via **CISA, DISA, or DISSA** credentials.

Direct Tax

Income Tax India: Latest Forms, Key Changes, and Extension Notification (AY 2025-26 / FY 2024-25)

The Central Board of Direct Taxes (CBDT) has recently rolled out the Income Tax Return (ITR) forms for Assessment Year (AY) 2025-26, corresponding to Financial Year (FY) 2024-25.

- **Simplified ITR-1 and ITR-4 for Capital Gains:** Taxpayers with Long-Term Capital Gains (LTCG) from listed equity shares and mutual funds up to ₹1.25 lakh can now use the simplified ITR-1 and ITR-4, provided they have no capital loss to carry forward or set off. Previously, these taxpayers often had to use more complex forms like ITR-2 or ITR-3.
- **Detailed Disclosure for Opting Out of New Tax Regime:** Business owners switching from the new to

the old tax regime will now need to provide more detailed disclosures in ITR-4, including past filings of Form 10-IEA and a confirmation of their intention to continue opting out.

- **Mandatory Mention of TDS Section:** To claim tax credit for income (other than salary) from which Tax Deducted at Source (TDS) has been made, taxpayers are now required to mention the specific TDS section (e.g., 194J, 194C) in ITR-1, ITR-2, ITR-3, and ITR-5.
- **Separate Reporting for Gains on Unlisted Bonds/Debentures:** Gains from unlisted debentures and bonds redeemed or sold on or after July 23, 2024, will be treated as short-term capital gains and taxed at slab rates, irrespective of the holding period. These must be reported separately in ITR-2, ITR-3, or ITR-5.
- **Buyback Proceeds as Deemed Dividends:** From October 1, 2024, proceeds from buybacks by domestic listed companies will be treated as deemed dividends in the shareholder's hands.
- **Disability Deduction Requires Certificate Acknowledgement:** Taxpayers claiming deductions under Section 80DD or 80U must now provide the acknowledgment number of the disability certificate in addition to Form 10-IA in ITR-2 and ITR-3.
- **Enhanced Disclosure for HRA, 80C, 80D, and Loan Interest Deductions.**
- **Asset Reporting Threshold Raised:** From FY 2024-25, only individuals with gross total income exceeding ₹1 crore are required to report assets and liabilities, up from the earlier ₹50 lakh threshold
- **ITR U Updated :** Taxpayers now have **48 months** (up from 24 months) from the end of the relevant assessment year to file an updated return. The form now requires specifying the reason for filing ITR-U (e.g., "income not reported correctly," "return previously not filed"). The additional tax payable has been revised and scales with the filing delay:
 - Within 12 months: 25% of tax + interest.
 - 12 to 24 months: 50% of tax + interest.
 - 24 to 36 months: 60% of tax + interest.
 - 36 to 48 months: 70% of tax + interest.

Extension Notification for ITR Filing Due Date

CBDT announced a crucial extension for the due date of filing Income Tax Returns for FY 2024-25 (AY 2025-26).

- Original Due Date: July 31, 2025
- Extended Due Date (for non-tax audit cases): September 15, 2025

Updates in ITR 6 and ITR 7

For AY 2025-26, key changes in ITR-6 include separate reporting of capital gains before and after July 23, 2024, recognition of losses from buyback of shares post-October 1, mandatory ESG and CSR disclosures, requirement of Legal Entity Identifier (LEI) for high-value transactions, detailed reporting of pass-through income from REITs, InvITs, and AIFs, and mandatory disclosure of interest on income tax refunds. In ITR-7, applicable to trusts and

institutions, changes include similar capital gains segregation, mandatory reporting of unexplained income under Section 115BBI, disclosure of foreign contributions, introduction of Electronic Verification Code (EVC) for certain filers, and auto-linking of audit reports with Form 10B/10BB for smoother compliance.

Post-NRI Status: Mandatory Updates for Banking, Demat, and Mutual Fund KYC

- **Tax Return:** NRI's must pay tax on income generated in India if it crosses the basic exemption limit.
- **Pension Fund** Regulatory and Development Authority (PFRDA) has issued new guidelines for National Pension System (NPS) subscribers who renounce Indian citizenship. Those without an Overseas Citizen of India (OCI) card must promptly inform the NPS Trust, after which their account will be closed.
- **Bank Account :** Upon acquiring non-resident status, resident bank accounts must be re-designated Non-Resident Ordinary (NRO) accounts. Proof of overseas address must be submitted to the bank for this purpose.
- **MF- SIP:** Investors must also update their mutual fund (MF) status from resident to non-resident, linking existing MF folios to an NRO account.
- **KYC:** NRIs need to undergo a more comprehensive KYC by submitting updated information to a Sebi-registered KYC registration agency (KRA). This form requires proof of identity, NRI status (visa, work permit, residence permit, OCI card, etc.), Indian contact address, and overseas residence proof. Existing systematic investment plans (SIPs) can continue thereafter.
- **Demat accounts** must be converted to non-resident accounts, and investors need to update their KYC with their brokers.
- **PPF:** An existing Public Provident Fund (PPF) account can be continued till maturity, but it **cannot be extended** once the 15-year tenure ends.
- **EPF Interest:** from the Employees Provident Fund (EPF) becomes taxable for NRIs, who must decide whether to continue or close the account.
- life and health insurers must be informed about the change in status, as some policies may not provide coverage in certain countries.

Direct Tax (Case Laws)

DVO Reference Mandatory When Stamp Duty Valuation Is Disputed by Assessee

The assessee sold property, and the Assessing Officer adopted the stamp duty value for capital gains under Section 50C. The assessee objected to the valuation and requested a reference to the District Valuation Officer (DVO).

However, the AO did not refer the matter to the DVO and proceeded with the assessment. The ITAT Mumbai held that

a DVO reference is mandatory when the assessee disputes the stamp duty value. Relying solely on stamp duty valuation without a DVO report violates Section 50C(2). The assessment was set aside, and the AO was directed to obtain a DVO valuation. [Fakhruddin T. Malik v. ACIT, ITAT Mumbai]

Section 153C limitation commences when AO gets documents

a notice issued under Section 153C of the Income Tax Act for Assessment Year 2015-16 was challenged by the petitioner on the grounds of being barred by limitation. The **Delhi High Court, in its judgment quashed the notice**, ruling that the assessment proceedings were indeed time-barred. The court crucially clarified that the period of limitation for passing an assessment order under Section 153C commences from the date on which the Assessing Officer (AO) of the 'other person' receives the seized documents. [Land craft Developers Private Limited vs ACIT, Delhi HC]

GST

Advisory on Appeal Withdrawal for Waiver Scheme

For the Waiver Scheme, it's crucial to understand the process for withdrawing your appeal. If you submit your appeal withdrawal request using **Form APL-01W before receiving the final acknowledgment (APL-02)**, the system will automatically mark your appeal as withdrawn. However, if you apply for withdrawal **after receiving APL-02**, the appellate authority will need to approve your request manually. Once your withdrawal is officially approved, the status of your appeal will change from "Appeal submitted" to **"Appeal withdrawn."** To successfully apply for the Waiver Scheme, you must upload a screenshot of your appeal folder clearly showing this **"Appeal withdrawn" status**. This ensures that only appeals that have completed the proper withdrawal procedure can benefit from the Waiver Scheme. The **June 30, 2025, deadline for filing the waiver application (Forms SPL-01/02)** is rapidly approaching. Taxpayers who have already paid their principal tax dues by March 31, 2025, need to act swiftly to ensure they submit their applications and withdraw any pending appeals to benefit from this significant relief.

Faster GST Justice: New tribunal rules mandate e-filing and hybrid hearings

To operationalize the Goods and Services Tax Appellate Tribunal (GSTAT), the Centre notified the GSTAT (Procedure) Rules. These new rules introduce several key provisions aimed at streamlining the dispute resolution process. A significant change is the provision for **mandatory e-filing** of all applications. Additionally, hearings will now be conducted in a **hybrid mode**, allowing for both in-person and virtual participation.



TRUTH
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Advisory on Table 3.2 of GSTR-3B

The earlier decision to make Table 3.2 of GSTR-3B non-editable from April 2025 has been deferred. Considering taxpayer feedback, the table will remain editable for now, allowing continued flexibility in reporting interstate sales to unregistered persons, composition dealers, and UIN holders.

GST (Case Laws)

Review petition by GST department Dismissed-SC

The original Supreme Court judgment (October 3, 2024) had introduced a '**functionality test**' for determining ITC eligibility on construction costs of immovable properties. The original judgment had remitted the case back to the Orissa High Court for reconsideration based on whether the shopping mall could be classified as 'plant' under this new functionality test, potentially allowing ITC. The GST Department filed a **review petition** against the October 3, 2024, judgment. The Supreme Court **dismissed the review petition** filed by the GST department. The dismissal was based on the grounds of "**no error apparent on the record**". This decision **maintains the earlier interpretation of Section 17(5) of the CGST Act** as laid out in the October 3, 2024, judgment. Consequently, the '**functionality test**' **stands**, suggesting that if an immovable property (like a shopping mall for leasing) is directly linked to taxable activities (renting/leasing), it may qualify for ITC, provided it passes the test of being integral to generating taxable supplies. [*Chief Commissioner CGST vs Safari Retreats Private Limited, SC Judgement*]

Credit Ledger Permitted for Appeal Pre-Deposits

The Gujarat High Court allowed using the Electronic Credit Ledger (ECL) for mandatory pre-deposit in GST appeals. CGST Rule 86(2) permits debiting the ECL for liabilities under Section 49. GST Circular No. 172/2022 doesn't classify pre-deposit as a penalty or interest, avoiding restrictions. The **Supreme Court upheld** the Gujarat High Court's decision. **allows taxpayers to use accumulated Input Tax Credit (ITC) from their ECL for making pre-deposits when filing GST appeals.** The ruling provides significant relief by validating a more flexible method for fulfilling appeal pre-deposit requirements. It clarifies that pre-deposits are not penalties or interest, thus not barred from ECL use. This decision enhances ease of doing business for

Supreme Court Stays ₹5,712 Cr GST Demand on Paytm's First Games.

Paytm's subsidiary, First Games Technology, received a show-cause notice from DGGI on for a proposed GST liability of **₹5,712 crore** (including interest/penalty). The dispute centers on whether GST should be **28% on the total entry amount (DGGI's view)** or **18% on gross gaming revenue (First Games' view)**. The **Supreme Court stayed the proceedings** related to the ₹5,712 crore GST demand. This halts further action on the notice pending final court adjudication.

Other Important Laws

Adjudication Order: A company faces a ₹4 lakh fine for a significant disclosure violation.

The inquiry revealed the company did enter into a related party contract (with an Associate Company) for services, which was not disclosed as mandated by **Section 134(3)(h) of the Companies Act, 2013**

MCA's 2025 Ind AS amendments (21 & 101) enhance how companies report foreign currency, tackling the complexities of non-exchangeable funds

The Companies (Indian Accounting Standards) Amendment Rules, 2025, primarily modify Ind AS 21 and Ind AS 101. The main objective is to provide clearer guidance on accounting for foreign currency transactions, especially when currencies are not freely exchangeable. These amendments, effective from April 1, 2025

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Due date for filing of Form CSR 2 for FY 23-24 extended

The due date for filing Form CSR-2, reporting Corporate Social Responsibility (CSR) activities, has been extended. Companies now have until June 30, 2025, instead of March 31, 2025, to submit the form under the amended Companies Accounts Rules.

Other Important Case Laws

Apex Court Restricts NCLAT to 45-Day Limit

An appeal before NCLAT was filed beyond the 45-day period prescribed under the Companies Act. NCLAT condoned the delay and entertained the appeal. **The SC held that NCLAT has no authority to condone delay** beyond the statutory limit of 45 days, regardless of reasons. The order condoning the delay was declared **ultra vires and set aside.** [*Tata Steel Ltd vs Raj Kumar Banerjee*]

Resolution Plan Stands — HDFC Bank Denied Exclusion of Mortgaged Assets

HDFC Bank sought exclusion of mortgaged units from a resolution plan under CIRP, despite not being a unit holder but only a mortgagee. NCLAT dismissed the appeal, holding that the bank had no locus standi to object, as it had **no ownership or beneficial rights** in the units. The resolution plan approved by the CoC was upheld. [*HDFC Bank Ltd vs Atul Kumar Kansal NCLAT Delhi Judgement*]

Resolution Plan Rejected: JSW's Two-Year Delay Unacceptable.

JSW, the successful resolution applicant for Bhushan Power and Steel, failed to implement the approved resolution plan for nearly two years despite no legal hurdles. The Supreme Court rejected JSW's resolution plan, stating that such a

significant delay and non-implementation violated the Insolvency and Bankruptcy Code's objective. The implementation of judgement stayed pending a review.

Import & Export

Banking authority drafts unified rules for export and import transactions under FEMA.

The RBI has issued revised draft regulations under FEMA for export and import transactions, aiming to boost ease of doing business. Key proposals include: Exporters with over 25 crore in unrealized proceeds (due for 2+ years) must only export against full advance or irrevocable Letters of Credit. No advance remittances are allowed for gold and silver imports.

Audit & Accountancy

CCI Chief Takes Helm at NFRA

Ravneet Kaur, the current head of the Competition Commission of India (CCI), has been appointed as the interim chairperson of the National Financial Reporting Authority (NFRA). This additional charge is for a three-month period, effective from April 1.

New norms for MII internal audits and Audit Committee composition

MIIs (Stock Exchanges, Clearing Corps, Depositories) must conduct annual, independent internal audits covering all functions. The independent audit firm reports directly and solely to the Audit Committee. Audit scope must be approved by the Audit Committee, and a clear process for observations and feedback is mandated. No Executive Director, including the Managing Director, can be a member of the Audit Committee. These norms, effective May 19, 2025, aim to significantly enhance governance, independence, and risk oversight within critical market infrastructure

CAG issues stricter guidelines for government company auditors, effective May 23, 2025.

The CAG's new auditing directions u/s 143(5) companies act 2013 significantly enhance the scope for statutory auditors of government companies. Key areas of intensified scrutiny include **fair valuation of post-retirement benefit investments, ensuring all accounting transactions are processed through IT systems, verifying proper utilization of government grants/subsidies, evaluating comprehensive risk management policies (including data assets), and mandating strict adherence to regulatory compliance** from bodies like SEBI and RBI. These revisions aim to improve the accuracy, transparency, and accountability of financial reporting in government entities.

EDITORIAL Pure Indian CA Firms...

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complete commitment and provide excellent and visionary advise as mid-sized firms.

The Government at the highest level is not very happy and is rather dissatisfied with the content and quality of advice received from foreign firms inspite of being full of flashy presentation. **The Prime Minister and his team are very keen to provide an opportunity to Pure Indian home-grown CA firms, who have no direct or indirect supervision or monitoring or management or control or those who are accustomed to act at the behest of their foreign counter part. The private clients in India are extremely happy with present Indian CA firms' highly valuable advice, technical expertise and consulting, except when international PE funds, Investment Bankers, foreign investors, CEOs, Promoters and CFOs obsessed with foreign branding, insist on foreign firms for their assignments.**

Security Concern

It has been noticed that even very strategic consulting including in the area of **Defence, Nuclear Energy, Policy matters, Strategic Decisions, Sustainability, Environment, key financial and economic decisions impacting general public interest and several other key areas**, highly confidential and secret information is shared with foreign Chartered Accountant firms and international consulting Companies. Such details, information and policies under development and secret information which is not in public domain may get compromised by foreign CA firms and consulting firms. It may be noted that as a matter of policy hundred percent data, documents and information in respect of their Indian assignments is stored and archived in servers located outside India and Indian working in such foreign firms have no access to even their working papers, audit evidences, confidential and strategic information, except with the approval of foreign headquarters. These foreign firms' Indian partners and employees work in direct supervision of their international headquarters and all critical and strategic information about India get shared internationally.

Indirect entry to corridor of Power

It has also been observed that a number of international funds, foreign Government and foreign non-Government organizations, foreign foundations belonging to American, European and other developed countries are indirectly providing very highly qualified and experienced professional resources on whole time basis providing their services free of cost to assist senior Government officials in designing and structuring policies and procedures impacting masses. These resources work on the rolls of Indian entities but world as per direction, supervision and control of their funding agencies posing a threat to Indian sovereign interest.

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CELEBRATING

40

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EDITORIAL Pure Indian CA Firms...

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Nation's Call

The initiative of Indian government to promote home grown Pure Indian Chartered Accountant firms and consulting companies become all the more strategically important and crucial in current perspective. It is now a national movement with the call of "Vocal for Local" and honorable Prime Minister himself calling the nation to be **"self-reliant in all goods and services"**. India is quietly observing very erratic behaviour of several international power centres and top leadership of developed countries, in recent past and India has taken a strategic visionary decision to be self-reliant. The achievements in the space sector, defense, UPI, Co-vaccine, Power, railways are glaring examples of successful achievements within India. The development and growth of Pure Indian Chartered Accountant firms and Indian Consulting Companies is a need of the Nation. Our Bharat Mata is calling all Indians to work with full vigor and complete dedication to support Indian vision of Viksit Bharat 2047.

Technical Skills, Talent and Expert Advise

The Pure Indian Chartered Accountant firms are icon of integrity, excellence, effectiveness and are highly efficient. Most of the top technical experts, Chartered Accountants and strategic Consultants are actually running their own Pure Indian Chartered Accountant firms and Consulting Companies. All such experts, who are really visionary and capable of providing high quality business and governance consulting are not willing to take employment are actually working as independent Indian Chartered Accountant firms or Indian Consulting Firms. These talented professionals may not be available with Foreign Chartered Accountant firms or large multinational consulting firms. **India need to grow and government need to provide a chance to home grown Pure Indian Chartered Accountant firms and Indian Consulting Companies. we are highly confident that Indian Chartered Accountants and professionals are best in the world and no foreign country can compete with quality of Indians. In any case in the highly specialized field of Chartered accountants, no other country in the world is better than Indian Chartered accountants. This is technically proven and established.**

The core issue is opportunity to talent, skill and

expertise of Indian firms and preferred recognition of their services by Government as well as investors in the Private sector. It is important to ensure adequate fee levels for professional services rather than appointments based on lowest fee as per tender system and empower investment and value creation by pure Indian experts.

Conclusion

Embrace the "Make in India" ethos and consult pure Indian home-grown Chartered Accountants. We are fully capable of competing on quality with anyone globally. While international firms may possess established brands, Indian firms offer unparalleled intellect, commitment, and devotion to our country. With sufficient technology, resources, and growing domestic investment, we are well-equipped to lead.



Upcoming Programs

Income Tax Expert Study Group

- Meeting 16 - 12th July 2025
- Meeting 17 - 9th August 2025

GST Expert Study Group

- Meeting 11 - 9th August 2025

Finance Professionals Forum

- Meeting 1 - 12th July 2025

Cost Per Meeting	Amount incl. GST
For AICAS Members	Rs.1,000
For Chartered Accountants	Rs.1,500
For Others	Rs.2,000

For Details please visit
<https://aicas.in/event.html>

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Life Member	Rs. 25,000 plus GST
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