



THE CHARTERED ACCOUNTANT

JOURNAL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

UNION BUDGET 2025



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The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



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Chartered Accountants and other subject experts, with academic passion and flair for writing, are invited to share their expertise through the ICAI Journal – *The Chartered Accountant*. The article may cover any topic relevant to the **accounting world covering auditing, finance, laws, strategy, taxation, technology, artificial intelligence, sustainability, ethics, financial reporting** and so on. While submitting articles, please keep following aspects in mind:

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- ★ **Articles should not have been published or sent for publishing in any other print or electronic media.**
- ★ **An executive summary of about 100 words should accompany the article.**
- ★ **Articles should be engaging, original and aligned with Journal guidelines. Every selected article is subjected to Plagiarism check in line with Editorial Board's Plagiarism Policy.**

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Strengthening India's Growth Engines for a \$5 Trillion Economy

As India charts its course towards becoming a \$5 trillion economy, the Union Budget 2025 stands as a pivotal moment to accelerate growth across its core engines—Agriculture, MSMEs, Investment, and Exports. These sectors form the backbone of economic resilience, job creation, and global competitiveness. With rising geopolitical challenges and evolving market dynamics, the budget strikes a balance between fiscal prudence and growth-oriented measures with the theme “Sabka Vikas”. Strengthening these engines through targeted incentives, infrastructure development, digital transformation, and policy reforms will not only fuel sustainable growth but also position India as the global economic powerhouse.

With a firm foundation, resolute leadership, and a governance framework rooted in resilience, India today stands poised to overcome any challenge that comes its way. The nation has witnessed transformative shifts in recent years—each reform, policy overhaul, and structural advancement reinforcing the very pillars of Viksit Bharat, a vision that will define the prosperity of future generations. As Budget 2025 unfolds, it channels this momentum into strategic investments, policy-driven empowerment, and forward-looking economic reforms.

The Budget 2025 strikes a delicate balance between national priorities and fiscal discipline, navigating through formidable global headwinds. This budget is proof that India is ready for the challenges and has been walking on the roadmap that shall lead to the path of Viksit Bharat. The government has reinforced its commitment to the agricultural sector by increasing budgetary allocations for modern farming techniques, irrigation projects, and digital platforms for farmers. Schemes promoting organic farming, smart agriculture, and AI-driven solutions are set to enhance productivity and efficiency. Additionally, initiatives like the expansion of e-NAM (National Agriculture Market) will provide farmers with better market access and fair pricing. With a focus on sustainable agriculture, Budget 2025 ensures that farmers receive the necessary financial support, training, and technological assistance to boost output and income.

The revised classification of Micro, Small, and Medium Enterprises (MSMEs) in Budget 2025 aims to facilitate easier access to credit, reduce compliance burdens, and enhance competitiveness. The government has extended credit guarantee schemes and tax incentives to encourage entrepreneurship and job creation. Additionally, digital empowerment programs, skill development initiatives, and simplified GST structures are expected to ease operational constraints for small businesses. These measures will provide a robust platform for MSMEs to scale up, innovate, and contribute significantly to India's economic growth.

To propel India's economic trajectory, the budget focuses on infrastructure development, FDI reforms, and ease of doing business initiatives. Higher capital expenditure in highways, railways, and green energy projects will enhance connectivity and industrial productivity. The introduction of investor-friendly policies, such as streamlined approval processes and incentives for startups, is expected to attract both domestic and foreign investments.

Strengthening the banking and financial sector, coupled with tax rationalization measures, will further boost investor confidence and accelerate capital formation. India's ambitious target of enhancing exports and integrating deeper into global supply chains receives a major push in Budget 2025. Incentives under schemes like Production-Linked Incentive (PLI), export credit support, and trade facilitation measures will boost manufacturing and enhance India's export competitiveness. Special Economic Zones (SEZs) are being restructured to encourage higher export volumes, while logistics and port infrastructure development will reduce trade bottlenecks. The budget also emphasizes the importance of bilateral trade agreements and strategic partnerships to expand India's global market footprint.

The Institute has always been a partner in nation-building. The Institute of Chartered Accountants of India (ICAI) has commended the Union Budget 2025 for its emphasis on enhancing the ease of doing business, bolstering domestic manufacturing, and strengthening India's position in global trade. Notably, the budget incorporates several of ICAI's pre-budget recommendations, including the rationalization of Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) regimes, the exemption of withdrawals from the National Savings Scheme (NSS), and the taxation framework for business trusts. Additionally, the budget introduces significant income tax reductions for the middle class and proposes treating the annual value of two self-occupied house properties as nil, an increase from the previous allowance of one.

True progress of a nation is achieved through the collective efforts of its people, united by a shared vision of development and prosperity. When institutions align their initiatives with the nation's goals, they become catalysts for transformative change. The Institute, with its unwavering commitment, shall continue to support and strengthen the government's vision, paving the way for a brighter and more prosperous future for all.

-Editorial Board ICAI

Partner in Nation Building

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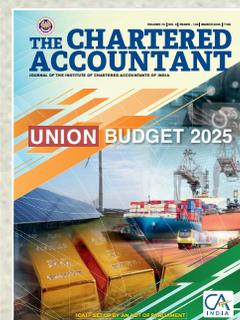
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Our New President



CA. Charanjot Singh Nanda

President ICAI (2025-26)

An ardent wordsmith and an eloquent orator with the thought process of a societal benefactor, CA. Charanjot Singh Nanda, FCA, has been elected as the 73rd President of the Institute of Chartered Accountants of India for the term 2025-26. CA. Charanjot Singh Nanda is indeed humility personified.

CA. Charanjot Singh Nanda, a distinguished Fellow Member, has been a practicing Chartered Accountant for the last 34 years since 1991. Exhibiting outstanding academic acumen, he attained his Bachelor of Commerce degree from M.L.N. College in 1987, consistently securing a position on the Merit List at Kurukshetra University throughout his undergraduate studies. Furthermore, he secured 35th rank in the CA Inter Examination and attained his Chartered Accountancy qualification in 1991. He served Northern India Regional Council (NIRC) as regional council member for 2 consecutive terms from 1998-2001 & 2001-2004. During the year 2002-2003, he was elected Chairman of the Northern India Regional Council (NIRC) of ICAI. CA. Charanjot Singh Nanda was elected to the Central Council of ICAI in 2004, has already served six terms. During the year 2024-25, he was elected as Vice President and then, during his 7th (seventh) term as Central Council member, for the year 2025-26, he has become 73rd President of this worldwide renowned and largest professional body of Chartered Accountants.

Throughout his illustrious professional career, he has been the chairman of many committees and garnered notable achievements. Under his chairmanship of the Digital Accounting and Assurance Board, the Board has issued Forensic Accounting, and Investigation Standards (FAIS). This innovation showcased ICAI as the first accounting

body in the world that issued standards in the area of Forensic Accounting & Investigation.

During council year 2024-25, he, under capacity of Vice President of ICAI, had been nominated as the ex-officio nominee of the ICAI on Standing Committee on Accounting Issues (SCAI) of IRDAI and as the Member for the Committee on Corporate Governance Guidelines for Insurers in India. He has also been nominated as the ICAI's representative on the Dedicated Cell on Services Trade Restrictiveness Index (STRI) constituted by Ministry of Corporate Affairs for possible reform measures under STRI and monitor developments in this regard in coordination with Department of Commerce.

Other nominations include his nomination on the Associated Chambers of Commerce and Industry of India (ASSOCHAM), National Council on Capital Market and as the ICAI's representative on Regional Direct Taxes Advisory Committee formed under Central Board of Direct Taxes (CBDT) at New Delhi.

As the President of ICAI, CA. Charanjot Singh Nanda is now, by virtue of his post, the Chairman of all the Standing Committees, i.e., the Executive, Finance, Disciplinary and Examination Committees, Ex-officio member of all the Non standing Committees, and the Editor-in-chief of the ICAI Journal, **The Chartered Accountant**. He also Chairs the ICAI research wing - Accounting Research Foundation (ICAI ARF), Extensible Business Reporting Language (XBRL) India, and three funds for the welfare of the CA fraternity namely the Chartered Accountants Benevolent Fund (CABF), Chartered Accountants Students Benevolent Fund (CASBF), and S. Vaidyanath Aiyar Memorial Fund. He is also the Director on the Board of the Institute of Social Auditors of India (ISAI), ICAI Registered Valuers Organisation (ICAI RVO) and The Indian Institute of Insolvency Professionals of ICAI (IIPI).

Continuing to advance the role of the Institute of Chartered Accountants of India as a partner in the nation's development, while serving as the President of ICAI, CA. Charanjot Singh Nanda is supporting the Government and Regulators as a Member of the Board of Insurance Regulatory and Development Authority of India (IRDAI), and SEBI's Primary Market Advisory Committee (PMAC) & Compendium of Major Activities of the Advisory Committee on Listing Obligations and Disclosures (ACLOD).

CA. Charanjot Singh Nanda has been passionately representing India and the profession on various international forums, striving to position India as a Global Accounting Hub. Currently, he is a Board member of SAFA (South Asian Federation of Accountants). Also, he represents ICAI on Board meetings of the Pan African Federation of Accountants (PAFA) and ASEAN Federation of Accountants (AFA).

CA. Charanjot Singh Nanda is an individual who embraces change with agility. His extensive tenure with the Institute underscores his adeptness in management and strategy. Beyond having an illustrious career, he is a great human being having great love and compassion for his peers and juniors and is highly regarded amongst the CA fraternity.

Our New Vice-President



CA. Prasanna Kumar D.
Vice-President, ICAI (2025-26)

CA. Prasanna Kumar D. is a true embodiment of dynamic leadership, combining a versatile skill set with an unwavering positive attitude. His ability to inspire and motivate others, while navigating change with ease, makes him a standout leader who fosters collaboration and innovation. CA. Prasanna Kumar D. has been elected as the Vice-President of the world's largest accounting body, the Institute of Chartered Accountants of India for the council year 2025-26.

CA. Prasanna Kumar D. qualified as a Chartered Accountant in 1984, showcasing unwavering dedication and expertise in the field. He combines his passion for sports with his professional endeavors, excelling as a volleyball player and actively supporting state-level sports organizations while promoting sportsmanship and the Olympic spirit.

A Fellow Member of ICAI with more than three decades of experience, he has completed two consecutive terms on the Central Council (24th and 25th) and is now serving 26th Council as Council member. His leadership journey began as the Secretary of the Southern India Chartered Accountants Students Association (SICASA), later serving as SICASA Vice Chairman, before going on to become the Chairman of the Visakhapatnam Branch in 2001-2002. As a Regional Council Member, he played a pivotal role in the Southern India Regional Council (SIRC) from 2007 to 2016, holding various key positions, including Chairman in 2013-14.

Throughout his distinguished tenure, he has held several leadership roles, chairing various ICAI committees and driving numerous key initiatives. During 2024-25, Under Convenorship of CA. Prasanna Kumar D., the Chartered Accountants Benevolent Fund performed outstanding and received a contribution of 4.23 Crore. Additionally, under his mentorship, ICAI ARF has submitted a Report of Common Framework for the Preparation of Annual Accounts for Major Ports which has been appreciated by Governing Board of Indian Ports Authority.

He served as ICAI's representative at the Regional Direct Tax Advisory Committee in Hyderabad for 2023-24 and 2024-25 and contributed to Process Flow Suggestions in Government Auditing. On the international stage, he represented ICAI on SAFA committees for Small and Medium Practices (2020-21) and Education, Training, and CPD (2021-23), driving global initiatives for ICAI's growth and recognition. His visionary leadership and strategic mindset have propelled the Institute to greater heights of excellence.

CA. Prasanna Kumar D. has etched a remarkable legacy of visionary leadership, staunch dedication, and excellence throughout his tenure at the Institute. With a proven track record of leading transformative initiatives and fostering global partnerships, he remains dedicated to advancing the profession's standards. His relentless pursuit of improvement and continuous development continues to enhance the global influence of the Chartered Accountancy profession.

From the President



CA. Charanjot Singh Nanda
President, ICAI

Dear Professional Colleagues,

As the couplet so beautifully reminds us *"Guru Gobind dou khade, kake laagu paye, Balihaari guru aapne, Gobind diyo bataye"*. This Institute is my guru, my guiding light, my alma mater and I feel deeply blessed to be entrusted with its leadership. I humbly assume the baton of leadership as the 73rd President of this esteemed Institute, embracing the profound honour and responsibility it entails. In this journey, I place my faith in the Almighty, seeking strength and guidance to elevate our profession to new pinnacles of success.

With profound gratitude, I extend my heartfelt appreciation to my mentors, principal, family, colleagues, and members of ICAI, including council members, each a guiding force who has supported and inspired me, shaping my journey and strengthening my resolve to serve the profession. I also express my sincere admiration for the outgoing President, CA. Ranjeet Kumar Agarwal, whose wisdom, foresightedness, and dedication have significantly contributed to the growth and progress of the Institute. I hold the esteemed Past Presidents and Council Members in the highest regard, honoring their invaluable contributions since the inception of ICAI on 1st July 1949. Their commitment, relentless dedication, and visionary leadership have been the driving force behind the Institute's remarkable growth, shaping it into the world's largest accounting body. This extraordinary achievement stands as a testament to their resilience, foresight, and

steadfast devotion to the profession and has been the very foundation of ICAI's unparalleled stature on the global stage.

In a historic first in ICAI, the Oath of Leadership was administered by *Shri Arjun Ram Meghwal, Hon'ble Union Minister of State (I/C) for Law and Justice and Parliamentary Affairs*. I sincerely express my heartfelt gratitude to the Hon'ble Minister for this honour.

The Institute of Chartered Accountants of India (ICAI) stands today not merely as an educator but as a pillar of the nation's financial framework. Our role extends far beyond academia—ICAI is a dynamic force shaping India's economic and financial landscape. As a partner in nation-building, we have aligned our efforts with the government's vision for *Viksit Bharat*, working collaboratively to implement changes in laws and offering insightful recommendations to strengthen the nation's financial architecture. I am a strong believer that along with fast-paced technology-driven service and manufacturing sector, rural economy is an inherent strength of India and hence during the year my special focus will be on this area.

Our profession, built on the pillars of Integrity, Independence, and Ethics, has evolved significantly. Chartered Accountants are no longer just record-keepers or compliance officers; we are strategic advisors, empowering economic activities across the nation. Our profession helps the stakeholders navigate complexities, identify growth opportunities, and thrive in an ever-changing economic environment. At every level of the economy, Chartered Accountants are India's Catalyst for Advancement and Innovation. As financial soldiers of the nation, our profession's contribution is significant in building a resilient economy and realizing our collective aspirations for a prosperous future.

As ICAI continues to evolve with the times, we remain committed to empowering the profession and contributing to the economic transformation of our nation.

Now, let's have a look at some of the developments related to the Profession:

26th Council of ICAI

I extend my heartfelt welcome to all the esteemed members of the newly constituted 26th Council of ICAI, who will serve as the driving force behind pivotal decisions shaping the future of this noble profession and contributing to the nation's progress. Notably, this is the first Council constituted for a term of 4 years. As thought leaders, their expertise, dedication, and commitment will be instrumental in propelling ICAI to new heights on the global stage. Their relentless efforts toward excellence will undoubtedly strengthen the Institute's standing as a Partner in Nation development.

I also take this opportunity to convey my best wishes to the newly elected Vice-President of ICAI, CA. Prasanna Kumar D., whose dynamic and versatile leadership and enriching experience, coupled with an optimistic outlook, will further enhance the Institute's functioning and effectiveness. His invaluable contribution will serve as a catalyst in advancing the objectives of ICAI and reinforcing its position as a global leader in the accounting profession.

Policy Advocacy for Progressive Tax Ecosystem

The Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman ji, while presenting the Union Budget 2024-25, announced that a comprehensive review of the Income-tax Act, 1961 for simplification of the language of the Act to make it concise, lucid, easy to read and understandable is underway, and this will reduce disputes and litigation and also bring down the demand embroiled in litigation.

A committee at the level of CBDT has been set up, and a stakeholder consultation was held under the chairmanship of the Revenue Secretary, Ministry of Finance, on 18th September 2024, wherein ICAI presented its Preliminary Suggestions for the Comprehensive Review of the Income-tax Act, 1961. Thereafter, ICAI submitted its detailed inputs for a comprehensive review of the Income-tax Act, 1961, as well as the Pre-Budget Memorandum 2025 in December 2024. Also, from time to time, representations are being submitted to CBDT with a request to resolve the genuine hardship faced by taxpayers to ensure effective tax compliance. It is heartening to note the consideration of ICAI's suggestions in the Finance Bill, 2025, and in the Income-tax Bill, 2025.

■ ICAI Suggestions Considered in the Union Budget 2025-26

The Institute of Chartered Accountants of India (ICAI) commends the Government of India for presenting a progressive and reform-oriented Union Budget 2025. This budget marks a significant step toward simplifying tax laws, reducing litigation, and easing compliance for taxpayers, aligning with ICAI's longstanding recommendations for an efficient and effective tax framework. I am pleased to inform you that many of the ICAI suggestions have found a place in the budget recommendations.

Amongst the ICAI's suggestions that have been considered in the Finance Bill, 2025, are tax exemption on withdrawals from National Savings Scheme (NSS) accounts to mitigate taxpayer hardship, revision of section 115UA(2) so that long-term capital gains referred in section 112A is taxed at the rate specified therein and not at MMR, and the introduction of a simplified regime to ease compliance for small charitable trusts and institutions. Furthermore, ICAI has successfully advocated for an increase in the TDS threshold under section 194J, the removal of TCS under section 206C(1H), and the reconsideration of the outdated Rs. 50,000 salary thresholds for "specified employee" for taxation of perquisite. As a significant step towards rationalizing the tax structure, ICAI has also suggested the introduction of a 25%

tax slab under the default tax regime in section 115BAC(1A), along with necessary revisions to tax slabs and rates. These measures also align with ICAI's broader vision of fostering a progressive and efficient tax ecosystem.

■ ICAI's Suggestions Considered in the Income-Tax Bill, 2025

ICAI continues to play a pivotal role in shaping a more efficient and streamlined tax framework. ICAI had, in its suggestions for a comprehensive review of the Income-tax Act, 1961, identified 13 chapters containing about 130 sections, in addition to another 134 sections and 9 schedules for elimination. Further, to enhance ease of compliance, ICAI suggested rationalization of the Charitable Trust Registration and Taxation regime as well as the introduction of a simplified scheme for smaller charitable trusts and institutions. ICAI's call for minimizing the use of complex provisos has also been acknowledged. Additionally, critical tax deduction thresholds have been rationalized, including an increase in the TDS threshold for professional services, technical services, and royalty payments, as well as the establishment of an independent threshold for TDS on directors' remuneration.

Other notable recommendations considered in the Bill include the removal of TCS on the sale of goods, the expansion of the definition of "relative" to include maternal lineal ascendants and descendants, and defining "property" to include virtual digital assets as a separate item in the list of capital assets given thereunder. Furthermore, "advance ruling" is being redefined by replacing "Authority" with the "Board for Advance Rulings." The outdated salary threshold of ₹50,000 for "specified employee" —set over two decades ago—is also being revised to better reflect present-day realities.

While these reforms are a welcome step, ICAI remains committed to work alongside policymakers to ensure its effective implementation. ICAI has constituted seven expert groups across India to comprehensively review the new Income-tax Bill 2025 and will shortly be submitting its recommendations on the same so that the objectives of simplifying the language of the law as also mitigating litigation and reducing compliance burden are achieved while enacting the new law.

While discussing the Income-tax Bill 2025, it may be noted that Chartered Accountants, with their specialized qualification covering in-depth auditing framework and taxation laws, rigorous training, and deep expertise, are uniquely suited to conduct tax audits with the highest standards of quality and integrity. The mandate of tax audit under Section 44AB of the Income-tax Act underscores the necessity of engaging professionals who are extensively trained, regulated, and governed by a statutory body solely dedicated to ensuring financial discipline and compliance. ICAI ensures that its members adhere to the highest levels of professional competence and ethical standards, thereby strengthening the tax ecosystem and promoting transparency in financial reporting.

■ FROM THE PRESIDENT ■ THE CHARTERED ACCOUNTANT

The recognition of Chartered Accountants as the sole experts in tax audit is crucial to maintaining the credibility of financial statements and reinforcing the trust of stakeholders in the taxation system. I am of the firm view that Chartered Accountants are the best and only suited professionals to undertake this onerous responsibility, and since beginning, lawmakers from time to time reposed their faith in the profession to undertake Tax Audit. ICAI will continue to engage with the authorities to ensure that the sanctity of tax audit is preserved in the interest of the profession and the economy at large.

75th Annual Function of ICAI

Marking a glorious journey of 75 years, ICAI continues to uphold its rich legacy while experiencing a golden era of professional excellence. The Institute magnificently celebrated its 75th anniversary on 2nd February 2025 in Delhi, a momentous occasion graced by the esteemed presence of *Shri Jagdeep Dhankhar, Hon'ble Vice-President of India*, as the Chief Guest and *Shri N D Gupta, Hon'ble Member of Parliament and Past President, ICAI*, as Guest of Honour. On the occasion inspiring the fraternity, the Chief Guest said, *"Chartered Accountant stands, not for Chartered Accountant, but Credibility Ambassadors, Change Accelerators, and I would urge you to be conscience arbiters, ethical guardians, and bold decision makers"*. These words will continue to guide and inspire the profession. The event served as a platform to honour and recognize exceptional achievements, with awards being conferred upon meritorious CA students, Regional Councils, Branches, and Overseas Chapters for their outstanding contributions throughout the year. Showcasing its intellectual strength and thought leadership, ICAI also unveiled a series of publications and initiatives aimed at furthering professional growth and knowledge dissemination. A comprehensive report on this grand celebration has been published separately in the journal.

Representation on Banking Law (Amendment) Bill, 2024

Over the years, ICAI has consistently advocated for a structured and uniform approach to auditor compensation. In light of this, a representation has been submitted to the Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman to express concern on the proposed modification in the Banking Law (Amendment) Bill, 2024, which seeks to grant discretionary power to Public Sector Banks (PSBs) in determining the remuneration of their Statutory Auditors.

ICAI Strengthening Global Accounting Profession

■ Delegation from ICPAK, Kenya

ICAI remains dedicated to the growth and development of the global accounting profession through collaboration and knowledge exchange. Recently, ICAI hosted the delegation from the Institute of Certified Public Accountants of Kenya (ICPAK), reinforcing our shared commitment to professional excellence. With a longstanding MoU since 2019,

ICAI and ICPAK continue to strengthen ties, fostering mutual growth and innovation. Through two day-long interactive sessions, we shared insights on UDIN, AI, digital learning, audit quality, and more. Such collaborations ensure a future-ready, globally connected accounting community.

■ Expanding Global Presence

In a major step towards the global brand building of the Indian accounting profession, the Institute has inaugurated five new Representative Offices in the USA. The virtual launch event, *Unite in America*, was held on 9th February 2025 and marked ICAI's expansion into Kansas, Louisiana, Minnesota, Tennessee, and San Diego. Chief Guest Dr. K. Srikar Reddy, Consul General of India (San Francisco), emphasized ICAI's growing global influence and its role in strengthening India's professional brand.

With this expansion, ICAI now operates 52 Chapters and 33 Representative Offices across 47 countries and 85 cities, reinforcing India's ascent in the global financial and accounting sector.

ICAI Sets New Benchmarks in Skill Enrichment and Entrepreneurship Development

I am proud to share that ICAI has been honored by the India Book of Records (IBR) and Asia Book of Records (ABR) for an extraordinary achievement—conducting 97 programs in a single day under the record title *"Maximum Programs Conducted on Entrepreneurship Skills in a Day."* This milestone reflects our unwavering commitment to fostering entrepreneurial excellence and empowering future business leaders with the skills to thrive in a dynamic world.

Also, ICAI has been officially recognized by IBR and ABR for conducting 79 programs in just 15 days under the record title *"Maximum Skill Enrichment Programs Conducted in a Fortnight."* This remarkable feat reinforces our dedication to continuous learning, professional development, and innovation at an unprecedented scale. ICAI remains at the forefront of shaping skilled, future-ready professionals who will drive the global economy forward.

ICAI Convocation - Welcoming the Gen Next

A grand Convocation Ceremony was held simultaneously across 13 locations in India to confer membership certificates upon 19,075 newly qualified Chartered Accountants and honour rank holders, ushering them into a future of excellence and integrity.

On this prestigious occasion, the Hon'ble Governor of West Bengal bestowed the esteemed *Governor's Award of Excellence* upon ICAI, acknowledging its remarkable contributions to the profession, ethical standards, and nation-building. This honour reaffirms ICAI's commitment to shaping world-class professionals who exemplify integrity,

excellence, and service to society. Notably, ICAI has made history as the *first professional regulator in India* to receive this prestigious recognition, marking a momentous milestone in its enduring legacy of excellence.

Additionally, the top three rank holders of the year were also presented with the *Governor's Award of Excellence*, celebrating their exceptional dedication and pursuit of excellence. Their achievements set a benchmark for aspiring professionals. The award includes a citation, a trophy, and a cash prize of ₹25,000.

Addressing young Chartered Accountants from Kolkata, Chief Guest *Shri (Dr.) C.V. Ananda Bose, Hon'ble Governor of West Bengal*, said, *"When the going gets tough, the tough gets going and I am addressing the toughest of the toughest in the professional services of this nation. Chartered Accountants are the sentinels of financial integrity, the architects of corporate governance, and the driving force behind a transparent and resilient economy. Chartered Accountants are harbingers, custodians of truth as far as corporate governance are concerned. It is because of the vigilance of the Chartered Accountants that the nation's financial health is nurtured."*

To our newly qualified CAs—uphold integrity, embrace diligence, and pursue excellence. Your perseverance will not only shape your success but also elevate the profession and honour of your family. The world awaits your impact—go forth and make a difference.

ICAI's Focus Areas for 2025-26: Advancing Technology, Well-Being, and Global Outreach

For the year 2025-26, ICAI is set to drive transformational changes by integrating technology, promoting professional well-being, and strengthening global outreach. ICAI will focus on harnessing Artificial Intelligence, blockchain, and data analytics to enhance efficiency and accuracy in accounting and auditing.

Recognizing the demanding nature of the profession, ICAI will be establishing a Committee on Promoting Work-Life Balance, emphasizing the importance of personal well-being alongside professional commitments. This initiative aims to help members & students and employees maintain a healthy balance, leading to increased productivity and overall fulfillment. Also three important groups are being constituted this year namely Group on Development of Rural Economy, the Group on enabling Lifestyle for Environment (LiFE), and the Group on Impact Financing. These initiatives will drive rural growth, promote eco-friendly lifestyles, and develop innovative financial solutions to support sustainable development. This year, we will also focus on opening new pathways for professional growth with the enhancement of skills and continuous learning to achieve lasting success.

Expanding its global footprint, ICAI will work towards fostering stronger international networks for Indian Chartered

Accountants, reinforcing India's leadership in the global financial ecosystem. Strengthening sustainability reporting and non-financial disclosures will also be a priority for encouraging eco-friendly business practices and corporate responsibility.

Further towards empowering the next generation of professionals, structured mentorship programs and faculty development initiatives for students will be introduced. Additionally, forensic accounting and investigation standards (FAIS) will be promoted for global adoption.

While the Institute will continue its commitment to MSME growth, financial literacy, and regulatory collaboration, it will also focus on the Gig economy. Global Capacity Centre is projecting India as the world factory of accountants, thereby positioning itself as a key partner in nation-building. By enhancing our disciplinary framework, ICAI will continue to uphold the highest standards of integrity and ethics.

With a strong focus on research, excellence, and brand reinforcement, we will ensure that ICAI's 1.4 million members and students contribute meaningfully to India's economic progress and global leadership. Together, we will shape a future-ready accounting profession that upholds trust, innovation, and excellence.

Concluding Remarks

As we stand at the threshold of a new chapter, it is time to unlock our true potential and transform aspirations into achievements. This is the moment when the dedication, perseverance, and commitment of professionals must bear fruit.

Change is the only constant, and embracing it is the hallmark of true growth. As we navigate the evolving landscape of our profession, I urge each one of you to continually upgrade your knowledge, refine your skills, and adapt to the dynamic regulatory and technological advancements shaping the financial world. The future belongs to those who are prepared to evolve, as reflected in the words of Mahatma Gandhi, *"The best way to find yourself is to lose yourself in the service of others."* Let us commit ourselves to this journey of learning, innovation, and service, ensuring that ICAI continues to shine as a beacon of excellence, integrity, and professional brilliance.

Jai Hind, Jai ICAI



CA. Charanjot Singh Nanda
President, ICAI

New Delhi, 28th February, 2025

Members of Twenty-Sixth Council [as on 12th February 2025]



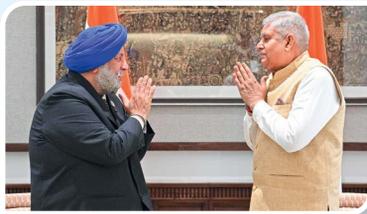
- 1st Row[L to R]** : CA. Chandrashekhar V. Chitale, CA. Sanjay Kumar Agarwal, CA. Prasanna Kumar D. (Vice President, ICAI), Shri Arjun Ram Meghwal, Hon'ble Minister of State (I/C) for Law & Justice and Parliamentary Affairs, CA. Charanjot Singh Nanda (President, ICAI), CA. (Dr.) Jai Kumar Batra, Secretary, ICAI, CA. Mangesh P. Kinare, CA. Rajendra Kumar P., CA. (Dr.) Anuj Goyal
- 2nd Row[L to R]** : CA. K Sripriya, CA. Durgesh Kumar Kabra, CA. Dayaniwas Sharma, CA. Hans Raj Chugh, CA. (Dr.) Sanjeev Kumar Singhal, CA. Jay Chhatra, CA. Babu Abraham Kallivayalil, CA. Rajesh Sharma, CA. Madhukar N Hiregange
- 3rd Row[L to R]** : CA. Priti P Savla, CA. Piyush S. Chhajed, CA. Umesh R. Sharma, CA. Muppala Sridhar, CA. Vishal Doshi, CA. Purushottamlal H. Khandelwal, CA. Pramod Jain, CA. Abhay Chhajed, CA. Gyan Chandra Mishra
- 4th Row[L to R]** : CA. (Dr.) Rohit Ruwatia Agarwal, CA. Satish Kumar Gupta, CA. Ravi Kumar Patwa, CA. Sanjib Sanghi, CA. Pankaj Shah, CA. Vishnu Kumar Agarwal, CA. Arpit J. Kabra

1. 73rd President of the Institute of Chartered Accountants of India



CA. Charanjot Singh Nanda elected as the 73rd President of the Institute of Chartered Accountants of India for the Council Year 2025-26 on February 12, 2025.

2. Meeting with Vice-President of India



CA. Charanjot Singh Nanda, President, ICAI along with Central Council Member met Shri Jagdeep Dhankhar, Hon'ble Vice-President of India, wherein matters related to key reforms & the profession were discussed.

3. Meeting with C & AG of India and Senior Dignitaries



CA. Charanjot Singh Nanda, President, ICAI & CA. Prasanna Kumar D, Vice-President, ICAI met Shri K Sanjay Murthy, Hon'ble C & AG of India, Shri A M Bajaj, Dy. CAG, Shri Naveen Singhvi, Principal Director, CAG & Shri Deepak Kapoor, DG (Com-II), CAG. They discussed about ICAI partnering with CAG for Nation Building Initiatives.



4. Meeting with Members of Parliament



CA. Charanjot Singh Nanda, President, ICAI & CA. Prasanna Kumar D, Vice-President, ICAI along with Central Council Member met Shri P P Chaudhary & Shri Jagadish Shettar, Hon'ble Members of Parliament & Members of Select Committee examining the Income Tax Bill 2025, to discuss key reforms & ICAI's contributions to tax policy.



CA. Charanjot Singh Nanda, President, ICAI & CA. Prasanna Kumar D, Vice-President, ICAI along with Central Council Member met Shri Mukesh Dalal & Shri Anurag Sharma, Hon'ble Member of Parliaments & Members of Select Committee examining the Income Tax Bill 2025, to discuss key reforms & ICAI's contributions to tax policy.



CA. Charanjot Singh Nanda, President, ICAI along with Central Council Member met Shri Raju Bista, Hon'ble Member of Parliament & Member of Select Committee examining the Income Tax Bill 2025 to discuss key reforms & ICAI's contributions to tax policy.



CA. Charanjot Singh Nanda, President, ICAI along with Central Council Member met Shri Lalji Verma, Hon'ble Member of Parliament & Member of Select Committee examining the Income Tax Bill 2025 to discuss key reforms & ICAI's contributions to tax policy.

5. Meeting with Secretary, MCA and Senior Officials



CA. Charanjot Singh Nanda, President, ICAI along with CA. Prasanna Kumar D, Vice-President, ICAI met Ms. Deepti Gaur Mukerjee, IAS, Secretary, MCA, Shri Inder Deep Singh Dhariwal, Joint Secretary, MCA & Shri Balamurugan D, Joint Secretary, MCA. Discussions were held on how ICAI can help achieve MCA's vision on Nation Building.

6. Launch of GPT for New Income Tax Bill 2025



Revolutionizing Tax Analysis! ICAI through its AI in ICAI Committee launched GPT for New Income Tax Bill 2025 on February 14, 2025.

7. First Press Conference of Council Year 2025-26



Newly elected Torch Bearers of ICAI for the Council Year 2025-26, CA. Charanjot Singh Nanda, President, ICAI & CA. Prasanna Kumar D, Vice-President, ICAI addressed the Media in a press conference held on February 20, 2025 and discussed about ICAI's achievements and vision for the future.

8. 73rd Annual Award Function of NIRC



CA. Charanjot Singh Nanda, President, ICAI along with Central Council Members & NIRC members, addressed participants at the 73rd Annual Award Function of ICAI in New Delhi on February 22, 2025, celebrating excellence in the profession.

9. Members Meet



CA. Prasanna Kumar D, Vice-President, ICAI shared his insights with members at the Members Meet organized by the Vijayawada and Guntur Branches of SIRC of ICAI on February 21 & 22, 2025 respectively, alongside Central Council Members, SIRC and Branch Management Committee Members.

10. 36th Annual Seminar Futuronomics: The Evolution of Opportunities



CA. Charanjot Singh Nanda, President, ICAI addressed the delegates at the 36th Annual Seminar "Futuronomics: The Evolution of Opportunities" organized by Abu Dhabi Chapter of ICAI on February 24, 2025.

11. Members Meet at SIRC



CA. Prasanna Kumar D, Vice-President, ICAI shared his thoughts with the Members present at the Members Meet hosted by the SIRC of ICAI on February 24, 2025. The event was graced by Central Council Members & SIRC representatives.

12. ICAI's Asia Book of Records Certificate



CA. Ranjeet Kumar Agarwal, the then President, ICAI along with CA. Charanjot Singh Nanda, the then Vice-President, ICAI & Central Council Members accepting ICAI's Asia Book of Records Certificate at the 438th Council Meeting held on February 10, 2025. The Council also honored Shri Ravikant, former ICAI official who won seat at the Delhi Assembly Elections 2025.

13. Inauguration of ICAI 3rd Centre of Excellence, Kolkata



CA. Ranjeet Kumar Agarwal, the then President, ICAI; CA. Charanjot Singh Nanda, the then Vice President-ICAI, Central Council Members, Secretary, ICAI & other dignitaries at the inauguration of ICAI 3rd Centre of Excellence, Kolkata (after Hyderabad and Jaipur) on February 7, 2025.

14. Inauguration of New ICAI Bhawan - S. Janardhan Building, Bengaluru



CA. Ranjeet Kumar Agarwal, the then President, ICAI along with CA. Charanjot Singh Nanda, Vice-President, ICAI, Central Council Members, SIRC & Branch Management Committee Members inaugurated the new ICAI Bhawan - S. Janardhan Building in memory of Late CA. Sadhu Janardhan in Bengaluru on February 9, 2025.

15. Contribution towards CABF



CA. Ranjeet Kumar Agarwal, the then President, ICAI along with CA. Charanjot Singh Nanda, Vice-President, ICAI, Central Council Members presenting Shield to CA. Satyanarayana A, ICAI Member towards acknowledging his contribution of Rs. 11,11,111/- to CABF.

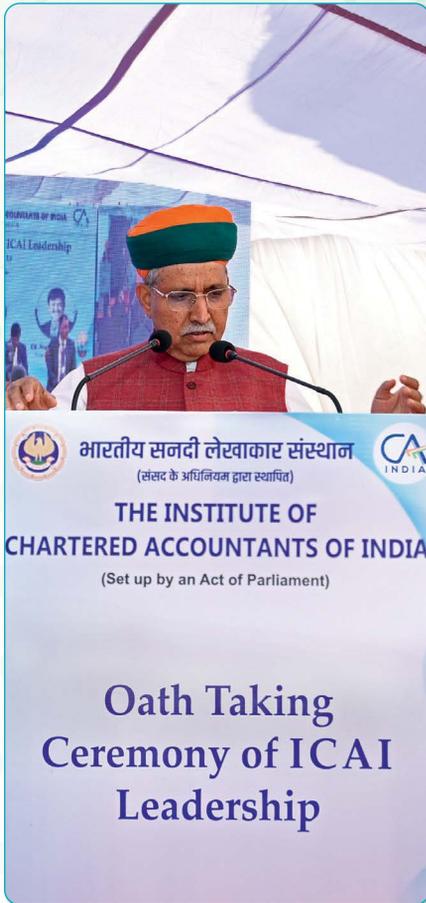
16. Delegation from Institute of Certified Public Accountants of Kenya (ICPAK)



CA. Ranjeet Kumar Agarwal, the then President, ICAI & CA. Charanjot Singh Nanda, the then Vice-President, ICAI along with Central Council Members welcomed the esteemed delegation from Institute of Certified Public Accountants of Kenya (ICPAK) on February 3, 2025 at ICAI HQ, Delhi to foster global collaboration in accounting profession.

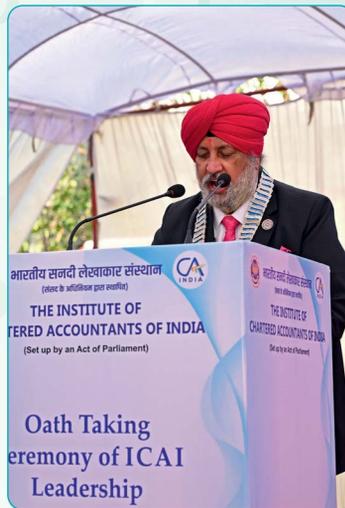
OATH-TAKING CEREMONY

THE CHARTERED ACCOUNTANT



Oath Text

“I, do swear in the name of God, solemnly affirm that I will bear true faith and allegiance to the profession of Chartered Accountancy under the Chartered Accountants Act, 1949 as established by Law. Further, I pledge to uphold the integrity of functions as prescribed in the said Act, Chartered Accountants Regulations, 1988 and rules framed thereunder for the benefit of the Chartered Accountancy Profession and I will faithfully and conscientiously discharge my role as the President/Vice President of ICAI for the Year 2025-26 and affection without fear or favor, action or ill-will.”



On the auspicious morning of 12th February 2025, the Institute of Chartered Accountants of India (ICAI) welcomed its **73rd President, CA. Charanjot Singh Nanda, and Vice President, CA. Prasanna Kumar D**, as they took their solemn oath of office. In a historic first, the oath of leadership was administered by the **Hon'ble Union Minister of State (I/C) for Law and Justice and Parliamentary Affairs, Shri Arjun Ram Meghwal**. This moment symbolized the commitment, responsibility, and dedication required to uphold the esteemed legacy of ICAI.

The Oath-taking ceremony marks a defining moment in ICAI's journey, a moment where the new visionary leadership takes charge of charting the course for a future built on trust, integrity, and excellence. As a beacon of professionalism, ICAI's leadership illuminates the path for businesses, industries, and the economy, resolute in its commitment to ethical practices. Like a lighthouse standing strong against the storm, ICAI guides the financial system with economic expertise, ensuring transparency and resilience amid the ever-changing tides of the global economy.

True leadership is not just about knowing the way but about showing the way. The newly sworn-in President and Vice President stand as the torchbearers of ICAI's esteemed legacy, entrusted with the vital task of advancing the profession to new heights. CA. Charanjot Singh Nanda, President, ICAI, upholds the guiding philosophy, *walk on the path of Dharma, and Dharma will protect you—it will shield you from all negativities and lead you to greatness.* CA. Prasanna Kumar D, Vice President, ICAI, brings a wealth of experience and dedication, standing alongside the President in driving key initiatives, strengthening policies, and ensuring the seamless implementation of ICAI's visionary roadmap.

Key Addresses at the Ceremony

Shri Arjun Ram Meghwal, Hon'ble Union Minister of State (I/C) for Law and Justice and Parliamentary Affairs, congratulated the CA Fraternity on this auspicious occasion. He remarked that as the oath is taken on Guru Ravidas Ji's birth anniversary, it reaffirms the duty to serve and strengthen India's economy. With India's goal of becoming the third-largest economy, President of ICAI, CA. Charanjot Singh Nanda's leadership, alongside the Vice President of

OATH-TAKING CEREMONY

THE CHARTERED ACCOUNTANT



ICAI, CA. Prasanna Kumar D, will help realize this vision. He emphasized on the role of CAs, stating "Let's work together to improve GST, income tax, and NCLT and strengthen the nation's economic growth." He further added that the challenges post-GST implementation in July 2017, such as mismatched returns and input tax credit issues, were effectively addressed by the Institute. Their proactive approach in educating the public on GST's benefits, despite it not being their responsibility, played a crucial role in resolving these challenges.

CA. Charanjot Singh Nanda, President, ICAI, expressed gratitude to Shri Arjun Ram Meghwal, Hon'ble Union Minister of State (I/C), for administering the oath and gracing the occasion with his presence. He lauded the leadership of CA. Ranjeet Kumar Agarwal who has become the guiding light in his journey of service as the Vice-President of ICAI. He also praised the current Vice President, CA. Prasanna Kumar D, whose dedication, commitment and humbleness towards the profession have the ability to take the Institute to cloud nine. He appreciated the increasing GST and Income Tax collections and the profession's commitment to India's economic growth. He urged all the Chartered Accountants to be one with the Institute with every fret and sweat. He emphasized, "This is not just a profession; it is our **passion and faith**, something we must always uphold. This profession teaches us discipline from the very beginning. Our training is rigorous, our exams are challenging, and we are molded into dedicated professionals who thrive on hard work. ICAI is India's Catalyst for Advancement and Innovation, and we all shall prove the same with our efforts."

Mutthi bhar ujalon ki khwahish thi mujhe, meherban ne toh poora aftar hawale kar diya.

– CA. Charanjot Singh Nanda, President, ICAI,

CA. Prasanna Kumar D, Vice President, ICAI, expressed gratitude for being elected to this esteemed position, acknowledging the support of peers, seniors, and council colleagues. He expressed, "Becoming the Torchbearer of ICAI is not merely the aspiration of an individual, but a noble dream shared by the entire fraternity of Chartered Accountants. Every aspiring Chartered Accountant envisions the privilege of contributing to its alma mater that commands the highest respect, with a deep desire to one day lead this esteemed body, upholding its legacy of excellence and integrity." His words reflect his deep commitment and loyalty to the profession and the significant role this Institute plays in his life. Reflecting on his journey from Chairman of the Visakhapatnam Branch to the Central Council, he highlighted the mentorship of past ICAI leaders.

CA. Ranjeet Kumar Agarwal, Immediate Past President, ICAI, congratulated the newly elected President and Vice President, expressing confidence in their integrity and dedication to lead the Institute to new heights in 2025. He emphasized, as he always does in the Council, that each year in the Accountancy profession should surpass the last, with continuous improvement driving its growth.



Union Budget 2025-26: Growth, Reforms and Fiscal Prudence



Dr. Rajeev Kumar
Academician

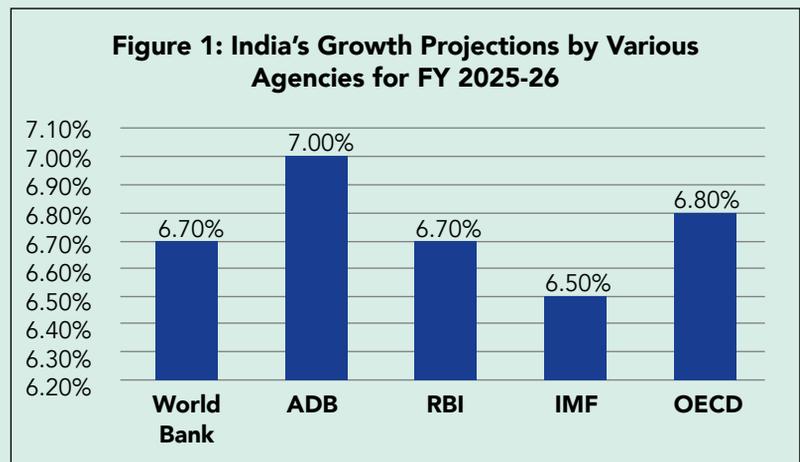
The Union Budget for the year 2025-26 was presented at a time of global economic uncertainty, supply chain disruptions, weak demand, geopolitical tensions and unpredictable inflation. Global uncertainties, trade disruptions and inflation risks could impact economic stability in India. However, the Indian economy has shown resilience, with an estimated GDP growth of 6.4 percent for FY25, supported by strong agricultural output, rising rural demand and a steady services sector. Looking ahead, India faces both opportunities and challenges. While the manufacturing sector in India is facing slowdown, fiscal discipline and a surplus in services trade can help in maintaining macroeconomic stability in the economy.

The budget focuses on sustainable and inclusive growth and emphasises on investment, private sector participation and rural consumption. Fiscal consolidation is on priority to ensure that deficit targets align with long-term stability. Beyond short-term economic management, the budget reinforces India's long-term vision of 'Viksit Bharat,' promoting reforms in agriculture, MSMEs, infrastructure and innovation to drive sustained economic growth. The

budget introduces transformative reforms in six domains: taxation, power sector, urban development, mining, financial sector and in designing regulatory frameworks.

Growth Projections for India

Figure 1 shows projections of India's economic growth for FY 2025-26 by various agencies. Growth estimates are between 6.5 percent and 7 percent. The Asian Development Bank provides the highest projection at 7 percent. The Organisation for



Sources: World Bank, ADB, RBI, IMF and OECD

Fintech refers to the innovative use of technology to deliver financial services in more efficient, accessible, and customer-centric ways.

Economic Cooperation and Development (OECD) forecasts a steady 6.8 percent. Both, the World Bank and the Reserve Bank of India (RBI) predict a moderate 6.7 percent growth. The International Monetary Fund (IMF) presents the most conservative estimate at 6.5 percent, reflecting a slightly cautious stance. Overall, these projections suggest a positive growth outlook for India.

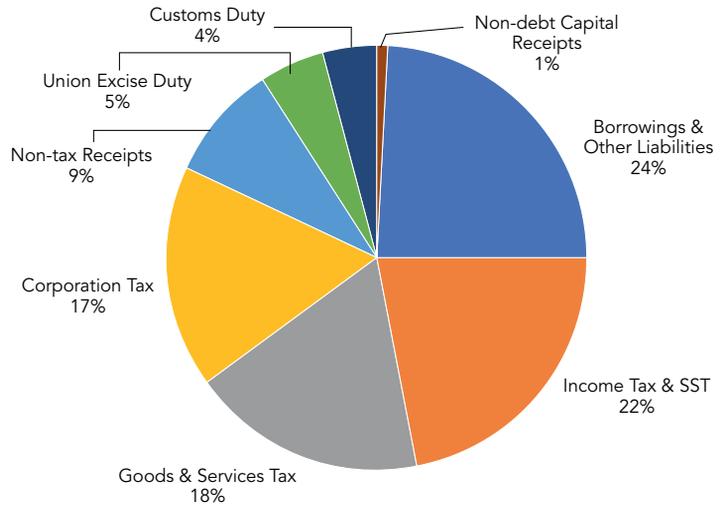
Financial Aspects of the Budget for 2025-26

Figure 2 shows various sources of receipts in the Budget this year. The budget relies on borrowings, corporation tax, income tax, and goods and services tax as key revenue sources. Non-tax receipts, excise duty, and customs duty play relatively smaller roles while non-debt capital receipts remain minimal.

Figure 3 shows a gradual increase in the gross tax revenue of the union government, rising from 10 percent of GDP in 2014-15 to a projected 11.9 percent in 2025-26. Direct tax receipts have steadily grown, while indirect tax receipts have remained relatively stable. The trend indicates a broadening tax base and enhanced revenue mobilization leading to fiscal stability.

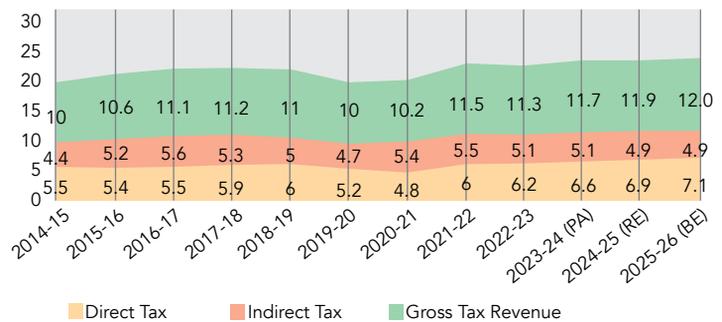
Figure 4 shows items of expenditure in the budget. The budget sets aside the largest share to meet states' share in taxes and duties, reflecting constitutional obligation for vertical devolution. Interest payments account for 20 percent highlighting significant debt servicing obligations of the government. Four items (Defence, Finance Commission Transfers, Other Expenditure and Centrally Sponsored Schemes) receive 8 percent each. Economic Subsidies are set at 6 percent, indicating controlled spending.

Figure 2: Sources of Revenue in the Union Budget for FY 2025-26 (% of Total Receipts)



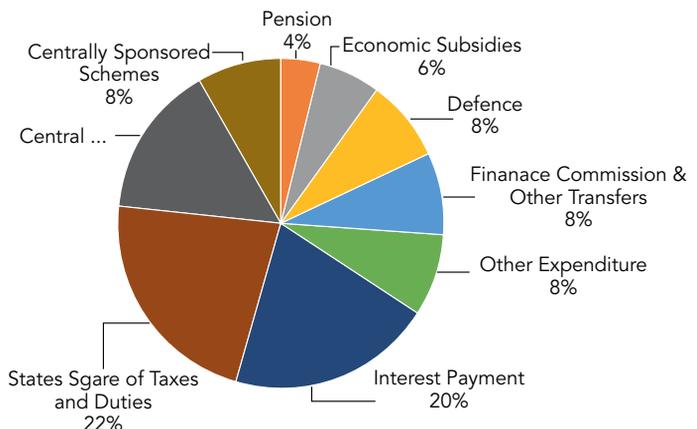
Source: Union Budget 2025-26 Documents

Figure 3: Trends in Tax Receipts of the Central Government (% of GDP)



Source: Union Budget 2025-26 Documents and Economic Survey, 2024-25

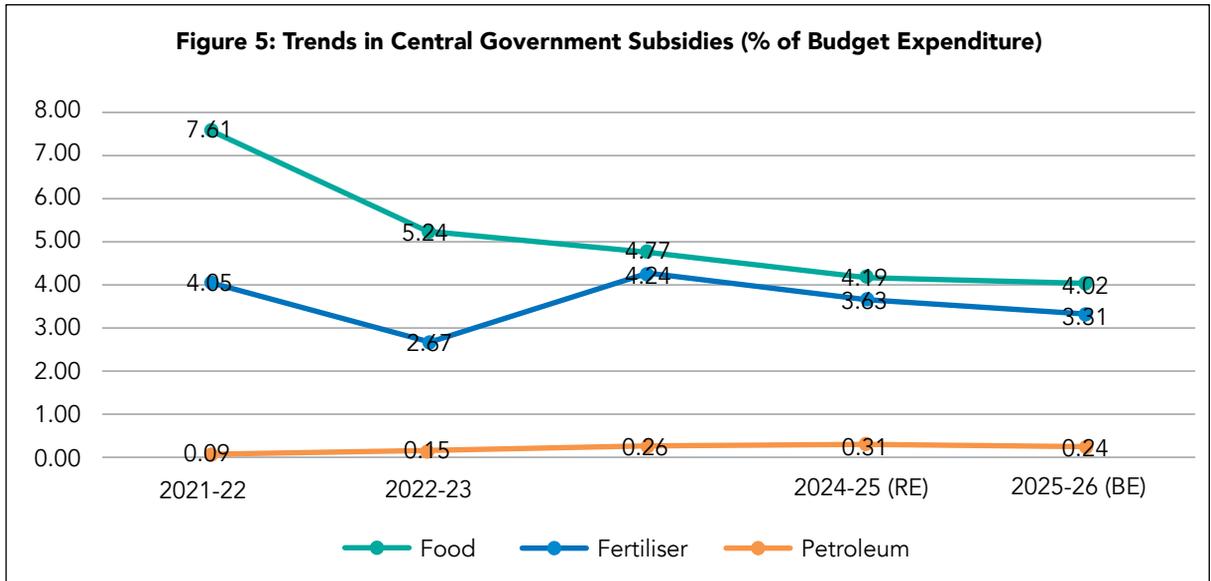
Figure 4: Items of Expenditure in the Budget 2025-26 (% of Total Expenditure)



Source: Union Budget 2025-26 Documents

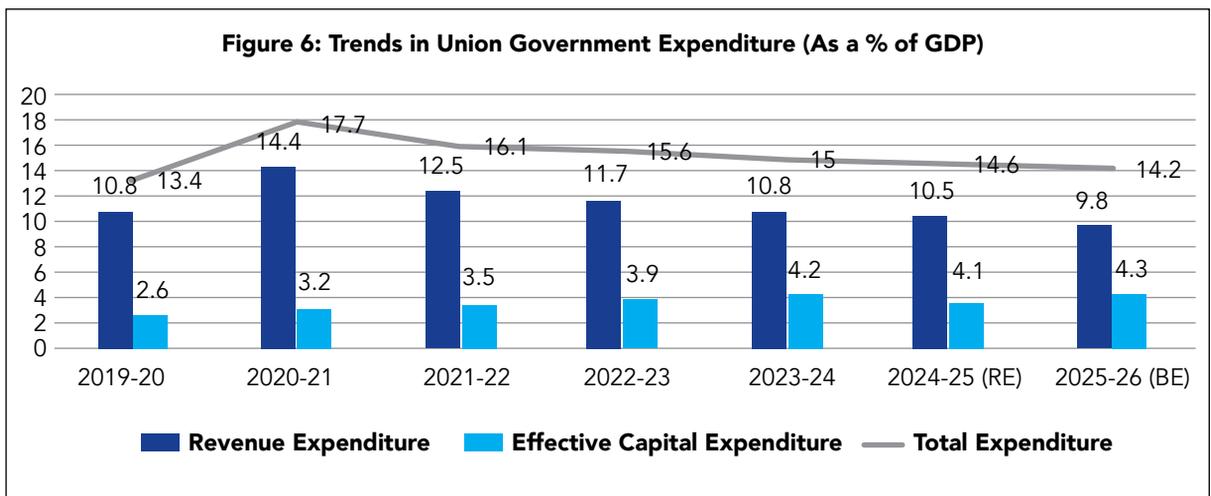
Figure 5 shows trends in three major budgetary subsidies. The food subsidy, which shot up during Covid 19, has declined from 7.61 percent in 2021-22 to 4.02 percent in 2025-26, indicating a steady reduction in expenditure despite government's commitment for free foodgrain under the Pradhan Mantri Garib Kalyan Yojana (PMGKY) which was

extended for five years w.e.f. 1st January 2024. Fertilizer subsidies showed fluctuation and a declining trend while petroleum subsidies remain minimal, increasing slightly in 2024-25 due to LPG subsidisation. Trends in expenditure on subsidy reflect government efforts towards rationalisation of subsidies while maintaining essential support.



Source: Union Budget 2025-26 Documents and Economic Survey, 2024-25

The trends in Union Government expenditure from FY 2019-20 to FY 2025-26, as shown in Figure 6, indicate a shift in fiscal priorities. Total expenditure as a percentage of GDP peaked in 2020-21 to 17.7 percent, primarily due to increased government spending during the COVID-19 pandemic. Since then, it has been on a steady decline and projected to be 14.2 percent in 2025-26. This decline reflects government's efforts toward fiscal consolidation. Revenue expenditure, in a similar pattern, rose to 14.4 percent of GDP in 2020-21 before gradually decreasing to 9.8 percent in 2025-26. This decline in revenue expenditure reflects fiscal prudence and an adherence to fiscal discipline as mandated in the revised Fiscal Responsibility and Budget Management (FRBM) Act.

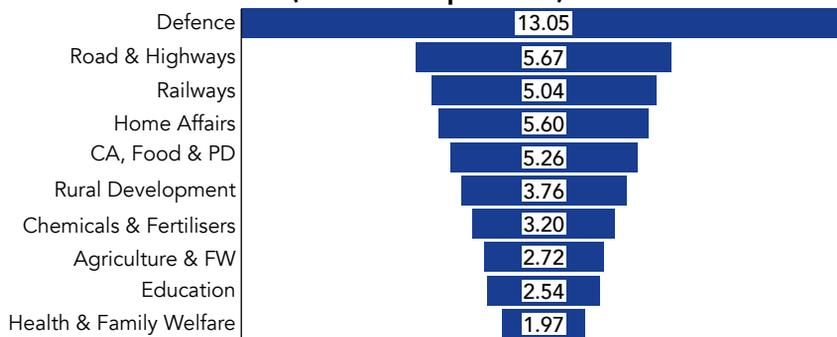


Source: Union Budget 2025-26 Documents and Economic Survey, 2024-25

As a healthy indication, effective capital expenditure has shown a steady increase, growing from 2.6 percent of GDP in 2019-20 to a projected 4.3 percent in 2025-26. While revenue expenditure still remains the dominant component of overall spending, its declining share relative to capital expenditure shows a healthy shift in fiscal stance with a focus on infrastructure and long-term asset creation. Thus, in the post-pandemic period, government has prioritised long-term economic growth by increasing capital expenditure.

Allocations in the budget this year have been made for 53 central ministries. The expenditure profile in the budget reflects a significant hike in the allocations for the Ministry of Defence. Figure 7 shows budgetary allocations of major central ministries. About 47 percent of the total budget is allocated to 10 major ministries while more than 30 percent of the budget goes to only five ministries.

Figure 7: Allocations of Top 10 Ministries for 2025-26 (% of Total Expenditure)



Source: Union Budget 2025-26 Documents

A Progressive Budget Shaping the Path to Viksit Bharat

The budget reiterates government’s commitment for accelerating growth, ensuring inclusive development and strengthening the private sector, while enhancing the spending power of the middle income class. This aligns with the vision of the Hon’ble Prime Minister Shri Narendra Modi’s leadership. Thus, despite a number of challenges, India remains resilient in its aspiration for *Viksit Bharat*, guided by a decade of transformative reforms and achievements.

The vision of ‘*Viksit Bharat*’ envisages zero-poverty, quality education, affordable healthcare, skilled labor with meaningful employment, increased women’s economic participation and positioning India as the world’s food basket. The Budget focuses on ten areas: agricultural growth, rural prosperity, inclusive growth, manufacturing and Make in India, MSME support, employment generation, investments, energy security, exports and innovation. The development journey is

The budget reiterates government’s commitment for accelerating growth, ensuring inclusive development and strengthening the private sector, while enhancing the spending power of the middle income class.

driven by four engines: agriculture, MSMEs, investment and exports; powered by reforms and guided by inclusivity towards the destination of *Viksit Bharat*.

Agriculture as the First Engine

The ‘Prime Minister Dhan-Dhaanya Krishi Yojana’, inspired by the Aspirational Districts Programme, will target 100 districts with low productivity, focusing on enhancing yields, sustainable agriculture, irrigation and credit availability. It will be benefiting 1.7 crore farmers in the country. A multi-sectoral ‘Rural Prosperity and Resilience’ program will be launched to address rural underemployment through skill development, investment and technology wherein Phase-1 will cover 100 agri-districts in the country.

To achieve self-sufficiency in pulses, a six-year ‘Mission for Aatmanirbharta in Pulses’ will focus on Tur, Urad and Masoor to ensure procurement support for farmers. A comprehensive program for vegetables and fruits will boost production, supply chains, processing and remunerative prices. A special Makhana Board in Bihar will enhance production, processing and marketing. The National Mission on High Yielding Seeds will strengthen research and develop climate-resilient seeds.

India ranks second in global fish production, with seafood exports valued at Rs. 60,000 crore. The Government will introduce an enabling framework to tap the potential of marine fisheries, particularly around the Andaman & Nicobar and Lakshadweep Islands. A ‘Mission for Cotton Productivity’ will facilitate sustainable cotton farming, promoting extra-long staple cotton. Kisan Credit Card loan limits will be enhanced from Rs. 3 lakh to Rs. 5 lakh to support 7.7 crore farmers, fishermen and dairy farmers. A new urea plant will be set up in Assam with an annual capacity of 12.7 lakh metric tons to help in achieving self-sufficiency in fertilizer production.

A National Manufacturing Mission will drive Make in India by supporting small, medium and large industries with policy, governance and execution roadmaps.

MSMEs as the Second Engine

In India, 5.7 crore Micro, Small and Medium Enterprises (MSMEs) contribute significantly to employment and manufacturing. In order to support their growth, the budget proposes to revise the classification criteria of MSMEs by increasing investment and turnover limits as shown in the Table 1. Credit guarantee cover for them will increase from Rs. 5 crore to Rs. 10 crore and for startups from Rs. 10 crore to Rs. 20 crore. It will boost total credit for MSMEs by Rs. 1.5 lakh crore over five years.

Table 1: Revised Classification Criteria for MSMEs

Enterprise	Investment (Rs. Crore)		Turnover (Rs. Crore)	
	Current	Revised	Current	Revised
Micro	1	2.5	5	10
Small	10	25	50	100
Medium	50	125	250	500

Source: Union Budget 2025-26 Documents

Micro enterprises will benefit from customized credit cards with a Rs. 5 lakh limit, with 10 lakh cards issued in the first year. A new Fund of Funds with a government contribution of Rs. 10,000 crore will support startups. A dedicated scheme will support 5 lakh first-time entrepreneurs from women, Scheduled Castes and Scheduled Tribes, providing term loans up to Rs. 2 crore over five years.

The budget also introduces measures for labour intensive sectors. A focus product scheme for footwear and leather will enhance

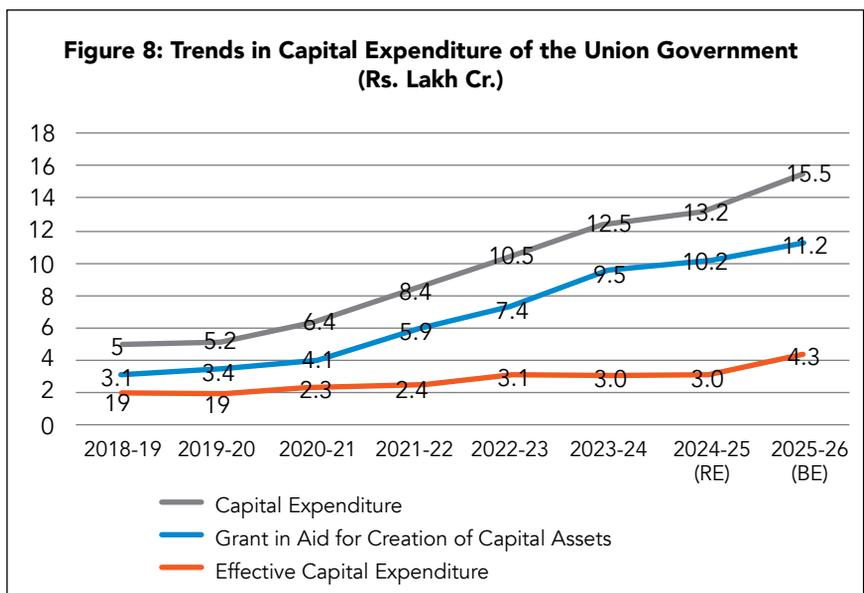
productivity, create employment for 22 lakh people, generate Rs. 4 lakh crore turnover and boost exports. A scheme to position India as a global toy manufacturing hub will focus on cluster development and sustainability.

A National Manufacturing Mission will drive Make in India by supporting small, medium and large industries with policy, governance and execution roadmaps. The Mission will also promote clean tech manufacturing for solar PV cells, EV batteries, wind turbines and grid-scale batteries.

Investment as the Third Engine

The budget upholds the uptrend in capital expenditure and continues to focus investment on people, economy and innovation. Infrastructure ministries will present a three-year Public Private Partnership (PPP) pipeline, with Rs. 1.5 lakh crore allocated for state capital expenditure incentives. A second Asset Monetization Plan (2025-30) will generate Rs. 10 lakh crore for new projects.

Figure 8 illustrates a steady increase in capital expenditure, rising from Rs.3.1 lakh crore in 2018-19 to a projected Rs. 11.2 lakh crore in 2025-26. Effective capital expenditure (sum of capital expenditure and grants-in-aid for creation of capital assets) follows a similar trend with a projected increase to Rs.15.5 lakh crore in 2025-26. The gap between capital expenditure and effective capital expenditure widens over time which indicates greater allocations for infrastructure projects rather than grants-in-aid for creation of capital assets.



Source: Union Budget 2025-26 Documents

The Nuclear Energy Mission for Viksit Bharat aims to develop 100 GW of nuclear energy by 2047 wherein an allocation of Rs. 20,000 crore will be made for Small Modular Reactors (SMRs) to ensure that at least five indigenously developed SMRs become operational by 2033. In the shipbuilding sector, policies will be revamped to address cost disadvantages, encourage shipbreaking through credit notes and integrate large ships into the harmonized master list. The government aims to support shipbuilding clusters with infrastructure, skilling technology. A Maritime Development Fund with Rs. 25,000 crore (49 percent funded by government) will provide long-term financing for the sector.

In the aviation infrastructure, the UDAN Regional Connectivity Scheme will expand to 120 new destinations, targeting four crore passengers in 10 years while supporting helipads and smaller airports in hilly and northeastern regions. Bihar will see the development of greenfield airports alongside the expansion of Patna airport and a brownfield airport. The Western Koshi Canal Project in Mithilanchal will receive financial support to benefit over 50,000 hectares of farmland. In mining, reforms will introduce a State Mining Index and policies for recovering critical minerals from tailings.

The SWAMIH Fund 2, worth ₹15,000 crore, will help complete another one lakh stressed housing units after successfully delivering 50,000 homes under the first phase. The PM Gati Shakti Portal will be made available to the private sector for project planning. Tourism will drive employment, with the top 50 destinations developed in partnership with states. Measures include hospitality skill programs, MUDRA loans for homestays and improved connectivity. The government will promote Buddhist tourism, alongside medical tourism, with easier visa norms.



Export as the Fourth Engine

The budget proposes an Export Promotion Mission, jointly operationalised by the Ministries of Commerce, MSME and Finance to facilitate easy access to export credit, cross-border factoring support and support to MSMEs to tackle non-tariff measures in overseas markets. BharatTradeNet (BTN) will create a digital platform for trade documentation. Integration with global supply chains will be encouraged, identifying key sectors and forming facilitation groups. A national framework for Global Capability Centres (GCCs) will guide state policies for attracting businesses in tier-2 cities. Warehousing facility for air cargo, especially for perishable horticulture products, will be upgraded.

Education, Skill and Social Sector

The budget proposes to enhance nutrition support for children, pregnant women and adolescent girls under the Saksham Anganwadi and Poshan 2.0. Ambitiously, the budget proposes to set up fifty thousand Atal Tinkering Labs in schools to foster innovation and to provide broadband connectivity for all government secondary schools and primary health centres under BharatNet. The Bharatiya Bhasha Pustak Scheme has been proposed to provide Indian language books in digital form for school and higher education. Five National Centres of Excellence for skilling will be established with global partnerships. IITs will get additional infrastructure to accommodate 6,500 more students. Further, in continuation to earlier establishment of Centres of Excellence in Artificial Intelligence for agriculture, health and sustainable cities in the year 2003, a Centre of Excellence in Artificial Intelligence for education will be set up. The budget proposes to enhance medical education with 10,000 additional UG and PG seats next year, toward a target of 75,000 in five years. The PM Research Fellowship will offer 10,000 fellowships in IITs and IISc.

The Jal Jeevan Mission, ensuring potable tap water for rural households, will be extended to 2028 with enhanced outlays. Urban sector reforms will be incentivized and an Urban Challenge Fund of Rs. 1 lakh crore will finance urban development projects, supporting cities as growth hubs and improving water and sanitation. A socio-economic upliftment scheme will support urban workers. PM SVANidhi will be revamped with enhanced loans, UPI-linked credit cards and capacity-building support. Recognizing gig workers' contributions, the Government will provide identity cards, registration on the e-Shram portal and healthcare under PM Jan Arogya Yojana, benefiting nearly 1 crore such workers.

Proposed Reforms in the Budget

The budget proposes a number of reforms in different areas like financial sector, custom, shipping and taxation

etc. Proposed regulatory reforms will ensure business ease through trust-based governance. A High-Level Committee for Regulatory Reforms will review non-financial sector regulations. A Jan Vishwas Bill 2.0 will decriminalize over 100 legal provisions. Financial sector reforms include raising the FDI limit in insurance from 74% to 100% for companies investing entirely in India and an expansion of India Post Payment Bank services in rural areas.

In the area of customs reforms the focus will be on tariff rationalization, removing seven tariff rates and reducing duty inversions. Relief on medicines includes exemptions for 36 lifesaving drugs. Critical minerals like cobalt powder and lithium-ion battery scrap will be exempted to boost domestic manufacturing. The textile sector will benefit from reduced duties on machinery, while electronics will see duty adjustments that favour local production. Shipping sector reforms will extend customs duty exemptions for shipbuilding materials for 10 years. Export promotions will include extended timelines for handicrafts, exemptions for leather processing and reduced duties on fish products. To enhance trade facilitation, a two-year limit for provisional customs assessments will be introduced.

The taxation reforms envisaged in this budget aim to simplify tax laws, reduce compliance burdens and provide relief to taxpayers, particularly the middle class. A significant change is the revision of personal income tax, where the exemption threshold is raised to Rs. 12 lakh (Rs.12.75 lakh for salaried taxpayers). This change is to ensure that individuals with an income up to this level will not be required to pay income tax. Additionally, new tax slabs have been introduced with lower rates to

benefit all taxpayers, leaving more disposable income in their hands. This will help in boosting household consumption, savings and investment. Tax exemptions are extended to withdrawals from old National Savings Scheme (NSS) accounts and NPS Vatsalya accounts.

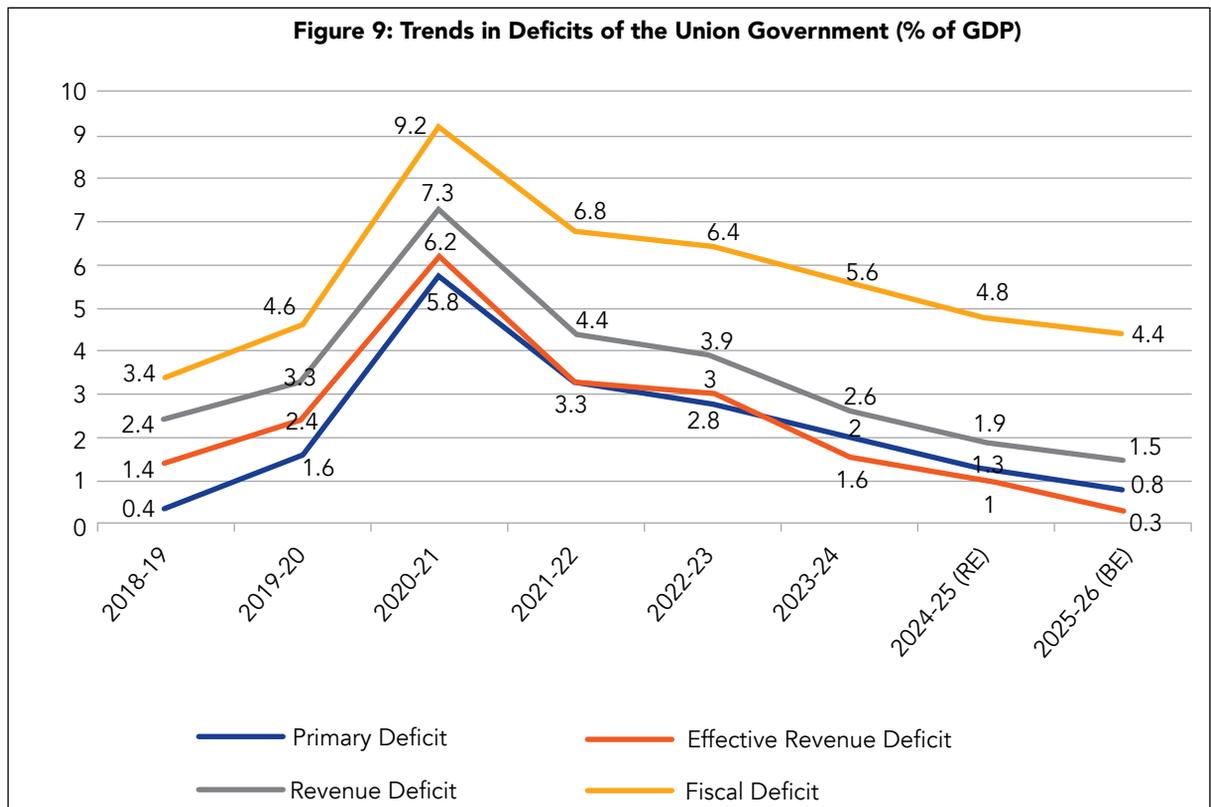
To ease tax compliance, the government proposes rationalizing Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) by increasing threshold limits, thereby reducing the number of transactions subject to tax deductions. For instance, the tax deduction limit on interest for senior citizens is doubled from Rs. 50,000 to Rs. 1 lakh and the annual TDS limit on rent is increased from Rs. 2.4 lakh to Rs. 6 lakh. The threshold for TCS on remittances under RBI's Liberalized Remittance Scheme is increased from Rs. 7 lakh to Rs.10 lakh, with exemptions provided for education-related remittances from loans taken from specified financial institutions.

Despite an estimated revenue loss of Rs. 1.02 lakh crore from these reforms, the government remains committed to simplifying taxation and fostering economic growth. This reflects a proactive approach towards a fair, transparent and efficient tax system that supports both individual taxpayers and businesses while promoting economic development.

Fiscal Outlook

Figure 9 shows trends in deficits of the Union Government as a percentage of GDP from 2018-19 to 2025-26 (Budget Estimates). A spike in deficits was observed in the pandemic phase 2020-21, when fiscal, revenue and primary deficits surged to 9.2 percent, 7.3 percent and 6.2 percent respectively because of revenue shortfalls and increased government spending to support economic recovery. Afterwards, a clear fiscal consolidation trend is visible, with the fiscal deficit projected to decline steadily from 9.2 percent in 2020-21 to 4.4 percent by 2025-26. This aligns with the Fiscal Responsibility and Budget Management (FRBM) Act, which mandates fiscal prudence and sustainable debt management. The government's target to bring the fiscal deficit below 4.5 percent by 2025-26 indicates a speedy return to fiscal discipline. Similarly, the primary deficit, which excludes interest payments, is estimated to decline from 6.2 percent in 2020-21 to 0.8 percent in 2025-26, reflecting reduced borrowing of Rs. 14.82 lakh crore in the year 2025-26. As far as revenue deficit is concerned, serious concerns remain. Although revenue deficit is declining yet it indicates a continued mismatch between revenue receipts and revenue expenditure. Although fiscal strategy of the government aligns with the FRBM Act goals, there is a need for structural tax and expenditure reforms to ensure sustainable fiscal management.





Source: Union Budget 2025-26 Documents

Conclusion

The union budget 2025-26 lays a strong foundation for India's economic growth by balancing fiscal prudence with strategic investments in agriculture, MSMEs, infrastructure and exports. With an emphasis on sustainable development and inclusive growth, the budget is perfectly commensurate with the vision of 'Viksit Bharat'. It aims innovation, employment generation and rural prosperity. Reforms in taxation, financial regulation and other areas aim to improve ease of doing business along with financial stability. The fiscal roadmap in the budget, with deficits projected to decline steadily, shows a commitment to fiscal consolidation supporting macroeconomic stability in the economy. Enhanced capital expenditure allocations highlight a shift towards long-term asset creation and infrastructure development. Rationalization of subsidies, enhanced financial inclusion and tax relief measures provide a balanced approach to economic management. Challenges still persist, particularly in revenue generation and inflation control. The budget signals a decisive step toward a robust, self-reliant economy. With a clear vision and structured reforms, the Union Budget 2025-26 paves the way for India's transformation into a global economic powerhouse.

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Four Engines of Development: An Analytical Study of Union Budget 2025-26 towards Viksit Bharat 2047



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An important milestone in India's path to Viksit Bharat 2047 is the Union Budget 2025–2026, which exemplifies the goal of inclusive, sustainable, and self-reliant growth. The budget emphasizes agriculture, MSMEs, investment, and exports as the four main drivers of economic reform, with a predicted GDP increase of 10.1%. Important programs like the Mission for Aatmanirbharta in Pulses, the Prime Minister Dhan-Dhaanya Krishi Yojana, and the growth of Made in India are designed to increase financial inclusion and production. Toto ensures that economic benefits reach every segment of society, especially farmers, women, youth, and the poor, the budget also allows significant funds for infrastructure, digital innovation, and job creation. A targeted 4.4% fiscal deficit upholds fiscal responsibility, while tax relief will benefit both individuals and corporations, promoting economic expansion. The budget lays the foundation for India to become a \$5 trillion economy by 2030 by promoting technological innovation, industrial growth, and sustainable development, thereby strengthening its position as the world's most prosperous nation.

Viksit Bharat, the government's motto, embodies its mission to end poverty, improve access to high-quality education, increase access to healthcare, and provide economic opportunity for all. Accelerating growth through investments and reforms is one of the budget's main topics. Enhancing the contribution of the private sector to economic growth. Encouraging resource use, exports, and production self-sufficiency. Providing social security and direct tax breaks to India's growing middle class. This study assesses how well India's long-term economic objectives are being driven by the budget's four engines of development. The predicted GDP

for FY 2025–2026 is ₹ 356,97,923 crore, 10.1% more than the NSO-released Revised Estimates for FY 2024–2025 of ₹ 324,11,406 crore. The release of this budget is associated with India's ongoing resilience and strong economic performance in the face of an uncertain global economic climate. In recent years, India's economy has grown at extraordinary rates. Prior estimates of India's real GDP growth for FY24 were recalculated by the National Statistical Office (NSO) from 7.3 percent to 8.2 percent. It is projected that nominal GDP will increase by 9.6% to Rs. 295.36 lakh crore (\$3.53 trillion) from Rs. 269.5 lakh crore (\$3.22 trillion).

Ten years ago, the Indian economy was valued at \$1.9 trillion (at current market prices); today, its nominal GDP is roughly double that amount. A nominal GDP growth of 10.2 percent is anticipated in FY25, according to the budget. At its present rate of expansion, India’s economy is expected to grow quickly to reach a value of \$5 trillion by 2030. With low and steady inflation rates, India has been able to sustain a steady economic direction, heading towards the desired 4 percent. To maintain price stability and economic resilience, the government is taking steps to stabilize the supply of perishable commodities, and core inflation is currently at 3.1%. In addition, strong expansion in the supply of goods and services and a suitable monetary policy stance helped fight inflation in the previous fiscal year. With concerted efforts and well-calibrated policies, food inflation also eased.

India towards Viksit Bharat 2047: Key Priority Areas in the Union Budget

Spurring Agricultural Growth and Productivity

India’s economy is still based mostly on agriculture, which makes a substantial contribution to both GDP and jobs. Under this budget, the government has implemented several important initiatives. Inspired by the success of the Aspirational Districts Program, our government will work with states to implement the

“Prime Minister Dhan-Dhaanya Krishi Yojana.” The initiative will cover 100 districts with below-average credit characteristics, moderate crop intensity, and low production by combining current programs with specialized approaches. Enhancing agricultural productivity, implementing crop diversification and sustainable agriculture techniques, increasing post-harvest storage at the panchayat and block levels, improving irrigation facilities, and making long-term and short-term loans more accessible are its five main objectives. 1.7 crore farmers are expected to benefit from this scheme.

Building Rural Prosperity and Resilience

The government will begin a six-year “Mission for Aatmanirbharta in Pulses,” with a particular emphasis on Tur, Urad, and Masoor, according to the Union Finance Minister. As much as farmers are willing to offer during the next four years, central agencies (NAFED and NCCF) will be prepared to purchase these three pulses. To significantly advance agriculture and related activities, the Budget has included measures for the Comprehensive Programme for Vegetables & Fruits, the National Mission on High Yielding Seeds, and a five-year Mission for Cotton Productivity. To increase financial accessibility, post offices are integrated with banking and credit services. In Bihar, the Makhana Board facilitates market connections, production, and processing for the expanding agricultural industry. For 7.7 crore

Principles of Viksit Bharat



Source: drishtiias.com/union-budget-2025-26

farmers, the Enhanced Kisan Credit Card (KCC) Loans have a ₹5 lakh ceiling, guaranteeing both modern agricultural and financial stability. In addition to ensuring food security, these policies seek to integrate India's agricultural sector with international supply networks and boost employment in rural areas.

Taking Everyone Together on an Inclusive Growth Path

According to the Hon'ble Finance Minister of India, Smt. Nirmala Sitharaman's address, the assistance programs for underserved populations have been enlarged. Direct benefit transfers (DBT), housing projects, and increased financial inclusion are all examples of this. According to the finance minister, these measures will guarantee that growth and its associated advantages are distributed to all societal segments.

Boosting Manufacturing and Furthering Make in India

Labor-intensive industries that create millions of employment include the production of shoes, leather goods, toys, and food. The National Manufacturing Mission seeks to support clean technology, electric vehicles, and the development of renewable energy through policy. Ease of Doing Business: Tax compliance relaxations, digital transformation, and regulatory simplifications. With financial and technological support, MSMEs can propel India's Made in India agenda ahead and act as job creators.

Supporting MSMEs

More than 30% of India's GDP and 45% of its exports come from Micro, Small, and Medium-Sized Enterprises (MSMEs). The budget presents:

Updated MSME Categorization: Turnover and investment restrictions for micro enterprises were increased to ₹10 crores and ₹2.5 crore, respectively.

Credit Guarantee Expansion: MSMEs now have ₹10 crores instead of ₹5 crores, and startups now have ₹20 crores instead of ₹10 crores. Micro-Enterprise Credit Cards: 10 lakh micro-entrepreneurs with a ₹5 lakh limit. The Fund of Funds for Startups is a ₹10,000 crore fund that supports early-stage companies and innovation.

First-Time Entrepreneur Support: Five lakh SC/ST and female entrepreneurs can receive term loans up to ₹2 crores.

A focus product strategy will be put into place to improve the footwear and leather industry's competitiveness, quality, and productivity in India. It is anticipated that the initiative will create jobs for 22 lakh people, earn Rs. 4 lakh crore in revenue, and increase exports by more than Rs. 1.1 lakh crore.

Enabling Development

Our government will implement particular policy and facilitation measures to encourage employment and entrepreneurship prospects in labor-intensive sectors. A focus product strategy will be put into place to improve the footwear and leather industry's competitiveness, quality, and productivity in India. It is anticipated that the initiative will create jobs for 22 lakh people, earn Rs. 4 lakh crore in revenue, and increase exports by more than Rs. 1.1 lakh crore. We will carry out

a plan to establish India as a global center for toys, building on the National Action Plan for Toys. We will create a National Institute of Food Technology, Entrepreneurship, and Management in Bihar as part of our dedication to "Purvodaya."

Investing in people, economy, and innovation

For long-term economic stability, a strong investment plan is essential. Among the budgetary provisions is:

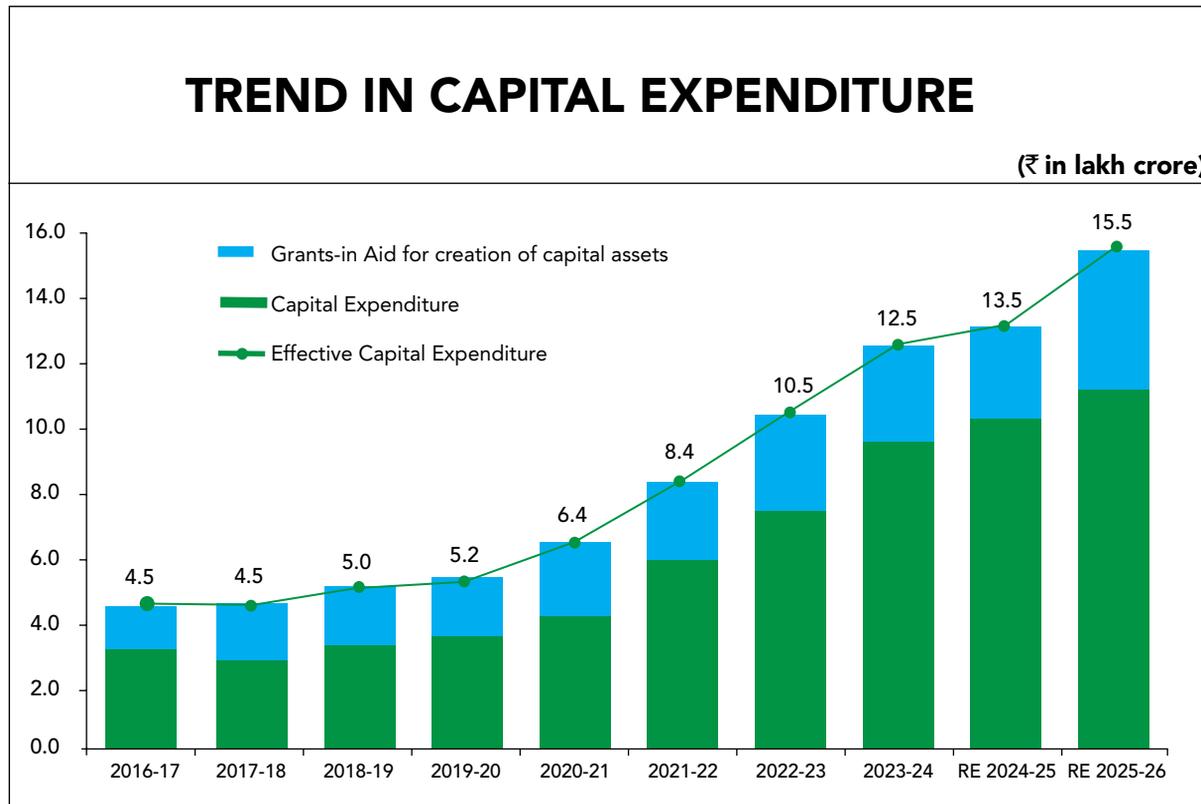
The Urban Challenge Fund: ₹1 lakh crore for projects related to housing, smart city development, and urban planning.

Power Sector changes: States putting electricity distribution changes into place will get an extra 0.5% borrowing capacity.

Jal Jeevan Mission: To reach 100% tap water access, the mission will be extended until 2028. ₹25,000 crores from the Maritime Development Fund will be used to upgrade port logistics and infrastructure. ₹1.5 lakh crore in 50-year interest-free loans to states for infrastructure and capital projects. 50,000 labs are part of the Atal Tinkering Labs initiative to support STEM education in schools. The long-term economic and social development objectives of India are in line with these investments.

Figure 1 As shown the trend in effective capital expenditure is calculated by adding the Center's capital expenditure shown. The entire spending is projected to be ₹47,16,487 crores in the Revised Estimates (RE) 2024–2025. However, the entire amount spent in FY 2023–2024 was ₹44,43,447 crores. In RE 2024–25, the total capital expenditure is projected to be ₹10,18,429 crores, compared to ₹9,49,195 crores in FY 2023–24 actuals. According to Budget Estimates (BE) 2025–2026, the overall spending is projected to be ₹50,65,345 crores, of which ₹11,21,090 crores is the

Figure 1: Trends in capital Expenditure of the Union Government (Rs. Lakh Cr.)



Source: Union Budget, 2025 -26

total capital expenditure and ₹ 15,48,282 crores is the effective capital expenditure.

Securing Energy Supplies

A Nuclear Energy Mission for research and development of Small Modular Reactors (SMR) with an outlay of RS. 20,000 crores will be established, and at least five domestically developed SMRs will be operationalized by 2033. Power Sector Reforms: Encourage distribution reforms and increase intra-state transmission. Additional borrowing of 0.5% of Gross State Domestic Product (GSDP) to states is contingent on these reforms. The development of at least 100 GW of nuclear energy by 2047 is crucial for our energy transition efforts.

Promoting Exports

Several Initiatives are proposed in the budget to increase India’s exports and integrate with international value chains: Export Promotion Mission: Sectoral assistance for high-value exports and MSMEs. Bharat Trade Net: A centralized network for digital trade documentation. Support for Air Cargo Warehousing: Improvements to the infrastructure for exporting perishable agricultural products. Bringing in foreign investment to tier-2 cities is the goal of the National Framework for Global

Capability Centres (GCCs). MUDRA Homestay Loans: Promoting regional tourism entrepreneurship. E-Visa Expansion: Streamlined visa processes to boost the number of overseas visitors. Improving medical services for patients from abroad through medical tourism and “Heal in India.” A better trade balance, the creation of jobs, and long-term economic growth are all guaranteed by fortifying India’s export environment.

Nurturing Innovation

The Gyan Bharatam Mission will document and conserve our manuscript heritage, which includes over 1 crore manuscripts. Research, Development & Innovation will allocate Rs. 20,000 crores to implement private sector-driven research. The second Gene Bank for Crops Germplasm will be established, with 10 lakh germplasm lines, to ensure future food and nutritional security. The PM Research Fellowship will offer ten thousand fellowships for technological research in IITs and IISc.

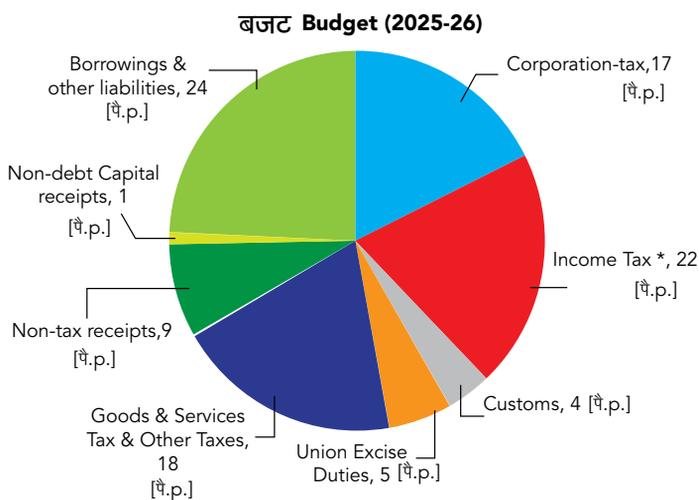
Zest of Revenue and Expenditure in the Budget

Often the Union budget document includes financial estimates for revenue (both capital and revenue receipts), expenditure (both capital and revenue

expenditure), and budget deficit, revenue deficit, effective revenue deficit, fiscal deficit, and primary deficits for three years. It also includes actual estimates for the year before the current year, which is when a regular budget is being presented, as well as budget estimates for the next fiscal year. This year's budget, however, included two updated financial projections for 2024–2025 and 2025–2026.

Figure 2, presents the proportion of different revenue streams in the 2025–2026 budget. The biggest shift is a significant 4.8 percent decrease in borrowing and other liabilities compared to the forecast for FY 2024–2025. Income taxes make up the largest portion of taxes, although debt is the single biggest source of budgetary revenue. Numerous taxes are imposed by the central government, both directly and indirectly. The central cess and surcharge component also generates additional revenue.

Figure: 2 Rupee comes in the Union Budget 2025-26 (% of Total Receipts)



Source: Union Budget, 2025 -26

pandemic-affected years, gross tax income has remained strong. Direct tax collections have far surpassed indirect tax collections since the pandemic, even if GST collections have increased. The Union Budget 2025-26 estimates that gross tax revenue will grow by 11.1%. This is expected to come from an increase in income tax collections, corporate tax, and GST.

Figure 4 displays budgetary allocations across several major expense categories. When contrasted with the projected numbers for FY 2024–2025, In 2024–2025, the government is expected to spend Rs 48,20,512 crore, which is 8.5% more than what was spent in 2023–2024. Interest payments make for 37% of revenue inflows

and 24% of total expenses. The estimated amount of subsidies is ₹ 4.28 lakh crore, which represents a 3% decrease from the updated 2023–24 forecasts. These substantial adjustments to the budget's allocations show a shift in the government's goals and priorities.

Overview of the Fiscal Budget

On March 31, 2021, the Central Government must keep the Fiscal Deficit at no more than 3% of GDP, according to the FRBM framework. Additionally, it stipulates that by March 31, 2025, the Central Government will make every effort to keep the Central Government Debt to 40 percent of GDP and the General Government Debt to 60 percent. The main operational goal for fiscal consolidation as of right now is the fiscal deficit. The government updated its fiscal deficit goal to 4.8% of GDP in RE 2024–2025. Furthermore, the fiscal deficit to GDP in FY 2025–2026 is anticipated to be 4.4%, by the promise made in the Budget Speech for FY 2021–2022.

The anticipated decreases in the budgetary and revenue deficits of the central government have not yet been achieved, despite earnest attempts. The budget for this year has suggested further lowering the fiscal deficit and revenue deficit projections to 4.4 percent and 1.5 percent of GDP, respectively, in this direction. Trends in the Center's deficit metrics since fiscal year 2017 are depicted in Figure 5. The data makes it clear that the government has rapidly returned to fiscal restraint in the years after the outbreak. The fiscal deficit's financing structure has a significant impact on the economy's future. It's crucial to understand that the public and private sectors vie for funding in this situation. Less money is available for the private sector if the state sector borrows more from the market. Increased

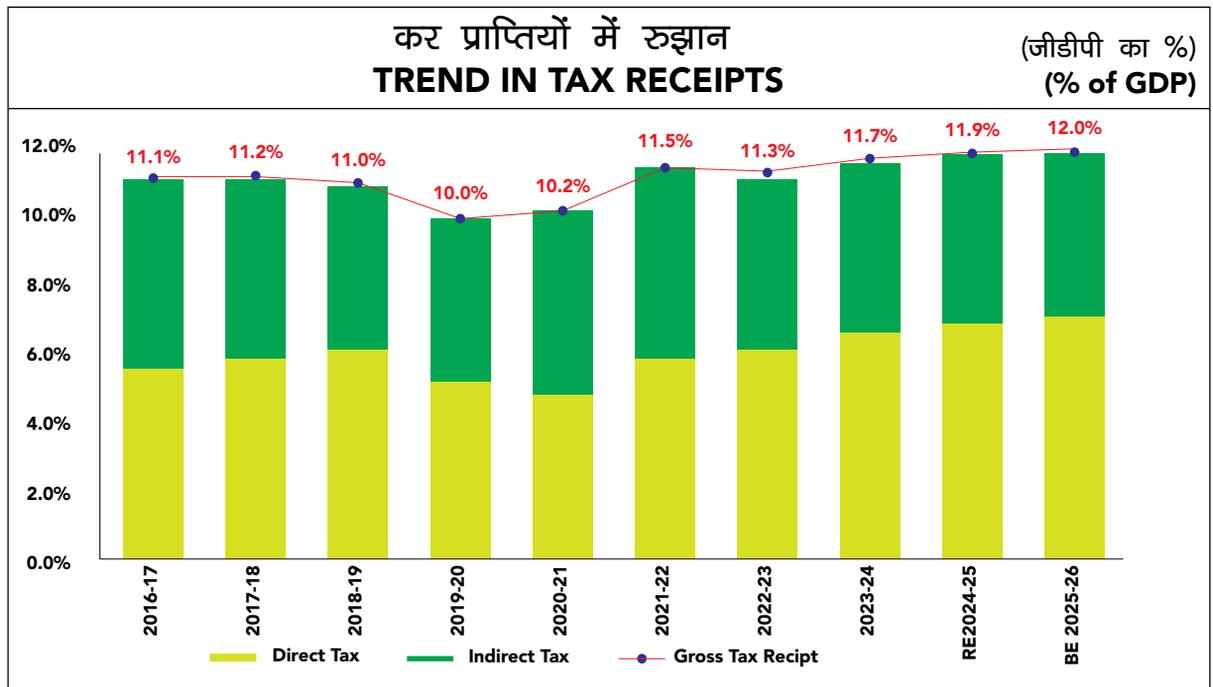
government demands for market borrowings combined with larger budget deficits could push interest rates higher in the economy. Private investment in the economy may suffer as a result of higher interest rates. Given the current low interest rates and increased engagement of retail investors in the stock market, this issue may be made worse in the current environment by a slowdown, particularly in low-cost current account and savings account deposits. The banking system's loan-deposit ratio, which has increased to its highest level in the previous two years, clearly shows this impact.

Allocations to Major Ministries

Ministries receive budgetary allocations to ensure balanced development across all sectors. The fiscal

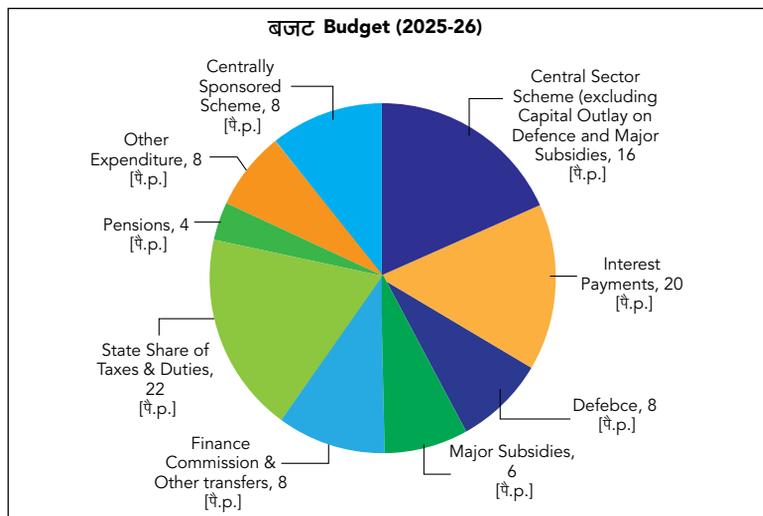
Figure 3: Trends in Tax Receipts of the Central Government (% of GDP)

Figure Shows, Changes in tax revenue receipts over ten years as a share of GDP. Except for the



Source: Union Budget, 2025 -26

Figure 4: Items of Expenditure in the Union Budget 2025-26 (% of Revenue Expenditure)



Source: Union Budget, 2025 -26

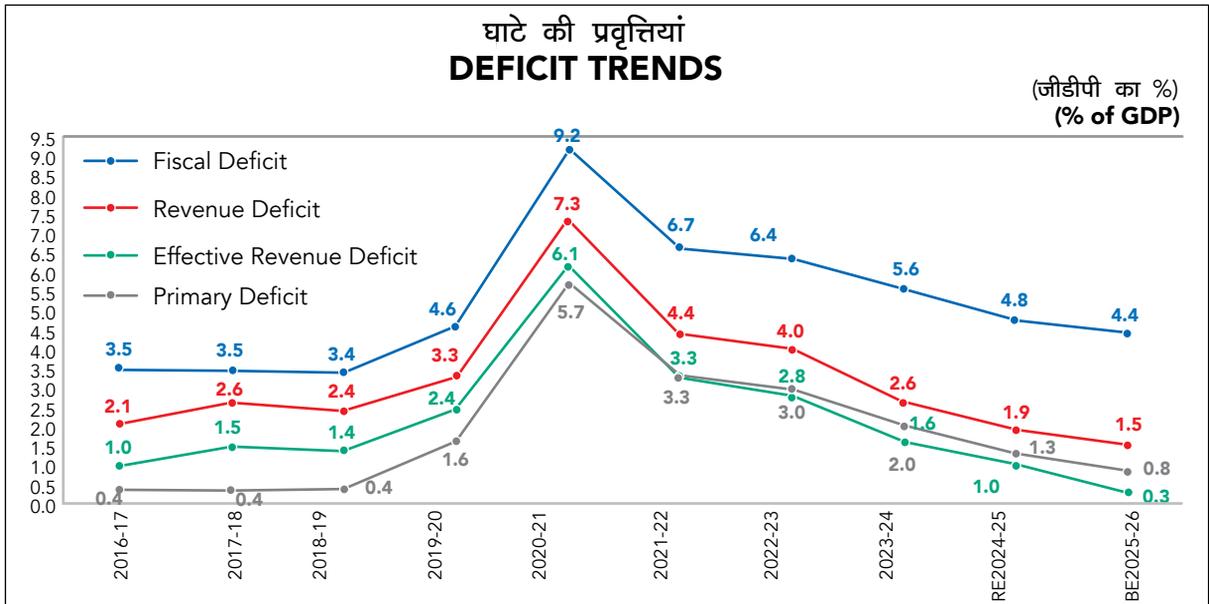
allotment to the top 10 central ministries as a percentage of overall spending is displayed in Figure 6. A significant portion is also given to the Ministry of Defence to preserve national security. The Ministry of Health

and Education receives large sums of money to enhance public services. Funds have been allotted by the Ministry of Agriculture to help farmers and increase agricultural output. To build roads, railroads, urban projects, and housing, infrastructure ministries like housing and transportation receive large resources. The government's aims and dedication to achieving comprehensive national growth are reflected in these allocations. Defence was allocated over 6.8 lakh crores in the Budget, followed by Road Transport Highways, and Railways. In last year's interim budget, the Defence Ministry was allocated 6.2 lakh crores.

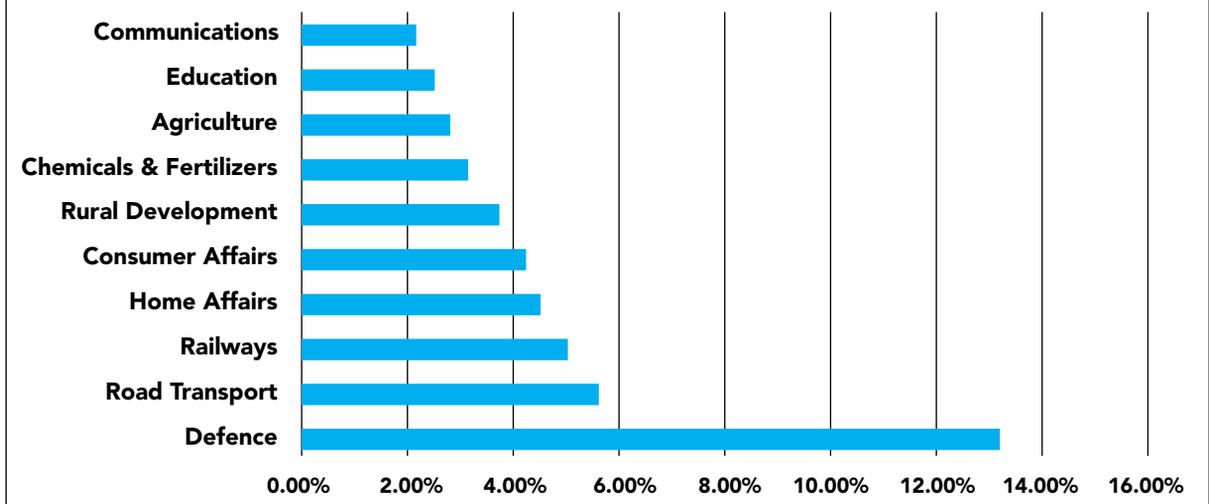
Tax Reforms

The Union Budget 2025–26 places a strong emphasis on the role of the middle

class in the development of the country by proposing new direct tax slabs and rates under the new income tax regime. This means that, aside from special rate income like capital gains, no income tax is required on total

Figure 5: Trends in Deficits of the Union Government (Percent of GDP)

Source: Union Budget, 2025 -26

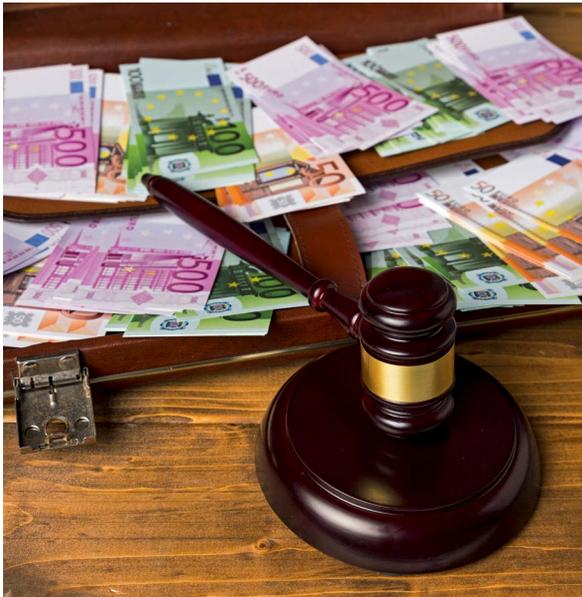
Figure 6: Allocations to Major Central Ministries in the Budget 2025-26 (% of Total Expenditure)

Source: Union Budget, 2025 -26

income up to ₹ 12 lakhs annually or an average monthly income of ₹ 1 Lakh. Due to the standard deduction of ₹ 75,000, salaried individuals earning up to ₹ 12.75 lakh annually will pay no taxes. The government is expected to forego revenue of about ₹ 1 lakh crore as a result of the new tax structure and other direct tax initiatives.

The budget doubles the current ₹ 50,000 tax deduction ceiling for senior citizens' interest earnings to ₹ 1 lakh

to rationalize TDS. Instead of an annual TDS threshold of ₹ 2.4 lakh for rent, there would be a monthly TDS threshold of ₹ 50,000. Delays in TCS payments up to the time prescribed for filing of quarterly statement of TCS have now been decriminalized after the decriminalization of TDS payment delays last year. For a three-year block period, Budget establishes a system for determining the arm's length price of overseas transactions to make doing business easier,



in line with international best practices. Additionally, self-harbor regulations are being extended to offer worldwide tax certainty.

36 life-saving medications and those used to treat cancer, uncommon disorders, and chronic illnesses are completely exempt from Basic Customs Duty (BCD) as part of a relief on the importation of goods and medications. Additionally, if given to patients for free, 37 medications,

13 new patient assistance programmes have been added and are exempt from Basic Customs Duty (BCD). Cobalt powder and trash, lithium-ion battery scrap, lead, zinc, and twelve other essential minerals are all completely free from the applicability of BCD in the Budget 2025–26. Additionally, BCD was changed from “10% to 20%” to “20% or ₹ 115 kg, whichever is higher” for knitted fabrics that cover nine tariff lines. To correct the inverted duty structure and support “Make in India,” BCD was lowered to 5% on open cells and raised to 20% on interactive flat panel displays (IFPD). BCD was reduced from 30% to 5% on frozen fish paste and 15% to 5% on fish hydrolysate.

Conclusion

A comprehensive and forward-looking economic framework that addresses structural reforms, fiscal stability, and socioeconomic justice is presented in the Union Budget 2025–26. The budget enhances India’s industrial base, digital infrastructure, and agricultural resilience with an emphasis on capital investment, independence, and global competitiveness. The policy measures prioritize inclusive growth, innovation, and job creation, ensuring sustainable and equitable

36 life-saving medications and those used to treat cancer, uncommon disorders, and chronic illnesses are completely exempt from Basic Customs Duty (BCD) as part of a relief on the importation of goods and medications.

development. This budget reaffirms India’s commitment to long-term prosperity by striking a balance between financial restraint and economic growth, setting the stage for a developed and globally competitive country by 2047. To accelerate India’s transformation into a contemporary economic powerhouse, these efforts will need to be implemented effectively, collaborate with the private sector, and maintain policy momentum.

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Finance Bill 2025 – TDS & TCS



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The Union Budget 2025-26 is the first full-year budget of the Modi 3.0 Government. It aims to balance fiscal prudence with taxpayer relief amid concerns over rising freebies and fiscal discipline. It introduces rationalized tax provisions, eases compliance burdens, and incentivizes economic growth, recognizing taxpayers' contributions. Nani Palkhivala's philosophy of fair taxation resonates with this approach—taxation should foster prosperity, not oppression. Modern fiscal policy focuses on broadening the tax base and increasing incomes rather than raising tax rates, ensuring self-generating revenues. The goal is a just, efficient system that supports governance, business, and economic progress.

Budget Blues and Economy

The Finance Bill 2025 provides a major relief to taxpayers by raising the tax-free income threshold from Rs. 7 lakhs to Rs. 12 lakhs, significantly increasing disposable income. Reduction in tax rates benefits taxpayers across the board. This move is expected to boost consumption, drive investments, and strengthen capital markets. This is expected to lead to higher demand across trade, commerce, industries, increased employment, and business expansion. The surge in economic activity will result in higher GST collections, ensuring fiscal stability. By discouraging tax evasion and improving compliance, this reform supports a transparent and efficient tax system. It aligns with the Modi 3.0 Government's vision of accelerating economic growth, investment, and self-reliance.

TDS & TCS

The Finance Bill 2025 introduces significant reforms to the Tax Deducted at Source (TDS) and

Tax Collected at Source (TCS) provisions, aiming to simplify and streamline tax compliance.

The Finance Ministry has stated that the proposed changes in this area aim to "rationalize TDS/TCS to alleviate difficulties". Changes are summarised in this paragraph. The limit for a tax deduction on interest for senior citizens is proposed to be doubled from the present Rs. 50,000 to Rs. 1 lakh. Similarly, the proposals include the annual limit of Rs. 2.40 lakhs for TDS on rent to be increased to Rs.6 lakhs. This will reduce the number of transactions liable to TDS, thus benefitting small taxpayers receiving small payments. The provisions of the higher TDS deduction will now apply only in non-PAN cases. Further, the threshold to collect tax at source (TCS) on remittances under RBI's Liberalized Remittance Scheme (LRS) is proposed to be increased from Rs.7 lakhs to Rs.10 lakhs. Also, the delay for payment of TCS up to the due date of filing the statement is proposed to be decriminalized.



Untold Relief

Section 192 of the Act requires employers to deduct tax (TDS) at source from the 'Salary' income of employees. TDS from Salary should be at the average rate of income-tax computed on the basis of the rates in force for the financial year in which the payment is made, on the estimated income of the employee under this head for that financial year. After deduction, it is necessary to pay TDS to the Government, furnish Statements of TDS, generate TDS certificates, issue the Certificates to employees, and carry the risk of exposure to interest and penalty in the process.

The Finance Bill 2025 provides significant relief to employers by raising the tax-free income threshold from Rs. 7 lakhs to Rs.12 lakhs and increasing the standard deduction to Rs.75,000. This move not only enhances employees' disposable income but also reduces the significant TDS compliance burden on employers. It is estimated that about 50%-60% employees from urban areas and about 70%+ employees from non-urban areas will not be required to pay any tax and as a consequence, will be out of the TDS net. With fewer employees falling under the TDS net, businesses will see a reduction in payroll tax deductions, administrative workload, and compliance costs.

Changes Proposed

The provisions governing Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) impose significant compliance obligations on business entities, resulting in substantial administrative burdens. Given their anti-avoidance nature, even minor errors in compliance can lead to severe consequences. Recognizing these challenges, the Finance Bill, 2025, has introduced certain amendments aimed at alleviating the compliance burden associated with TDS and TCS.

The limit for a tax deduction on interest for senior citizens is proposed to be doubled from the present Rs. 50,000 to Rs. 1 lakh.

The key amendments proposed in the Finance Bill, 2025, concerning TDS and TCS, can be broadly classified into the following categories:

- (i) Rationalization of TDS and TCS Thresholds
- (ii) Reduction in TDS and TCS Rates
- (iii) Elimination of Higher TDS and TCS Rates for Non-Filers
- (iv) Decriminalization of Certain TCS Offenses

Unless otherwise stated, the changes are proposed to be applicable from April 1, 2025, i.e. for F.Y. 2025-26 and onwards.

A detailed analysis of these proposals is given below.

Rationalization of Thresholds

There are 30+ sections relating to TDS and TCS and different thresholds have been specified for applicability of the provision. The Finance Bill, 2025 proposes to increase certain thresholds for determining the applicability of TDS and TCS provisions. This proposal shall reduce the administrative burden on business enterprises.

These provisions relating to an increase in the threshold will reduce the compliance burden of the stakeholders. Further, these enhancements in the threshold limit are a welcome relief to individual taxpayers and small taxpayers, whose income may not be subject to tax. The income tax department will be relieved of processing several refund claims.



The proposals specifying or increasing the threshold limits are as under:

Sr. No	Section	Particulars	2024-25 Threshold Rs.	2025-26 Threshold Rs.
(i)	(ii)	(iii)	(iv)	(v)
1	193	Interest on securities	Nil	10,000/-
		When paid to an Individual or HUF	5,000/-	10,000/-
2	194A	Interest other than Interest on securities		
2(a)		For senior citizen	50,000/-	1,00,000/-
2(b)		In case of others when the payer is the bank, cooperative society, and post office	40,000/-	50,000/-
2(c)		in other cases	5,000/-	10,000/-
3	194	Dividend for an individual shareholder	5,000/-	10,000/-
4	194K	Income in respect of units of a mutual fund or specified company or undertaking	5,000/-	10,000/-
5	194B*1	Winnings from lottery, crossword puzzles, etc.	10,000/- Aggregate of amounts exceeding during the financial year	10,000/- in respect of a single transaction
6	194BB*1	Winnings from horse race		
7	194D	Insurance commission	15,000/-	20,000/-
8	194G	Income by way of commission, prize, etc. on lottery tickets	15,000/-	20,000/-
9	194H	Commission or brokerage	15,000/-	20,000/-
10	194-I*2	Rent	Rs. 2,40,000/- during the financial year	Rs. 50,000/- per month or part of a month
11	194J	Fee for professional or technical services, Royalty, etc.	30,000/-	50,000/-
12	194LA	Income by way of enhanced compensation	2,50,000/-	5,00,000/-

*1 For Sections 194B and 194BB, in place of threshold that was prescribed for the entire financial year, it is proposed for each transaction. Thus, in a year three lottery prizes of Rs. 5,000 each are won by a person, under current law, TDS becomes applicable, however, in the proposed law, TDS will not be applicable.

*2 In respect of rent, for the first time threshold limit has been prescribed on per month basis in place of usual prescription of per annum basis. Therefore, even if, say, A house property is taken on rent for three months in a year at Rs. 60,000 per month, under current law, TDS is not applicable, however, in the proposed law, TDS will be applicable. Further, in addition, say if any machinery is taken on rent for 10 days and Rs. 25,000 are paid, TDS will be applicable under the proposed law.

Omission of TCS on sale of specified goods – Section 206C

Presently, section 206C(1H) of the Act provides that a seller who receives consideration for the sale of any goods of the value, or with aggregate value during any financial year, exceeding Rs. 50 lakhs, such seller shall collect tax from the buyer (TCS) at the rate of 0.1% of the sale consideration exceeding Rs. 50 lakhs. There are certain other conditions are prescribed. Also, under section 194Q a buyer is required to deduct tax from payments to a resident seller (TDS) at the rate of 0.1%

from the payments made to him for the purchase of any goods of the value, or aggregate of value, exceeding Rs. 50 lakhs in any Financial Year.

Further, it is provided that if the buyer is liable to deduct TDS under Section 194Q on the goods purchased from the seller TCS Section 206C(1H) is not required.

It is proposed that from April 1, 2025, the provisions of making TCS section 206C(1H) of the Act will not be applicable.

The Finance Bill 2025 provides significant relief to employers by raising the tax-free income threshold from Rs. 7 lakhs to Rs.12 lakhs and increasing the standard deduction to Rs.75,000.

This measure will promote ease of doing business and alleviate the compliance burden on taxpayers.

TCS Relaxations

From money sent abroad to cover educational expenses, TCS is required to be made. There is an exemption from TCS up to a maximum of Rs.7 lakh. For transactions above this threshold, TCS charges of 0.5% become applicable if the funds are being provided out of a loan. If these expenses are being met from any other income source, 5% TCS is applicable for transactions exceeding the maximum threshold. Moreover, if the person remitting the amount cannot prove that the money is being sent for educational purposes, the TCS rate is 20%.

The Finance Bill 2025 proposes that TCS provisions will not apply on remittance made under the Liberalised Remittance (LRS) Scheme for the purpose of pursuing education if the remittance is financed by a loan obtained from the specified financial institution(s). This avoids hardship where funds were borrowed for education and also TCS was required to be deposited.

Further, the threshold to apply TCS on remittances under the LRS Scheme and overseas tour program package has been proposed to be increased from Rs. 7 lakh to Rs. 10 lakh.

TCS on Forest Produce

Under section 206C(1) TCS is required to be collected on the sale of goods, being:

- (I) Timber obtained under a forest lease



- (II) Timber obtained by any mode other than under a forest lease
- (III) Any other forest produces not being timber or tendu leaves

Addressing the representations received on this behalf, clarity is sought to be provided by defining the meaning of "forest produce". It is proposed that "forest produce" shall have the same meaning as defined in any State Act for the time being in force, or in the Indian Forest Act, 1927. Further, it is proposed that to address the applicability of TCS on traders of forest produce, only such other forest produce (not being timber or tendu leaves) which is obtained under forest lease will be covered under TCS.

The amended rate of TCS is as follows -

	Nature of goods	Rate of TCS
(iii)	Timber or any other forest produce (not being tendu leaves) obtained under a forest lease	2%
(iv)	Timber obtained by any mode other than under a forest lease	2%

No Threshold for NR Payments

It should be noted that Section 195 of the Act prescribes that any person responsible for paying to a non-resident, not being a company, or to a foreign company, any specified interest or any other sum chargeable under the provisions of this Act (not being income chargeable under the head "Salaries") shall deduct income-tax thereon at the rates in force. No threshold limit has been prescribed for TDS under section 195 and there is also no proposal for prescribing any threshold. This is for the reason that if money leave India without due collection of income tax, it will be difficult to recover the same from a resident outside India.



Rate Reduction

The rate for TDS on insurance commission u/s 194D is proposed to be reduced from 5% to 2%.

The existing provision of section 194LBC of the Act requires a securitization trust to deduct tax from any income payable to a resident investor:

- (i) In case of individual or HUF rate of TDS of 25% is currently applicable.
- (ii) In case of persons otherwise that individual or HUF rate of TDS of 30% is currently applicable.

In both cases, the rate of TDS is proposed to be reduced to 10%.

Non-Filers' TDS

Currently, under Section 206AB of the Act, a higher rate of TDS/TCS is applicable for specified payees/payers who have not filed their income tax returns. Similarly, Section 206CCA of the Act requires for collection of tax at a higher rate when the collectee specified therein is a non-filer of income-tax return.

The Finance Bill 2025 proposes to omit section 206AB of the Act and section 206CCA of the Act. These provisions will be omitted with effect from 1st April 2025. This omission will provide relaxation to taxpayers. This will reduce the compliance and administrative burden associated with verifying whether returns have been filed or not filed by the specified payee/payer.

TCS Decriminalization

Prosecution for delayed payment of TCS has been prescribed under Section 276BB. The existing provisions of this section provide punishment to a person, for failure to pay the tax collected under section 206C to the credit of the Government.

It is now proposed to insert a proviso to section 276BB, to the effect that no person failing to pay



the tax collected shall be prosecuted, if the TCS was deposited into the Government Treasury, before the time prescribed for filing the quarterly statement in respect of such payment.

This amendment is consistent with the amendment made to section 276B (dealing with a similar default in respect of TDS) by the Finance (No. 2) Act, 2024, and reduces the burden on persons responsible for making TCS.

Businesses will welcome this amendment.

Sum-Up

Businesses have long faced the burden of Tax Deducted at Source (TDS) and Tax Collected at Source (TCS), impacting cash flow and compliance costs and disallowances. The Finance Bill 2025 proposes relief through rationalization of rates and procedural simplifications, reducing compliance difficulties. This move is a welcome step towards easing business operations.

The Finance Bill 2025 provides much-needed relief by addressing the compliance burden of TDS and TCS, enhancing the ease of doing business. By streamlining processes and reducing tax outflows, it supports economic growth and business sustainability. This reform is a step in the right direction for a more efficient and business-friendly tax regime.

However, what is required is a similar threshold across the board and a lower rate of say 2% or so for the entire TDS, because TDS – as an anti-avoidance provision – brings to light the income earned by a person who suffers TDS. Thereafter, the Income Tax Department can book the person by assessing the appropriate disclosure of income and payment of taxes.



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WE MAKE IT HAPPEN

We connect people, are friends with nature, and turn the wheels of the future. We love, we care, we respect. We give wings to every dream and light up a million smiles. We know it takes each one of us to build a nation, and anything can be achieved if we come together as one.



The Finance Bill 2025 - GST Amendments



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The Finance Bill, 2025 has introduced significant amendments in the GST laws based on the recommendation of GST Council. The Bill which is part of Union Budget 2025 aimed at simplifying compliance, reducing tax burdens, and fostering economic growth. The GST changes emphasize rationalizing credit provisions, easing return filing, and enhancing tax governance mechanisms. Also, the Bill has proposed changes in GST laws for ensuring trade facilitation. As India strides toward becoming the world's third-largest economy, the Economic Survey 2024-25 is forecasting GDP growth between 6.3% and 6.8% for coming year. This optimism is anchored in the nation's robust economic fundamentals.

Since its inception in 2017, GST has revolutionized India's indirect tax regime by dismantling inter-state trade barriers, digitizing compliance, and broadening the tax base. This year's Economic Survey also highlights a 12% year-on-year growth in GST collections, reflecting improved compliance and formalization. However, challenges such as input tax credit disputes, interpretational ambiguities, and tax evasion persists. Let's delve into these changes and their far-reaching implications for businesses and the economy. Let us divide our discussion in three parts namely retrospective amendments, prospective amendment to be made effective from 1st April, 2025 and prospective amendments that will be notified:

1. Amendments, which are proposed to be made effective retrospectively from 1 July 2017:

a. Supply of goods warehoused in a SEZ or FTWZ to any person before clearance of such goods for exports or to the DTA to be included in Schedule III

Entry (aa) in paragraph 8 of schedule III of the CGST Act, 2017 is proposed to be inserted to provide that the supply of goods warehoused in a SEZ or in a FTWZ to any person before clearance for exports or to the DTA shall be treated neither as "supply of goods nor as supply of services".

Explanation 3 is sought to be inserted to define the terms 'Special Economic Zone,' 'Free



Trade Warehousing Zone,' and 'Domestic Tariff Area' in the context of the amendment. The expressions SEZ, FTWZ and DTA shall have same meaning as assigned to them in section 2 of the SEZ Act, 2005.

This brings transactions relating to supply of goods warehoused in SEZ / FTWZ at par with the existing provision in GST for transactions in Customs bonded warehouse.

While this change applies retrospectively, no refunds will be provided for any GST collected on these transactions prior to the amendment. Clause 129 of the Finance Bill, 2025, provides that refund of already paid tax shall not be made available.

Comment: This is a much-awaited amendment which will resolve the long pending demand of the businesses and will enhance ease of doing business.

b. The words 'Plant or Machinery' in section 17(5)(d) of the CGST Act, 2017 to be replaced with the words 'Plant and Machinery'

It is proposed to replace the existing term "plant or machinery" with "**plant and machinery**" in section 17(5)(d) of the CGST Act, 2017. According to this amendment, the input tax credit in respect of goods or services or both received by a taxable person for construction of an immovable property on his own account including when such goods or services or both are used in the course or furtherance of business, shall be eligible if such immovable property is "**plant and machinery**". One may refer the Explanation in section 17(5) of the CGST Act, 2017, to know the meaning of the term 'plant and machinery'.

It has also been proposed to make the said amendment with retrospective effect from 1st July 2017, superseding anything contrary contained in any judgment, decree

or order of any court or any other authority. This amendment will nullify the Supreme Court's ruling in *Chief Commissioner of CGST v. M/s. Safari Retreats Private Limited & Ors* [Civil Appeal No. 2948 of 2023, dated October 3, 2024].

The Supreme Court, in this case, had ruled that input tax credit could not be denied on "plant" under Section 17(5)(d), as certain immovable properties could qualify as plant if they satisfy the functionality test. The Government says that this amendment is a correction of a drafting error. Businesses however will be affected adversely with this retrospective change.

Comment: This amendment could have been avoided particularly with retrospective effect, as it will deny credit to a lot of people who had waited for the judgement of the Hon'ble Supreme Court.

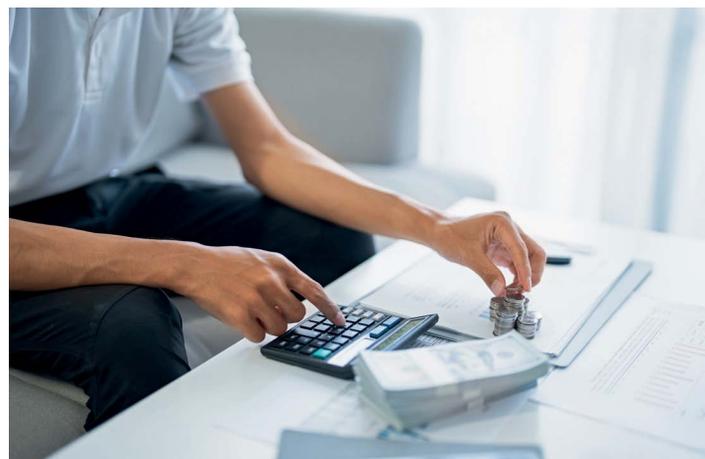
2. Amendment, which is proposed to be made effective prospectively from 1st April 2025

a. Inter-State RCM transactions to be covered under ISD mechanism

In order to settle the ambiguity, section 2(61) of the CGST Act, 2017, is being amended to explicitly provide for applicability of Input Service Distributor mechanism, in respect of Inter-State procurements of services attracting reverse charge, by adding reference to Sections 5(3) and 5(4) of the IGST Act, 2017.

Consequential amendments have been proposed in Sections 20 of the CGST Act, 2017, which deals with the manner of distribution of credit by an Input Service Distributor to enable the distribution of credit by an Input Service Distributor in respect of common services which are liable to IGST payment under RCM.

The said amendments would be made effective from 1st April 2025 which is in line with the pre-determined





date for implementation of the new definition and credit distribution provisions of an Input Service Distributor.

Comment: This amendment resolves the issue by explicitly recognizing ISD mechanism for Inter-State RCM based credit distribution. Businesses will now be able to seamlessly allocate input tax credit across multiple GST registrations under the same PAN.

3. Amendments, which are proposed to be made effective prospectively from a date to be notified:

a. Introduction of 'Track and Trace Mechanism' for specified commodities

In order to enhance GST compliance and curb tax evasion, a new Section 148A is proposed to be inserted in the CGST Act, 2017, to introduce 'Track and Trace Mechanism' for specified commodities. This mechanism mandates the use of Unique Identification Marking (UIM) for specified goods and persons or class of persons who are in possession or deals with such goods. The mechanism will ensure that a Unique Identification Marking would be affixed on the specified goods or the packages thereof. The marking system will utilize barcodes, RFID tags or other software-readable technologies to enable real-time tracking of goods throughout the supply chain

'Unique Identification Marking' is proposed to be defined by inserting clause (116A) in section 2 of the CGST Act, 2017. It will include a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable.

Penalty for above non-compliance is also being provided by proposing to insert a new Section 122B in the CGST Act, 2017. As per Section 122B, a penalty of Rs. 1,00,000 or 10% of the disputed tax on such goods, whichever is higher, will be leviable for failure to comply with Track and Trace Mechanism. This proposed penalty

would be in addition to any penalty levied under any other sections.

Comment: While the Track and Trace Mechanism is a crucial step in deterring illicit trade, businesses dealing with these goods may face increased compliance burden. The effectiveness of the system will depend on clear implementation guidelines and industry readiness to adopt the new technology-driven tracking framework.

b. Amendment in the definition of "Local Authority"

The amendment in section 2(69) of the CGST Act, 2017 proposes to replace the term "municipal or local fund" with "municipal fund or local fund" and also proposes to provide by way of explanations to the definition of 'local authority', the meaning of the terms 'local fund' and 'municipal fund'.

This change addresses ambiguities that previously led to inconsistent tax exemptions for entities such as panchayats and development authorities.

Comment: By standardising the interpretation of these funds, the amendment seeks to ensure uniform tax treatment, reducing litigation and enabling local bodies to fully utilize fiscal benefits.

c. Deletion of provisions relating to time of supply for supply of vouchers

It is proposed to delete sections 12(4) and 13(4) of the CGST Act, 2017, which deal with the time of supply of transactions in relation to issuance of vouchers under GST. After the clarification vide *Circular No. 243/37/2024-GST, dated 31st December 2024* that vouchers are either money or a transaction in an actionable claim, transactions involving vouchers will neither be considered a supply of goods nor a supply of services. Consequently, it was required to do away





with the provisions associated with the time of supply in relation to vouchers.

Hence, GST will apply only when the voucher is redeemed against the purchase of goods or services, rather than at the time of issuance. This eliminates the risk of double taxation, where GST was previously levied both at the time of issuance and redemption.

Comment: This change is particularly beneficial for industries such as retail and hospitality, which frequently use vouchers as promotional tools and payment instruments. It will simplify the tax treatment of vouchers.

d. Mandatory Input Tax Credit Reversal on Credit Notes

Section 34(2) of the CGST Act, 2017, is proposed to be amended to confirm the requirement of reversal of input tax credit as is attributable to a credit note, by the recipient, to enable the reduction of output tax liability of the supplier when a credit note is issued by the supplier.

This amendment ensures that a supplier can reduce their output tax liability only if the recipient reverses the corresponding input tax credit that was originally claimed and not reversed earlier.

Comment: The amendment gives statutory backing to the Invoice Management System (IMS), which prevents recipients from keeping credit notes or any amendments (upward/downward) in a 'Pending' state, ensuring real-time reconciliation of tax liabilities between suppliers and recipients.

e. Steps for Implementing the Invoice Management System

The provisions of Section 38 of the CGST Act, 2017, are proposed to be amended to provide for legal framework in respect of generation of inward report

based on the action taken by the taxpayers on the auto-populated details as per the Invoice Management System (IMS) functionality. These changes aim to streamline input tax credit reporting and ensure the seamless generation of FORM GSTR-2B based on taxpayer actions on inward supplies.

The amendment removes the term "auto-generated" from Sections 38(1) and 38(2), allowing flexibility to the recipient in the generation of the input tax credit statement. Further, a new clause (c) is being introduced under Section 38(2) to enable the Government to prescribe additional details in the input tax credit statement.

Comment: These amendments will ensure better reconciliation under the Invoice Management System (IMS) framework and will enable the Government to implement the IMS smoothly.

f. Pre-Deposit to be reduced for Appeals related to Penalty

Presently, under Section 107(6) of the CGST Act, 2017, an appellant is required to pre-deposit 25% of the penalty amount for filing an appeal against an order issued under Section 129(3) of the CGST Act, 2017 (related to detention and seizure of goods and conveyances in transit). The amendment now seeks to reduce this pre-deposit requirement to 10% in all cases where the appeal pertains exclusively to a penalty demand without any associated tax demand.

Similarly, Section 112(8) of the CGST Act, 2017, is sought to be amended to introduce a mandatory 10% pre-deposit for appeals before the Goods and Services Tax Appellate Tribunal (GSTAT) in cases where the dispute involves only a penalty liability and not a tax demand.

Comment: Though the amendment seeks to reduce the pre-deposit requirement to 10%, it simultaneously expands its applicability beyond Section 129(3) to cover all cases where the appeal pertains exclusively to a penalty demand without any associated tax demand.

Conclusion

Budget 2025 reaffirms GST as a cornerstone of India's fiscal architecture, balancing compliance ease with revenue security. By resolving ambiguities and embracing technology-driven reforms, the Government aims to unlock ₹2.4 lakh crore in additional GST collections by next year.



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Union Budget 2025-26: Boosting MSMEs and Empowering Youth for Economic Growth



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The Micro, Small, and Medium Enterprises (MSME) sector is the backbone of the Indian economy, contributing significantly to employment generation, industrial output, and exports. The Union Budget 2025-26 has introduced a series of reforms aimed at redefining MSMEs, enhancing financial support, and promoting technological and market access to foster growth. Additionally, the budget includes various initiatives to empower the youth through skill development, entrepreneurship programs, and employment opportunities. This article explores the implications of these budgetary changes, highlighting how they are poised to transform the MSME landscape in India while benefiting the youth population.

Introduction

MSMEs play a crucial role in India's economic development, accounting for nearly 30% of the GDP and generating employment for millions. Despite their potential, MSMEs often face challenges such as inadequate access to credit, limited market exposure, and outdated technology. The government's focus in the Union Budget 2025-26 has been on addressing these issues through policy interventions and financial incentives. The key highlight of this budget has been the redefinition of MSME classification, making it

easier for enterprises to expand while still availing government benefits. Additionally, the budget emphasizes initiatives to support young entrepreneurs and job seekers through skill development and startup-friendly policies. This article delves into these changes and their broader impact on the MSME sector and youth development.

Revised MSME Classification

One of the most significant changes in the Union Budget 2025-26 is the modification of the MSME classification criteria. The revised classification is as follows:

Enterprise Type	Old Definition (2020)	New Definition (2025)
Micro Enterprises	Investment up to ₹1 crore; Turnover up to ₹5 crore	Investment up to ₹2.5 crore; Turnover up to ₹10 crore
Small Enterprises	Investment up to ₹10 crore; Turnover up to ₹50 crore	Investment up to ₹25 crore; Turnover up to ₹100 crore
Medium Enterprises	Investment up to ₹50 crore; Turnover up to ₹250 crore	Investment up to ₹125 crore; Turnover up to ₹500 crore

This reclassification aims to allow businesses to scale operations without losing their MSME status, thereby encouraging expansion and innovation. Previously, enterprises were hesitant to grow beyond certain thresholds, fearing the loss of government incentives. With higher limits, businesses can now invest in new technology, increase production, and compete more effectively in domestic and international markets (Government of India, 2025).

These MSME development initiatives reflect the government’s commitment to fostering entrepreneurship, enhancing financial support, and promoting digital transformation in the sector.

crore allocated in 2025-26 to help small businesses maintain liquidity and sustain operations.

The **Production Linked Incentive (PLI) Scheme** has also seen an increase in budget from ₹5,777 crore in 2024-25 (RE) to ₹9,000 crore in 2025-26, encouraging domestic manufacturing and job creation. The rising allocation for

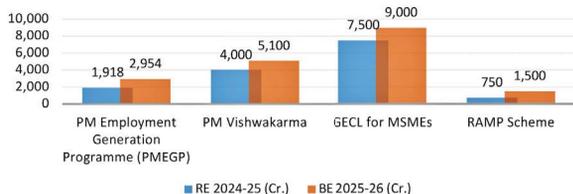
this initiative signifies the government’s commitment to strengthening India’s manufacturing capabilities and boosting exports.

Budgetary Initiatives for MSMEs and Youth Development

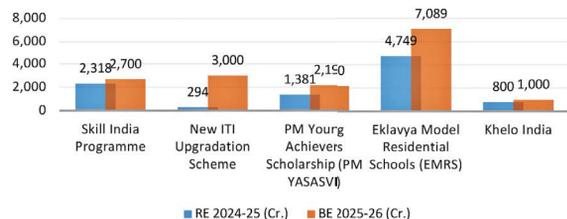
The budget estimates for 2025-26 have significantly increased allocations towards MSMEs and youth development, demonstrating a strategic push towards economic resilience and employment generation.

Additionally, new schemes focusing on **digital transformation of MSMEs** have been introduced. These initiatives aim to provide MSMEs with digital infrastructure, access to e-commerce platforms, and training in adopting modern business practices. The government has also launched **cluster-based MSME development programs**, providing shared resources such as logistics, market access, and technology upgrades to strengthen competitiveness. The **Fund of Funds 2.0 (DPIIT)** scheme has been newly introduced with a budget allocation of ₹2,000 crore to further support MSME financing

Allocations for MSMEs



Allocations for Youth Development



MSME Development Initiatives

The **Prime Minister Employment Generation Programme (PMEGP)**, aimed at fostering self-employment, has witnessed an increase in allocation from ₹1,918 crore in 2024-24 (RE) to ₹2,954 crore in 2025-26. This boost in funding is expected to create more opportunities for small businesses and entrepreneurs.

The **PM Vishwakarma Scheme**, supporting artisans and craftsmen, has been significantly increased from ₹4,000 crore in 2024-25 (RE) to ₹5,100 crore in 2025-26, ensuring better integration of traditional skills into the MSME sector. Furthermore, the **Guarantee Emergency Credit Line (GECL) for MSMEs** continues to receive financial support, with ₹9,000

Improved Access to Credit

- The micro and small business credit guarantee cover has been raised from ₹5 crore to ₹10 crore, allowing for an extra ₹1.5 lakh crore in credit over a five-year period.
- The guarantee cover for startups will treble from ₹10 crore to ₹20 crore, while loans in 27 priority industries would have a 1% charge reduction.
- Term loans with increased guarantee coverage up to ₹20 crore will be advantageous for exporter MSMEs.
- Ten lakh cards are expected to be issued in the first year of a new customized credit card program that would give microbusinesses registered on the Udyam portal ₹5 lakh in credit.

These MSME development initiatives reflect the government’s commitment to fostering entrepreneurship, enhancing financial support, and promoting digital transformation in the sector. Increased budget allocations for employment generation, credit access, and skill development indicate a strategic approach to strengthening MSMEs as key drivers of economic growth. By integrating traditional artisans, boosting domestic manufacturing, and facilitating easier access to credit, these measures aim to make Indian MSMEs more competitive and resilient, ultimately contributing to the vision of a self-reliant and developed India.



Youth Development Initiatives

The **PM Young Achievers Scholarship Award Scheme (PM YASASVI)** has seen an increase in allocation from ₹1,381 crore in 2024-25 (RE) to ₹2,190 crore in 2025-26, which enhances accessibility to education for marginalized communities. Similarly, the **Skill India Programme** has received an increased budget of ₹2,700 crore in 2025-26 compared to ₹2,318 crore in 2024-25 (RE), reinforcing investment in skill training to improve employability in high-growth industries.

Additionally, the **National Apprenticeship Training Scheme (NATS)** has seen a rise in funding from ₹750 crore in 2024-25 (RE) to ₹1,178 crore in 2025-26, aimed at expanding hands-on industry training for young graduates. The government's focus on tribal education is evident in the **Eklavya Model Residential Schools (EMRS)** program, which has been allocated ₹7,089 crore in 2025-26, up from ₹4,749 crore in 2024-25 (RE), ensuring better access to quality education for tribal students.

Moreover, the **Khelo India Initiative**, which supports youth engagement in sports, has seen an increase in its budget from ₹800 crore in 2024-25 (RE) to ₹1,000 crore in 2025-26. This allocation is expected to enhance sports infrastructure and training facilities, encouraging youth participation in athletics at the national and international levels.

To further empower youth, the government has expanded investments in **entrepreneurship development programs**. This includes increased funding for startup incubators, mentorship initiatives, and innovation hubs under the **Startup India Mission** to facilitate a conducive environment for young entrepreneurs. Additionally, the **New Employment Generation Scheme** has been allocated ₹20,000 crore in 2025-26, up from ₹6,799 crore in 2024-25 (RE), aiming to boost job creation across various sectors.

The increased budget allocations for youth development initiatives highlight the government's

commitment to fostering education, skill development, sports, and entrepreneurship among young Indians. By strengthening scholarship programs, expanding apprenticeship opportunities, and promoting sports infrastructure, these measures aim to equip youth with the necessary skills and resources to thrive in a competitive economy. The emphasis on startup support and industry-linked training further ensures that young entrepreneurs and job seekers can contribute effectively to India's economic growth, aligning with the vision of a skilled and self-reliant workforce for a Viksit Bharat.

Conclusion

The Union Budget 2025-26 reflects a well-structured approach towards strengthening MSMEs and empowering youth through increased financial outlays and focused policy initiatives. The reclassification of MSMEs, enhanced funding for entrepreneurship programs, and skill development initiatives indicate a strategic direction towards economic resilience. The government's emphasis on MSMEs and youth development will play a pivotal role in creating employment opportunities, boosting productivity, and fostering innovation.

By integrating these financial measures, the budget aims to promote a sustainable economic environment, ensuring that both MSMEs and young professionals can contribute meaningfully to India's long-term growth trajectory. The inclusion of digital transformation initiatives, startup incubation programs, and cluster-based MSME growth models will provide long-term structural support. As these schemes are implemented, their success will largely depend on effective execution and accessibility, paving the way for a robust and self-reliant economy.

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Year-End Compliances under GST Law – 31.03.2025



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As we are approaching the closure of the financial year 2024-25, taxpayers must give utmost priority to their Goods and Services Tax (GST) compliance to facilitate a smooth transition into the new fiscal year. This period presents a critical opportunity to complete essential compliance tasks. By fulfilling these obligations, taxpayers can minimize the risks associated with non-compliance while enhancing their overall operational efficiency.

To effectively prepare for the upcoming financial year, taxpayers should conduct a comprehensive reconciliation of their sales turnover, input tax credits, and other financial records. This process involves verifying the accuracy of all transactions and promptly addressing any discrepancies that may arise. By adopting these strategic measures, organizations can strengthen their financial position and ensure seamless adherence to GST regulations in the new fiscal year.

The article has divided the activities on the basis of categories for easy understanding.

1. Annual Aggregated Turnover (AATO)

Under GST law, there are a lot of activities that are dependent on the Annual Aggregated Turnover (AATO), businesses need to make sure to calculate their annual aggregated Turnover before doing the following activities:

a. Opting for Composition Scheme – As per rule 3(3) of the CGST Rules, 2017, every registered person who wishes to opt for the composition scheme shall

furnish Form GST CMP-02 before the end of the financial year i.e., before 31st March 2025.

b. Mandatory preparation of E-invoice – As per rule 48(4) read with Notification No. 13/2020 – Central Tax dated 21.03.2020 (As amended), the registered person shall prepare an e-invoice for the supply of goods or services or both to the registered person or exports, whose aggregate turnover is more than Rs. 5 Cr in any preceding financial year from FY 2017-18 onwards. To check the applicability for FY 2025-26, AATO needs to be checked from FY 2017-18 to FY 2024-25. However, an exception is provided to some registered persons from the generation of e-invoices.

Further, from 01.04.2025 onwards, a registered person having an annual aggregate turnover of more than 10 cr. is required to generate an e-invoice within 30 days as per the advisory issued by the GSTN dated 5th November 2024.



- c. Dynamic QR Code** – As per the sixth proviso to rule 46 read with Notification No. 14/2020 – Central Tax dated 21.03.2020 (As amended), an invoice shall have a Dynamic Quick Response (QR) Code if the registered person who is issuing the invoice having AATO more than Rs. 500 Cr in any preceding financial year from FY 2017-18 onwards. For checking applicability for FY 2025-26, AATO needs to be checked from FY 2017-18 to FY 2024-25. However, an exception is provided to some registered persons from having dynamic QR code on the invoice.
- d. Mandatory Registration** – A person needs to make sure that if at the end of the FY 2024-25, his/her turnover crosses the threshold limit or is involved in such activities where compulsory registration is required, he/she has to apply GST Registration.
- e. Filing of ITC-04** – ITC-04 needs to be filed by the registered persons on a yearly or yearly basis depending on the AATO. Registered persons having an AATO of up to 5 Cr are required to file ITC-04 on an annual basis and those having an AATO of more than 5 Cr are required to file ITC-04 on a half-yearly basis.
- f. HSN Code** – As per rule 46 of the CGST Rules, the HSN Code is required to be mentioned on the Tax Invoice. However, as per Notification No. 12/2017– Central Tax dated 28.06.2017 as amended by 78/2020 – Central Tax dated 15.10.2020 and 90/2020-Central Tax dated 01.12.2020, if the AATO is up to Rs. 5 Cr then

4-digit HSN code is required if supply is made to the registered person. If AATO is more than 5 Cr, a 6-digit HSN code is required, in both cases registered as well as unregistered recipient. In the case of some specified supplies, an 8-digit HSN code is required.

* The HSN code for FY 2025-26 is dependent on the turnover of FY 2024-25.

- g. QRMP Scheme** – Quarterly Returns with Monthly Payment (QRMP) scheme for Q1 of FY 2025-26 may be opted for from 01st Feb 2025 to 30th April 2025, if Annual Aggregate Turnover does not exceed Rs. 5 Cr.

2. Important Reconciliations

It is essential to reconcile the turnover (including both taxable as well as exempt turnover) as well as Input Tax Credit as reported in GST returns along with the books of accounts. Therefore, following reconciliations are required to ensure proper compliance with.

- a. Reconciliation of Turnover** – Turnover needs to be reconciled among turnover reported in different tables of GSTR-1, Table 3 of GSTR-3B, and turnover as per books of accounts. (GSTR-1 Vs. GSTR-3B Vs. Books of Accounts), it includes amendments, debit notes as well as credit notes. Such reconciliation must be prepared rate-wise and HSN-wise separately for the following:
- i. Taxable Turnover
 - ii. Exempted Turnover
 - iii. Nil-rated Turnover
 - iv. Non-GST supply
 - v. Taxable under RCM
- b. Reconciliation of ITC availed and reversal**
Reconciliation: ITC availed in Form GSTR-3B needs to be reconciled with the Books of accounts. Further, a review of the Electronic Credit Reversal and Re-claimed Statement (ECRS) is also required to re-avail the credit parked in ECRS upon fulfilling the condition.

3. Transactions liable to RCM

- a. RCM Invoice** – As per section 31(3)(f) of the CGST Act read with rule 47A of the CGST Rules, if the supplier is unregistered then an invoice shall be issued by the registered person (recipient) within a period of 30 days from the date of receipt of goods or services or both. Therefore, the registered person needs to make sure of the following:

A person needs to make sure that if at the end of the FY 2024-25, his/her turnover crosses the threshold limit or is involved in such activities where compulsory registration is required, he/she has to apply GST Registration.

- i. RCM invoice must have been prepared
- ii. Taxes must have been discharged, and corresponding ITC (if eligible) must have been availed.

	Registered Supplier	Unregistered Supplier
Self-Invoice	No	Yes
Payment Voucher	Yes	Yes

- It is important to note that in case taxes were not discharged on inward supply taxable under reverse charge, do not discharge through Form DRC-03. Discharge only through Form GSTR-3B so that corresponding ITC can be availed.
- As per para 2.7 of Circular No.211/5/2024-GST dated 26.06.2024, "in case, the recipient issues the invoice after the time of supply of the said supply and pays tax accordingly, he will be required to pay interest on such delayed payment of tax. Further, in cases of such delayed issuance of invoice by the recipient, he may also be liable to penal action under the provisions of Section 122 of the CGST Act.
 - b. Important Reconciliation** – Inward supply, on which tax is paid by the recipient under reverse charge, is not reported in GSTR-1. It is only

reported in GSTR-3B and GSTR-9. Therefore, reconciliation needs to be prepared on the basis of the amount reported in GSTR-3B and showing in the books of accounts.

- i. RCM liability Reconciliation
- ii. RCM ITC availed

4. Cross Charge Vs. ISD Registration

- a. Cross Charge** – Cross Charge is applicable in case of internally generated services, therefore in the case of distinct persons, registered persons need to make sure that whether the invoicing has been done by one distinct person to another distinct person. Such an issue is also clarified by the Circular No. 199/11/2023-GST dated 17.07.2023.
- b. ISD Registration** – The word "Input Service Distributor" has been defined in section 2(61) of the CGST Act. This is substituted vide the Finance Act 2024 and is applicable with effect from 01st April 2025. Further, such definition is also amended by the Finance Bill 2025 to incorporate the inward supply u/s 5(3) & 5(4) of the IGST Act, 2017, and applicable with effect from 01st April 2025.

5. Other Points

- a. New invoice series** – The registered person needs to make sure to apply a new unique series for the Tax Invoice, Debit Note, Credit Note, Delivery Challan, Bill of Supply, Invoice-cum-bill of supply, etc.
- b. Other Income** – Taxpayers need to make sure regarding other income showing in books of accounts which is subject to GST. For example, profit on the sale of cars, etc.
- c. Special Transactions** – There are some transactions that are not reflected in profit & loss accounts as not related to the ordinary course of business. A registered person

Further, a review of RCM Liability/ITC Statement is also required along with books of accounts.

GSTR-3B	Table 3.1(d) – RCM Liability
	Table 4A(2) - Import of supply
	Table 4A(3) – Inward supply liable to reverse charge other than import of goods or services
GSTR-9	Table 4G – RCM Liability
	Table 6C – Inward supply received from unregistered persons liable to reverse charge
	Table 6D - Inward supply received from registered persons liable to reverse charge
	Table 6F - Import of services (excluding inward supplies from SEZs)

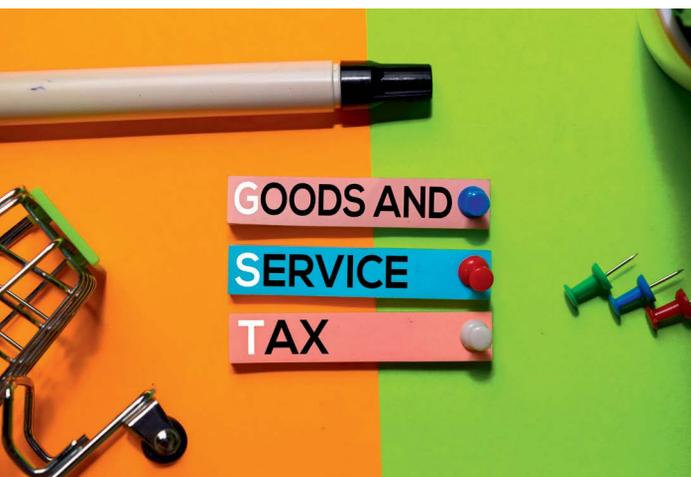
needs to be extra cautious regarding such transactions. Examples of such transactions are the sale of fixed assets.

- d. **Refund** – Refund needs to be applied within the time period of 2 years from the relevant date as provided under GST law. Therefore, taxpayers need to be more cautious regarding filing of application of refund which is getting time barred near to closure of the financial year.
- e. **TDS and TCS Credit Received** – As per Section 51 of the CGST Act, TDS @ 2% (1% - CGST & 1% - SGST) is required to be deducted by the deductor and as per Section 52 of the CGST Act, TCS @ 0.5% is required to be collected by the E-commerce operator. All the TDS deducted and TCS collected amounts are reflected in the electronic cash ledger after successfully accepting the same in the TDS and TCS credit received option. Such balances must be reconciled with the balance lying in books of accounts.
- f. **Filing of LUT** – Filing of Letter of Undertaking (LUT) is an important aspect before making any zero-rated supply in the FY 2025-26.
- g. **Reversal of ITC as per rule 37** – As per rule 37 of the CGST Rules, the amount of input tax credit needs to be reversed if the recipient fails to make payment to the supplier within 180 days. The recipient needs to reverse the amount along with interest.
- h. **Reversal of ITC as per rule 37A** – As per rule 37A of the CGST Rules, the amount of input tax credit needs to be reversed if the supplier fails to file GSTR-3B. So, the taxpayers need to prepare the list of suppliers who have not filed their GSTR-3B and ask them to furnish the return to avoid reversal of ITC.

It is essential to reconcile the turnover (including both taxable as well as exempt turnover) as well as Input Tax Credit as reported in GST returns along with the books of accounts.

- i. **Reconcile GST ledger balances with the Books of Accounts** – The balances appearing in the electronic ledgers on the GST portal need to be reconciled with the balances reflected in the books of accounts and if there is any difference then that needs to be dealt with accordingly.
- j. **Declaration by GTA (Goods Transport Agency)** – As per Notification No. 11/2017 – Central Tax (Rate) dated 28.06.2017 as amended by 06/2023-Central Tax (Rate) dated 26.07.2023, if a GTA wants to shift from a forward charge mechanism to reverse charge mechanism for FY 2025-26 then he has to file a declaration between 1st January 2025 to 31st March 2025.
- k. **Reversal of ITC as per rule 42/43** – The taxpayer needs to make sure that reversal of ITC is also required to be calculated on a yearly basis as per rules 42 & 43 of the CGST Rules. Two scenarios are possible:
 - i. The amount already reversed is less than such amount – the difference amount needs to be reversed.
 - ii. The amount already reversed is greater than such amount – a difference amount may be availed.

The time limit for availing ITC as per section 16(4) is 30th November 2025 for FY 2024-25. However, it is important to note that the last return for availing ITC or reversing ITC without interest as per rule 42/ 43 is the September month return following the end of the financial year.



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Impact of GST on Business: A study of perception of Chartered Accountants of Punjab



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The implementation of Goods and Services Tax (GST) is a landmark in the history of Indian taxation since independence. This new GST law has made revolutionary reforms in the existing taxation system and impacted the economy and business transactions in various ways. This research has been undertaken with the purpose of understanding the perception of Chartered Accountants regarding the impact of GST on businesses in India. The data for the study was collected from 209 respondents and the results revealed that Chartered Accountants have a positive perception about the influence of GST on business and opine that GST has impacted the business by enhancing financial feasibility, procedural effectiveness, and ease of doing business.

Introduction

GST was introduced in India on 1st July 2017 by making the 101st amendment and inserting Article 246A in the Constitution. GST has simplified the existing tax structure in India by subsuming various central taxes such as excise duty, service tax, and state taxes such as Central Sales Tax (CST), Value-Added Tax (VAT), and numerous other indirect taxes (Rajeseakaran & Pavithran, 2020). It also resulted in the ease of doing business as it has removed various barriers to the free movement of goods and the factors of production from one state to another. It has transformed the whole country into a unified economic market.

GST is a multistage tax levied on value addition and has the provision of an Input Tax Credit (ITC) mechanism which allows

the set off of the input tax paid against the output tax liability. This ITC mechanism has resulted in eradicating the cascading effect (Revathi, Madhushree & Sreeramana, 2019) and a reduction the tax burden on consumers. (Lincy & Kanthi, 2019). GST law has lowered procedural and compliance costs and reduced corruption and tax evasion by bringing more transparency in the taxation system (Tondon & Tondon, 2017). GST implementation in India has been beneficial for various sectors of society in the short run and will be much more beneficial for all sectors of society in the long run (Deepaware & Dwivedi, 2022).

Review of Literature

A number of studies have been conducted in India to evaluate the impact of GST on various aspects of the Indian economy. Sharma and Indapurkar (2020)



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investigated the awareness and perception of small traders regarding GST and found that there is the lack of initiatives taken by the government to sensitize and educate respondents regarding the new tax laws. Agrawal (2019) concluded in his study that there is the reduction in the transportation cost and prices of goods due to GST implementation in the case of FMCG companies. Sharma & Singh (2018) conducted a comprehensive study on the industry and concluded that respondents are finding GST procedures complex and time-consuming. Das (2020) executed research to understand the perception of consumers about the impact of GST on prices and found that the majority of consumers hold a neutral opinion regarding reduced prices of goods and services in post-GST era. Kiran and Somasekharan (2019) observed in their study that the majority of businessmen are satisfied with the software equipped to handle GST procedures but hold the opinion that GST has not resulted in a change of MRP as projected in the GST policy document.

Relevance of the study

GST is a remarkable step towards a comprehensive indirect tax reform in the country. Since its implementation, GST has been deliberated across various stakeholders. The review of the literature on GST has highlighted that there has been a wide gap between the vision of the government and the way this law has been perceived by the different stakeholders. Among these stakeholders, Chartered Accountants are privileged to be well-versed with the scope of GST implementation in India. They are actually involved in the execution of GST and act as a major conduit between government and taxpayers. Therefore, when it comes to analysing the impact of GST on business it is a judicious decision to include the perspective of Chartered Accountants. A number of studies have been conducted on GST to date but most of them intended to explain the importance of GST for the economy and taxpayers. The researcher has come across no study that evaluates the opinion of Chartered Accountants regarding GST implementation with a focus on the business sector. Therefore, the study has been undertaken to study the perspective held by Chartered

Accountants with regard to their perception of how GST has contributed to the growth and expansion of business in India. The study further explores how gender, age, and experience of Chartered Accountants influence their perception of GST.

Objectives of the study

- To study the impact of GST on financial feasibility in business as perceived by Chartered Accountants and its relation with the demographic characteristics of the respondents.
- To study the impact of GST on the procedural effectiveness of business as perceived by Chartered Accountants and its relation with the demographic characteristics of the respondents.
- To study the impact of GST on ease of doing business as perceived by Chartered Accountants and its relation with the demographic characteristics of the respondents.

Hypotheses

- Demographic characteristics of Chartered Accountants influenced their perception regarding the impact of GST on financial feasibility in business.
- Demographic characteristics of Chartered Accountants influenced their perception regarding the impact of GST on the procedural effectiveness of business.
- Demographic characteristics of Chartered Accountants influenced their perception regarding the impact of GST on ease of doing business.

Research Methodology

This descriptive research has been conducted on the Chartered Accountants practicing in the State of Punjab. The sample respondents (209) have been randomly selected and the distribution has been shown in Table 1.

Table 1 shows that data for the study has been collected from 66% male Chartered Accountants. Almost equal

Table 1: Sample distribution

Group	Gender		Age			Experience				Total
	Male	Female	21-35	35-50	Above 50	0-10	10-20	20-30	Above 30	
N	138	71	68	67	74	47	28	91	43	209
%	66	34	32.5	32.1	35.4	22.5	13.4	43.5	20.6	100

(Source: Compiled data)

representation has been made from the age groups. 43.5% of respondents fall in the experience group 20-30 years followed by 22.5% with less than 10 years of experience.

The impact of GST on business in India has been evaluated on a 5-point Likert scale developed by the researcher. The scale intends to cover the impact of GST on following three parameters:

Financial feasibility: It covers the impact of GST on the cascading effect of taxes, tax burden, prices for goods and services, cost of doing business, working capital requirement, and overall profitability of the business.

Ease of doing business: It includes the statements related to clarity in GST rates of goods and services, movement of goods from one state to another, delivery time involved in the case of goods, stock transfers between distinct persons, and scope for expansion of business.

Procedural Effectiveness: It encompasses the opinion of Chartered Accountants with respect to the procedure for registration & invoice preparation, the process for payment of taxes, the refund process and processing time involved, compliance time and compliance costs, etc.

The collected data has been analysed with respect to demographic characteristics (gender, age and experience) using statistical tools viz, t-test and ANOVA.

Table 2: Descriptive statistics for total sample

		Statistic	Std. Error
Financial feasibility	Mean	3.5837	.06920
	Median	3.8000	
	Std. Deviation	1.00035	
	Minimum	1.00	
	Maximum	5.00	
	Skewness	-.628	.168
	Kurtosis	-.509	.335
Procedural effectiveness	Mean	3.5549	.05567
	Median	3.4200	
	Std. Deviation	.80484	
	Minimum	2.00	
	Maximum	5.00	
	Skewness	.165	.168
	Kurtosis	-.345	.335
Ease of doing business	Mean	3.9046	.04668
	Median	3.7100	
	Std. Deviation	.67483	
	Minimum	2.28	
	Maximum	5.00	
	Skewness	.448	.168
	Kurtosis	-.881	.335

(Source: Compiled data)

Table 3: Descriptive statistics and t-statistics – Financial feasibility with respect to gender

Group	N	Mean	S.D	t-stat	Remarks
Male	138	3.5739	.94021	-0.197	Non-significant
Female	71	3.6028	1.11483		
Total	209	3.5549	.80484		

(Source: Compiled data)

Results

The descriptive statistics in the case of all variables (financial feasibility, procedural effectiveness, ease of doing business) covered in the study are depicted in Table 2. The mean score for financial feasibility is 3.58, procedural effectiveness mean score is 3.55, and ease of doing business mean score is 3.90 with standard deviations of 1.00, 0.80, 0.67, and median 3.80, 3.42, 3.71 respectively. The skewness for financial feasibility, procedural effectiveness, and ease of doing business is -.628, .165, .448 and the standard error of skewness is 1.68. The negative values of skewness indicate negatively skewed data and positive values indicate positively skewed data. The value of kurtosis was -0.509, -0.345, -.881, and the standard error of kurtosis was .335. The negative value of kurtosis indicated that the distribution curve is platykurtic. The values of

kurtosis and skewness for all variables fall within the satisfactory array of -2 to +2 (Bachman, 2004). Besides, the standard error of skewness and kurtosis also falls within the acceptable range of -1.96 to +1.96 (Peat & Barton, 2008). As all the values lie within the norms, hence, it can be interpreted that data used in the study is normally distributed. This lays down the foundation of applying parametric tests (t-test, ANOVA).

The results in Table 3 indicate that the opinion of male and female Chartered Accountants is similar (Male: Mean = 3.57, Female: Mean=3.60) regarding financial feasibility. The application of the t-test also signifies the non-existence of differences in the perception of male and female Chartered Accountants of Punjab with regard to the influence of GST implementation on financial feasibility in the business sector ($t = -0.197, p > .000$).

Table 4: Descriptive statistics and F-statistics – Financial feasibility with respect to age

Group	N	Mean	S.D	F-stat	Remarks
21-35	68	4.1824	.63691	37.624	Significant
35-50	67	3.6866	.97311		
Above 50	74	2.9405	.92735		
Total	209	3.5549	.80484		

(Source: Compiled data)

Table 4 depicts that young Chartered Accountants have the highest level of perception regarding financial feasibility (21-35: Mean = 4.18) in comparison to others (35-50: Mean=3.69; Above 50: Mean= 2.94). The use of the F-test

indicates that there exists a significant difference in age-based perception of Chartered Accountants of Punjab with regard to the influence of GST implementation on financial feasibility in the business sector ($F = 37.624, p < .000$).

Table 5: Descriptive statistics and F-statistics – Financial feasibility with respect to experience

Group	N	Mean	S.D	F-stat	Remarks
0-10	47	4.0511	.81344	4.675	Significant
10-20	28	3.4929	1.15660		
20-30	91	3.4308	.96881		
Above 30	43	3.4558	1.02104		
Total	209	3.5549	.80484		

(Source: Compiled data)

Table 5 depicts that fresh Chartered Accountants have the highest level of perception regarding financial feasibility (0-10: Mean = 4.05) in comparison to experienced Chartered Accountants. The use of the F-test highlights that there exists a significant difference in the experienced-based perception of respondents of Punjab with regard to the influence of GST implementation on financial feasibility in the business sector ($F=4.675$, $p<.000$).

On the basis of the above results (Table 3 to 5) hypotheses 'Demographic characteristics of Chartered Accountants influenced their perception regarding the impact of GST on financial feasibility in business' stands accepted only for the age and experience of respondents.

Table 6 Descriptive statistics and t-statistics – Procedural effectiveness with respect to gender

Group	N	Mean	S.D	t-stat	Remarks
Male	138	3.4717	.81465	-2.099	Significant
Female	71	3.7165	.76536		
Total	209	3.5549	.80484		

(Source: Compiled data)

The results in Table 6 depict the higher perception among female Chartered Accountants regarding procedural effectiveness. (Male: Mean = 3.47, Female: Mean=3.72). The application of the t-test also indicates that there

exists a significant difference in the perception of male and female Chartered Accountants of Punjab with regard to the influence of GST implementation on procedural effectiveness in the business sector ($t= -2.099$, $p<.000$).

Table 7: Descriptive statistics and F-statistics – Procedural effectiveness with respect to age

Group	N	Mean	S.D	F-stat	Remarks
21-35	68	3.8691	.79669	15.771	Significant
35-50	67	3.6527	.69503		
Above 50	74	3.1776	.76243		
Total	209	3.5549	.80484		

(Source: Compiled data)

Table 7 depicts that young Chartered Accountants have the highest level of perception (21-35: Mean = 3.87) regarding procedural effectiveness in comparison to others (35-50: Mean=3.65; Above 50: Mean= 3.18). Further F-test indicates that there exists

a significant difference in age-based perception of Chartered Accountants of Punjab with regard to the influence of GST implementation on procedural effectiveness in the business sector ($F=15.771$, $p<.000$).

Table 8: Descriptive statistics and F-statistics –Procedural effectiveness with respect to experience

Group	N	Mean	S.D	F-stat	Remarks
0-10	47	4.1402	.74946	13.127	Significant
10-20	28	3.4943	.50797		
20-30	91	3.4056	.82108		
Above 30	43	3.2705	.68211		
Total	209	3.5549	.80484		

(Source: Compiled data)

Table 8 depicts that less experienced respondents have the highest level of perception (0-10: Mean = 4.14) regarding procedural effectiveness in comparison to more experienced respondents. Further, the F-test highlights that there exists a significant difference in the experienced-based perception of Chartered Accountants of Punjab with regard to the influence of

GST implementation on procedural effectiveness in the business sector ($F=13.127$, $p<.000$).

On the basis of the above results (Table 6 to 8) hypotheses 'Demographic characteristics of Chartered Accountants influenced their perception regarding impact of GST on procedural effectiveness in business' stands accepted.

Table 9: Descriptive statistics and t-statistics –Ease of doing business with respect to gender

Group	N	Mean	S.D	t-stat	Remarks
Male	138	3.9278	.67869	.691	Non-significant
Female	71	3.8596	.66974		
Total	209	3.5549	.80484		

(Source: Compiled data)

The results in Table 9 depict the same level of perception among male and female respondents. (Male: Mean = 3.93, Female: Mean=3.86) regarding ease of doing business. The use of a t-test indicates that there exists

no significant difference in the perception of male and female Chartered Accountants of Punjab with regard to the influence of GST implementation on ease of doing business ($t=0.691$, $p>.000$).

Table 10: Descriptive statistics and F-statistics – Ease of doing business with respect to age

Group	N	Mean	S.D	F-stat	Remarks
21-35	68	4.0932	.68442	4.208	Significant
35-50	67	3.8457	.68239		
Above 50	74	3.7846	.62903		
Total	209	3.5549	.80484		

(Source: Compiled data)

Table 10 depicts that young Chartered Accountants have the highest level of perception (21-35: Mean = 4.09) in comparison to others (35-50: Mean=3.85; Above 50: Mean= 3.78) regarding ease of doing business. F-stat

indicates that there exists a significant difference in age-based perception of Chartered Accountants of Punjab with regard to the influence of GST implementation on ease of doing business ($F=4.208$, $p<.000$).

Table 11: Descriptive statistics and F-statistics – Ease of doing business with respect to experience

Group	N	Mean	S.D	F-stat	Remarks
0-10	47	4.3291	.63124	10.445	Significant
10-20	28	3.6036	.59468		
20-30	91	3.8630	.66222		
Above 30	43	3.7247	.59394		
Total	209	3.9046	.67483		

(Source: Compiled data)

Table 11 depicts that fresh Chartered Accountants have the highest level of perception (0-10: Mean = 4.32) regarding ease of doing business in comparison to experienced Chartered Accountants. F-test highlights that there exists a significant difference in the experience-based perception of Chartered Accountants of Punjab with regard to the influence of GST implementation on ease of doing business ($F=10.445, p<.000$).

On the basis of above results (Table 9 to 11) hypotheses 'Demographic characteristics of Chartered Accountants influenced their perception regarding impact of GST on ease of doing business' stands accepted only for the age and experience of respondents.

Discussion

The results have highlighted that the majority of Chartered Accountants believe that GST has positively impacted the business sector in terms of financial feasibility, procedural effectiveness, and ease of doing business. Respondents have a strong positive perception about the influence of GST on financial feasibility in business. Thus, it can be inferred that GST has mitigated the cascading effect, reduced the tax burden, cut down the cost of doing business, decreased the working capital requirements, and has led to improved overall profitability of the business houses. Chartered Accountants agree with the notion that GST has improved procedural effectiveness as it has introduced simplified procedures for registration, preparation of invoices, payment of taxes, filing of returns and claiming refunds, facilitated cross-verification of returns, and has also reduced compliance time and compliance cost for the business units. In terms of ease of doing business, respondents hold the opinion that the implementation of GST in India helped in the free inter-state movement of goods and the factors of production, eliminated ambiguity between goods and services, reduced the delivery time for goods, eased the expansion of business, relieved the business operations for multi-state organizations and cut down the scope for litigations between the taxpayer and the government.

Comparing the perception of Chartered Accountants on the basis of their gender, age, and experience it has been found that both male and female respondents have similar perception regarding the influence of GST on financial feasibility and ease of doing business but in the case of procedural effectiveness in business female respondents have high perception than male respondents. Age and experience are found to be the crucial factors influencing their perception. It has been observed that young Chartered Accountants are more positive about the impact of GST on financial feasibility, procedural effectiveness, and ease of doing business

Chartered Accountants agree with the notion that GST has improved procedural effectiveness as it has introduced simplified procedures for registration, preparation of invoices, payment of taxes, filing of returns and claiming refunds, facilitated cross-verification of returns, and has also reduced compliance time and compliance cost for the business units.

in comparison to Chartered Accountants of upper age groups. Also, fresh Chartered Accountants have been found more optimistic about how GST has influenced the various components of business than experienced Chartered Accountants.

Conclusion

The study has been conducted with the purpose of understanding Chartered Accountants' perception regarding the extent of influence created by GST implementation on financial feasibility, ease of doing business, and procedural effectiveness in the business sector. A wide range of opinions has been collected by approaching to both male and female Chartered Accountants falling in different age groups and having varied levels of experience. The study has concluded that GST has improved financial feasibility, procedural effectiveness, and ease of doing business for the businessmen. The perception of Chartered Accountants who play a key role in the successful and widespread implementation of GST has been found quite positive. The positive perception of Chartered Accountants indicates that GST has played a significant role in improving efficiency and effectiveness of business units which will eventually escalate the overall development of the Indian economy.

Implications of the study

The study has wider implications for businessmen, consumers in general, and policy-makers in particular. The study put stress on the need to improve the GST provisions to further enhance the perception of different stakeholders. Reviewing GST slabs, technical structure of the GST portal, the process for claiming refund, the return filing process, provisions related to the Input tax credit, and complex HSN structure would improve the impact of GST on financial feasibility, ease of doing business, procedural effectiveness for the business sector.



Limitations and direction for future research

The study is restricted to understanding how far the objectives of GST as laid down in the policy document have been accomplished. This has been done by covering the opinion of Chartered Accountants who are experts in this specific field and act as mediators between the businessmen and government. Future studies can cover the opinions of other stakeholders like consumers, businessmen, government. The study does not cover the implementation issues in GST which itself is a broad topic to be covered in further studies. The impact of GST on various indicators of national growth can also be covered by future studies in this field.

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Integrated Reporting: Trends in India and Professional Opportunities



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This article presents the trend of voluntary adoption of Integrated Reporting (IR) by Indian corporates from FY 2015-16 through FY 2022-23. This period marks significant growth in IR adoption, however, companies need to follow the IR framework properly to reap the full benefits of it. The article highlights key insights on the compliance of the IR framework by Indian firms for FY 2022-23, derived through in-depth content analysis, with a particular emphasis on the business model, materiality, and its integration within annual reports. It concludes with the professional opportunities for CAs in India in the domain of IR.

Introduction

Since its inception in 2010, Integrated Reporting (IR) has emerged as the latest form of stakeholder communication by listed entities across the globe. Today over 2,500 companies across 75 countries adopted this advanced reporting for stakeholder communication. India witnessed the first IR in 2016 when only one firm voluntarily issued an IR. However, since then number of firms adopting IR witnessed a steady growth. As of 31st March 2023, 96 non-financial firms across industries have voluntarily issued Integrated Reports¹. This growth in IR was mainly driven due to perceived reporting benefits which promote value creation, sustainable business practices, and enhanced stakeholder communication. Mishra et al., (2022), reveals that critical components that shape this perception are concise, effective & transparent reporting, enabling enhanced decision-making.

However, these perceived benefits are subject to the quality of IR. Devarapalli et al., (2024), found that although the quality of Integrated Reporting Information (IRI) improved in 2021 compared to 2020, individual items did not show significant variation. Soriya & Rastogi, (2023) explored that robust IR practices can bolster the issuer's capacity to attract capital from markets by appealing to investors.

These research findings reaffirm that the advantages of IR depend on how well the reports adhere to the IR framework standards.

The IR framework comprises important parameters like integrated thinking, value creation amongst the six capitals, and information interconnectivity which distinguish IR from traditional reporting. An IR reflects these parameters majorly through disclosures like value creation or business model diagram, materiality assessment process & materiality matrix. An adequate

¹ **DATA COLLECTION** - The data was collected by examining the annual reports available at the official website of the non-financial firms forming part of the NSE 500. The firms which have issued annual report titled as Integrated Annual Report and presented business or value creation model are only considered as IR firms in this entire article. Integrated Report with clear and specific mention of independent assurance in the Integrated report was considered as Integrated Report with assurance.

depiction of value creation or business model diagram along its key elements like input, process, output, and outcomes, disclosure regarding the materiality assessment process, and presentation of materiality matrix are key differentiators for checking the quality of IR.

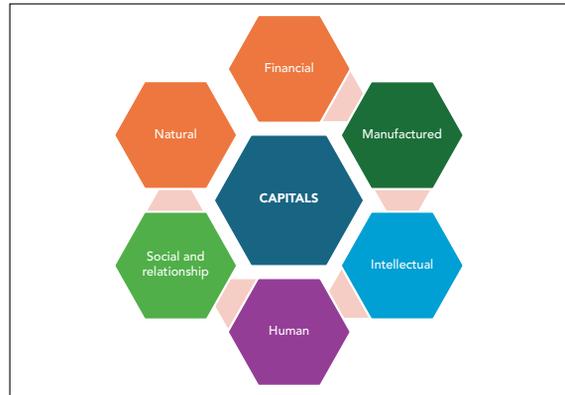
Amongst this backdrop, this article discusses the trends in the voluntary adoption of IR by Indian corporates over the years, and the compliance towards the integrated reporting framework with emphasis on connectivity of information and materiality through content analysisⁱⁱ of the IR. We further present the potential professional opportunities in the domain of IR.

Integrated Reporting Framework

As per the definition by The International Integrated Reporting Council (IIRC) "integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term" (IIRC, 2021). The integrated reporting framework is the fundamental document that lays the foundation of IR. The important aspects as per the framework are integrated thinking and value creation amongst the six capitals with its interconnected functioning. The IR framework defines integrated thinking as "the active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects". The fundamental concept of value as per the IR framework includes creation, preservation, and erosion across the six capitals on which any organization depends. These capitals are financial, manufactured, intellectual, human, social and relationship, and natural capital (Figure 1). The preparation and presentation of IR are assisted by seven

guiding principles (Table 1). These principles assist the organization in deciding the content of the report and towards its proper presentation.

Figure 1: Six Capitals of IR



Source: International <IR> Framework January 2021

The Rise of Integrated Reporting in India

The Securities and Exchange Board of India (SEBI) in its circular dated 6th Feb 2017, provided an advisory to the firms on following the principles of Integrated Reporting (SEBI, 2017). It allowed the voluntary adoption of Integrated Reporting for listed firms. With just one company in 2016, there has been a consistent increase in the number of firms voluntarily issuing IR over the period, except for FY 2022-23, where the increase was lower (Figure 2). This shows that Indian firms have preferred to provide financial and non-financial information to their various stakeholders beyond the mandatory reporting requirements and also meet global reporting expectations. For FY 2022-23, there were 96 firms that issued voluntary IR. A further

Table 1: Guiding Principles of IR

Strategic focus and future orientation	Organization's ability to create value in the short, medium and long term
Connectivity of information	Holistic picture of the combination, interrelatedness and dependencies
Stakeholder relationships	Nature and quality of the organization's relationships with its key stakeholders
Materiality	Information about matters that substantively affect the organization's ability to create value
Conciseness	Sufficient context to understand the organization's strategy, governance, performance and prospects
Reliability and completeness	Include all material matters, both positive and negative, in a balanced way
Consistency and comparability	Should be consistent over time and enable comparison

Source: International <IR> Framework January 2021

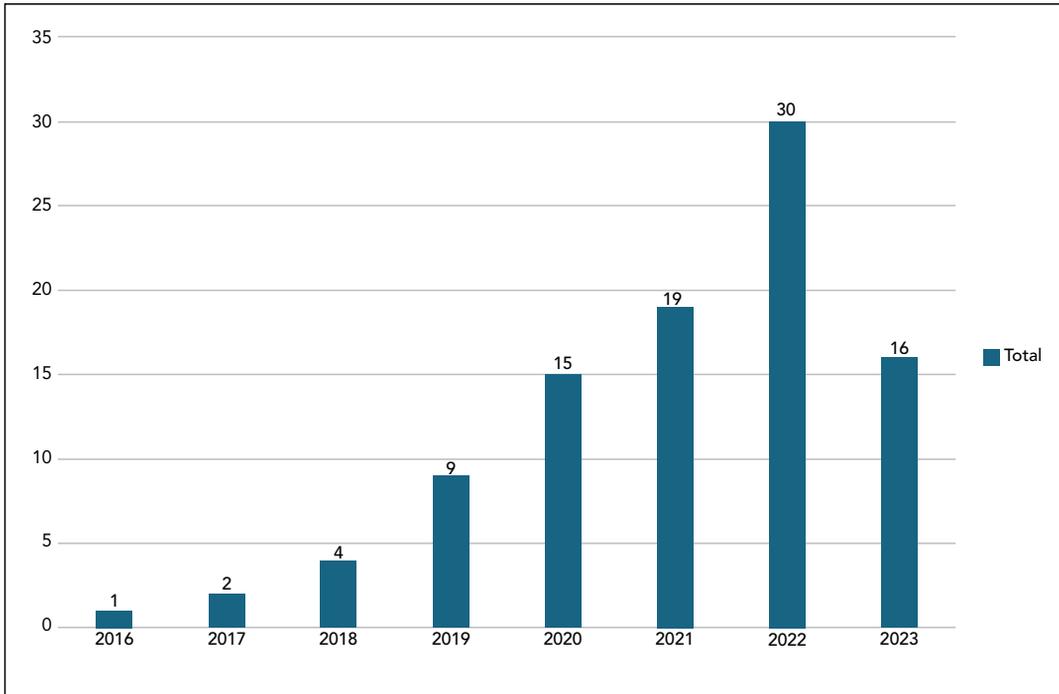
ⁱⁱ **CONTENT ANALYSIS** – The relevant section of the non-financial Indian firms IR issued for FY 2022-23 were manually inspected with the specific information collection objective to address the matter covered in the article.

breakup in Figure 3 indicates that the manufacturing industry dominates over the services industry in adapting to integrated reporting.

The major reason would be its operationally higher impact on the environment and social aspects as

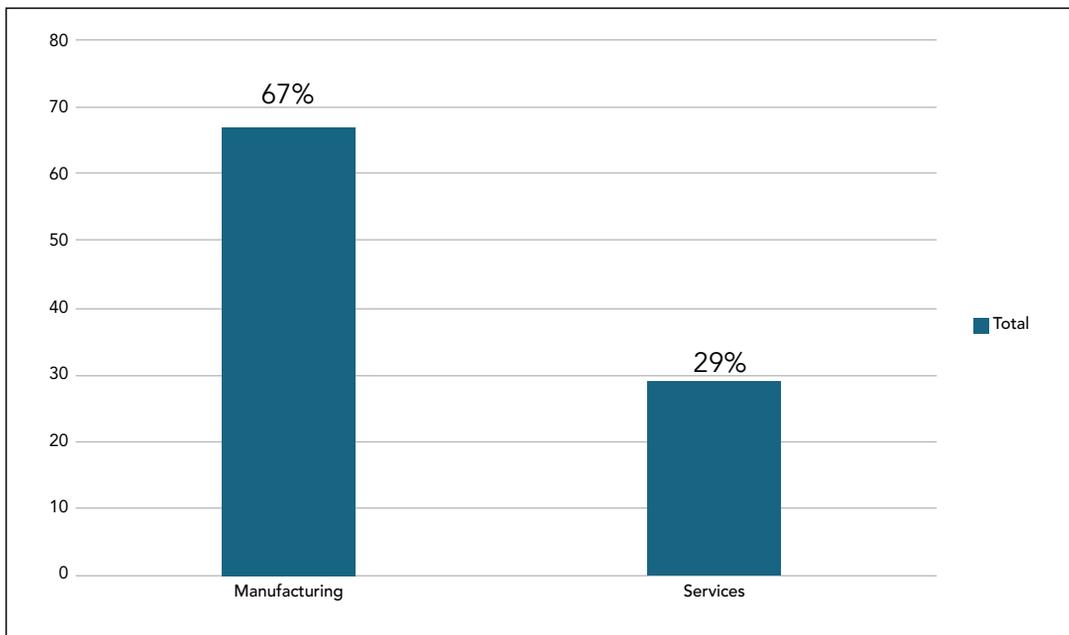
compared to the service industry. Figure 4 provides an overview of the number of companies involved in IR across different sectors, highlighting the construction materials sector being the highest among all the sectors. There is no mandatory requirement for the assurance

Figure 2: Firms Adopting IR in India - 2016 to 2023



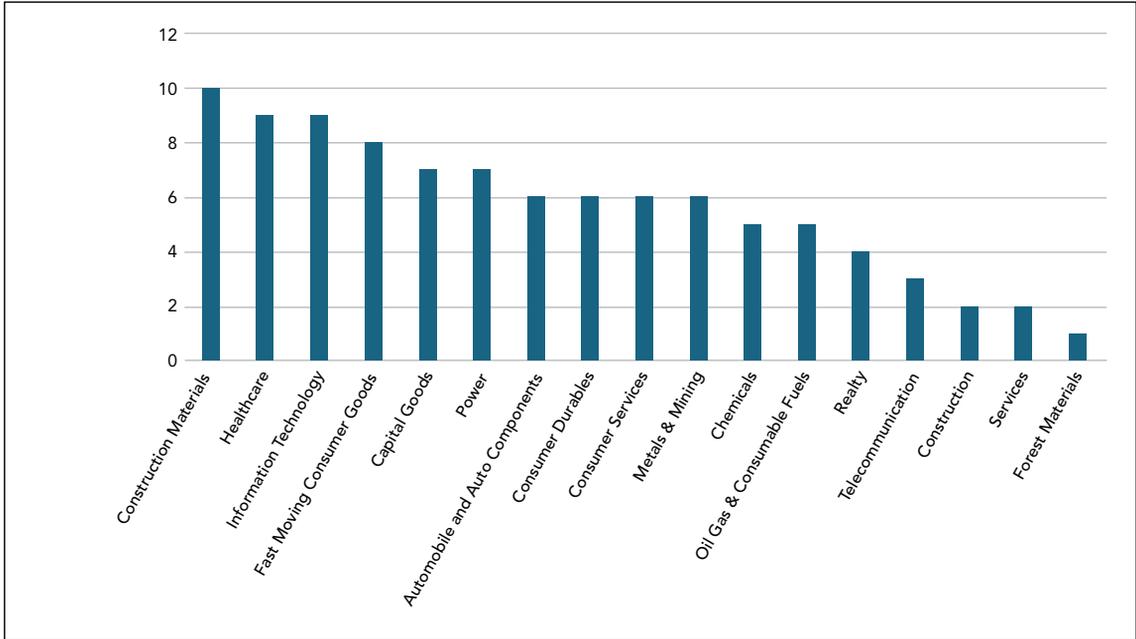
Source: Authors' compilation

Figure 3: Manufacturing vs Service Sector - FY 2022-23



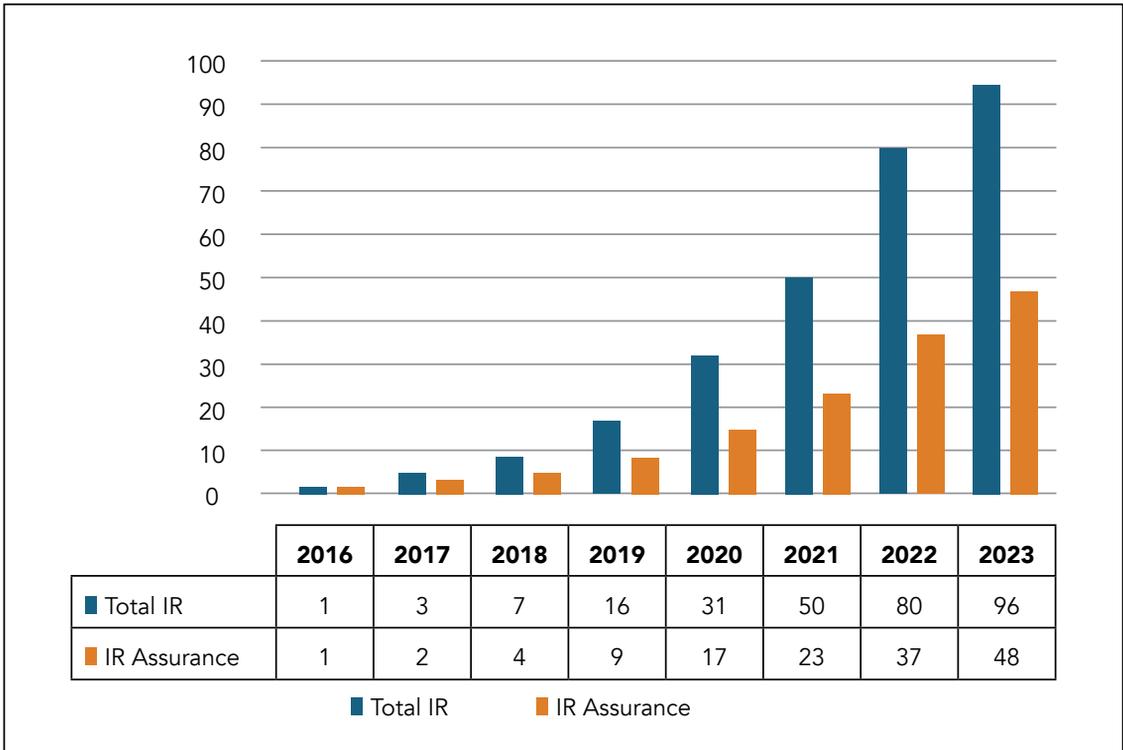
Source: Authors' compilation

Figure 4: Industry-wise FY 2022-23



Source: Authors' compilation

Figure 5: IR Adoption and Assurance FY 2022-23



Source: Authors' compilation

of non-financial information forming part of the IR. However, firms can voluntarily get the report assured to further enhance the credibility of the disclosure. Figure 5 shows an increasing trend in the firms opting for external assurance of the IR.

Meeting the IR Framework Requirements

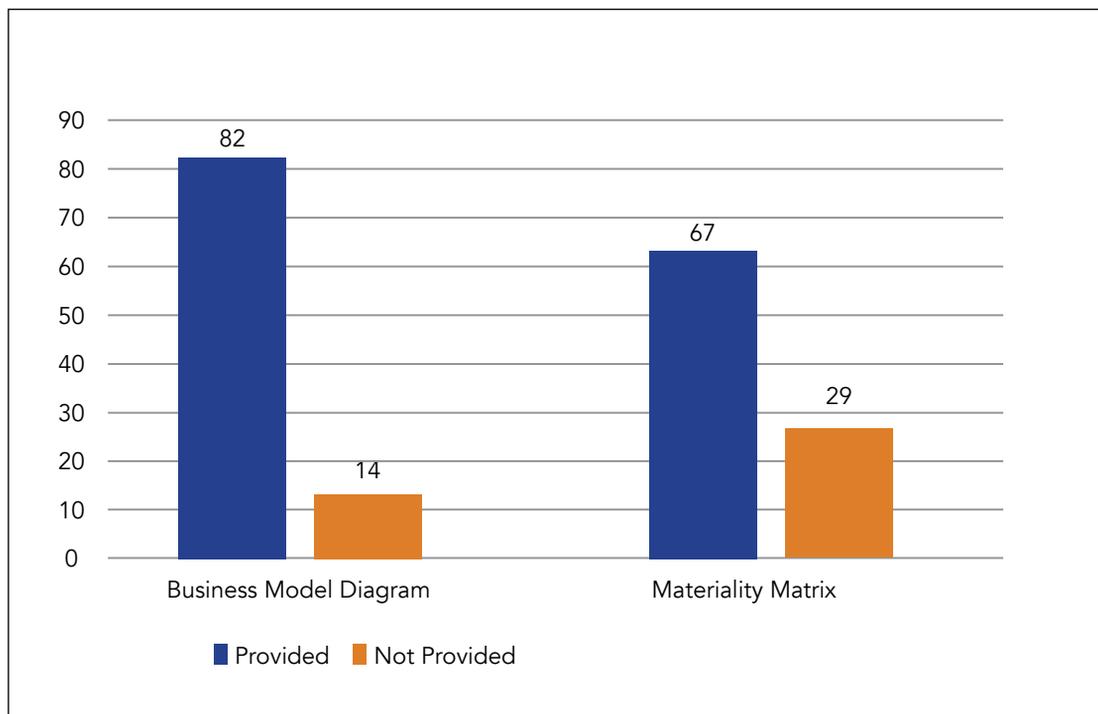
There has been a significant increase in the number of Indian non-financial firms issuing voluntarily integrated reporting. These reports must adhere to the IR reporting framework to ensure the objectives of such reporting are achieved. Although there are high-quality informative integrated reports, the fact that a few reports do not comply with the basic framework requirements can't be denied. We carried out a primary investigation of the IR issued in FY 2022-23, focusing on the presence of a business model diagram, one of the vital content elements and materiality, a crucial guiding principle for the preparation and presentation of IR.

1. Primary Investigation: Business Model Diagram & Materiality Matrix

“Business Model” aims towards the value creation over the short, medium, and long term. It is described with the key elements of inputs, business activities, outputs, and outcomes. The materiality matrix depicts the material issues identified by an organization through a materiality assessment process involving various stakeholders. These are the matters that substantively affect the organization’s ability to create value over the short, medium, and long term.

Out of the 96 reports examined, 14 reports (around 15 %) did not disclose the business model diagram and 29 firms (around 30 %) did not report the materiality matrix (Figure 6). The lack of these disclosures can make it difficult for stakeholders to understand the company’s business and how

Figure 6: Business Model Diagram and Materiality Matrix



Source: Authors’ compilation

it creates value. Further, such disclosures are highly recommended to improve transparency and accountability, and they could also help the company to identify and address its most important sustainability challenges.

For the reports which have provided business model diagrams and materiality information, we carried out

more in-depth content analysis. The aspects covered include:

- business model-related presentation
- output and outcomes contents
- materiality assessment-related information
- integration of IR in Indian Annual Reports

Table 2: Best Practices of Business Model Diagram

Navigation	The IR report includes a business model on the content page of the report with a hyperlink. The business model diagram had hyperlinks for navigating to detailed information.
Positioning	The business model was positioned in the initial section of the report, providing a better understanding of the organization
Readability	The diagram was placed adequately on one page aiding clear and logical understanding

Source: Authors' compilation

2. Business/Value Creation Model related presentation

As per the IIRC framework, the business model diagram and explicit identification of key elements are two of the crucial aspects towards enhancing the effectiveness and readability of the business model. In this section, we present our findings basis in-depth content analysis aspects of the relevant sections within the IR.

The business model diagram provides a quick snapshot to understand the organization's system of transforming inputs towards creating value. Table 2 summarizes the best practices, followed by observations that have a scope for improvement.

Below are the common observations which have a scope of improvement:

- i. no information about the business model on the content page of the report;
- ii. the business model diagram being presented towards the lagged part of the report; and
- iii. the diagram goes across two to three pages, thus impacting the readability and understanding.

3. Output and Outcome Contents

Across all the IRs where a business model diagram has been provided, inputs regarding the six capitals have been provided along with the presence of business activities, strategies etc. The major challenge identified was with the information provided in the reports regarding output and outcomes.

As per the IIRC framework, outputs are organizations' key products and services (e.g. for a steel company, tonnage of steel production can be output) with the possibility of other outputs like by-products and waste depending upon their materiality. Outcomes are internal (e.g. cash flows, employee satisfaction) and external consequences (e.g. customer satisfaction, CO₂ emission) for the six capitals, with both positive and negative possibilities. There was a huge variation observed in this aspect of the business model diagram observed in the 77 reports (Table 3) majorly related to data diversity, lack of negative outcomes, and inconsistency across reports.

Table 3: IR for Output and Outcome Study

Total IR with Business Model	82
Output and Outcome reported together	(04)
Output title repeated	(01)
IR reports investigated on output and outcomes	77

Source: Authors' compilation

The primary focus of the reports was on quantitative data, mostly KPIs (Key Performance Indicators) related to the six capitals (financial, manufactured, intellectual, human, social and relationship, natural). However, some reports also include qualitative information, typically presented as factual statements. Scrutiny on referring to earlier year reports revealed instances of repetition of similar statements over years. Table 4 demonstrates the inconsistency across reports where outputs are reported quantitatively, with outcomes described qualitatively (most common), both outputs and outcomes reported quantitatively, outputs and/or outcomes missing entirely and a mix of quantitative and qualitative data for both outputs and outcomes. The variations existed among both early adopters and those newly implementing IR.

Table 4: Variation in Output and Outcomes

Output	Outcomes	Nos
Quantitative	Qualitative	32
Product/Services	Quantitative	18
Not Provided	Quantitative	9
Quantitative	Quantitative	7
Qualitative	Quantitative	6
Quantitative	Not Provided	3
Qualitative	Not Provided	1
Quantitative	Product/Services	1
		77

Source: Authors' compilation

The materiality matrix depicts the material issues identified by an organization through a materiality assessment process involving various stakeholders.

A significant concern of the IR was the tendency to report only positive outcomes. Negative outcomes, if any, are often absent, which is a common area of improvement across IRs.

4. Materiality Assessment

The materiality determination process comprises identification, evaluation, prioritization and determination of information to be disclosed. This section discusses the major observation on the materiality-related disclosure of the Indian IRs where major reports have provided the material issues under three categories i.e. environment, social, economics & governance.

Best Practices in Materiality Assessment (IR)

A few IRs under study demonstrated a strong approach to materiality assessment. This was evident through several key aspects. First, the report outlined a comprehensive process for identifying material issues, involving detailed research and stakeholder engagement activities such as interviews, focus groups, and surveys. Second, each identified issue was evaluated based on its significance to both the company's success and stakeholder concerns. The report then categorized these material issues under environmental, social, and governance (ESG) themes for better organization. Furthermore, a materiality matrix was likely presented, visually prioritizing the issues based on their impact (low, moderate, or high). Importantly, the IR went beyond simply disclosing these material matters. It also demonstrated how these issues connect to the company's six capitals, operational boundaries, and their impact on stakeholders. Finally, the report provided information on how the company addresses each material issue, outlining its strategies and actions taken. This transparency strengthens the overall materiality assessment and emphasizes its role as a foundation for effective IR.

Additional Observations

Most reports incorporated an economic pillar alongside the standard ESG (environmental, social, and governance) pillars, providing a more comprehensive view of materiality. Some companies based their current assessment on previous years' exercises, validating them through internal discussions. Certain topics, like

sustainable supply chains, digitalization, community engagement, and occupational health & safety, emerged as common themes across the ESG matrix, indicating differences in organizations' approaches towards these issues.

Practices with a scope of improvement

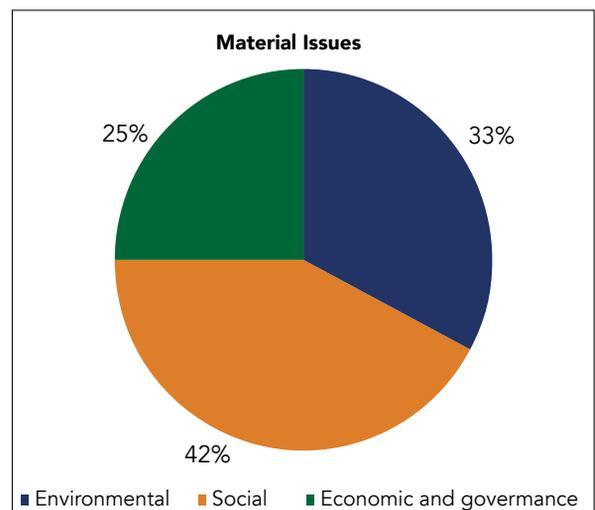
There are reports where the materiality issues contain very generic disclosure. This depicts a lack of regular engagement with the stakeholders and can be evidenced basis the below observations. There were reports where the materiality assessment was carried out internally only. Some reports have not provided any information regarding the materiality assessment exercise however materiality assessment information has been provided. A report has shown that the material issues were identified during the FY 2014-16, which might no longer be relevant for the issued IR. The same report has shown "operational efficiency" as a material issue twice and thereafter described community development. A report has mentioned carrying out materiality assessment every three years. Further on, only 3 material issues were disclosed with no issues reported under governance factors.

Major Material Issues

Here is a summary of the findings on material issues across the studied IRs:

- i. A total of 1,298 material issues were identified across reports, including repetition across the firms.
- ii. Figure 7 shows that social aspects (42%) were the most common material issue category, followed by environment (33%) and economics/governance (25%).
- iii. Common material issues included:

Figure 7: Material Issues- Category Level



Source: Authors' compilation

- Governance: Corporate Governance, risk management, ethics
- Environment: Waste Management, climate change, water management
- Social: Safety and Human Rights, diversity, inclusion

The findings suggest that social issues are of primary concern to companies, followed by environmental and economic/governance issues. This highlights the importance of social responsibility for businesses. Safety, waste management, and human rights emerged as the most common material issues across all categories, indicating their widespread significance. The word cloud in Figures 8 to 11 shows the major material issues under the category of economics and governance (Figure 8), environment (Figure 9), social (Figure 10) and combined aspects (Figure 11)

Figure 8: Economics and Governance



Source: Authors' compilation

Figure 9: Environment



Source: Authors' compilation

Figure 10: Social



Source: Authors' compilation

Figure 11: Combined ESG



Source: Authors' compilation

■ **Integration of IR in Indian Annual Reports:**

There's significant variation in how well companies integrate their IR section with other report sections like financial statements and management discussions. Some companies achieve strong integration by aligning IR narratives with financial metrics, risk assessments, and strategic priorities from other sections. This fosters a holistic view of performance and strategy. However, not all reports exhibit this level of integration. In some





cases, the IR section remains isolated, presenting high-level information without strong connections to details in other sections. This lack of integration can lead to a fragmented understanding for stakeholders, making it difficult to see how strategies translate into financial and operational outcomes. Enhancing IR integration is crucial for transparency and allows stakeholders to gain a clearer understanding of the impact of strategic initiatives on financial and operational performance.

Professional Opportunities in IR

Amidst the rise of IR in India, with evidence of high-quality reporting along with scope for improvements, possibilities for Chartered Accountants (CAs) who develop the necessary skills can't be ruled out. By embracing IR principles, CAs can position themselves for diverse and rewarding career paths in both practice and industry.

■ CAs in Practice

CAs in practice can leverage their existing client base to promote IR's benefits and guide implementation. Their financial expertise is crucial for ensuring strong links between financial and non-financial data in reports, making them more user-friendly for stakeholders. Additionally, CAs can expand their assurance services by assuring the non-financial disclosures that are a core part of IR. Upskilling and collaborating with non-accounting professionals strengthens their offerings.

■ CAs in Industry

Within companies, CAs can play a vital role at various levels. In leadership, they can champion "integrated thinking," fostering strategic value creation, the foundation of effective IR. Mid-level CAs can execute IR preparation by developing methods to effectively capture non-financial information for accurate reporting. Finally, CAs in the investment sector can leverage their IR knowledge to better value companies based on non-financial data and business value creation models, enabling them to identify sustainable investment opportunities and manage wealth more effectively.

Conclusion

Integrated reporting has gradually emerged as a preferred mode of one-stop document for corporate communication to its various stakeholders. Since 2016, when the first IR was issued in India, there were 96 listed non-financial firms that have issued voluntary IR in FY 2022-23. This growth story is evidence of responsible business by Indian listed firms and a transformational shift from traditional reporting to integrated reporting. Although Indian IR fulfils the framework requirements, there exists a wide scope of improvement majorly in areas like business or value creation model diagram, clarity between output and outcomes, adequate materiality assessment procedure, presentation of materiality matrix with deeper insights on material issues and connectivity of information. The growth of IR and its inherent challenges create opportunities for Indian CAs. By embracing IR principles, Indian CAs would not only contribute towards improvement in the IR regime but can embark on professional growth in this global reporting arena.

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*Disclaimer: The information presented in the article is based on the data up to the year 2023.

Sustainability Reporting, Auditing and Assurance: A path to the Green Economy



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Member of the Institute

Environmental concerns, social responsibility, and ethical governance practices (ESG) have increased the focus of businesses towards transparent accounting and reporting on the company's sustainability efforts. Even investors increasingly integrate ESG factors into their decision-making, while consumers are more willing to support brands committed to responsible practices. Regulatory bodies are also implementing stricter environmental and social reporting requirements. To navigate this evolving landscape, companies require comprehensive and transparent sustainability reporting mechanisms. Sustainability reporting again needs to be followed by sustainable audit and assurance to maintain the authenticity of reports. This article explores the crucial roles of audit and assurance in strengthening the credibility and reliability of sustainability reporting, ultimately fostering trust with stakeholders, and driving positive environmental and social change.

Sustainability means meeting the needs of the present without compromising the ability of future generations to satisfy their needs. It strives for the long-term health of our planet and its inhabitants. Sustainability can be achieved by reducing current consumption, conserving energy, and water, consuming less meat and creating awareness of sustainability among others. Sustainability is not just about the environment; it

is about creating a future where environmental, social, and economic well-being are interconnected and mutually reinforcing. By prioritizing sustainability, we can ensure a healthier planet, a more just society, and a stronger economy for all in the long run.

Three main pillars of sustainability are Environment, Social and Economic Sustainability which focuses on:

Environment	Social & Human	Economic
Protecting the natural world by using resource wisely, reducing pollution, and conserving biodiversity	Creating a just and equitable social by dealing with issue like poverty, education and health care	Job creation, economic growth, and resource allocation to establish a strong and stable economy

Table 1: Main pillars of sustainability

These pillars ensure a balanced and resilient approach to the development and progress of the economy. However, to ensure the success of these pillars, governance of an organization plays an important role. Governance refers to the policies, structures, and processes adopted by the organization to make strategic decisions in order to ensure transparency, ethical practices, and compliance with regulations.

Sustainability Reporting

Sustainability reporting is the practice followed by companies for communicating environmental, social, and governance (ESG) efforts and performance to stakeholders. In order to report sustainability impacts, the Global Sustainability Standards Board (GSSB) developed the widely used standards, commonly known as GRI Standards, in 2016. To maintain consistency in Sustainability Reporting, IFRS trustees formed an International Sustainability Standards Board (ISSB) in November 2021 to develop standards of sustainability disclosures aiming at broader stakeholder needs. Two accounting standards issued by ISSB in June 2023 which became applicable from January 1, 2024 are:

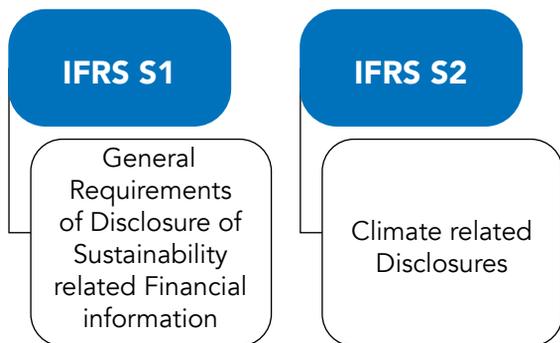


Figure 1: Accounting Standards issued by ISSB

Furthermore, to facilitate the endeavours of these International Boards and boost sustainability practises among enterprises, SEBI introduced a new reporting requirement in May 2021 for ESG disclosures under the BRSR (Business Responsibility and Sustainability Report). These disclosures aim to help investors make informed decisions and encourage companies to consider social, governance, and environmental impacts. Filing of the BRSR has been made mandatory for the top 1000 listed companies from the financial year 2022-2023. MCA also prescribed disclosure requirements in the Annexure 3A of the "Report of the Committee on Business Responsibility and Sustainability Reporting" which can be accessed at (https://www.mca.gov.in/Ministry/pdf/BRR_11082020.pdf). The BRSR needs to be filed online as a part of the annual report through platforms like BSE/NSE in the XBRL format.

The information which an organization is required to disclose can be categorized under the following sections:

Section A: General Disclosures covering company details, products/services, operations, employees etc.

Section B: Management and Process Disclosures corroborates the adherence of the NGRBC principles and core elements through policies and processes of the companies.

Section C: Principle-wise Performance Disclosures validate the performance of companies while complying with the principles and core elements through their key processes and decisions.

BRSR is aligned with the nine principles of the National Guidelines on Responsible Business Conduct (NGRBCs). The nine principles of NGRBCs are provided in Table 2:

The European Union has also introduced Corporate Sustainability Reporting Directive (CSRD) in January 2023 including many listed SMEs and few non-EU

Principles	Businesses are required to
Principle 1	conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	provide goods and service in a manner that is sustainable and safe
Principle 3	respect and promote the well-being of all employees, including those in their value chains
Principle 4	respect the interests of and be responsive to all its stakeholders
Principle 5	respect and promote human rights
Principle 6	respect and make efforts to protect and restore the environment
Principle 7	when engaging in influencing public and regulatory policy, do so in a manner that is responsible and transparent
Principle 8	promote inclusive growth and equitable development
Principle 9	engage with and provide value to their consumers in a responsible manner

Table 2: Nine principles of NGRBC



Figure 2: Sustainability reporting models and frameworks

companies generating over 150 million euros in the European market. Several sustainability reporting models and frameworks are used by organizations worldwide to communicate their environmental, social, and governance (ESG) performance. Few notable ones are presented in Figure 2.

As per the Guidance Note of SAE 3000 (Revised), the decision-making process of several stakeholders gets affected by the sustainable information provided by the Sustainability Report. Few of the stakeholders whose decision making gets influenced by the sustainability reports are given in Figure 3:

Example of user groups

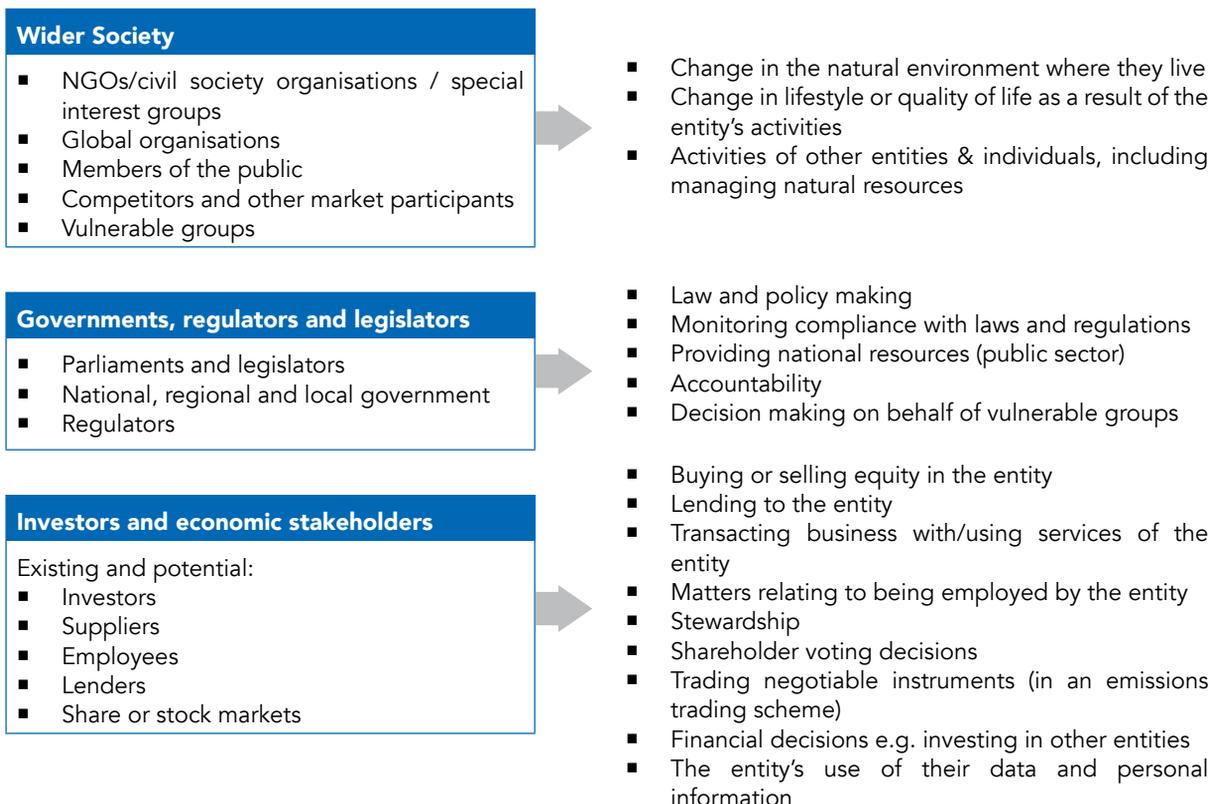


Figure 3: Sustainability reports impact on the stakeholders

(Source: https://www.iaasb.org/_flsystem/azure-private/publications/files/IAASB-Guidance-Extended-External-Reporting.pdf)

To strengthen sustainability reporting in India, the Institute of Chartered Accountants of India (ICAI), constituted the Sustainability Reporting Standards Board (SRSB) to formulate the “Sustainability Reporting Maturity Model (SRMM)” in 2020. The major aim of the Board is to identify and create new opportunities for Chartered Accountants in the growing field of sustainability reporting, develop detailed guidance for conducting audits of Integrated Reports with both financial and sustainability information, publish informative materials on key topics within the sustainability domain to equip professionals with the latest knowledge, engage with international and national bodies, as well as regulators, to advocate policies and regulations for the promotion of sustainable development goals. The “Sustainability Reporting Maturity Model Version 1.0” (SRMM) was developed based on the BRSR scoring system. This innovative model allows companies complying with BRSR to assess their own sustainability reporting practices.

The integration of sustainability reporting into the annual report enables companies to present a more



comprehensive picture of their performance and their commitment to responsible business practices. It facilitates transparency and credibility leading to improved risk management and decision making. Sustainability reporting, thus, ultimately, results in the development of the country both financially and economically by improving the country risk profile, increasing job creation and efficiency, reducing environmental costs, improving public health, increasing foreign aid and grant opportunities, and boosting the tourism industry.

Level	Level 1	Level 2	Level 3	Level 4
Stage	Formative Stage	Emerging Stage	Established Stage	Leading by Example
BRSR Score (percentage of Grand Total Score)	Up to 25%	>25% and Up to 50%	>50% and Up to 75%	>75%
Explanation	<ul style="list-style-type: none"> ■ The Organisation are at the initial level of reporting and are in the process of identifying the need and responsibility of BRSR. ■ Try to establish policies/ systems for data collection and disclosures. 	<ul style="list-style-type: none"> ■ The Organisation realize the value of BRSR and responds to it by setting up robust mechanism for reporting, etc. ■ The functions/ policies/ systems for such reporting are still to be formalised/ focussed ■ The organisation is working towards established enhancing internal controls, data collection and disclosures. 	<ul style="list-style-type: none"> ■ The organisations have established formal function/ policies system for BRSR. ■ Involved in compliance functions etc., and focus increasing on qualitative aspects. 	<ul style="list-style-type: none"> ■ The organisations strive for more than compliance and work towards being a market leader. ■ Strategically differentiating by enhancing disclosures vis a vis innovative methods/ techniques employed.

Table 3: BRSR scoring mechanism for each level of maturity
 (Source: Sustainability Reporting Maturity Model (SRMM)* version 1.0 issued by ICAI)



Sustainability Audit

As per the Auditor Guidance Notes from the EMEA Accounting, Accounting and Education Committee (AAEC), a worldwide association of separate and independent accounting and advisory firms, sustainability reports should be followed by sustainability audits.

Key points to be checked at the Sustainability Audit

A sustainability audit dives deep into a company's environmental, social, and governance (ESG) practices. The main key areas are:

I. Environmental

The audit is focused on evaluating the company's efficiency in resource utilization and its efforts towards resource conservation. Energy & water usage, air and water emissions, raw material sourcing, and waste disposal practices are all scrutinized. Compliance with environmental regulations and the company's commitment to reducing its environmental footprint are also assessed. A company's impact on natural habitats and its efforts to conserve biodiversity are also assessed through the company's supply chain practices and their impact on ecosystems.

The following steps should be followed to conduct a **Sustainability Audit**:

<p>Planning and Scoping</p>	<ul style="list-style-type: none"> ■ This stage involves defining the audit's objectives, scope, and timeframe. Key stakeholders are identified, and relevant data is gathered. Information systems are studied. ■ Linking the consideration of materiality and engagement risks to the nature, timing and extent of procedures.
<p>Applying procedures</p>	<ul style="list-style-type: none"> ■ Data relevant to ESG metrics is collected from various sources within the company through inquiry, inspection, site visits, interviews etc.
<p>Analysis</p>	<ul style="list-style-type: none"> ■ This data is then analysed to assess the company's performance across different sustainability aspects.
<p>Findings and Recommendations</p>	<ul style="list-style-type: none"> ■ The audit team evaluates the collected data and prepares a report outlining the company's strengths, weaknesses, opportunities, and risks related to sustainability. Recommendations for improvement are also provided.
<p>Management Response</p>	<ul style="list-style-type: none"> ■ The company's management reviews the audit report and develops a plan to address the identified issues and implement the recommended actions.

Table 4: Steps to conduct **Sustainability Audit**



II. Social

The audit assesses the company's respect for human rights throughout its operations and supply chain by examining the fairness in labour conditions, worker safety, diversity, inclusion within the workforce, and living wages. The audit evaluates the company's relationship with the communities and its social impact on it. This involves looking at responsible marketing practices and product life cycle considerations.

III. Governance

The audit assesses the company's leadership structure, board composition, and ethical practices. This includes looking for transparency in decision-making and accountability for the company's sustainability reporting. The audit ensures the company adherence to relevant reporting frameworks and provides stakeholders with a clear picture of its ESG performance.

Thus, a sustainability audit provides a comprehensive assessment of a company's ESG performance and identifies areas for improvement. This empowers companies to operate more responsibly, build trust with stakeholders, and contribute to a sustainable future.

Sustainability Assurance Report

Sustainability reports comprise of both qualitative and quantitative disclosures. Assurance of these reports enhances the credibility of these reports. Sustainable Assurance Report is a more comprehensive report as compared to general audit reports. The AA1000 Assurance Standard (AA 1000AS v3), an internationally recognized standard, can be used alongside other recognized frameworks to enhance the quality and robustness of the assurance process.

As per AA 1000AS v3, there can be two types of assurance namely Type I and Type II Assurance. While Type I focuses solely on the adherence of the four

core principles of AA1000 i.e., Inclusivity, Materiality, Responsiveness, and Transparency, Type II goes beyond adherence to principles and delves into the credibility of the reported sustainability information. The decision to choose between Type I and Type II depends on the specific context and desired level of assurance like level of stakeholders, materiality of sustainability impacts, and maturity of the organization in sustainability reporting. In case of a higher level, Type II will be preferred.

An assurance statement, as per AA 1000AS v3, discloses information under two categories: They are:

- I. Assurance Information
 - 1) Intended users of the Assurance Statement
 - 2) Responsibilities of the reporting organisation and assurance provider
 - 3) Reference to the AA 1000AS v3 and other assurance standard(s), if used
 - 4) Description of the scope, subject matter, the type, and level of assurance provided
 - 5) Reference to criteria used
 - 6) Description and sources of disclosures covered
 - 7) Description of methodology
 - 8) Limitations and approach used to mitigate limitations
 - 9) Notes on the independence and competencies of the assurance provider
 - 10) Name of the assurance provider
 - 11) Date and place of performance
- II. Performance Related Information
 - 1) Findings and conclusions regarding adherence to the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness, and Impact (in all instances).
 - 2) For Type 2 assurance, findings and conclusions concerning the reliability and quality of specified performance information.

A more concise standardized format was also laid down by SSAE 3000. The International Auditing and Assurance Standards Board is in the process of developing an International Standard on Sustainability Assurance (ISSA) 5000 proposing general requirements for Sustainability Assurance Engagements applicable for any sustainability assurance engagements which will be superseding the existing ISAE 3000 (Revised), Assurance Engagements other than audits or reviews of Historical Financial Information and ISAE

3410, Assurance Engagements on Greenhouse Gas Statements issued by IAASB of IFAC.

Based on the existing international standards, ICAI has issued the Standard on Sustainability Assurance Engagements (SSAE) 3000 dealing with the assurance engagements on Sustainability Information effective for the periods ending on or after March 31, 2024 which can be applied in addition to other laws/regulations applicable to any entity. ICAI has also constituted the Sustainability Assurance Maturity Model (SAMM) to achieve the goal of Sustainability Reporting and Assurance in compliance with SSAE 3000 by assessing the maturity of an organization's sustainability assurance processes. The criteria for assessing maturity includes the independence and competence of assurance providers, the scope and rigour of assurance procedures, the level of integration of assurance findings into decision-making processes, the transparency and credibility of assurance statements, and the effectiveness of assurance in enhancing stakeholder trust and confidence in the organization's sustainability performance. The models aim to help organizations benchmark their sustainability assurance practices, identify areas for improvement, and develop strategies to enhance the quality, credibility, and impact of their sustainability disclosures.

Pre-requisites for the audit and assurance engagement

An assurance practitioner is expected to have the following pre-requisites for the procurement of assurance engagement:

- a) Be a member of a firm that applies Standard on Quality Control 1 issued by ICAI, or other professional requirements, or requirements in law or regulation, that are at least as demanding as SQC 1;
- b) Possess competence in assurance skills and techniques developed through extensive training and practical application; and
- c) Possess sufficient competence in the underlying subject matter and its measurement or evaluation to accept responsibility for the assurance conclusion.

Benefits of Sustainability Audit and Assurance

- **Enhanced decision-making:** The audit provides valuable data and insights that can guide strategic decision-making towards more sustainable practices.
- **Risk mitigation:** Identifying and addressing ESG risks proactively can help companies avoid potential liabilities and reputational damage.
- **Improved stakeholder engagement:** A strong sustainability audit demonstrates a company's commitment to ESG issues, fostering better relationships with investors, employees, customers, and communities.
- **Cost savings:** Sustainability audits can identify areas for resource efficiency and waste reduction, leading to potential cost savings.
- **Competitive advantage:** Companies with strong sustainability practices can gain a competitive edge by attracting environmentally and socially conscious investors, customers, and talent.

Hurdles on the Road to Sustainability Audit and Assurance

Sustainability audits and assurance, while offering valuable insights into a company's ESG performance, can present their own set of challenges. Many organizations and their accounting professionals lack adequate knowledge and training on sustainability frameworks, standards and reporting methodologies. This gap can lead to incomplete or inaccurate data/disclosures, non-compliance with global standards and missed opportunities to leverage sustainability initiatives for competitive advantage. Ultimately, this will hinder the audit process and create hurdles on the path of the auditors to assess the performance accurately.

Overcoming Hurdles

Despite these challenges, effective strategies through adequate training programmes, workshops,



and certifications for enhancing the knowledge of sustainability reporting among the concerned team can ensure a successful sustainability audit. As promulgated by the International Federation of Accountants (IFAC) through effective designing of regulatory frameworks, aligning sustainability disclosure with financial reporting based on the globally accepted standards, integrating sustainability assurance with financial statement audit engagements, and transitioning to reasonable assurance engagements can ensure trust and confidence in sustainability disclosure. While challenges exist, sustainability audits are a valuable tool for companies to assess their ESG performance, identify risks and opportunities, and demonstrate accountability to stakeholders. By addressing these challenges, companies can leverage sustainability audits to build trust and navigate the evolving landscape of ESG practices.

Role of a CA in Sustainability Reporting, Audit and Assurance

Chartered Accountants (CAs) play a crucial role in ensuring the credibility and accuracy of sustainability reporting. Their expertise in accounting principles, data analysis, financial reporting, risk management, and strategic planning makes them valuable assets in navigating the complexities of ESG (environmental, social, and governance) disclosures. Their brief role as an accountant and auditor is:

As an Accountant

1) Data Management and Analysis

- **Data Gathering and Organization:** CAs play a vital role in collecting, analyzing, and organizing data relevant to ESG metrics. This includes energy consumption, waste generation, water usage, diversity metrics, and employee wellbeing data.
- **Internal Controls:** CAs can help to establish and maintain strong internal control systems to ensure the accuracy and reliability of sustainability data through setting up of clear data collection procedures, verification processes, and maintaining a strong audit trail.
- **Standardization and Frameworks:** CAs can guide companies in complying with the different standards and frameworks (like GRI, SASB) ensuring comparability and reliability of the reports.
- **Cost Management:** By analyzing sustainability data, CAs can identify areas for improvement in resource efficiency and waste reduction which can lead to potential cost savings.

2) Setting ESG Targets Goal Development: CAs can assist companies in setting realistic, achievable and measurable ESG goals, aligned with global standards. These ESG targets can be linked to the financial performance to ensure better productivity.

- **Metrics and KPIs:** By developing appropriate metrics and key performance indicators (KPIs), CAs can assist in tracking progress towards ESG goals.
- **Accountability and governance:** To ensure compliance with ESG related regulations and standards, ESG committees can be formed. Regular reviews and updates on ESG performance should also be initiated.

3) MIS Reporting

MIS Reports increase efficiency by automating repetitive tasks and reduce errors, thereby generating more accurate and reliable reports. Timely decision making and up-to-date information can be extracted as per the requirement of the stakeholders. With the integration of MIS into their reporting processes, CAs can provide data driven, comprehensive insights to present a holistic view of the company's performance with improved transparency.

As an Auditor

1) Assurance and Verification

Sustainability auditors provide independent assurance on the fairness and accuracy of a company's sustainability report by assessing the company's internal controls, identifying any material misstatements, and providing an opinion on the overall reliability of the reported information. This enhances the credibility and transparency of the sustainability report, giving stakeholders greater confidence in the information presented.

2) Risk Management

The audit process can help identify potential risks associated with a company's ESG practices, allowing for better risk management strategies.

3) Collaboration with Sustainability Auditors

CAs can collaborate with external sustainability auditors to ensure a comprehensive assessment of the company's ESG practices thereby bridging the gap between financial and sustainability reporting.

4) Improvement Recommendations

Auditors may provide recommendations for improvement in the company's sustainability reporting processes and data collection methods, leading to more robust and informative reports in the future.

By promoting sustainable practices within companies, a country can position itself to attract investment, create jobs, enhance its brand reputation, and build a more resilient and prosperous economy for the future.

5) Investor Relations

CAs can help companies communicate their sustainability efforts effectively to investors who are increasingly integrating ESG factors into their investment decisions.

With the increase in the demand for sustainability expertise and tech enabled solutions, Chartered Accountants will play a vital role in ensuring the credibility and effectiveness of sustainability reporting.

Conclusion

Sustainability reporting is not just about environmental responsibility; it is a strategic economic move. By promoting sustainable practices within companies, a country can position itself to attract investment, create jobs, enhance its brand reputation, and build a more resilient and prosperous economy for the future. A sustained commitment to ESG principles is crucial for reaping the economic and financial rewards. Governments can play a crucial role in promoting and incentivizing sustainability reporting by establishing clear policy frameworks and regulations. Additionally, the role of Chartered Accountants cannot be denied, as



they ensure the quality and integrity of sustainability reporting and audits. They work together with the company and the Government to provide stakeholders with a clear and reliable picture of a company's environmental, social, and governance performance.

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Exploring the Cyber Security Frontier: Insights into the Current Landscape



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In today's technology-driven business environment, it is paramount to understand the landscape of cyber security. This article delves into the expansive domain of cyber security, delineating its defensive and offensive dimensions. While exploring a spectrum of tools, it underscores the critical need for both service providers and businesses to grasp the intricacies of cyber security in light of our reliance on diverse applications.

Navigating Through Cyber Security Frontier

As digital ecosystems continue to evolve, navigating the cyber security frontier becomes increasingly imperative for safeguarding assets and maintaining operational integrity. The Cyber Security Landscape refers to the current state and dynamics of cyber security. It encompasses various threats, technologies, challenges, practices, regulations, and trends which give shape to cybersecurity. It includes risks faced by societies, organizations, and individuals in the digital age.

Components of Cyber Security Landscape are:

1. Rapidly Involving Threat Landscape

It is characterized by constantly evolving array of threats including malware, ransomware, phishing attacks, and zero-day exploits, etc.

2. Technological Advancements & Challenges

Artificial Intelligence, Machine learning, and Internet of things are some of the technological advancements that are transforming the cyber security landscape. With these technologies, they not

only offer new opportunities for innovation but also introduce new vulnerabilities and challenges that need to be addressed.

3. Regulatory Compliance Requirements

Regulatory bodies around the world are developing a framework of regulations, compliance requirements, and standards to safeguard data privacy. Regulations are being developed to protect critical infrastructure and mitigate risks.

4. Cyber Security Skill Shortage

It is a growing field for professionals. It needs skills and expertise to address the complex challenges. Organizations are investing in training, recruitment, and retention efforts to build and maintain cyber resilient workforce.

5. Emerging Threat Vectors

A few years back, 5G network was launched. We have advanced in technology and continue to make further progress. Thus, new threat vectors are also emerging. It includes cloud-based threats, supply chain attacks, and attacks targeting new technology and quantum computing.

6. Global Collaboration and Threat Intelligence sharing

Since these attacks are related to technology, therefore, they are borderless attacks. It requires global collaboration and threat intelligence-sharing among governments and regulators. Collaborative efforts are required to mitigate these kinds of risks.

A firewall is a network security device. It controls the inbound and outbound traffic. It inspects the data packets based on predetermined rules and regulations.

Work from home or remote working is a very common concept that emerged during pandemic. As a result, employees are required to access critical information and documents of the organization from remote locations. This created the need for a Firewall in the VPN to filter the packets before they enter

the private network layer of the organization. A firewall ensures that a data packet that does not satisfy the conditions will not be able to enter and harm the network. Let's picturize a scenario: A corporation has an online customer portal. It interfaces with an SQL database containing sensitive customer data. The web application has several input fields. These are directly used in constructing SQL queries. The security measures used are focused on primary defenses and do not monitor web application attack patterns. The cyber-criminal discovers that the customer portal does not sanitize user input for SQL commands. They insert an SQL segment into the input field and expose the database contents.

7. Cyber Resilience and Incident Response

This matter came into highlight after a cyber-attack on AIIMS in November 2022. The hospital's digital patient system was attacked, which resulted in server outages and data breaches. This incident raised questions about the effectiveness of the hospital's incident response system. In case of attacks like this, after an investigation we can judge who bears the flag of liability. However, if the restoration process takes time even after the attack, who will shoulder that responsibility? It was thereby realized that incident response and restoration of work need to be treated equally important.

Thus, spreading awareness and educating about the same is the need of the hour.

Majorly, Cyber Security Landscape can be divided into two parts: Defensive and Offensive.

Defensive Landscape

The government increasingly relies on digital assets for the storage of critical information. Similarly, individuals and businesses use a lot of digital assets for the smooth conduct of business and transfer of sensitive information. For the maintenance of privacy, tools are required with upgraded technology. Thus, a robust mechanism is required to protect this data and the reputation of the government and businesses. Regulatory compliances are also made for the protection of critical information.

Some of the tools used in defense of cyber security threats are:

1. Firewall

A **firewall** is a network security device. It controls the inbound and outbound traffic. It inspects the data packets based on predetermined rules and regulations. It tracks the state of active connections and allows only legitimate traffic to pass through. It helps in preventing hijacking and packet spoofing. It also performs deep packet inspection to analyze the content in the application layer. Some firewalls include Virtual Private Network (VPN) as well.

In this kind of case, we require an extension of the Firewall i.e. **Web application Firewall**. These are designed specifically to protect and monitor HTTP traffic between applications and the internet. It detects and differentiates between genuine and automated BOT traffic.

2. Intrusion Prevention Systems (IPS)

Similarly, there are **Intrusion Prevention Systems (IPS)** which are network security appliances. They monitor network traffic to detect and prevent identified threats. IPS can be network-based or host-based. It alerts us to abnormal behavior and traffic patterns. It blocks the traffic that resembles malicious pattern. It can drop data packets and reset connections as an immediate response to curb threats.

3. Secure Web Gateways (SWG)

Now suppose, there is a digital marketing company that has a distributed network and relies on cloud-based services and frequent internet usage. Employees are aware of cyber security breaches as well. Due to the intensive search of data, they often browse various websites. Popular online news that employees were frequently visiting becomes compromised. As a result, mal-advertisements containing malicious scripts are served. An employee by default clicked that advertisement. A script runs and malicious software is silently downloaded. Now the employee's computer is affected due to an unpatched browser vulnerability. After that, the malware begins communicating with the command and control server. This type of compromised

ad network requires a tool known as **Secure Web Gateways (SWG)**.

It is a security solution that offers protection against online threats. It helps in categorization and filtration of web content. It also monitors and controls the usage of bandwidth. It acts as a barrier between the user's devices and the internet. It blocks access to harmful and inappropriate websites, thus, protecting the user's device from unauthorized access.

4. Content Disarm & Reconstruction

Sometimes, a malicious code can also be embedded in digital documents without hindering the content's usability. To avoid such kind of threat, a cyber security approach known as **Content Disarm & Reconstruction** is used. It is a multilayered defense that works alongside traditional antivirus to enhance protection. It processes files seamlessly without disrupting user workflows. It integrates with email gateways, web proxies, and end-point solutions for a cohesive security strategy.

5. Email Security Solution & enabling DMARC & DKIM

Let's analyze a different case!

Heard of E-mail spoofing? What does spoofing mean? How can it affect an organization?

Spoofing refers to imitation/manipulation to create a false impression of a trusted source. Suppose cyber criminals have researched about the company and created an ID, let's say abc@xyz.co, which is similar to the original ID of the CFO which is abc@xyz.in, and was able to enter the internal source network of the company. A mail was received by an employee from the spoofed ID to transfer funds to a vendor for a confidential contract. The mail was drafted in the same manner as the CFO used to. Also, it came from an internal source network, so the employee was unable to recognize that it could lead to fraud. The employee transmitted the funds as directed. In this kind of situation, **Email Security Solution & enabling DMARC & DKIM** could have helped the organization from email spoofing.

6. Endpoint Protection Platform

Let's explore another scenario. A mid-size company was using the same E-Mail ID for internal as well as external communications. Employees are equipped with laptops issued by the company. A mass mailing worm is initiated when an employee clicks an email appearing to be similar to a known vendor. In these types of cases a tool known as **Endpoint Protection Platform (EPP)** is required. EPP is a comprehensive security solution designed to detect, prevent, and respond to threats on end-point devices.

IPS can be network-based or host-based. It alerts us to abnormal behavior and traffic patterns. It blocks the traffic that resembles malicious pattern.

End-point devices include desktops, laptops, tablets, and smartphones as well. EPP encrypts data stored on end points to protect it from unauthorized access. It monitors the network traffic and blocks the user with unauthorized access trying various attempts to enter into the network.

7. Endpoint Detection and Response (EDR)

A more robust tool is required to avoid, protect against, and respond to a ransomware attack exploiting a zero-day vulnerability that has bypassed the efficiency of EPP. The ransomware might encrypt the critical document and then it can exfiltrate data to attackers and demand a ransom for the decryption key. This creates a demand for a more extensive tool than EPP, i.e., **Endpoint Detection and Response (EDR)**. It analyzes the behavior and actions of the files. It enables automated and manual responses to identified threats such as isolating affected end-points.

8. Mobile Device Management

Is it not very common to lose our phone in coffee shops or auto rickshaws? Now, what to do if a sales representative has lost his phone in coffee-shop. The device contained cached credentials and a persistent login to the CRM system. The finder of the phone guesses the simple 4-digit PIN. After a few trials, he was able to access the device. He explored the CRM application and accessed confidential customer data. To prevent this kind of threat, a software tool known as **Mobile Device Management** can be helpful. It ensures the security of mobile devices used within the organization. It enables the remote deletion of sensitive data if the mobile device is lost. It provides reports on device status. It can be used to separate personal and business data and secure corporate information.



9. Network Access Control (NAC)

Another situation can be when an employee's personal laptop becomes infected with malware or virus at home. He might have used it in an open-source network. Now he brings that laptop to the office and connects to the corporate network. The malware uses the network connection. It propagates itself across the corporate network. It exploits the vulnerabilities and accesses unauthorized information. This kind of situation can be avoided with the help of a cyber security tool known as **Network Access Control (NAC)**. It grants access based on user roles & responsibilities. It provides controlled access for visitors. It isolates non-compliant devices for corrective measures. It also offers a real-time view of devices and safeguards the organization.

10. Data Loss Prevention (DLP)

Delving Into another situation, when employees are not happy with the company they develop hatred. A disgruntled employee who has access to proprietary blueprints and research data can provide valuable intellectual property or engineer plans to a competitor to tarnish the reputation of the company. To avoid such kind of situation a **Data Loss Prevention (DLP)** tool can be helpful. It locates and categorizes sensitive data across the enterprise. It monitors the flow of data within, into, and out of the organization. It can trigger alerts and automated responses upon detection of a violation of policy.

11. Honeypots and Honeynets

To prevent crime, one must anticipate and address challenges by putting oneself in the shoes of the attacker. Our next tool is based on this philosophy only i.e., **Honeypots and Honeynets**. These are decoy systems and networks designed to attract, detect and analyze malicious activities. It mimics legitimate assets and real systems. These are closely monitored for any suspicious activity. It acts as a sacrificial target to distract attackers from valuable assets. It is used for understanding the tactics of attacker and enhancing incident response activities.

12. Patch Management

Similarly, we have another tool such as **Patch Management**. Many times, the software we use, including taxation software, becomes outdated and requires patch management. It refers to upgradation of the software to secure the vulnerabilities which could have been exploited in the previous version.

13. Secure Configuration Management

Next, we have **Secure Configuration Management**. It is a systematic process of maintaining a secure configuration for software, hardware, and network devices within an organization's network. It establishes

a secure baseline configuration. It generates reports for insight into the security posture and configuration status of IT assets.

The aforementioned examples illustrate a selection of defensive cyber security tools.

Offensive Cyber Security

Offensive cyber security refers to taking anticipatory actions to prevent problems. It refers to a proactive approach for protecting computer systems, networks & data by simulating real-world attacks. It involves deliberately launching controlled attacks to identify vulnerabilities, weaknesses, and security flaws before malicious hackers can exploit them.

Some of the techniques that can be used in this process are:

1. Penetration Testing

It can be divided into internal and external testing techniques. The primary goal of this technique is to assess the security posture of the organization's digital assets by simulating real-world attacks in a controlled manner. The process comprises of defining the objectives, timing, and scope of the test. Then authorization from stakeholders is required. Necessary tools and resources are assembled. Schedule for test is decided in consultation with stakeholders to minimize the loss of operations. Active and passive reconnaissance of systems are done. Information is gathered about systems. Active scanning and probing of open ports are done. Then automated and manual vulnerability inspections and analytical tools are used to identify the potential security misconfigurations in the system. An attempt to gain unauthorized access and escalate privileges is made. After gaining access, an attempt to remain in the network through backdoors



Red teaming is a cyber security practice that involves a holistic, adversarial approach and scenario-based planning in simulating real-world cyber-attacks to assess an organization's security posture, readiness, and preparedness.

and collect critical information is made. Whether the attempt is successful or not, findings are documented and reported in both the cases for further analysis.

Thus, it helps to ensure that appropriate safeguards are in place.

2. Ethical Hacking

It is also known as White-Hat testing. It is part and parcel of penetration testing. In this, the hacker deliberately bypasses the security controls and exploits vulnerabilities in the systems, network, and applications with the permission of system owners.

3. Red Teaming

Red teaming is a cyber security practice that involves a holistic, adversarial approach and scenario-based planning in simulating real-world cyber-attacks to assess an organization's security posture, readiness, and preparedness. It is one step ahead of penetration testing. It involves multiple attack vectors. It may target not only technical systems but people, processes and physical security controls. It results in comprehensive reports. It documents the findings, observations, and lessons learned. It also includes recommendations for improvement.

4. Social Engineering

Social engineering is a tactic that manipulates an individual into divulging confidential information and providing access to restricted systems. It involves exploiting human psychology. Social engineers use various techniques such as pretexting, phishing, baiting, and tailgating to gather information. It bypasses traditional technical security tools. By understanding the tactics implied by social engineers, organizations can implement pro-active measures to safeguard the systems, networks, and applications.

5. Physical Security Testing

It aims to evaluate the effectiveness of physical security controls. It involves penetration tests, security audits, and vulnerability assessments to identify weaknesses. For example: testing the effectiveness of surveillance cameras, motion sensors, and alarm systems and evaluating the resilience of physical barriers (e.g. fences, gates, barriers) against forced entry tampering attempts.

6. Wireless Security Testing

It focuses on assessing the security of wireless networks, devices, and communication protocols to identify vulnerabilities and weaknesses in Wi-Fi points, routers, and wireless clients. It involves conducting spectrum analysis to detect rogue access points and interference sources.

7. Threat Intelligence and Research Tool

It involves collecting, analyzing, and interpreting data about potential and current threats. Once data is collected, it is analyzed to identify patterns, trends, and indicators of compromise. It involves integration with various security tools such as (SIEM) Security Information and Event Management systems, (IDS) Intrusion Detection System, (IPS) Intrusion Prevention Systems, (EDR) Endpoint Detection and Response, and threat intelligence platforms. It enhances situation awareness to make informed decisions.

8. Reverse Engineering

It is used to dissect the malicious software. Security analysts reverse engineer malware samples to understand the behavior, identify command and control mechanisms, and develop detection and mitigation techniques. It is used to reconstruct events, recover deleted data, analyze system artifacts, and trace the actions of attackers during incidents. In case of hardware security analysis, this technique helps to uncover hardware back tools and identify chain attacks.

9. Post-Exploitation Testing

Post-exploitation testing tools are software frameworks used to validate the extent of compromise and damage caused by successful cyber attacks. These are used to escalate the privileges. It establishes persistence on compromised systems by implanting backdoors, rootkits, or persistent malware payloads. It moves laterally and escalates the scope of attack. Examples of post-exploitation testing tools include Metasploit Framework, Cobalt Strike, Empire, Power Shell Empire and Covenant etc. These tools provide a wide range of facilities to simulate real-time attacks.

It is important to note that these tools must be used ethically with appropriate authorization to avoid legal violations.



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Nurture a New or Small to Medium - Size CA Firm for a New Era



CA. Hilson Abraham
Member of the Institute

ICAI has almost 1,00,000 active CA firms registered, out of which 75,000 are proprietorships and 25,000 are partnership firms. With approximately 3.97 lakh members and 8.62 lakh students, ICAI has cemented its status as the undisputed leader in the global accounting profession. CAs willing to start a new CA firm need to take care of various aspects in order to be successful in the long run. The entrepreneur perspective, adoption of new product lines, and use of the latest technology are a few of the many ways to be successful in CA practice.

An Indian Chartered Accountant has countless opportunities. There is a growing need for young Chartered Accountants due to the expansion of the Indian economy. In order to promote the country's economic progress, ICAI set forth an ambitious vision that by 2047, 30 lakh new Chartered Accountants would be needed in India. CAs can choose either to launch their own practice or work in the industry. To flourish in the field of CA practice, however, one must embrace novel and unconventional strategies in this digital era. In past, growing one's profession required a strong foundation of networking, collaborations, and referrals. But, in this digital era, for new or small to medium-sized CA firms in addition to carrying out one's professional duties, it is imperative to ensure that the factors listed below receive the attention they demand.

The Entrepreneur Perspective

Even though ICAI prohibits doing business along with CA practice, it is not against the rules to think like a business-person when running

a CA firm. According to the well-known book "E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It," one must create and preserve a balance between the roles of manager, entrepreneur, and technician in order to succeed in a new profession or business.

New or small to medium-sized CA practice generally struggle to strike a balance between the aforementioned responsibilities and frequently prioritize the technician part (the professional side), overlooking other crucial components or viewpoints that are necessary to ensure the entity's success. Therefore, in addition to carrying out one's professional duties, it is imperative to ensure he fulfils the roles of an entrepreneur and manager.

New and Innovative Product Lines

Due to the emergence of start-ups, millennials, and Gen-Z entrepreneurs, the product's scope has changed. A young CA starting a new CA firm is traditionally advised to concentrate on bank concurrent audits, internal audits, and tax

audits. However, the startup revolution's transformation of the business landscape and the resulting growth of the entrepreneurial culture have given rise to a plethora of new products, such as startup CFO services, accounting outsourcing, business valuation, payroll and accounting functions on subscription, loan syndications, subsidy facilitation services, and more. By enabling CA firms to aggregate, ICAI is already working on capacity expansion initiatives to meet the increasing demand from worldwide markets for outsourced accounting functions. Young CAs can start firms in this area, which would in turn make India a sought after hub for worldwide outsourced accounting services.

Receivable Management

The primary cause of a new or small to medium-sized CA practice closure, if one exists, would be its failure to timely collect receivables. It is also very regrettable that some of the receivables take up to a year to realize. On this note, it is important to make sure that every engagement is set up with a collection of 50% in advance and the remaining 50% on the issue draft document. Only after full payment has been received should final deliverables be made available. For a new CA firm, converting a client's annual fees to a monthly subscription will also guarantee consistent cash flows. To make sure that there is never a payment default, the monthly subscription fees can even be connected to Electronic Clearing Services (ECS).

Managing the Talent

Different generations typically hold diverse perspectives about the workplace. Employees from Generation Z, in particular, may not think in the same way as their Baby Boomers, Gen-X, or even Millennial colleagues. The primary talent pool for a new CA firm or small to medium-sized firm consists of articulated assistants in the 17–21 years age range, called Gen Z. When compared to previous generations, Gen Z employees' goals, methods, and motivational factors have undergone substantial shifts. To make the most use of and retention of talent feasible, we must comprehend their preferences and aspirations and make the required adjustments to the workplace culture.

Adoption of latest technology

It is very essential that the latest technology is adopted within the organization as well as for the services provided to the customers.

Numerous CA practice management software programs guarantee the seamless adoption of processes inside the CA firm. Technology can be used in the following areas: document and record management, attendance

The primary cause of a new or small to medium-sized CA practice closure, if one exists, would be its failure to timely collect receivables.

tracking, human resource management, receivables collection, and much more.

Many of the young entrepreneurs prefer a shift from the traditional accounting software to the cloud based software like ERP

Next, Busy, Zoho, and many more. CAs that are able to accept and adjust to these cutting edge accounting software programs will be able to draw and keep the new generation of tech-savvy clients.

Additional technologies include machine learning algorithms that deliver tax-efficient techniques and simulate various tax scenarios using real-time financial data. AI-powered advisory systems offer customized tax assistance based on unique situations, while AI-assisted drafting tools, such as those powered by ChatGPT, provide precise responses to tax notifications by emphasizing relevant sections and case laws. These represent some of the latest advancements in technology tools for taxation.

Because the majority of these software are available for subscription purchase rather than ownership, it is quite appealing for new or small to medium-sized CA firms to embrace and adapt technology with such ease.

Proactive and Customer-friendly but not Dependent

The traditional CA practices adopted more of a passive approach where the customers needed to follow-up and complete their annual and tax compliances. However, today's customer who dwells on convenience and options prefer an active approach from the CAs who can fulfil their requirements with convenience and ease. So it is essential to create a proactive culture in the organization where the requirements of the customers are foreseen and given due care.

A new or small to medium-sized CA firms should provide adequate information, follow-up, value additions, and a proactive approach while dealing with the new breed of customers. Timely delivery of service, i.e., regular reminders on the due dates, adequate care, and deadline adherence to any statutory notices, etc., are some of the steps to ensure that new generation CA firms create a culture of proactiveness and customer friendliness.

However, at the same time, new CA firms should ensure that they are not customer dependent. If the firms tend to be customer dependent, there will be high negotiation in fees as well as difficulty in realizing the payments. Instead, firms should have a suitable arrangement to add a specific number of new clients in a year considering an annual attrition of 20% in the client base.

A new or small to medium-sized CA firms should provide adequate information, follow-up, value additions, and a proactive approach while dealing with the new breed of customers.

Be a Strategist with a Vision and Mission

Ensure that the vision and mission statements of your organization are properly understood and practiced inside the organization. Make sure that the strategies and techniques for success adopted are sensitive to the changes in technology and the nature of work stay current. Make sure that the finance and accounting fields' prospects in blockchain technology, AI, Power BI, and other cutting-edge technologies are effectively made use of.

Being the leader of a new or small to medium-sized CA firm, along with keeping yourself updated with ICAI regulations and opportunities provided by ICAI, you should also be knowledgeable of industries in which most of your clientele is concentrated. Keep yourself updated with the latest technologies and problems faced by them and provide innovative products that can solve their problems in accounting & finance.

Digital Branding within the ambit of ICAI Regulations

Any business or profession that does not adopt technology in this century will not survive and will be disrupted in the future. The same holds true for new or small to medium-sized CA firms. They should necessarily adopt digital branding in their practice within the ambit of ICAI regulations. A Chartered Accountant in practice shall be deemed guilty of professional misconduct if he solicits clients or professional work either directly or indirectly by circular, advertisement, personal communication or interview. However, there are methods within the ambit of ICAI guidelines by which a member can make sure his digital presence is optimized.

The permitted digital branding adhering to the guidelines of ICAI includes a website that is designed in tune with the latest trends. Educational videos without reference to the firm where the member is a partner or proprietor and client testimony videos are permitted

Niche Specialization

In the initial days of starting a new CA firm or running a small and medium sized firm, we tend to do all types of assignments irrespective of our specialization. However, as we grow, a strategy of focus should be adopted. Steve Jobs once said that focus is to say "no." This means that to be successful, you should focus on what you have to do,

rather than adding more to your to-do list which affects the quality of all of your work. In a similar vein, as soon as sustainability is guaranteed, you should start making steps to focus only on one or two areas of your business that provide you a competitive edge.

Premium Positioning

ICAI has almost 1,00,000 active CA firms registered out of which 75,000 are proprietorships and 25,000 are partnership firms. Creating a competitive advantage among the different specializations and premium positioning of the product is essential when launching a new CA firm or managing a small to medium sized CA firm. Premium positioning is a tool to ensure that the minimum recommended fees stipulated by ICAI can be collected. Whether it's a straightforward product like ITR filing or a sophisticated one like business valuation or consultancy, positioning the offering as a premium might give you the advantage of appropriate financial benefits. Additionally, when a product does not require CA certification, premium positioning will also help it withstand competition from online platforms and local tax consultants.

Conclusion

The category of new or small to medium-sized CA firms offers enormous opportunities. Due to a lack of direction and supervision in the early years, many young qualified Chartered Accountants who possess the skills and potential to make a fortune in the CA practice sometimes harbor worries about entering this field.

The new training method stipulated by ICAI demands an additional year of training in a CA firm in case someone wishes to start CA practice after qualifying as a Chartered Accountant. In addition, specialized management training has to be provided for new aspirants in CA practice by ICAI which in turn develops them to think like an entrepreneur, execute like a good manager and deliver excellent work like an eminent professional.

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Accountability Meets Innovation (AI): For a Sustainable Planet

The World Forum of Accountants 2025, which was held from January 31 to February 2, 2025 at the Yashobhoomi Convention Centre, New Delhi, was a landmark event that brought together emerging leaders to shape the future of the accountancy profession. Over the course of three days, members of the fraternity engaged in in-depth discussions on integrating technology into accounting practices, weighing its advantages and challenges, and emphasizing the importance of upskilling professionals for a brighter future. The forum was honoured by the presence of numerous national and international dignitaries. A detailed report on the inaugural day was featured in the February 2025 edition of the CA Journal. This report provides brief insights into the proceedings of the subsequent two days.

Plenary Session (P-6)

The session began with opening remarks from **CA. Uttam Prakash Agarwal, Past President, ICAI**, who praised ICAI's leadership, acknowledged its 75-year key milestones, and congratulated IRDAI on its 25th anniversary. He highlighted ICAI's role in insurance literacy & the upcoming implementation of IFRS 17 in 2027 and the potential of AI in the insurance sector.

Keynote Address: Insurance Sector by 2047: Paving the Path for India's Inclusive and Sustainable Growth

Shri Debasish Panda, Chairman, IRDAI, praised the summit's theme, "Accountability Meets Innovation (AI): For a Sustainable Planet," linking it to India's ongoing transformation. He highlighted insurance's role in achieving financial security, particularly for vulnerable groups such as farmers and entrepreneurs, and IRDAI's vision of universal insurance coverage by 2047, aiming to

ensure every citizen is banked, insured, and pensioned. He impressed over the importance of transparency and ethics in the insurance sector and CAs role in upholding these standards. He also discussed AI's impact on risk management, fraud detection, and product customization, along with the growing importance of ESG principles, urging insurers to integrate these values into their operations. Assuring efforts to enhance accessibility and affordability, he emphasized insurance's role in fostering stability and trust in the system.

Special Address: Vision 2047: India AI Journey

CA. Krishna Kishore Maheshwari, Vice-Chairman and Non-Executive Director, Ultratech Cement (Aditya Birla Group), highlighted AI's transformative potential in India's future. He noted that AI, along with Quantum Computing, could fast-track India's rise as the third-largest economy by 2047. He emphasized AI's role in driving innovation and efficiency across industries while urging businesses to balance technological advancements with data privacy. He stressed over the need to embrace change to stay competitive in the evolving business landscape.

The session concluded with closing remarks from **CA. Dayaniwas Sharma, Central Council Member, ICAI**, who thanked the panelists and highlighted that India's future success is closely tied to the success of Bharat.

Plenary Session (P-7)

The session began with remarks from **CA. B. P. Rao, Past President, ICAI**, who emphasized that innovation stems from deep market insights. He encouraged professionals to balance personal and professional growth to become strong leaders.



Pioneering Perspectives: Where Innovation Meets Insights

Mr. Bharat Goenka, Vice-Chairperson, Tally Solutions, shared thoughtful insights on 'innovation' in shaping India's accounting technology. He highlighted the ancient concept that everything we do is a form of energy, including money. He emphasized that every action is an exchange of energy and urged professionals to create a positive impact—reinforcing that the value clients pay for their services reflects the positive impact they generate. He concluded his session with pride, stating, *"Today, Chartered Accountants are known as the accounting technologist of India; tomorrow, they will be recognized as the accounting technologist of the world."*

From Audit to Aspiration: A CA's Journey to Leadership

CA. Sivakumar Sundaram, CEO (Publishing) and ED, Bennett Coleman and Co. Ltd. (The Times of India Group), highlighted resilience, adaptability, and determination as essential traits for success. He emphasized that Chartered Accountants seamlessly transition from operational roles to strategic leadership with their professional knowledge & problem solving ability and urged them to seize opportunities without hesitation. Confidence and attitude, he noted, are vital for mental strength. Leadership involves empowering others, fostering innovation, and adapting to change. While AI continues to evolve, deep professional expertise and specialization remains CAs' key differentiator. He concluded the session by emphasizing that Chartered Accountants play a crucial role in ensuring transparency and delivering high-quality reporting trusted by the government.

CA. Prakash Sharma, Central Council Member, ICAI, delivered closing remarks of the session highlighting the importance of continuous learning and effective time management. He further added that leadership isn't about titles, but the impact we create, and every CA has the potential to lead, especially with the rise of artificial intelligence.

Plenary Session (P-9)

In his opening remarks, **CA. G. Ramaswamy, Past President, ICAI**, highlighted India's rapid economic growth, particularly in digital transactions, which makes India the largest digital economy. Emphasizing that technology is key to economic progress, he praised ICAI for supporting this transformation by launching AI certification courses and offering education in emerging technologies like Blockchain and Data Analytics. He noted that industries globally are adopting AI and welcomed the Indian government's funding for AI research in the 2025-26 Budget.



Special Address: Vision 2047: India's Path to a Digital Transformation

Mr. S. Krishnan, Secretary, Ministry of Electronics & Information Technology, outlined India's ambitious vision of becoming a "Developed Nation" by 2047, requiring a significant boost in economic growth, with GDP and per capita income to expand by 8-10 times. He highlighted India's demographic advantage, citing examples from countries like the US, Japan, and China. He perceived digital transformation as a major contributor in economic growth and emphasized that the International Monetary Fund (IMF) believes digital transformation, particularly AI, has the potential to revolutionize the entire economy in a way similar to the Industrial Revolution. He also noted that the digital economy's contribution to GDP has increased from 6.5% in 2014-15 to 12% in 2023-24, with projections to reach 20% by 2030. Acknowledging India as an IT superpower, he pointed out that the 2024-25 Union Budget includes measures to support Global Capability Centers (GCCs) across the country. Initiatives such as Aadhaar, UPI, Digilocker, UMANG, and Digital Public Infrastructure (DPI) are designed to facilitate easier transactions in this era of global digital transformation.

Special Address: Technology as an economic driver - Strategies for Developing countries

CA. Mahaveer Singhvi, IFS, Joint Secretary (NEST), Ministry of External Affairs, began by emphasizing Chartered Accountants as pivotal to economic transformation, growth, and inclusion. He highlighted how technology, particularly AI, is revolutionizing sectors like agriculture, healthcare, and education, citing examples from countries like Kenya, Indonesia, and Rwanda. However, he acknowledged the digital divide in developing nations and stressed the importance of digital skills for rural citizens to engage in the economy. He discussed India's Digital India initiative and the National Education Policy, focusing on education and skill development. He also stressed the need for robust

cybersecurity and data protection policies to ensure digital growth without stifling innovation, with CAs now playing the role of strategic advisors. He concluded by acknowledging that challenges are substantial but opportunities in this technological era are innumerable. However, it is crucial to ensure that technology becomes a driving force for inclusive economic growth.

Plenary Session (P-10)

Mr. Chandra Wadhwa, Nominated Member, ICAI, highlighted the rapid industry transformation driven by technology and competition. He noted DeepSeek's rise as a cost-effective AI rival to ChatGPT. He further emphasized the challenge for lawmakers to keep raising standards for responsible use of technology, citing the 2023 DPDP Act as a key step in data privacy regulation.



Special Address: Navigating the AI Era: Adapting Regulatory landscape for the Next Decade

Mr. Saakar S. Yadav, Managing Director, Lexlegis.ai, highlighted AI's transformative impact on finance, law, and taxation. He emphasized that automation is reshaping industries and intelligence is driving decisions, all of which are contributing to the future of AI. His remarks reflected a strong sense of optimism regarding the widespread adoption of AI, emphasizing that Chartered Accountants are uniquely positioned to lead this transformation. As trusted advisors and innovators, they are poised to integrate AI into their practices, enhancing efficiencies and driving progress across industries.

India's Role in Shaping a New Economic Order

CA. Amit Dalmia, Sr. Managing Director, Blackstone, emphasized India's growing global economic stature, highlighting its impressive capital market performance and the nation's transformative potential. He urged the country to lead in innovation, particularly in AI and software. He also stressed over the importance of skill development to harness India's talent, and concluded with a vision to make India the "century of India" by capitalizing on its strengths and positioning itself as a global economic powerhouse.

CA. Kemisha Soni, Central Council Member, ICAI, concluded the session by emphasizing that adopting AI is now a necessity, urging professionals to lead this transformation responsibly.

Plenary Session (P-11)

Special Address: Ethics in AI: Navigating Bias, Transparency, and Accountability

CA. Sunil Talati, Past President, ICAI, initiated the session, emphasizing that AI is a tool that will not replace humans but is a helping hand to us. He said that AI is a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, and decisions influencing real or virtual environments which needs to be substantiated by human mind.

CA. T.V. Mohandas Pai, Chairman, Aarin Capital Partners, in his address, explored the impact of AI on governance, industry, and ethics. He discussed AI's role in reshaping global power dynamics, particularly with China's advancements in AI. The rapid pace of AI evolution, marked by significant investments, is transforming industries worldwide. India, with its skilled workforce, is well-positioned for AI-driven innovations. However, he stressed the need for ethical AI frameworks to address issues like bias and transparency, citing global efforts and advocating for robust AI governance in India. He emphasized that ethical considerations must guide AI's implementation, likening its impact to the Industrial Revolution.

CA. Ravi Pandit, Chairman, KPIT Technologies, began by discussing the growing discourse around Artificial Intelligence (AI) and its ethical concerns. He clarified that AI is not true artificial intelligence but non-biological intelligence, differing from human cognition. Unlike traditional computing, AI autonomously processes large data to replicate decision-making. CA. Pandit highlighted concerns over bias in AI, emphasizing the need for transparency in its models. He also touched on the rise of Artificial General Intelligence (AGI), warning about the potential risks it poses. In conclusion, he urged stakeholders to prioritize ethical considerations, transparency, and accountability as AI evolves, ensuring responsible integration into society.



The session came to a conclusion with the remarks from **CA. Rajendra Kumar P., Central Council Member, ICAI**, who highlighted AI's transformative potential while acknowledging its complexities and challenges. He emphasized the need for transparency and accountability in AI governance, ensuring alignment with legal frameworks, ethical standards, and corporate responsibility for responsible adoption.

Plenary Session (P-12)



Keynote Address: Leveraging Technology For Transforming Accountability Practices

Shri K. Sanjay Murthy, Hon'ble Comptroller and Auditor General of India, delivered a compelling address on the transformative role of technology in the accounting profession. He emphasized AI as a key tool in enhancing governance, accountability, and transparency, supporting India's vision of "Viksit Bharat." The C&AG highlighted the integration of AI and cloud solutions in reshaping accounting and auditing, particularly through Robotic Process Automation (RPA). He underscored that AI would augment accountants' roles, freeing them to undertake strategic tasks. He praised ICAI's CA GPT initiative and urged professionals to embrace AI for a competitive edge and global leadership in India's financial sector. He urged the profession to approach digital transformation not just as a necessity but as an enabler and force multiplier in achieving improved governance and accountability worldwide.

Plenary Session (P-13)

Keynote Address: Regulatory reforms taking India ahead

The session was on the regulatory reforms that our nation is taking to build the road map towards Viksit Bharat. **Smt. Ravneet Kaur, Chairperson, Competition Commission of India (CCI)**, highlighted the crucial role of accounting professionals in supporting the regulators and government in implementing the regulatory reforms, like in



Competition Commission of India. She emphasized their contributions in assessing asset turnover thresholds in mergers, turnover levels in antitrust cases, and cost analysis in predatory pricing. She discussed key amendments in competition law, such as deal value thresholds, settlements, commitments, and the Leniency Plus regime, aligning India's regulations with global standards while fostering business growth and innovation. She addressed the impact of AI on market competition, and also mentioned about ongoing studies in renewable energy and e-commerce. She reaffirmed CCI's dedication to fair market practices and consumer protection. Commending ICAI's discussions on accountability and AI, she stressed the need for a balanced approach to innovation and regulation to ensure a competitive economy.

The closing remarks for the session was delivered by **CA. Prasanna Kumar D., Central Council Member, ICAI**, extended his heartfelt gratitude to Smt. Ravneet Kaur for her insightful and articulate address on competition law. He lauded the speaker for effectively highlighting CCI's evolution, key provisions, and the vital role Chartered Accountants play in ensuring fair markets and compliance.

Plenary Session (P-14)

ESG: Driving Global Business Landscape

The plenary session initiated with an address by **Dr. P.C. Jain, Nominated Member, ICAI**, who discussed how Environmental, Sustainable, and Governance (ESG) factors



are creating new opportunities in the global market. He emphasized that Chartered Accountants (CAs) are well-positioned to provide assurance on ESG disclosures, assess their financial impact, and guide businesses in integrating sustainable practices. He stressed that CAs' role goes beyond compliance to foster transparency and long-term value creation in the emerging ESG landscape.

Prof. Dale Pinto, President, CPA Australia, in his keynote address, shared valuable insights into how ESG factors are transforming the global business landscape and redefining long-term value creation. He highlighted that geopolitical tensions, rapid technological advances, societal changes, and environmental challenges have made it crucial for businesses to adopt a more holistic approach. ESG is no longer a supplementary aspect of financial management but a central pillar of business strategy. Prof. Pinto emphasized the growing demand from investors, consumers, and regulators for transparency and external assurance in ESG disclosures, underlining the importance of strong ESG frameworks in governance.

CA. Himanshu Kishnadwala, Eminent Expert, highlighted the EU Taxonomy for sustainability reporting, which aims to standardize ESG disclosures for better comparability across industries, similar to financial reporting, thereby reducing greenwashing and fostering trust, potentially attracting more investments. He also discussed the SEC's climate rules in the U.S., initially resisted but now mandatory for SEC-listed companies, enhancing reporting requirements and boosting investor confidence. He pointed out that while companies like Apple are committing to carbon reduction, the challenge remains in managing and ensuring the quality of ESG data. He stressed that accountants must adapt as regulators like SEBI emphasize stricter assurance practices to promote trust and transparency.

Mr. Ritesh Tiwari, Chief Financial Officer, Hindustan Unilever, stressed the importance of incorporating sustainability into business models to ensure long-term value creation. He emphasized that ESG considerations must be integrated into operations and strategy, with every financial and investment decision reflecting sustainability factors. This shift involves all stakeholders, from governments to regulators, all working to advance ESG initiatives. He also acknowledged India's significant

progress in ESG reporting, particularly SEBI's initiatives, noting that the introduction of the Business Responsibility and Sustainability Report (BRSR) mandate has greatly enhanced ESG transparency and accountability in the country.

Shri Ameya Prabhu, Managing Director, NAFA Capital Advisors Pvt. Ltd., stressed that accounting professionals must adapt to the evolving landscape by accurately estimating the true costs associated with ESG factors and incorporating them into financial practices. It is essential to align accounting methodologies with sustainability principles, ensuring that ESG considerations are seamlessly integrated into financial reporting frameworks. ESG should not merely be a compliance requirement but a fundamental aspect of accounting standards. By embedding these costs into financial reporting, businesses can achieve greater transparency, accountability, and long-term value creation.

CA. Hans Raj Chugh, Central Council Member, ICAI, gave the closing remarks of the session and pointed out that corporate reporting serves as a key mechanism to track developments in the business world. Organizations must embrace challenges, adapt to evolving standards, and view ESG reporting as an opportunity for value creation rather than mere compliance. The focus should be on three principles: *Embrace, Adapt, and Evolve*.

Plenary Session (P-15)

Keynote Address: Strengthening Public Finance Management

CA. Mangesh Kinare, Central Council Member, ICAI, initiated the session and highlighted the importance of the Union Budget for the development of economy and in public welfare.

CA. Arun Singh, Member of Parliament, shared key insights into the Union Budget 2025, emphasizing the government's proactive approach to policy-making. He highlighted India's consistent growth rate of 7%, outpacing China (5%) and Mexico (2.5%), with expectations to become the 3rd largest economy by 2027. He praised the abolition of 40,000



compliances and decriminalization efforts. He praised the government's efforts to focus on infrastructure development and strengthen the MSME sector through initiatives like the credit guarantee scheme, which provides loans to small businesses. He urged professionals, including Chartered Accountants, to contribute actively to India's development by 2047, recognizing their vital role in ensuring financial discipline and supporting economic growth.

Shri Anand Mohan Bajaj, Deputy Comptroller & Auditor General (Commercial), focused on Public Financial Management (PFM) and its critical role in governance, transparency, and accountability. He explained that PFM involves managing not only budget reliability but also the government's assets and liabilities. Mr. Bajaj highlighted the Fiscal Responsibility and Budget Management (FRBM) Act, which ensures fiscal discipline and transparency. He also outlined the C&AG's role in auditing financial reports and overseeing government accounts, noting the scrutiny of these reports in Parliament. Additionally, Mr. Bajaj discussed the Government Accounting Standards Advisory Board and the C&AG's audits on natural resources, focusing on areas like water, air quality, and environmental management, which are integral to the Sustainable Development Goals (SDGs).

He concluded by emphasizing the vital role of accountancy and auditing profession in safeguarding public interests and supporting national development.

Plenary Session (P-16)

Panel Discussion: Union Budget 2025 Insights

The panel discussion on the Union Budget 2025, was initiated by **CA. Sushil Goyal, Central Council Member, ICAI**, centered on the budget's impact on the ease of doing business in India. In response to this query, **CA. (Dr.) Girish Ahuja, Eminent Expert**, highlighted that the personal tax proposals would significantly benefit taxpayers, offering a maximum tax benefit of Rs. 1,10,000 plus surcharge and cess under the new regime. This would not only reduce the compliance burden but also promote voluntary compliance. He further emphasized that the budget is a testament to the Government's commitment to economic reforms.



CA. Sumit Sanghai, National Head, Large Clients Group, ICICI Bank, noted that India's digital transformation over the last decade has greatly enhanced the efficiency of banking, passport services, and other essential services, thus, facilitating smoother transactions. Additionally, **Mr. Vivek Chandrakant Tongaonkar, Director (Finance), Oil and Natural Gas Corporation ONGC Ltd.**, discussed how the rationalization of customs tariffs would serve as a key step in improving business operations. **CA. Anuj Mathur, Managing Director & Chief Executive Officer, Canara HSBC Life**, stressed the budget's strong message of trust in taxpayers, reinforcing the Government's commitment to a liberalized economic environment.

CA. Piyush Chhajer, Central Council Member, ICAI, raised the issue of the need for a new Income Tax Act to simplify tax compliance and mitigate litigation. **CA. (Dr.) Girish Ahuja** clarified that it would be an Income Tax Bill, not a Direct Tax Code, aimed at reducing complexity by eliminating redundant provisions and establishing a single tax regime. Regarding charitable organizations, he welcomed provisions in the budget extending the registration period for smaller trusts and simplifying reporting requirements. He also highlighted other reforms, such as increased TDS thresholds and the extension of filing deadlines for updated returns. The panel further discussed the budget's positive implications for renewable energy growth, capital markets, and climate change mitigation. **CA. Anuj Mathur** commended measures aimed at enhancing infrastructure and disposable income, which would foster growth in the capital market.

The session concluded with a vote of thanks by **CA. Piyush Chhajer** and **CA. Sushil Goyal, Central Council Members, ICAI**, acknowledging the valuable contributions of the panelists in shaping the discourse around the 2025 Union Budget.

CONCURRENT SESSIONS

A 25: AI Impact: Enhancing Daily Life Through Technology

The session explored AI's integration into daily life and finance, stressing its role as a tool rather than a replacement for human expertise. It also addressed both the vast opportunities and concerns arising from AI.

CA. Sanjib Sanghi, Chairman, EIRC, highlighted the growing curiosity surrounding AI. He pointed out the challenge of keeping pace with technological advancements and adapting accounting practices to AI-enabled systems. He explained that Chartered Accountants can use AI for trend analysis and forecasting, positioning themselves as business advisors and digital transformation advocates.



Mr. Akash Saxena, VP, Head of Enterprise Business Team, Samsung, underscored AI's role in personal and professional efficiency. He stressed the importance of secure, ethical, and sustainable AI solutions, as vast amounts of data are generated through machine learning.

Harnessing Artificial Intelligence in Financial Decision-Making: Opportunities and Challenges for CA's

CA. Vineet Jain, Board Member, ICAEW, UK, highlighted the impact of AI on global stock markets by citing the example of DeepSeek. He engaged panelists on AI's key developments and raised concerns about AI potentially replacing professionals, questioning its ability to independently serve clients.

Dr. Shreeram Iyer, Chairman & Group CEO, Co-Founder of Prisma AI, traced AI's evolution from predictive algorithms to today's neural networks and business intelligence systems. He emphasized that AI is an enabler rather than a replacement for human intellect, requiring human intervention for optimal use.

CA. Anil Bhandari, Chief Mentor, DRUT, discussed how technology has transformed human behavior and work processes. He predicted that AI would automate rule-based tasks in accounting and auditing while also posing challenges related to data privacy. He urged professionals to delve deeply into AI, crafting relevant use cases for effective implementation.

CA. Rakesh Sony, Group Corporate Director, The Times of India, asserted that AI should be embraced rather than feared. He emphasized that AI enhances productivity but cannot replace human originality and strategic decision-making. He highlighted the

importance of continuous learning to use AI effectively while avoiding over-reliance on it.

CA. Gaurav Garg, Past Chairman, NIRC, concluded the session by reiterating the need to adapt to change and leverage AI for improved workflows. He highlighted the importance of Chartered Accountants in verifying and authenticating financial data in the emerging realm.

A 26: Professional Opportunities in GCC

The session focused on the evolving opportunities for Indian Chartered Accountants (CAs) in the Middle East, particularly in light of shifting economic and regulatory landscapes.

CA. Arpit Kabra, Eminent Expert, commenced the session, emphasizing the esteemed reputation of Indian CAs as trusted professionals in the GCC. He noted that many Chief Financial Officers (CFOs) in listed companies across the region are Indian CAs, underscoring the substantial career potential in finance and accounting roles.

CA. Prafulla Chhajed, Past President, ICAI, moderated the session and the panelists delved into specific market trends and opportunities. **CA. Vivek Gupta, Chairman, ICAI Bahrain Chapter**, highlighted the rising demand for tax advisory services following the introduction of VAT and corporate taxes, particularly benefiting CFO roles. **CA. Aditya Vikram Dhanuka, Chairman, ICAI Kuwait Chapter**, explored Kuwait's potential for tax advisory, noting that practice setups require local partnerships. **CA. Rajesh Kumar Somani, Chairman, ICAI Dubai (UAE) Chapter**, shed light on Dubai's prominence as a financial hub, where technological advancements and multinational operations drive robust practice

and consultancy opportunities. **CA. Gourav Kapoor, Chairman, ICAI Muscat (Oman) Chapter**, discussed regulatory changes in Oman, which have opened new avenues for tax specialists, albeit with mandatory local partnerships. **CA. Kamlesh Tibrewal, Chairman, ICAI Doha (Qatar) Chapter**, addressed Qatar's evolving financial landscape, which has fostered an increasing demand for tax advisory and consultancy services. **CA. Naveen Goyal, Vice Chairman, ICAI Riyadh (Saudi Arabia) Chapter**, examined Saudi Arabia's growing tax compliance requirements, including VAT, corporate tax, and transfer pricing, though he acknowledged challenges such as issuing audit opinions in Arabic. **CA. Krishnan N. V., Chairman, ICAI Abu Dhabi (UAE) Chapter**, concluded by highlighting Abu Dhabi's expanding financial sector and the need for business expansion and compliance advisory services.

CA. Naveen Garg, Past Chairman, NIRC, concluded the session by reiterating the importance of leveraging opportunities in the GCC region and fostering collaboration between Indian and International financial markets. The discussion reinforced the pivotal role of Indian CAs in the region's financial ecosystem and urged professionals to proactively explore emerging career prospects.

A 27: Professional Opportunities in US, Canada, UK

The session focused on exploring international career prospects for young professionals within ICAI, highlighting the global recognition of the Indian Chartered Accountant qualification. It highlighted various career opportunities for the ICAI members in the US, Canada, and the UK.

CA. Vishnu Kumar Agarwal, FCA, commenced the session, expressing his enthusiasm for the discussion on international career prospects for young professionals within ICAI. He emphasized the significance of exploring global opportunities for the young professionals amidst rising brand equity of CAs globally.

CA. Babu Abraham K., FCA, moderated the session, highlighting the growing global prominence of Indian Chartered Accountants. He noted ICAI's extensive international presence, demonstrating the recognition of the Indian CA qualification worldwide and underlined that Indian CAs serve as global brand ambassadors and discussed career opportunities in the US, Canada, and the UK, covering sectors such as public accounting, consulting, finance, and industry.

CA. Sanjay Gupta, Chairman, ICAI Florida (USA) Chapter, credited ICAI's rigorous training for attaining the global value of Indian CAs. He elaborated on career prospects in the US, emphasizing the necessity of obtaining a CPA credential. He highlighted advisory services as a promising field, where Indian CAs can excel in financial consulting, business advisory, risk management, and technology consulting.

CA. Sudha Michel, Chairperson, ICAI San Francisco (USA) Chapter, discussed career opportunities beyond traditional accounting, including roles in academia, corporate accounting, and data analytics. She cited prominent examples of Indian CAs in leadership positions and reaffirmed the commitment of ICAI chapters in supporting members' professional growth.

CA. Deepak Arora, Director and Ex-Chairman, ICAI Vancouver (Canada) Chapter, described Canada as an attractive destination due to its accessible immigration processes. He highlighted the Mutual Recognition Agreement (MRA) with CPA Canada, which streamlines the process for Indian CAs to obtain a Canadian CPA designation. He detailed opportunities in public accounting, consulting, financial management, taxation, and emerging fields like cybersecurity and data analytics.

CA. Ritesh Desai, Chairman, ICAI Toronto (Canada) Chapter, emphasized the evolving nature of the accounting profession, particularly in forensic accounting and AI-driven financial technologies.

CA. Vivek Saraogi, Chairman, ICAI London (UK) Chapter, reflected on the progress in recognition of Indian CA qualifications in the UK. He discussed the MRA between ICAI and ICAEW, which facilitates membership for Indian CAs. He highlighted opportunities in the UK's post-Brexit economy and the increasing presence of Indian CAs in leadership roles.

A 28: Professional Opportunities in Asia, Oceania and Europe

The session focused on the professional opportunities available for Chartered Accountants (CAs) in Europe and Asia. It discussed career prospects in regions like the Netherlands, Switzerland, Luxembourg, and Singapore, highlighting key strategies for success, challenges such as language barriers and degree recognition, and emerging fields like ESG and sustainable finance.

CA. Ravi Patwa, Past Chairman, EIRC, emphasized the role of ICAI members as global accountants and highlighted the recent updates in ICAI's curriculum to better prepare them for international opportunities.

CA. Jay Chhaira, FCA, the moderator of the session, welcomed everyone and introduced the distinguished panelists, setting the stage for an engaging and informative discussion. He specifically pointed out the growing interest in exploring career, business, or professional prospects in regions like Europe, Asia, and Oceania.

CA. Vikas Chaturvedi, Chairman Emeritus, ICAI-Amsterdam (The Netherlands) Chapter, highlighted the growing opportunities in Europe, especially in the Netherlands, where over 1,000 Indian CAs have relocated in the past five years. He suggested four key strategies for success: focusing on specific domains like Audit or Tax, selecting the right geographic area, networking with the right people, and maintaining a proactive approach.

CA. Shivang Desai, Chairman, ICAI Zurich (Switzerland) Chapter, highlighted Switzerland's potential as a tax haven with numerous job and practice opportunities. He pointed out that 85% of SMEs in Europe are registered in Switzerland but cautioned about the challenges posed by strict rules and regulations.

CA. Anjani Ladia, Chairman, ICAI Luxembourg Chapter, focused on Luxembourg's significance as a global financial hub. He emphasized the importance of upskilling in areas like sustainable financing and AI to take advantage of the opportunities emerging from Luxembourg's thriving financial market.

CA. Nishant Kumar Surana, Chairman, ICAI Singapore Chapter, spoke about Singapore's growing economy and the opportunities in ESG, carbon accounting, and sustainability, urging CAs to leverage their expertise to tap into this expanding market.

The discussion covered challenges for Indian CAs in Europe, like language barriers and degree recognition, but also highlighted opportunities through the EU Blue Card and rising demand. The session concluded with practical tips on aligning skills with opportunities, respecting local culture, and leveraging placement drives.

B 29: The Intersection of Gender, Culture, and Professional Growth

The session discussed the challenges faced by women in professional environments and their journeys towards success.

CA. Priti Savla, Central Council Member, ICAI, opened the session by emphasizing that women in top positions have inspiring stories of resilience, overcoming barriers, and unwavering aspirations. She highlighted how these stories reshape professional norms across different cultures and countries, setting new benchmarks for growth and inclusion.

CA. Shivani Agarwalla, 6-time World Champion: Kettlebell Sports, elaborated on the additional efforts women must put in to achieve their goals and encouraged women to view these challenges as opportunities for growth. She firmly believes in the principle that *"the more we learn, the more we earn and the more we return."* Her perspective underscored the importance of



continuous learning and skill development as a means of empowerment and professional advancement.

CA. Mayuri Chordia, Managing Director, Sunrise Financial UK, addressed the significance of financial literacy in women's empowerment, stressing upon how equipping women with financial knowledge and skills is crucial for enabling them to make informed decisions about their economic well-being, thereby fostering greater independence and security.

Ms. Gladeys Jill A. Santos, IFAC PAO Development & Advisory Group Member, shared her insights on the challenges women face in her male-dominated country. Despite these barriers, she pointed out that women are making strides in mainstream businesses, demonstrating resilience and determination in claiming their rightful place in the professional world.

The session was concluded by **CA. Geetha A. B., Chairperson, SIRC**, with a strong message of perseverance, continuous learning, and financial empowerment as key factors in overcoming challenges and advancing in one's career.

B 30: Run Your Business on Autopilot

The session focused on the importance of business automation for professionals, particularly Chartered Accountants, and its role in enhancing efficiency, growth, and sustainability. It emphasized the need to adopt a strategic, entrepreneurial mindset, systematize operations, and leverage automation tools for scaling businesses while focusing on revenue growth and long-term success.



CA. (Dr.) Rohit Ruwatia, Central Council Member, ICAI, commenced with a keynote address, emphasizing that automation is essential for growth and sustainability, urging Chartered Accountants to treat their practices as businesses, incorporating strategic planning, delegation, and technological integration for long-term success.

Shri Rahul Jain, Business Coach, highlighted the difference between having a job and running a business, stressing that businesses should function without the owner. He encouraged the members to standardize processes, adopt automation, and focus on growth rather than daily task management. Further, he emphasized the importance of a growth-oriented mindset, strategic planning, delegation, and setting measurable targets for long-term success and scalability.

B 31: Cost, Control and Compliance – The Tech Advantage

The session explored the significant impact of technology on financial management and governance, emphasizing its transformative role in operations, internal controls, and compliance.



CA. Inderjeet Kaur Bamrah, Eminent Expert, emphasized that technology is no longer just a tool but a driving force in financial transformation. From automation to artificial intelligence, blockchain to predictive analytics, technology plays a crucial role in optimizing operations, strengthening internal controls, and ensuring compliance with ethical requirements.

Shri K. P. Narayan, Director, Zoho, emphasized that financial professionals must embrace technology, including Blockchain, AI, and Cloud, to drive sustainable growth and ethical governance. He highlighted the importance of digitization, cost control strategies, and value analysis for successful financial outcomes. Further, he stressed transforming back-office operations, futuristic compliance, and the growing trend of outsourcing financial services to India and the Philippines.

B 32: Forensic Accounting in the Age of AI: Uncovering Financial Irregularities with Advanced Analytic

The session explored the integration of AI-driven analytics in fraud detection. It emphasized the evolving role of technology in financial investigations while underscoring the indispensable nature of human intelligence.



CA. Cotha S. Srinivas, Central Council Member, ICAI, initiated the session by stressing the necessity of combining human intelligence with AI. He cautioned that since AI tools are accessible for cybercrime, Chartered

Accountants must exercise heightened vigilance when performing forensic investigations.

CA. Chetan Dalal, Founder, CDIMS, elaborated on forensic accounting's distinction from statutory auditing, describing it as a fact-finding exercise that extends beyond traditional audits. He explained the three types of AI—**Narrow, General, and Superintelligent**—illustrating AI-driven fraud detection through a case study. He asserted that AI should be an assisting tool rather than a substitute for human decision-making.

CA. Gyan Pipara, Eminent Expert, reinforced that forensic accounting is vital for litigation proceedings. While AI and automation aid investigations, they cannot replace human expertise. He highlighted AI's role in predictive analytics, digital footprint analysis, and fraud detection but noted its cost and developmental challenges. He concluded by emphasizing that human knowledge and judgment remain crucial in forensic accounting, despite AI's advancements.

B 33: Blockchain Beyond Cryptocurrency: Revolutionizing Audit, Compliance, and Transparency

The session explored the impact of blockchain, AI, and data analytics on auditing and compliance, highlighting blockchain's role in secure transactions and AI's ability to automate tasks and improve accuracy.



CA. Pankaj Shah, FCA, commenced the session by highlighting the transformative changes occurring globally. He emphasized the necessity of embracing change and leveraging emerging technologies, particularly blockchain.

Ms. Nithya Subramanian, Head of Data & Analytics, Kellanova, discussed how data analytics, AI, and emerging technologies are transforming auditing and compliance. Emphasizing real-time compliance checks and the potential of artificial superintelligence, she urged Chartered Accountants to embrace these innovations for enhanced efficiency, accuracy, and secure transactions in their profession.

CA. Narasimhan Elangovan, Eminent Expert, explained blockchain's "distributed ledger" system, emphasizing its potential in industries such as shipping and healthcare. He illustrated how blockchain ensures transparency, making reconciliation more reliable while maintaining security.

However, he acknowledged challenges, including computational power and platform migration issues. He highlighted India's Central Bank Digital Currency (CBDC), or E-rupee, noting its limited adoption compared to UPI.

C 34: Navigating the New Era of ESG Standards and Reporting

The panel discussion commenced with **CA. Neha Agarwal, Eminent Expert**, who emphasized the transformative shift in ESG from voluntary sustainability disclosures to a structured, regulatory-driven mandate. She highlighted that ESG is no longer just a compliance requirement but a strategic imperative that drives corporate decision-making, risk management, and long-term value creation.



Setting the stage for the discussion, **Ms. Vandana Saxena Poria, Strategic Advisor, ICAEW**, reiterated that ESG is no longer a side note but a core component of business decisions. She emphasized that companies, both in India and globally, are navigating an increasingly complex ESG landscape, moving beyond regulatory obligations to adopt sustainable business practices. She commended ICAI's commitment to ensuring that ESG principles are deeply embedded within the accounting profession, reinforcing the role of accountants as drivers of sustainable economic growth.

Bringing in the market perspective, **Dr. Harish Ahuja, Sr. Vice President, NSE**, emphasized the necessity of ESG adoption for business longevity. Quoting a well-known saying, he remarked, "If you want to go fast, go alone; if you want to go far, go together." He stressed that businesses aiming for long-term sustainability must integrate ESG into their operational and strategic frameworks. He further elaborated on India's structured approach toward ESG, highlighting the country's roadmap toward progressive ESG adoption aligned with global best practices.

From an international perspective, **Dr. Abdullah Masoud Al Harthy, Chairman of Fincorp, Oman**, shared insights into Oman's ESG initiatives across various sectors. He underscored how the nation is actively working to align with sustainable business practices, embedding ESG considerations into its financial and economic ecosystem. He emphasized the importance of collaboration among policymakers, regulators, and industry leaders in driving ESG adoption across borders.

Concluding the discussion, **CA. Anushri Garg, Eminent Expert**, reinforced the central theme of the session: ESG is no longer optional—it is essential for business success, stakeholder trust, and regulatory compliance. She highlighted that businesses must not only adopt ESG principles but also leverage technology for accurate, reliable, and transparent reporting. The role of accountants in this transformation is critical, ensuring that ESG reporting is both compliant and meaningful.

C 35: Youth Power: Job seeker or Job giver

The session commenced with the opening remarks from **CA. Rishir Soni, Eminent Expert**, who initiated the discussion on the current scenario of youth employment. **CA. Priya Sharma, Chief Financial Officer, CUPA (South Asia)**, pointed out the need to have the right mindset for the right career approach. She said that an individual must have the necessary mindset, which helps him to work with an entrepreneurial approach. Termining adaptability and problem-solving skills as important to build a career path, she also said that it is very essential to do the groundwork and research on the product on which they want to focus.



Focusing on sustainable skills, like good communication and work ethics, **CA. Yugantar Gupta, Author**, confidently termed them as skillset for being future ready, with which young generation can exponentially grow in future path. He also said that having the right skills is not sufficient, one needs to have the right degree which can open doors to enter the professional world.

Mohammed Sh A M Shuaib, Eminent Expert, Kuwait, admitted that the technology these days is not growing on a linear path. It's growing exponentially, so we need to adapt as fast as possible. A job seeker will not achieve their goal until they have clear vision.

CA. Archit Agarwal, Founder, Thinking Bridge, focused on giving more importance to practical knowledge over degrees. He said that recruiters need to prefer a practical approach instead of theoretical aspects. He also pointed out the need to be updated in the technology-driven world. He further added AI cannot replace us, but a person using AI can replace the one lacking the same skills.

C 36: The Future of Sustainable Finance: Pathways for Accountants

The session opened with the remarks of **CA. Abhinav Agarwal, Chairman, NIRC**, emphasizing sustainable



finance for future-proof economies. He highlighted the role of CAs in ensuring businesses consider their societal and environmental impact and urged collaboration, invoking *Vasudhaiva Kutumbakam*—the world as one family—for lasting positive change.

CA. Payal Jain, Eminent Expert, the session moderator, emphasized sustainability as a core business responsibility, not just a trend. She highlighted the growing expectation for businesses to benefit stakeholders and the planet, stressing the need for innovative financial frameworks.

Reflecting on his early involvement in capital markets, **CA. Ashwajit Singh, Managing Director, IPE Global Limited**, highlighted the slow progress of Sustainable Development Goals (SDGs), with only 16% of the targets on track. He identified key challenges, such as a \$4.2 trillion sustainable capital shortfall and the need for long-term financing. Emphasizing the importance of collaboration to bridge this gap, he stressed the necessity of diverse financing solutions and public-private partnerships. Additionally, he advocated for integrating SDGs into financial decision-making, utilizing blended finance models, and supporting sectors like transportation, education, and ocean protection.

CA. Ashish Choraria, Business Controller, Commercial Vehicles, Tata Motors Ltd., discussed the growing significance of renewable energy, water neutrality, and biodiversity in corporate sustainability. While he acknowledged that renewable energy investments are financially viable, he noted that initiatives like water neutrality may not offer immediate financial returns but are crucial for long-term corporate survival. He emphasized the importance of integrating sustainability into financial decision-making, using strategies such as carbon pricing and budgeting, and called for consistent sustainability metrics. He also highlighted the crucial role of Chartered Accountants in incorporating sustainability into business models and managing climate-related risks.

CA. Nirlep Bhatt, Group Financial Controller, Al Majid Jawad, Qatar, highlighted India's historical connection to sustainability and the increasing importance of ESG standards for global investors. He emphasized the responsibility of CAs in ensuring that sustainability efforts do not negatively impact asset value and pointed out the growing trend of "green premiums" in real estate. He discussed the interconnectedness of digital transformation and

sustainability, emphasizing the role of reliable data, AI, and blockchain in enhancing sustainability efforts. He also noted the global push for standardized sustainability regulations, stressing the need for compliance with global standards like IFRS.

C 37: Stakeholder Expectations in Assurance: Transparency, Accountability, and Ethical Reporting

The session highlighted the importance of transparency, accountability, and ethical reporting in assurance. It addressed the growing expectation gap between stakeholders and auditors, discussing its causes and steps to bridge it.

CA. (Dr.) Shiwaji B Zaware, Eminent Expert, and the session moderator, engaged in insightful discussions with the panelists, including distinguished speakers **CA. Arvinder Pal Singh, CA. Ashish Makhija, Mr. Rajeev Saxena**, and **CA. Ajay Bahl, Founder & Managing Partner, AZB & Partners**, addressing key professional concerns.

The session focused on the rising expectations of stakeholders, such as investors, regulators, and the government, for greater transparency and accountability in assurance services. A key theme discussed was the growing expectation gap, which has widened due to factors like increased business volume, changes in the business environment, evolving technology in auditing, and regulatory changes. The session also emphasized that stakeholders need to understand the concept of reasonable assurance in auditing, as financial statements only provide reasonable assurance of their true and fair view.

To bridge this expectation gap, several steps were suggested: educating stakeholders about the scope and objectives of audits, enhancing communication between assurance providers and stakeholders, adopting best practices to meet evolving standards, and strengthening the independence of auditors, particularly for public interest entities, ensuring no consultancy services are provided alongside auditing.

The session concluded with valuable insights into the growing challenges assurance providers face in meeting stakeholder expectations. Bridging the expectation gap is essential for maintaining the integrity and reliability of reporting, highlighting the need for collective efforts from all stakeholders to enhance trust and foster a more sustainable business environment.



Plenary Session (P-17)



India as the Global Capability Centers (GCC): Challenges and Opportunities

The session delved into the challenges and opportunities India faces in establishing itself as a global hub for Capability Centers (GCC).

CA. Abhay Chhajed, Central Council Member, ICAI, moderated the session, steering the conversation towards the evolving role of finance professionals in GCCs. He elaborated on ICAI's proactive steps, particularly through the Development of International Trade and Services and WTO Directorate, in equipping finance professionals with global competencies.

The panel, comprising **Ms. Ramya Bala, Partner, Tax, Eisner Amper, EisnerAmper Advisory Group LLC**, **CA. Shammi Prabhakar, Executive Director, NIQ**, and **CA. Kaushal Kishore, Eminent Expert**, emphasized the importance of supervision with trust. They stated that to make a mark on global platforms, we must break free from restrictive mindsets. Public trust is essential in every sector, whether in financial services or healthcare, and observing global best practices—where ethics and professionalism go hand in hand—is crucial for success.

The panel provided valuable insights into key aspects of GCCs, covering taxation, operations, and ethical practices. They discussed the significance of aligning with international tax policies and compliance requirements to enhance India's competitiveness. Operational challenges and strategic growth were explored, highlighting the role of technology, automation, and data analytics in improving efficiency. The panel stressed that public trust, ethics, and professionalism are vital for success in global markets, encouraging Indian professionals to embrace openness and adaptability. A dedicated portal was also launched to connect Indian accounting firms with international counterparts, promoting collaboration and new business opportunities to strengthen India's global presence.

Plenary Session (P-18)



Keynote Address: India@100: Value Creation with Reforms

CA. Vishal Doshi, Central Council Member, ICAI coined the acronym "**SEEP**" to represent key reforms: Social (quality of life, reducing poverty), Economic (foreign investments, stakeholder confidence), Environmental (sustainability), and Political (governance, public trust). He emphasized SEEP's role in shaping India's future and driving "Viksit Bharat" by 2047, with Chartered Accountants playing a crucial role.

CA. Sunil Goyal, Past President, ICAI, discussed India's growth towards its centenary, emphasizing the role of recent reforms and the Union Budget 2025-26. He highlighted the importance of inclusive development, focusing on infrastructure, health, and education, with trust, transparency, and ethical practices as key drivers. CA. Goyal expressed confidence in India's ambitions and urged a focus on entrepreneurship, industrial growth, and quality to secure India's position as a global leader by 2047.

Shri Ajay Bhushan Pandey, Chairman, NFRA, highlighted India's economic trajectory towards becoming the third-largest economy by 2047, with projections suggesting a 27 trillion-dollar economy by that time. He emphasized the importance of reforms in driving this growth, citing the digital revolution and the introduction of Aadhaar, which has enabled a secure digital identity for Indian citizens. He emphasized that with over 1.2 billion mobile subscribers and nearly 1 billion internet users, India's digital payments ecosystem has also seen massive growth, with UPI transactions reaching 200 billion annually. He highlighted the rapid growth in digital payments, with UPI transactions increasing from 10 billion to 200 billion annually, underscoring the country's strides in financial technology.

He credited the success of reforms like GST and income tax, which have streamlined tax processes, improved revenue collection, and created a more transparent, efficient system in the country. GST's monthly collections have surged, demonstrating the effectiveness of reforms.

Additionally, the lowering of corporate tax rates and the expansion of the Demat account system reflect India's growing economic vibrancy. The number of Demat accounts has increased tenfold since 2014, underscoring greater participation in the capital markets.

He stated that he is confident that India's vision for 2047 is achievable, with the country's ongoing reforms laying the foundation for a robust and inclusive economy. With India's middle class projected to grow from 31% to 62% by 2047 and per capita income expected to rise to \$15,000, inclusive growth is a key focus.

He emphasized the importance of corporate governance, stating that India's corporate sector will play a crucial role in attracting investments. He stressed the need for adherence to global standards to ensure trust in India's financial ecosystem. He also acknowledged the role of Chartered Accountants and regulators in maintaining high standards of financial reporting and governance.

Concluding his speech, Shri Pandey expressed confidence that with the existing infrastructure and ongoing reforms, India is poised to achieve its 2047 vision. He encouraged the profession to work collaboratively towards strengthening corporate governance and contributing to India's growth story.

CA. Shaurya Doval, Managing Director, Torch Investments, emphasized value creation through profitability, productivity, and sustainable growth. He outlined key reforms in taxation, labor, manufacturing, agriculture, and governance to drive this vision. Further, he highlighted the need for innovation, technology, and R&D to remain competitive. Concluding, he stressed the importance of CAs in shaping India's economic future and global competitiveness.

CA. Pramod Jain, Central Council Member, ICAI, concluded the session with a call for CAs to uphold integrity and excellence in driving India toward becoming a global economic leader.

Plenary Session (P-19)

Integrating Financial Insights with Business Strategy: Accountants as Architects of Value Creation



The panel discussion shed light on the evolving role of Chartered Accountants as financial business strategists. It initiated with the welcome address by **Adv. Vijay K. Jhalani, Nominated Member, ICAI**, who emphasized the dynamic transformation of accountants into strategic business partners. He highlighted that finance professionals are no longer confined to traditional roles but play a crucial part in shaping business strategies and driving organizational value. Stressing the need for adaptability in an era of rapid technological evolution, he encouraged professionals to integrate emerging tools such as data analytics and artificial intelligence for informed decision-making. Further, he underscored the significance of accountants in corporate governance, ensuring transparency and accountability. He concluded by urging continuous upskilling to remain adept in the evolving financial and regulatory landscape.

CA. Sridhar Muppala, Central Council Member, ICAI, moderated the discussion, focusing on the intersection of finance and strategy. He highlighted the crucial role accountants play in aligning financial planning with business objectives. He stressed that accountants should develop a strategic mindset, allowing them to contribute beyond numbers and compliance. He emphasized that financial professionals should embrace digital transformation and data analytics to enhance decision-making. He further elaborated on the importance of scenario planning and stress testing, which allow businesses to anticipate potential risks and craft robust mitigation strategies. The moderator also highlighted the need for financial professionals to bridge the gap between finance and other business functions, fostering interdisciplinary collaboration that leads to holistic business growth.

CA. Ullas Kamath, Founder, UK & Co., underscored the necessity of financial literacy at all levels of an organization. He explained how financial insights drive strategic decisions and help businesses maintain a competitive edge. He provided examples from his experience, demonstrating how well-structured financial planning can lead to operational excellence and sustainable growth. He also emphasized the importance of agility in financial management, particularly in volatile market conditions. He elaborated on the concept of financial foresight, urging professionals to not only analyze historical financial data but also to leverage predictive analytics to foresee future business trends. He also pointed out that businesses that integrate financial planning into their core strategies tend to outperform competitors in uncertain economic climates. Additionally, he stressed the importance of robust financial reporting standards, as accurate financial information is critical for informed decision-making.

CA. Anuj Jain, Director (Finance), Indian Oil Corporation Ltd., shared insights on how finance

leaders contribute to corporate governance and sustainability. He elaborated on the integration of financial discipline with strategic decision-making to achieve long-term profitability. He highlighted how the energy sector is leveraging financial analytics to optimize operations and enhance stakeholder value. He provided examples of companies that have successfully integrated ESG considerations into their financial strategies, leading to improved investor trust and business sustainability. He also addressed the importance of financial transparency and regulatory compliance, stressing that adherence to financial regulations is critical in today's corporate environment. He urged accountants to play a proactive role in implementing best practices for corporate governance and risk mitigation.

Mr. Rajesh Kumar Dwivedi, Director Finance, Bharat Heavy Electricals Limited (BHEL), focused on the role of accountants in capital allocation and investment planning. He shared examples from the public sector, illustrating how financial insights help in evaluating large-scale projects. He discussed the importance of balancing risk and reward in financial strategy and how digital tools aid in scenario planning. He also emphasized the need for finance professionals to stay updated with regulatory developments and evolving business models. Additionally, he spoke about the challenges of managing finances in capital-intensive industries and the significance of cost optimization. He encouraged finance professionals to work closely with operational teams to improve resource utilization and maximize returns on investment.

CA. Gyan Chandra Misra, Central Council Member, ICAI, concluded the session by reiterating the significance of integrating financial insights into business strategy. He emphasized that finance professionals should continuously upskill to stay relevant in an increasingly complex business environment. He encouraged participants to focus on leadership development, stating that accountants who take on leadership roles have the potential to drive significant business transformations. He ended by highlighting the role of ICAI in supporting the professional growth of accountants and encouraging members to take advantage of learning opportunities offered by the Institute.

Plenary Session (P-20)

Rise of India as Global Accounting and Auditing Hub

The session was initiated by **CA. Dhiraj K. Khandelwal, Central Council Member, ICAI**, underlining India's impressive growth in exports, surpassing \$100 billion, with a balanced share between goods and services. He emphasized how India's robust service sector, particularly IT, now accounting for 59% of total service exports, has positioned the country as a leading global service



provider. This rapid expansion, he noted, necessitates trust and credibility, which accountants and auditors play a crucial role in ensuring.

CA. Anil Singhvi, Managing Editor, Zee Business, provided an insightful economic analysis, emphasizing the importance of a balanced approach to production and consumption for India's economic stability. He highlighted that the recent Union Budget prioritizes tax exemptions to enhance disposable income, thereby stimulating spending and growth. He discussed the government's ambitious ₹11 lakh crore CAPEX plan, which, despite a 10% shortfall from the previous year, remains a key driver of infrastructure and industrial development. He viewed the stock market correction as a long-term investment opportunity, highlighting growth in insurance, infrastructure, and mutual funds.

Building Trust through Collaborative Accounting Practices: Engaging Stakeholders for Greater Confidence

CA. Sandeep Kumar Gupta, CMD, GAIL (India) Ltd., emphasized the role of collaborative accounting in fostering stakeholder trust. He highlighted how technology, including AI, RPA, ERP systems, and blockchain, enhances financial transparency and efficiency. However, he stressed that trust in financial systems is built on accountability and accuracy. He also advocated for stronger internal financial controls, a reassessment of independent director appointments to protect minority interests and reaffirmed the vital role of Public Sector Units (PSUs) in economic stability.

Mr. George Alexander Muthoot, Managing Director, The Muthoot Group, discussed the evolving role of gold loans in India's economic development. Once seen as mere stored assets, gold now serves as a vital financial instrument, enhancing liquidity and financial inclusion. He highlighted the sector's transformation into a well-regulated industry, with major banks now participating. He emphasized gold loans' significance during the COVID-19 pandemic and their growing acceptance as

a strategic financial tool, supporting India's \$5 trillion economy ambition.

CA. Priti Savla, Central Council Member, ICAI, summarized key discussions on independent directorship reforms, technology-driven accounting, and alternative financial solutions like gold loans. She emphasized the need for accountants and auditors to upskill and adapt, reinforcing India's leadership in global accounting and auditing services.

Plenary Session (P-21)



India's Investment Ki Pathshala: Strategies for Wealth Creation

CA. Sethurathnam Ravi, Former Chairman, Bombay Stock Exchange (BSE), emphasized financial awareness in wealth creation and highlighted India's shift from basic needs to growing aspirations, reflected in rising investments, insurance, and tax collections. Stressing the role of regulatory bodies like SEBI and IRDA, he advised balanced investing, diversification, and sustainability, particularly amid challenges like water scarcity. He urged investors to prioritize prudence and long-term financial planning.

CA. Suresh Prabhu, Chancellor of Rishihood University and Former Union Minister, delivered an insightful keynote on India's emergence as a global hub for accounting and auditing. Drawing parallels to grand events like the Kumbh Mela, he emphasized the growing global focus on India's knowledge and economic potential. He highlighted India's strong development trajectory, supported by its vast talent pool of Chartered Accountants, positioning the country as a key player in global investments and auditing. Stressing the significance of natural resource accounting, he urged India to take leadership in managing finite resources for sustainable growth. He also called for an expanded role of accountants, advocating for audits that assess social value, sustainability, and environmental impact alongside financial audits. He concluded by emphasizing India's potential to lead the global accounting and auditing sector, leveraging its expertise in back-office functions for long-term economic and professional growth.

CA. Nilesh Shah, Managing Director, Kotak Mahindra Asset Management Company Ltd., shared key strategies for long-term wealth creation, emphasizing the importance of Systematic Investment Plans (SIPs) and advising investors to ignore daily NAV fluctuations. He warned against greed, stressing patience and discipline in investing. He highlighted India's evolving fixed-income landscape, noting the shift from CRTS to Quantas in mutual funds, reflecting advancements in investment management. To foster financial innovation, he advocated reducing regulatory barriers for entrepreneurs. Predicting a shift towards demand-driven growth in 2025, he emphasized relief measures for the salaried class as a catalyst for economic expansion and investment opportunities.

Dr. Vijay Kedia, Renowned Investor, highlighted India's evolving role in the global economy, emphasizing the need to transition from an IT services provider to an IT product leader. This shift, he asserted, is vital for India's long-term economic growth and global competitiveness. While acknowledging recent tax benefits, he stressed that job creation is essential to achieving India's ambitious USD 40 trillion economy target by 2047. A robust job market, he noted, would drive sustainable economic expansion. He also urged Chartered Accountants to uphold ethical standards and corporate governance, reinforcing investor trust and financial transparency. Concluding, he emphasized that India's journey to becoming a global powerhouse requires innovation in manufacturing and a strong ethical business environment.

The closing remarks of the session were delivered by **CA. Umesh Sharma, Central Council Member, ICAI**, with an optimistic thought of India as the future leader.

Plenary Session (P-22)

Meeting Billion Aspirations – New Landscape for Banking, Financial Services and Insurance

CA. (Dr.) Anuj Goyal, Central Council Member ICAI, welcomed the panelists, calling the event the "Mahakumbh" of the accounting profession. He discussed the rapid transformation of India's financial ecosystem, driven by the demand for digital, inclusive solutions. Highlighting the growth of digital payments and fintech disruption, he emphasized the need for collaboration between traditional BFSI, fintech startups, and institutions to foster customer-centric innovation and sustainable finance, ultimately empowering India's financial future.

The panel discussion, moderated by **CA. Anisha Jain, News Anchor, ET Now**, focused on the evolution of India's BFSI (Banking, Financial Services, and Insurance) sector and its future trajectory. **CA. Sanjay Agarwal, Managing Director, AU Small Finance Bank**, traced the sector's transformation



from public sector dominance to the emergence of private players, capital market reforms, and the rise of the insurance sector. He stressed the need for a strong, transparent insurance sector and capital markets to drive India's economic growth. He highlighted that banking is now operational 24/7, and Priority Sector Lending has evolved into a strategic government tool. Discussing the next 15-20 years, he emphasized the need for customer-centric products, technology-driven communication, and a focus on transparency and service quality. With India's aspirations shifting, more banks and insurance services will be crucial to achieving the \$40 trillion economy goal.

Technology's impact, especially AI, was discussed by **CA. M.P. Vijay Kumar, Executive Director & Group CFO, Sify**, who emphasized its role in enhancing customer experience and addressing manpower challenges. He highlighted the importance of digital customer experience and strong IT security.

The panel also addressed the challenges of financial mis-selling and the importance of increasing financial literacy, with **CA. Sandeep Welling, FCA**, stressing the role of microfinance and financial reforms in empowering India's citizens. **CA. Sanjay Agarwal** concluded by noting that India's vast population, though underbanked, presents an opportunity to drive financial inclusion, with strong government support for self-sufficiency and financial stability.

CA. Puroshottamlal H. Khandelwal, Central Council Member, ICAI concluded the session, highlighting the dynamic discussion on India's future, emphasizing that the BFSI sector's future lies in collaboration between traditional institutions, fintech startups, regulators, and tech innovators to create secure, inclusive, and customer-centric ecosystems.

Plenary Session (P-23)

Future of Audit - Leveraging technology to empower future auditors

CA. (Dr.) Sanjeev Kumar Singhal, Central Council Member, ICAI, discussed the significant transformation in the audit profession, driven by technology. He emphasized the role of AI, blockchain, data analytics, and automation in expanding audit scopes, influenced by regulatory changes, investor expectations, and ESG considerations. While advocating for technological integration, he stressed the importance of preserving audit principles like independence and ethics. He also highlighted ICAI's Balance Confirmation Portal, technical guides, and the evolving role of auditors in providing assurance on ESG and cybersecurity, using AI-driven fraud detection for enhanced effectiveness.

CA. Madhuri Shahapure, Eminent Expert, highlighted the growing role of technology in audits and the rising quality expectations from stakeholders and regulators. She emphasized that technology should complement auditors' work, not replace it, and enable them to focus on higher-value activities. Further, she discussed how AI and RPA can handle routine tasks, allowing Chartered Accountants to concentrate on strategic decision-making. She stressed selecting technology based on specific needs, evaluating Return on Investment (RoI), and ensuring effective implementation. In conclusion, she described Chartered Accountants as the financial soldiers of the nation, relying on technology to safeguard financial integrity.



Plenary Session (P-24)

Analysis of Union Budget 2025

The session began with **CA. Cotha S. Srinivas, Central Council Member, ICAI**, who highlighted that the Union Budget 2025-26 focus on accelerating economic growth and fostering inclusive development. A key emphasis was on tax reforms, with the Finance Minister announcing the introduction of a simplified income tax Bill. Notably, the tax reforms propose a nil tax on income up to Rs. 12 lakh under the default tax regime, with increased rebate limits and rationalized tax slabs. Additionally, the budget included amendments in TDS provisions, like increasing the TDS limit on professional services from Rs. 30,000 to Rs. 50,000 and changing the TDS threshold on rent.

CA. R. Bupathy, Past President, ICAI, facilitated discussions on various amendments, including the removal of the TCS under Section 206C(1H), and changes in the taxation of self-occupied properties. **CA. (Dr.) Girish Ahuja, Eminent Expert**, elaborated on the extended time limit for updated returns from two to four years, highlighting the need for compliance to avoid penalties. He also cautioned on the rise of notices related to undisclosed assets.

CA. T.P. Ostwal, Eminent Expert, discussed amendments in international taxation, particularly the implementation of Significant Economic Presence (SEP) to address challenges in the digital economy. He also addressed the start-up deduction extension and charitable trust registration proposals.

CA. H. Padamchand Khincha, Eminent Expert, acknowledged the beneficial reforms, though noting that further policy refinement is required to achieve a balanced and fair tax system. **CA. R. Bupathy** concluded by stressing the importance of ensuring accountability in tax administration to avoid excessive litigation.

CONCURRENT SESSIONS

B 38: Nurturing Startup ecosystem for Bharat 2.0

The session explored Bharat 2.0's transformative future, highlighting key factors for start-up success, including problem-solving, technology, mentorship, and market access, while addressing challenges and emphasizing innovation, financial prudence, and large-scale problem-solving.

CA. (Dr.) Umesh Kumar Varma, FCA, commenced the session by emphasizing the need to align our actions with sustainability to ensure that future generations experience the best version of Bharat 2.0. He urged everyone to work collaboratively and prepare for the transformative era ahead.



CA. Satish Kumar Gupta, FCA, the moderator of the session, asked the panelists about the key factors behind a start-up's success. **CA. Neelesh Talathi, Chief Financial Officer, CarDekho**, highlighted that a successful start-up must address a specific problem. He shared the example of CarDekho, which was created to bridge the information gap for car buyers.

CA. Amit Jindal, Co-Founder, Felix Advisory, emphasized that embracing technological advancements is crucial for a start-up's success, noting that businesses must innovate to stay competitive.

Mr. Hiranmay Mahanta, Chief Executive Officer, ihub, shared his insights on nurturing start-ups, emphasizing the critical "Ms" – **Money, Mentorship, and Market Access**, while celebrating India's growing entrepreneurial spirit, especially during the COVID-19 period. He pointed out the untapped opportunities in Bharat 2.0, stressing that innovative solutions will drive success, especially with women's involvement in start-ups.

The Panelists further highlighted the challenges faced by start-ups emphasizing the three key pillars of success: thought leadership, cost leadership, and market understanding, stressing the importance of financial prudence. In conclusion, CA Talathi urged start-ups to solve large-scale problems using integrated technological solutions. The session concluded with closing remarks from **CA. Puroshottamlal H. Khandelwal, Central Council Member, ICAI**, who commended the panelists and expressed optimism for Bharat's future.

B 39: Emerging Avenues in Capital Markets: Enhancing Access to Finance and Accelerating Economic Growth

The session focused on how capital markets are evolving to become more inclusive, enabling SMEs, startups, and retail investors to actively participate in wealth creation.

The moderator **CA. Ivpreet Singh Nanda, Eminent Expert**, started the session by asking the panelists about capital markets' role in promoting financial inclusion for SMEs. He emphasized the need for lighter compliance burdens, citing the Finance Minister's acknowledgment of MSMEs as key economic contributors. These businesses make up 30% of GDP, 36% of manufacturing, 48% of exports, and employ over 11 crore people.



CS Satwinder Singh, Eminent Expert, quoted the Finance Minister's view of MSMEs as the "second engine of economic growth," highlighting the revised investment and turnover criteria in Budget 2025. He discussed how merchant bankers can aid SMEs in public listings and the challenges SMEs face in accessing capital markets. The panel also focused on integrating sustainability and ESG principles into investment strategies, with an emphasis on stock markets driving economic growth in the digital age.

Dr. Rajesh Nayak, Director, CFT, CBFS, Oman, raised concerns about greenwashing, advocating for stricter regulations for transparency in corporate sustainability claims. The evolving landscape of risk management, with an emphasis on diversification and prudent financial planning, was also discussed.

Shri Ajay Bagga, Eminent Expert, and **CA. Ankit Rathi, Chairman, WIRC**, discussed financial instruments like mezzanine finance and convertible notes, highlighting the absence of a secondary market. They acknowledged regulatory progress in the bond market and growing trust post-IBC reforms.

The panel debated on virtual assets and blockchain, agreeing on blockchain's potential but noting cryptocurrency's regulatory challenges. The session concluded by stressing adaptability, leveraging AI and digitalization, and promoting balanced regulations to encourage innovation and ensure financial stability.

C 40: Audit Quality and Ethics in the Age of Automation

The session focused on audit and automation and the integration of technology in auditing while emphasizing the importance of professional skepticism, ethical responsibility, and sound judgment.

CA. (Dr.) Sanjeev Kumar Singhal, Central Council Member, ICAI, emphasized that while automation transforms auditing, core principles must be upheld. He cautioned against misinterpretation of audit objectives and stressed the need to maintain truth

and fairness. Automation enables comprehensive data analysis and risk assessment, but auditors must guard against automation bias by critically evaluating digital outputs.

CA. Manoj Fadnis, Past President, ICAI, and moderator of the session, emphasized the audit trail's role in salary audits to political disclosures. He highlighted SEBI's request for an expansion of audit data sources, incorporating over 19 data points to enhance financial audit quality and accuracy.

CA. M. M. Chitale, Past President, ICAI, underscored that while automation enhances efficiency, it cannot replace professional judgment. Auditors must balance AI advancements with critical thinking to ensure accuracy. As automation enables deeper analysis, auditors' roles evolve, but ethical considerations and human judgment remain central to the audit process.

CA. Abhijit Bandhyopadhyay, Eminent Expert, mentioned that automation has long transformed audits. AI aids in analyzing vast data, improving estimates but retaining subjectivity is important. Differences in assumptions between auditors and management can cause variances, necessitating scrutiny. AI enables auditors to go beyond sampling for a holistic financial assessment.

Mr. Hussain Niyazy, Auditor General, Maldives, emphasized evaluating climate policies and public resource use. Environmental audits now focus on climate change. INTOSAI's "Climate Scanner" aids accountability, while India's audit body established a climate-focused excellence center. These audits ensure governments fulfill climate pledges, fostering accountability through parliamentary discussions.

CA. Shyam Lal Agarwal, Eminent Expert, highlighted that while technology reshapes auditing, its core objective—ensuring accurate, fraud-free financial statements—remains unchanged. Ethics, beyond regulations, is a mindset. He warned against automation-induced bias and urged auditors to uphold skepticism, independence, and integrity while leveraging technology for transparent, reliable financial reporting.

C 41: Igniting MSME Growth: Innovation, Finance, and Policy Synergy

The session focused on the critical role of Micro, Small, and Medium Enterprises (MSMEs) in India's economic growth and the contributions of Chartered Accountants in fostering financial transparency and governance.

CA. (Dr.) Raj Chawla, Central Council Member, ICAI, emphasized the role of MSMEs in job creation and economic growth. He emphasized ICAI's recognition for its awareness programs like MSME Yatra and the potential for collaboration between Chartered Accountants and the Ministry of MSME to drive national and professional progress.

Shri Subhas Chandra Lal Das, Secretary, Ministry of MSME, highlighted the vital role of Chartered Accountants in improving financial transparency and accountability, contributing to India's global financial prominence. He emphasized on India's 2047 vision for inclusive, sustainable, and digital growth, urging CAs to support MSMEs through financial literacy and government schemes to boost capacity and market access.

CA. Mukesh Mohan Gupta, Eminent Expert, highlighted MSMEs' vital role in economic growth, second only to agriculture. He noted the Finance Minister's frequent mention of MSMEs in the budget and the target of 7.5 crore Udyam registrations. He also highlighted the need for better bank support for MSMEs at branch level.

Mr. Sunil Kumar Chugh, Chief General Manager MSME, Punjab National Bank, discussed how technology enhances customer support. He highlighted PNB's centralized CRM system for efficient lead tracking & resolution and informed that MSME loan applications can now be applied online, reducing branch dependence.

Dr. Subhansu Sekhar Acharya, Chairman cum Managing Director, The National Small Industries Corporation Ltd., highlighted the Self-Reliant India Fund (SRI Fund), a ₹10,000 crore initiative providing equity, not loans, to MSMEs. With ₹5,800 crore committed to 55 daughter funds, it has generated ₹9,900 crore in equity, and awareness efforts continue.

Shri Bharat Kumar Mishra, Managing Director & Chief Executive Officer, SBI Global Factors Ltd., explained invoice discounting's role in supporting MSMEs. He highlighted that normal factoring offers immediate liquidity and credit lines, while TReDS may face delays and lacks trade credit insurance. Normal factoring also allows participation from both MSMEs and large corporates.

CA. Krishan Agrawal, Chief Financial Officer, Open Network for Digital Commerce (ONDC), elaborated on ONDC's efforts to promote MSME adoption. As ONDC has grown to 260 network participants and 7 lakh sellers, scalability and automation remain key focus areas. He emphasized collaboration with regulators to enhance awareness and encouraged Chartered Accountants and businesses to engage with ONDC to integrate MSMEs into the expanding digital ecosystem.

B 42: Building Global Accountants: Enhancing Collaboration and Knowledge Sharing

The session focused on the challenges and opportunities faced by Chartered Accountants (CAs) in their efforts to become part of a truly global profession. With growing economic integration, the demand for financial expertise beyond national borders has increased, presenting both opportunities and challenges for CAs globally.

The panel consisting of **Mr. Ashfaq Yousuf Tola, President, South Asian Federation of Accountants**



(SAFA); CPA Pius A Maneno, Executive Director, National Board of Accountants and Auditors (NBAA); CA. Prabin Kumar Jha, President, ICA Nepal; Mr. Heshana Kuruppu, President, CA Srilanka; Mr. Mohamed Haleem Abdulla, President, The Institute of Chartered Accountants of Maldives; and Mr. Abbas AlRadhi, Chairman, Bahrain Accountants Association emphasized the growing demand for financial expertise beyond national borders, due to the increasing integration of global economies. While this evolution has opened up new avenues for CAs, it has also presented several hurdles, one of them being the requirement for additional certifications to practice internationally due to varying financial and taxation regulations.

The panel discussed how automation, AI, and blockchain are reshaping accounting and auditing, emphasizing the need for CAs to upskill. They also addressed the dominance of certain firms in global accounting, advocating strategic positioning and added qualifications for global competitiveness.

B 43: Investment Opportunities in India: Inbound and Outbound

The session focused on India's expanding role in global financial operations and the growing opportunities for financial professionals. Further, it highlighted the developments within the International Financial Services Centres Authority (IFSCA) and its impact on financial services, investment, and professional opportunities for Chartered Accountants (CAs).

Mr. Dipesh Shah, Executive Director, IFSCA, highlighted India's expanding global financial operations. He noted that accounting, taxation, and compliance now qualify as financial services under IFSCA, enabling CAs to work internationally. With a unified regulatory framework and GIFT City's rapid growth, he urged ICAI to integrate IFSCA regulations and explore emerging opportunities.

CA. Aniket S. Talati, Past President, ICAI, emphasized the goal of 50% revenue from foreign sources. He highlighted export-driven growth, IFSCA's role in bookkeeping, forensics, and taxation, and India's potential as a global hub. He also introduced a Fund Management course and noted key MOUs with IFSCA and GIFT City.

CA. Jyoti Prakash Gadia, Managing Director, Resurgent India, shared insights into India's remarkable venture capital (VC) returns, outperforming the US over the last three years. He highlighted India's 22% growth in direct tax collections and its strong PE/VC activity, with 1,388 deals last year and India's global second ranking in IPOs and M&A exits, showcasing a robust investment landscape.

Mr. Tamil Selvan Ramadoss, Group Chief Financial and Business Transformation Officer, RMB Group, Jebal Ali Free Zone, Dubai, UAE, highlighted India's sustainable fund market, projected to grow from \$1,200 million to \$4,200 million by 2030. He noted India's growing attractiveness for inbound investments while reducing outbound capital movement. Having reached nearly \$1 trillion in FDI by 2024, with \$43 billion recorded in the first half of the financial year, India continues to strengthen its global investment appeal through strategic leadership and economic reforms.

B 44: Economic Empowerment Through Financial Education: India's Road Ahead

The session emphasized the evolving role of Chartered Accountants (CAs) in fostering financial literacy and covered key insights on investment trends, financial fraud prevention, gender inclusion in financial planning, and the power of content creation in financial education.

CA. Umesh Sharma, Central Council Member, ICAI, highlighted the shift in India's financial culture from traditional savings to active investment, emphasizing the importance of financial education in ensuring that individuals can track and assess their investments effectively. He introduced ICAI's initiative to recognize socially active CAs promoting financial awareness. He stressed the vast potential in this sector for young CAs beyond traditional practices.

CA. Surbhi Gandhi, Eminent Expert, addressed the challenges women face in financial decision-making and underscored the importance of women actively participating in family finances and overcoming career interruptions due to familial responsibilities. She shared her journey, illustrating the importance of visibility and leveraging social media for financial education.

CA. Shivam Palan, Eminent Expert, spoke about financial fraud, noting that 88% of people in India receive spam calls or fraudulent emails. He encouraged CAs to guide individuals on recognizing fraud and making informed financial decisions, reinforcing the growing interest in wealth management among young professionals.

CA. Atul Modani, Eminent Expert, discussed the shift in India's financial landscape, highlighting the increasing share of equities and mutual funds in household assets. He emphasized the need for financial literacy amidst rising cyber fraud and misinformation. He stressed the role of CAs in guiding investors with authentic knowledge.

CA. Vinita Kejriwal, Eminent Expert, emphasized the importance of involving the entire family in financial planning, particularly ensuring women's participation. She provided strategies for new families, focusing on investments, insurance, and term plans. She stressed upon the necessity of periodic financial reviews to adapt to rising health and education costs.

CA. Kushal Lodha, Eminent Expert, underscored the role of young CAs in leveraging content creation for financial education. He highlighted SEBI's new regulations on financial influencers. He supported SEBI's intent but emphasized the importance of allowing educational content while protecting investors from misleading advice.

CA. M. Devaraja Reddy, Past President, ICAI, concluded by emphasizing careful financial planning, especially in family matters. He highlighted the importance of responsible advisory roles for CAs, balancing personal and professional lives, and staying motivated by principles and mentorship.

C 45: Evolution of Accounting Profession

The session focused on an insightful discussion on technological advancements, professional ethics, and regulatory changes. **CA. Prasanna Kumar D., Central Council Member, ICAI**, introduced **CA. A. C. Chakrabortti, Past President, ICAI**, who shared key insights into the profession's milestones, challenges, and future.

CA. Chakrabortti traced accounting's history from Mesopotamia to ICAI's 1949 founding, emphasizing ethics with a Nobel laureate's story. He predicted 40% of future hires in accounting firms would have tech backgrounds and urged ICAI to promote accountant-tech collaboration.

Addressing Indian firms' challenges, he advocated independent governance, merit-based partnerships, and alternative certifications for semi-qualified professionals. He highlighted the rising demand for skilled accountants, stressing continuous learning, tech adaptation, and ethics in India's growing economy. The



session reinforced accountants' crucial role in shaping the economic landscape.

C 46: Aggregation of CA Firms

The session focused on strategies for the aggregation and consolidation of professional firms, emphasizing the importance of collaboration, innovation, and structured growth. Key discussions included the introduction of the LLP Firm Network Model, updated merger guidelines, and strategies for sustainable growth, with a focus on leadership, technology adoption, and transparent governance practices.

CA. Sanjay Kumar Agarwal, Central Council Member, ICAI, introduced the Committee for Aggregation of CA Firms for 2024-25. The committee aims to expand networks, create consolidation guidelines, and foster innovation. A key initiative, the LLP Firm Network Model, offers flexibility and recognition for LLP firms. He also discussed updates to merger and demerger guidelines, including a 10-year rule for firm seniority restoration.

CA. Kamlesh Vikamsey, Past President, ICAI, emphasized the importance of aggregation as a strategic collaboration, not a forced merger. He urged professionals to stay updated on relevant laws, develop necessary skills, and invest in technology to stay competitive. He highlighted the need for introspection, structured leadership transitions, and adopting growth strategies that enhance firm capabilities.

CA. S. Santhanakrishnan, FCA, emphasized partnerships for sustainable growth, advising firms to support smaller



businesses and invest in technology. **CA. Vivek Newatia, FCA**, highlighted the need for collaboration, adapting to evolving regulations, and investing in efficient processes, automation, and internal reviews to scale operations and enhance service delivery.

CA. Vikamsey emphasized the need for fair conflict resolution, nurturing internal talent, and providing clear career progression to prevent firm failure. He highlighted that many firms lack structured leadership plans.

CA. Santhanakrishnan proposed income sharing over profit sharing and implementing governance principles to ensure transparency and fairness. These strategies promote collaboration, collective ownership, and sustainable growth, ensuring long-term success for firms.



75th Annual Function of ICAI

“Chartered Accountant stands, not for Chartered Accountant, but Credibility Ambassadors, Change Accelerators, and I would urge you to be conscience arbiters, ethical guardians, and bold decision makers.” – Shri Jagdeep Dhankhar, Hon’ble Vice President of India



Marking a significant milestone in the Institute's journey of excellence, the 75th Annual Function of the Institute of Chartered Accountants of India (ICAI) was held on 2nd February 2025 at the Yashobhoomi Convention Center, Dwarka, under the guidance of the outgoing President of ICAI, CA. Ranjeet Kumar Agarwal. Bringing together eminent personalities from the fields of finance, governance, and academia, the event celebrated ICAI's legacy and its contributions to the accounting profession. The annual function was graced by the esteemed presence of the Chief Guest Shri Jagdeep Dhankhar, Hon'ble Vice President of India, accompanied by the Guest of Honour CA. N.D. Gupta, Member of Parliament and Past President ICAI, Secretary General Shri P.C. Modi, the Chairman of the Rajya Sabha, CA. Ranjeet Kumar Agarwal, the outgoing President ICAI, CA. Charanjot Singh Nanda, now President ICAI and the then Vice President ICAI, CA. Abhinav Aggarwal, the then Chairman, NIRC of ICAI, CA. (Dr.) Jai Kumar Batra, Secretary ICAI, office bearers of several Branches and Overseas Chapters, Members, and ICAI officials. The renowned Indian actor and comedian Sunil Grover added to the grandeur of the event, followed by the felicitation of CA students as well as exceptional Regional Councils, Branches, and Overseas Chapters for their remarkable achievements. Several publications and MoUs were also launched in electronic format, reinforcing ICAI's commitment to innovation and excellence.

Welcome Address by CA. Ranjeet Kumar Agarwal, Outgoing President ICAI



CA. Ranjeet Kumar Agarwal, the Outgoing President ICAI commenced his address by welcoming the esteemed Vice President of India, Shri Jagdeep Dhankhar, recognizing his journey from humble beginnings in a farmer's family in Rajasthan to holding one of the highest constitutional positions in the country and all esteemed guests and dignitaries. On behalf of ICAI's 4.5 lakh members and 9.5 lakh students, he expressed deep respect and appreciation for the Vice President's presence at the event.

He also extended his gratitude to the Guest of Honour, CA. N.D. Gupta, Member of Parliament and Past President, ICAI, for his continued support and presence. Additionally, he acknowledged the contributions of CA. Charanjot Singh Nanda, now President and the then Vice President ICAI, and CA. (Dr.) Jai Kumar Batra, Secretary ICAI, for their persistent efforts in driving the institution forward.

CA. Ranjeet Kumar Agarwal highlighted ICAI's successful organisation of the prestigious World Forum of Accountants, a vision conceptualised two years ago after the successful hosting of World Congress of Accountants. In a short period, ICAI has emerged as a leader in accounting and auditing, organizing this global conference, uniting 7,000 delegates from 46 countries, with 400 foreign delegates, 46 technical sessions, and 212 speakers over the course of three days. He

expressed immense pride in the conference's valedictory session being graced by the Hon'ble Vice President of India, marking it as a historic occasion and a testament to ICAI's leadership in the global accounting domain.

Reflecting on his tenure as the ICAI President since 12th February 2024, CA. Ranjeet Kumar Agarwal reiterated his vision, encapsulated in the framework 'DRISHTI.' He emphasized ICAI's commitment not only to serve the Indian business environment but also to address global professional needs. Chartered Accountants are not only responsible for financial matters but also for upholding ethical standards and accountability in every aspect of their profession.

Over the past year, ICAI has demonstrated a strong commitment to both accountability and innovation, as encompassed in the theme for the World Forum of Accountants 2025: "Accountability Meets Innovation (AI): For a Sustainable Planet." Embracing innovation, ICAI has undertaken several pioneering initiatives like the launch of ChatGPT-powered tools for its members and students for enhancing efficiency and knowledge dissemination, introduction of the ICAI Diaspora Mobile App to connect overseas Chartered Accountants working across 47 countries, reinforced ICAI's focus on research and excellence by launching ICAI Garuda, the International Research Journal, and expansion of the Hyderabad Center of Excellence (CoE) as Specialised Research Centre, with a newly appointed Dean cum Director to drive research initiatives.

The outgoing President shared his deep emotional connection with ICAI, having dedicated 15 years of service to the institution—six years as a Regional Council Member and nine years as a Central Council Member. As he concluded his tenure as President, he reaffirmed his lifelong commitment to ICAI, referring to it as his "second mother." In a heartfelt expression of reverence, he described his ritual of touching the institute's entrance before stepping inside, which energized and inspired him to take the profession forward.

CA. Ranjeet Kumar Agarwal concluded with the belief that ICAI will continue to stand as a beacon of excellence, integrity, and innovation, shaping the future of accounting worldwide.

Address by the Guest of Honour, CA. N.D. Gupta, Member of Parliament and Past President, ICAI



The Guest of Honour CA. N.D. Gupta, Member of Parliament and Past President, ICAI, began his address by extending warm greetings to the Hon'ble Vice President of India, Shri Jagdeep Dhankhar, eminent guests, ICAI leadership and other notable figures including Council members, office bearers of the Regional Council, dignitaries, fellow Chartered Accountants, and students.

In his opening remarks, he shared that his journey and success, both as a Chartered Accountant and as a Member

of the Rajya Sabha, were deeply rooted in the blessings of the ICAI. CA. N.D. Gupta expressed his honour in being a part of the profession for nearly five decades. He acknowledged the continuous growth of the profession, witnessing the emergence of new talent and the Institute's pivotal role in promoting financial prudence both nationally and internationally.

He also shared an insightful historical perspective on the Institute, tracing its foundation back to 1949, well before the adoption of the Indian Constitution. He highlighted the debate in Parliament over granting the ICAI full autonomy, a decision which ultimately allowed the Institute to regulate itself fully—from student registration to membership. The autonomy of the ICAI, he emphasized, has been a hallmark of the Institute's success in maintaining trust and integrity in financial reporting.

He paid tribute to the ICAI's emblem, symbolizing the qualities of a Chartered Accountant akin to Garuda—fearless, strong, and innovative. Further, he stated that these traits are essential for overcoming challenges and keeping pace with the constantly evolving profession. He underscored the Institute's commitment to nation-building, as echoed by the Former Hon'ble President of India Dr. A.P.J. Abdul Kalam, emphasizing that Chartered Accountants play a vital role in ensuring transparency and probity.

He also acknowledged the strides made towards gender equality within the profession, particularly highlighting the increasing participation of women. He mentioned that nearly 1/3rd of ICAI members today are women, a remarkable achievement that aligns with national campaigns such as "Beti Bachao, Beti Padhao" and "Nari Shakti Vandan Abhiyan," which promote women's empowerment in various sectors, including governance.

Today, ICAI stands as a globally recognised institution, making substantial contributions to the growth of the accounting profession worldwide. However, he stressed the importance of continued involvement in international organisations, especially in light of the rapidly changing global financial landscape. He also pointed out the evolving role of Chartered Accountants in providing services such as financial planning, investment advice, and sustainability reporting. The growing emphasis on Environmental, Social, and Governance (ESG) reporting has further solidified the profession's role in ensuring ethical business practices and corporate responsibility.

He spoke with optimism about the future of the profession, noting that it will continue to expand into areas like technology-driven financial solutions and forensic accounting. He urged Chartered Accountants to uphold the values of independence, excellence, and ethical responsibility as they move forward.

Concluding with a call for unity and a shared vision, CA. N.D. Gupta reaffirmed the ICAI's commitment to being a pillar of trust and accountability, shaping the future of financial governance, and contributing to India's growth story.

Address by the Chief Guest Shri Jagdeep Dhankhar, Hon'ble Vice President of India



The Chief Guest Shri Jagdeep Dhankhar, Hon'ble Vice President of India, addressed the distinguished gathering at the World Forum of Accountants, extending warm greetings to national and international delegates. He underscored the significance of the forum's theme, "Accountability Meets Innovation (AI): For a Sustainable Planet," as emanating from and aligned with India's ancient wisdom of "*Vasudhaiva Kutumbakam*". He stressed that sustainability is an imperative rather than a choice, as businesses are now evaluated not only on financial performance but also on social and environmental impact. He praised India's continued commitment to sustainable development, citing initiatives such as the Global Biofuels Alliance.

Discussing the rapid emergence of artificial intelligence, the Vice President of India likened its impact to that of the industrial revolution. He warned of AI's potential risks, such as bias, data quality concerns, and ethical dilemmas, while also recognizing its transformative power. He urged organizations to strike a balance between innovation and responsibility, emphasizing the need for robust ethical frameworks.

Reflecting on India's economic transformation, he highlighted the country's remarkable infrastructure development, deep digitization, and unparalleled economic growth in recent years. He mentioned his visit to the Kumbh Mela, marveling at the event's extraordinary management and its demonstration of India's inclusivity, peace, and organizational efficiency.

Shri Jagdeep Dhankhar expressed concern over sensationalism in public discourse, urging professionals to focus on substantive achievements rather than isolated disruptions. He emphasized India's youth demographic advantage, with 68% of Chartered Accountants under the age of 40, describing them as a "global powerhouse" capable of driving economic growth and innovation. He encouraged young professionals to explore opportunities beyond government jobs and contribute to emerging sectors like the blue economy and space economy.

The Vice President of India also highlighted India's success in providing essential amenities, such as toilets, gas connections, electricity, and piped water to rural households. He pointed out that digital advancements and widespread internet connectivity have fueled aspirations across the nation, making the population both an asset and a challenge. He urged organisations like ICAI to harness the country's youth potential and channel their energy productively.

Emphasizing economic nationalism, he pointed out the need to curb avoidable imports to reduce foreign exchange drainage and enhance entrepreneurial growth. He called on Chartered Accountants to play a pivotal role in nurturing this spirit and strengthening India's global economic standing.

He urged Indian accountancy firms to achieve global recognition and occupy leading positions in the international financial landscape. He called upon regulators, including the CAG, RBI, and the Ministry of Finance, to proactively support Indian firms' global expansion. He also advocated for the promotion of ethical governance and strict adherence to disciplinary frameworks within the Chartered Accountancy profession.

Shri Jagdeep Dhankhar reminded the audience of their responsibility in setting global benchmarks in transparency, accountability, and ethical business practices. He urged Chartered Accountants to act as the first responders to financial and ethical transgressions, warning against complacency in upholding professional integrity. He expressed confidence in the fraternity's ability to drive economic stability, catalyze reforms, and contribute to India's ambitious goal of becoming a developed nation by 2047.

Concluding his address, he reaffirmed his faith in the Chartered Accountants' community, emphasizing their unique position at the intersection of business, finance, and governance. He called upon them to leverage their expertise to transform the nation's economic landscape and contribute significantly to India's journey toward becoming a global leader in the accounting profession.

Vote of Thanks by CA. Charanjot Singh Nanda, now President and the then Vice President, ICAI



CA. Charanjot Singh Nanda, now President and the then Vice President, ICAI, extended his heartfelt gratitude at the conclusion of a successful three-day event. He expressed his sincere appreciation to all the Chapters, Branches, Student Associations, Regional Councils, and Employees of the Institute for their unwavering support and dedication in making the function a grand success. He also acknowledged the invaluable contributions of the moderators and all attendees, whose participation and enthusiasm played a crucial role in ensuring the seamless execution of the program.

Highlighting the flawless coordination that marked the event, he conveyed his congratulations to everyone involved. He emphasized that the event was a testament to collective effort and teamwork, culminating in a memorable and well-organised function. With deep gratitude, he thanked all participants once again, concluding with warm words of appreciation for their hard work and commitment.

List of winners of Award(s) to Best Regional Councils, Best Branch of Regional Council, Best Students' Associations and Best Branch of Students' Associations

Category	Prize	Name of Winner	
Best Regional Council	1st Prize	SIRC and WIRC (Jointly)	Southern India Regional Council Jointly with Western India Regional Council
	1st Prize	SIRC and WIRC (Jointly)	Western India Regional Council Jointly with Southern India Regional Council
	2nd Prize	EIRC and NIRC (Jointly)	Eastern India Regional Council Jointly with Northern India Regional Council
	2nd Prize	EIRC and NIRC (Jointly)	Northern India Regional Council Jointly with Eastern India Regional Council
Best Students' Association	1st Prize	WICASA	Western India Chartered Accountants Students' Association
	2nd Prize	NICASA	Northern India Chartered Accountants Students' Association
Best Branch of Regional Council (Mega Category)	1st Prize	INDORE	Indore Branch of CIRC of ICAI
	2nd Prize	AHMEDABAD	Ahmedabad Branch of WIRC of ICAI
Best Branch of Regional Council (Large Category)	1st Prize	ERNAKULAM	Ernakulam Branch of SIRC of ICAI
	2nd Prize	LUDHIANA	Ludhiana Branch of NIRC of ICAI
Best Branch of Regional Council (Medium Category)	1st Prize	BHOPAL and AMRITSAR (Jointly)	Bhopal Branch of CIRC of ICAI Jointly with Amritsar Branch of NIRC
	1st Prize	BHOPAL and AMRITSAR (Jointly)	Amritsar Branch of NIRC of ICAI Jointly with Bhopal Branch of CIRC
	2nd Prize	CHHATRAPATI SAMBHAJINAGAR	Chhatrapati Sambhajnagar Branch of WIRC of ICAI
Best Branch of Regional Council (Small Category)	1st Prize	TIRUPUR	Tirupur Branch of SIRC of ICAI
	2nd Prize	SALEM	Salem Branch of SIRC of ICAI
Best Branch of Regional Council (Micro Category)	1st Prize	RATLAM	Ratlam Branch of CIRC of ICAI
	2nd Prize	SIVAKASI and ROURKELA (Jointly)	Sivakasi Branch of SIRC of ICAI Jointly with Rourkela Branch of EIRC
	2nd Prize	SIVAKASI and ROURKELA (Jointly)	Rourkela Branch of EIRC of ICAI Jointly with Sivakasi Branch of SIRC
Best Branch of Students' Association (Mega Category)	1st Prize	BENGALURU	Bengaluru Branch of SICASA of ICAI
	2nd Prize	AHMEDABAD	Ahmedabad Branch of WICASA of ICAI

Category	Prize	Name of Winner	
Best Branch of Students' Association (Large Category)	1st Prize	VADODARA	Vadodara Branch of WICASA of ICAI
	2nd Prize	THANE and INDORE (Jointly)	Thane Branch of WICASA of ICAI Jointly with Indore Branch of CICASA
	2nd Prize	THANE and INDORE (Jointly)	Indore Branch of CICASA of ICAI Jointly with Thane Branch of WICASA
Best Branch of Students' Association (Medium Category)	1st Prize	RAIPUR and BHOPAL (Jointly)	Raipur Branch of CICASA of ICAI Jointly with Bhopal Branch of CICASA
	1st Prize	RAIPUR and BHOPAL (Jointly)	Bhopal Branch of CICASA of ICAI Jointly with Raipur Branch of CICASA
	2nd Prize	SALEM	Salem Branch of SICASA of ICAI
Best Branch of Students' Association (Small Category)	1st Prize	AHMEDNAGAR	Ahmednagar Branch of WICASA of ICAI
	2nd Prize	JALGAON and PIMPRI CHINCHWAD (Jointly)	Jalgaon Branch of WICASA of ICAI Jointly with Pimpri Chinchwad Branch of WICASA
	2nd Prize	JALGAON and PIMPRI CHINCHWAD (Jointly)	Pimpri Chinchwad Branch of WICASA of ICAI Jointly with Jalgaon Branch of WICASA
Best Branch of Students' Association (Micro Category)	1st Prize	RATLAM	Ratlam Branch of CICASA of ICAI
	2nd Prize	SAMBALPUR	Sambalpur Branch of EICASA of ICAI

Best Overseas Chapter Awards

S. No.	Name of the Chapter of ICAI	Position
Category I (More than 500 Members)		
(1)	ICAI – Abu Dhabi (UAE) Chapter	Gold
(2)	ICAI – Dubai (UAE) Chapter	Joint Bronze
	ICAI - Toronto (Canada) Chapter	
	ICAI - Singapore Chapter	
(3)	ICAI - Sydney (Australia) Chapter	Certificate of Appreciation
Category II (101 to 500 members)		
(1)	ICAI - Bahrain Chapter	Gold
(2)	ICAI - Doha (Qatar) Chapter	Silver
(3)	ICAI – Muscat (Oman) Chapter	Bronze
(4)	ICAI - Melbourne (Australia) Chapter	Certificate of Appreciation
Category III (Upto 100 members)		
(1)	ICAI - British Columbia, Vancouver (Canada) Chapter	Gold
(2)	ICAI – Nairobi (Kenya) Chapter	Silver
(3)	ICAI – Dar Es Salaam (Tanzania) Chapter	Bronze



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Voluntary Contribution to the Chartered Accountants' Benevolent Fund (CABF)

The Chartered Accountants' Benevolent Fund (CABF) was established in December, 1962 with the objective to provide financial assistance for maintenance, and other similar purposes to needy members of our Institute and their wives, widows, children and dependent parent(s). The Institute has tried to help our members in distress. Financial assistance upto ₹1,50,000/- is being granted to eligible members/widows/dependent parent(s). Financial Assistance is also considered for the remaining amount in the cases (including dependent) where Member has received a partial claim from the insurance company. A considerable number of members/family have been granted such assistance.

A dedicated CABF Portal (cabf.icaai.org) is functioning as One Stop solution for making CABF Contribution and grant of Financial Assistance. During Covid pandemic, hundreds of ICAI members had lost their battle of life and many others were struggling hard to pass through that difficult time. The impact was deep and had certainly shattered their dreams. The Institute through the CABF had tried to help the members or their dependents in distress. Mentioned below is the list of Members who voluntarily contributed ₹1,00,000 or more to the CABF since June 2020.

	Name: CA. SATYANARAYANA A Membership No.: 012725 Amount: 11,11,111		Name: CA. RAJESWAR K Membership No.: 023575 Amount: 1,00,000		Name: CA. VENKATA RAMANA R Membership No.: 026729 Amount: 1,00,116
	Name: CA. VENKATA RAMANA RAO C Membership No.: 018545 Amount: 1,00,116		Name: CA. SUDHAKAR REDDY J Membership No.: 023672 Amount: 5,00,000		Name: CA. RAMA KRISHNA RAO P Membership No.: 026820 Amount: 5,00,000
	Name: CA. RAMAMOHAN RAO NITTA SREE Membership No.: 019276 Amount: 1,00,000		Name: CA. DURGA RAO PALLA Membership No.: 023858 Amount: 1,00,000		Name: CA. RAMA RAO G Membership No.: 028485 Amount: 1,00,000
	Name: CA. RAMALINGESWARA RAO G Membership No.: 019399 Amount: 1,00,001		Name: CA. SIVA RAMA KUMAR K Membership No.: 024417 Amount: 1,00,000		Name: CA. SHIVA CHANDRA REDDY K Membership No.: 029242 Amount: 1,08,000
	Name: CA. SESHACHARYULU C Membership No.: 020046 Amount: 1,00,000		Name: CA. GANGADHAR G Membership No.: 024432 Amount: 1,00,000		Name: CA. GANAPATHY V Membership No.: 029852 Amount: 1,00,001
	Name: CA. VASUDEVAMURTY GRANDHI Membership No.: 020290 Amount: 1,00,000		Name: CA. SOBHANADRISWARA RAO M Membership No.: 024434 Amount: 1,00,000		Name: CA. JAICHAND KULJIT RAI Membership No.: 053527 Amount: 1,11,000
	Name: CA. RAJASEKARAN P Membership No.: 020437 Amount: 1,10,000		Name: CA. SIVARAMA PRASAD T Membership No.: 024519 Amount: 1,00,000		Name: CA. MITTAL BANWARI LAL Membership No.: 055920 Amount: 1,00,000
	Name: CA. SURYA CHANDRA RAO Y Membership No.: 022696 Amount: 5,00,000		Name: CA. SUBBA RAYUDU PENUGONDA Membership No.: 026648 Amount: 2,51,000		Name: CA. MOHIT BHUTERIA Membership No.: 056832 Amount: 1,00,000

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Name: CA. SANJIB SANGHI
Membership No.: 059112
Amount: 5,00,000



Name: CA. JAIN SANJAY
Membership No.: 060067
Amount: 1,00,000



Name: CA. SIVA RAMA MOHANA RAO TUMMALA
Membership No.: 200613
Amount: 5,00,000



Name: CA. MULUKUTLA KAMESWAR KUMAR
Membership No.: 202092
Amount: 1,00,000



Name: CA. BABUSRIKAR GAVIRINENI
Membership No.: 202335
Amount: 2,00,000



Name: CA. APPIKATLA SISIR KUMAR
Membership No.: 202714
Amount: 5,00,000



Name: CA. RAJENDRA KUMAR P
Membership No.: 204314
Amount: 1,00,000



Name: CA. MARUTHI SRINIVAS UPPULURI
Membership No.: 204328
Amount: 1,00,116



Name: CA. KOTA SATYA SRIDHAR
Membership No.: 204956
Amount: 1,00,000



Name: CA. DAMODARAN JAYASANKAR
Membership No.: 205011
Amount: 1,50,001



Name: CA. PRABHAKAR RAO KAMMULA
Membership No.: 205272
Amount: 1,00,000



Name: CA. CHANDRA SEKHAR AKULA
Membership No.: 206704
Amount: 5,00,000



Name: CA. AKKAIH NAIDU SUNKARA
Membership No.: 208436
Amount: 2,01,000



Name: CA. SRINIVASA RAO CHAVALAM
Membership No.: 209399
Amount: 1,00,000



Name: CA. GANESH KUMAR S
Membership No.: 211824
Amount: 1,00,000



Name: CA. GURU PRASAD K CH S
Membership No.: 215652
Amount: 5,00,000



Name: CA. AMARAVATHI SUNITHA DEVI
Membership No.: 216428
Amount: 1,00,000



Name: CA. RAJASEKHARA REDDY EADA
Membership No.: 217007
Amount: 1,00,000



Name: CA. GOPI CHAND MADDELA
Membership No.: 218632
Amount: 1,00,000



Name: CA. SIVANI CHITTURI
Membership No.: 220155
Amount: 1,00,000



Name: CA. SRI KANTH MANDAVA
Membership No.: 220551
Amount: 5,00,000



Name: CA. VENKATA RAMAKRISHNA PRABHAKAR DENDUKURI
Membership No.: 220568
Amount: 1,00,000



Name: CA. PADMAJA RAYIDI
Membership No.: 220807
Amount: 1,00,000



Name: CA. NARAYANA KANCHAMAREDDY
Membership No.: 223617
Amount: 1,01,116



Name: CA. ANUSHA VEMI REDDY
Membership No.: 228586
Amount: 1,00,000



Name: CA. LAKSHMI KRISHNA JAYANTH UPPULURI
Membership No.: 228900
Amount: 1,01,116



Name: CA. NARENDRA BABU VEERLA
Membership No.: 228935
Amount: 1,01,116



Name: CA. THOTA PAVAN KUMAR
Membership No.: 231845
Amount: 1,00,000



Name: CA. RAVI CHANDRA TUMMALA
Membership No.: 234674
Amount: 1,00,000



Name: CA. BHARGHAV KAVI
Membership No.: 234802
Amount: 5,00,000



Name: CA. YANNAM PHANEENDRA NAG
Membership No.: 242755
Amount: 1,00,000



Name: CA. VINEELA THADIKAMALLA
Membership No.: 265602
Amount: 1,00,000



Name: CA. RAHUL KANTILAL JAIN
Membership No.: 510585
Amount: 1,00,000



Name: CA. DAYANIWAS SHARMA
Membership No.: 216244
Amount: 1,00,000



Name: CA. CHITALE CHANDRASHEKHAR VASANT
Membership No.: 035885
Amount: 1,00,000



Name: CA. DURGESH KABRA
Membership No.: 044075
Amount: 1,00,000



Name: CA. (Dr.) SINGHAL SANJEEV KUMAR
Membership No.: 095377
Amount: 1,02,000

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Q Whether a Chartered Accountant in practice is required to obtain any trade license for practicing?

No, a Chartered Accountant in practice is not required to obtain any trade license for practicing as a professional. From the standpoint of ICAI, the certificate of practice is the only requirement to practice as a Chartered Accountant. It may, however, be noted that a government / specified Authority may stipulate additional requirement(s) like registration, and the members may need to comply with such requirement(s).

Q Whether a practicing Chartered Accountant can agree to select and recruit personnel, conduct training programmes and work-studies for and on behalf of a client?

Yes. The expression "Management Consultancy and other Services" defined by the Council includes both personnel recruitment and selection and conducting training programmes and work-studies. Therefore, a Chartered Accountant in practice shall not commit any professional misconduct by rendering such services for and on behalf of the client.

Q 3. Can a Management Consultancy Company advertise its services?

No, the Guidelines for Corporate Form of Practice restrict a Management Consultancy Company from advertising or using logo.

Q Whether a CA Firm can be registered with the Institute as a Limited Liability partnership?

Yes, vide the Chartered Accountants (Amendment) Act, 2011, the definition of "Firm" has been amended to include the Limited Liability partnership as defined in Clause (n) of sub-section (1) of Section 2 of the Limited Liability Partnership Act, 2008.

Q Can a member in practice be part of Association of Persons (AOP), with other members, or other professionals?

No, it is not permissible for a member in practice to be part of Association of Persons, whether or not comprising of other professionals, since as per the provisions of the Act, only Firms and LLPs are the two modes of practice, apart from practicing in individual capacity.

Q Whether a member in practice can provide payroll services?

Yes, a member in practice can provide payroll services since these fall under the purview of activities mentioned in the provisions of Section 2(2)(i) and (iii) of the Chartered Accountants Act, 1949. However, it is not permissible to undertake this activity if the member is the statutory auditor of the same entity.

Q Whether a member holding Certificate of Practice will be deemed to be in practice even if he is not serving any clients?

Yes, a member is deemed to be in practice, not only when he is actually engaged in the practice of accountancy, but also when he offers to render accountancy services, whether or not he in fact does so.

Q Whether a member not in practice can use any other description?

A member not in practice may use, as per the provisions of Section 7 of the Chartered Accountants Act, 1949, the designation of "Chartered Accountant". However, if he chooses to use the designation of "Chartered Accountant", he shall not use any other description, whether in addition, or in substitution thereof.

However, such a member is not prohibited from adding any other description or letters to his name, if

entitled thereto, to indicate membership of such other Institute of Accountancy, whether in India or elsewhere, as may be recognised in this behalf by the Council, or any other qualification that he may possess.

Q Whether a messaging application can be used by a member in practice to send messages to make people aware about their practice and mention the services provided therein?

No, it is not permissible to use a messaging application to send messages to make people aware about their practice, and mention the services provided therein.

Q Whether a member in practice can advertise their services on social networking websites?

Yes, a member in practice may advertise through a write up on social networking websites setting out his particulars or services, subject to the Council Guidelines for Advertisement, 2008, appearing in Volume-II of Code of Ethics.

Q Whether a write-up in an Advertisement may contain any information about an achievement or award given to a member?

Yes, a write-up may contain information about an achievement or award given to a member, provided, it has been awarded by the Central or State Governments or Regulatory bodies.

Q Whether a member in practice or a Firm may give link of its website on a social networking site?

Yes, a member in practice or a Firm may provide link of its webpage on Social Networking site. However, the members should not solicit people to visit or request to like their respective page(s) on such social Networking site.

Q Whether members in practice can list themselves with online application-based service provider aggregators?

No, Council Guidelines for Advertisement, 2008 appearing in Volume-II of Code of Ethics prohibits members in practice to list themselves with online application-based service provider aggregators, wherein other categories like businessmen, technicians, maintenance workers, event organizers etc. are also listed.

Q Whether member in practice is permitted to respond to announcement for empanelment for allotment of audit and other professional work and quote fees on enquiries being received?

It has been clarified by the Council under proviso (ii) to clause (6) of the Part-I of the First schedule of the Chartered Accountants Act, 1949, that if

announcements are made for empanelment by the Government, Corporations, Courts, Cooperative Societies, Banks and other similar institutions, the members may respond to such announcements provided the existence of panel is within their knowledge. The Council has further clarified that the quotations of fees can be sent, if enquiries are received by the members in this regard.

Q Whether a member in practice can respond to Tenders, Advertisements and Circulars?

Yes, it is permitted as per proviso (ii) to clause (6) of Part I of the First Schedule to the Chartered Accountants Act, 1949. Please refer to Paragraph 2.14.1.6(iv)C under Clause (6) of Part I of First Schedule to the Chartered Accountants Act, 1949, appearing in Volume-II of Code of Ethics.

Q Whether the designation "Chartered Accountant" along with the name of Chartered Accountants Firm can be used on the greeting cards or invitations?

Yes, as per Paragraph 2.14.1.6(iv)E under Clause (6) of Part I of First Schedule to the Chartered Accountants Act, 1949, as appearing in Volume II of the Code of Ethics, the Council is of the view that the designation "Chartered Accountant" as well as the name of the firm may be used in greeting cards, invitations for marriages and religious ceremonies and any invitations for opening or inauguration of office of the members, change in office premises and change in telephone numbers, provided that such greeting cards or invitations etc. are sent only to clients, relatives and friends of the members concerned.

Q Whether the words "Chartered Accountants" and name of city after the name of the members of the Institute can be mentioned in the articles contributed by such members and published in the Institute's Journal?

Yes, under Clause (6) of Part I of the First Schedule to the Chartered Accountants Act, 1949, there is no restriction in the Code of Ethics for mentioning the word "Chartered Accountant" and also the name of city in an article contributed by a member in the Institute's Journal as well as in newspapers and other periodicals.

Q Can a Chartered Accountant in practice solicit professional work by making roving enquiries?

No, it is not permissible for a member to address letters, emails or circulars to persons who are likely to require services of a Chartered Accountant. It would tantamount to advertisement as per Paragraph 2.14.1.6(iv)K under Clause (6) of Part-I of the First Schedule to the Chartered Accountants Act, 1949, appearing in Volume II of Code of Ethics.

Opinion

Classification of 'Provision for doubtful debts no longer required written back' as 'Other Income' or 'Other Operating Revenue'.

Facts of the Case

1. A company (hereinafter referred to as 'the Company') is a Miniratna Category-I Company incorporated under the erstwhile Companies Act, 1956 (now Companies Act, 2013). Pursuant to Initial Public Offer, equity shares of the Company are listed and traded on both Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) of India Limited. The core activity of the Company has been divided into two operational divisions, i.e. e-commerce and trading. The Company undertakes trading activities, disposal of ferrous and non-ferrous scrap, surplus stores, minerals, agri and forest produces, etc. mostly from public sector undertakings, government departments and leading private sector entities and other e-commerce services. The mode of disposal includes e-auction, e-tender, e-reverse auction etc. Besides, the Company also e-auctions coal from

coal mining entities. Apart from these, the Company also provides e-procurement and other platform development and maintenance solution. The trading division handles domestic trade of mainly bulk industrial raw material. It looks after sourcing, purchase and sales of industrial raw materials like heavy melting scrap, low ash metallurgical coke, HR coil, crude oil, naphtha, coking coal, steam coal etc. for supply to Indian industries in steel, infrastructure, power sector, etc.

2. The source of revenue is currently the service charges income from its customers. Although operating in trading and e-commerce segment, currently, the Company is predominantly an e-commerce service provider.

3. The financial performance of last three years and nine months ending on 31.12.2023 is given below:

Figures in Rs. Crores

Particulars	2020-21	2021-22	2022-23	2023-24 (Nine months)
Revenue from operations	427.75	470.64	324.72	234.32
Profit before tax	114.68	220.04	313.48	216.63
Profit after tax	101.07	200.05	239.23	152.41

4. *Comptroller and Auditor General of India (CAG) query:*

Statement of Profit and Loss: Revenue from Operations (Note 23): Rs. 324.72 crore; Other Operating Revenues: Rs. 33.69 crore; Other Income (Note 24): Rs. 173.29 crore

The Company had made a provision of doubtful debts amounting to Rs. 94.89 crore in earlier year(s) against which it realised a sum of Rs. 18.23 crore from the customers during financial year 2022-23. The balance amount of Rs. 76.66 crore was considered as 'Bad debt' and charged to Profit and Loss (P&L) Account and entire provision for doubtful debts amounting to Rs. 94.89 crore was credited to P & L Account under the head 'Other Income'. Since trade receivable is the amount to be realised from customer in the normal course of operation, the writing back of provision against trade receivable should also be shown under 'Other operating revenues' instead of 'Other income'. Hence, this resulted in overstatement of 'Other income' and understatement of 'Other operating revenues' by Rs. 94.89 crore each.

5. *Management Reply:*

The term 'Other Operating Revenue' is not defined. This would include revenue arising from the Company's operating activities, i.e. either its principal or ancillary revenue generating activities, other than revenue arising from sale of product or rendering of services. In the instant case, although "the trade receivable is the amount to be realised from customer in the normal course of operation" but the provisions made against the bad and doubtful trade receivables and subsequent realisation thereof, if any, cannot be termed as a part of normal course of operation. Realisation of trade receivable and writing back of provision cannot be termed as similar activity.

It was also mentioned by the Company that the format of Statement of Profit and Loss as prescribed by Schedule III of the Companies Act, 2013 (as amended as on date) though prescribes for revenue from operations but has not differentiated among the operating and non-operating expenses. It would further be appreciated that the operating income comprises of amount related to operations in a particular operating cycle, which in the instant case is limited to financial year 2022-23. Operating income including other operating income arises due to the operational activities during the operating cycle embraced within the financial year which is F.Y. 2022-23 in the given case. The amount as cited in the audit query pertains to the reversal of provisions created in the earlier financial year/operating cycle upon actual realisation of money in part (Rs. 18.23 crore) and balance written off as bad debt (Rs. 76.66 crore). No fresh provision has been made in F.Y.

2022-23. Furthermore, the figure of Rs. 76.66 crore is appearing on both sides of the Statement of Profit and Loss, i.e. income and expenditure having no effect on the profitability, thereby having neutral effect. For this, inclusion of the cited amount in the current year's operating cycle as 'Other Operating Income' will not reflect the true picture in the financial statements.

It is also submitted that the Company will review the matter in the financial year 2023-24, including obtaining an opinion from the Institute of Chartered Accountants of India (ICAI) and if required, will do the needful.

B. Query

6. In view of the above, the opinion is sought from the Expert Advisory Committee of the ICAI on whether 'Provision no longer required written back' can be classified as 'Other Income' or 'Other Operating Revenue'.

C. Points considered by the Committee

7. The Committee notes that the basic issue raised in the query relates to presentation and classification of 'Provision for doubtful debts no longer required written back' in the Statement of Profit and Loss. Therefore, the Committee has examined this issue only and has not examined any other issue that may arise from the Facts of the Case, such as, accounting for trade receivables including recognition, measurement and derecognition of receivables, appropriateness of accounting in earlier years, measurement of provision for bad debts or provision written back, manner of creation of provision for doubtful debts and timing of reversal of such provision, disclosures pertaining to impairment losses on financial assets viz., trade receivables under Ind AS 1, Ind AS 107 etc., accounting for income received in the form of service charges, accounting for transactions with other companies, accounting for e-auction and e-tender activities, etc. Further, the Committee has examined the query only from accounting perspective and not from any other perspective. The Committee wishes to point out that the opinion expressed hereinafter is in the context of Indian Accounting Standards, notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

8. At the outset, the Committee notes that the querist has used the nomenclature 'Provision for doubtful debts', which is not relevant under Ind AS scenario, as provision for doubtful debts is now termed as impairment loss on receivables or trade receivables (e.g., refer Ind AS 1 and Ind AS 109). Similarly, provision written back is termed as reversal of impairment loss. In this regard, the Committee also notes paragraph 7 of Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' which states that while the "Standard

defines provisions as liabilities...The term 'provision' is also used in the context of items such as ... doubtful debts: these are adjustments to the carrying amounts of assets and are not addressed in this Standard". In other words, the term 'provisions' is used for liabilities and not for assets under Ind AS. Therefore, the Committee hereinafter uses the terms, 'impairment' and 'reversal of impairment'. With regard to impairment of receivables, the Committee notes the following requirements of Ind AS 115, 'Revenue from Contracts with Customers':

"108 A receivable is an entity's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, an entity would recognise a receivable if it has a present right to payment even though that amount may be subject to refund in the future. An entity shall account for a receivable in accordance with Ind AS 109. Upon initial recognition of a receivable from a contract with a customer, any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of revenue recognised shall be presented as an expense (for example, as an impairment loss)."

From the above, the Committee notes that as per the requirements of Ind AS 115, receivable including impairment thereof is to be accounted for in accordance with Ind AS 109. Further, as per Ind AS 109, an entity is required to recognise a loss allowance (i.e. impairment) based on forward-looking expected credit loss (ECL) model as per Section 5.5 thereof.

9. With regard to presentation of 'impairment loss' and any reversal thereof as well as the derecognition of financial assets measured at amortised cost, the Committee further notes the following paragraphs of Indian Accounting Standard (Ind AS) 1, 'Presentation of Financial Statements' and Ind AS 115:

Ind AS 1

"82 In addition to items required by other Ind ASs, the profit or loss section of the statement of profit and loss shall include line items that present the following amounts for the period:

...

(aa) gains and losses arising from the derecognition of financial assets measured at amortised cost;

...

(ba) impairment losses (including reversals of impairment losses or gains) determined in accordance with Section 5.5 of Ind AS 109;

..."

Ind AS 115

"113 An entity shall disclose all of the following amounts for the reporting period unless those amounts are presented separately in the statement of profit and loss in accordance with other Standards:

(a) ...

(b) any impairment losses recognised (in accordance with Ind AS 109) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts."

From the above, the Committee notes that the impairment loss including reversals of impairment losses or gains, determined in accordance with Section 5.5 of Ind AS 109, should be presented separately on the face of the Statement of Profit or Loss. The Committee also notes that Part II of Division II of Schedule III to the Companies Act, 2013, prescribes the format of Statement of Profit and Loss applicable for companies adopting Ind ASs, which requires presentation of 'Impairment Losses' as a separate line item on the face of the Statement of Profit and Loss. Further, the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013 (Revised January, 2022 Edition), issued by the ICAI also provides that separate line item should be included in the profit or loss section of the Statement of Profit and Loss to present the impairment losses (including impairment gains or reversals of impairment losses) determined as per Ind AS 109, Section 5.5, in line with paragraph 82 of Ind AS 1.

10. Considering the requirements reproduced/mentioned above, the Committee is of the view that reversal of impairment loss should be presented in the Statement of Profit and Loss under the line item 'Impairment Losses' under a separate head for impairment losses recognised on receivables recognised as per Ind AS 115. Therefore, in the extant case, the recovery of receivables (Rs. 18.23 crores), in respect of which an impairment loss was recognised in the financial statements earlier as per the requirements of the Standards and was adjusted in arriving at the carrying amount of receivables measured at amortised cost, would represent a reversal of impairment loss. Accordingly, the said reversal of impairment loss should be presented in the Statement of Profit and Loss under the line item 'Impairment Losses'. Thus, the question

of presenting the same as 'other income' or 'other operating revenue' does not arise.

D. Opinion

11. On the basis of above, the Committee is of the opinion that reversal of impairment loss (viz., Rs. 18.23

crore) should be presented in the Statement of Profit and Loss under the line item 'Impairment Losses', as discussed in paragraph 10 above. Therefore, the question of presenting the aforesaid amount as 'other income' or 'other operating revenue' does not arise, as discussed in paragraph 10 above.

1.	The Opinion is only that of the Expert Advisory Committee and does not necessarily represent the Opinion of the Council of the Institute.
2.	The Opinion is based on the facts supplied and in the specific circumstances of the querist. The Committee finalised the Opinion on 11 th July, 2024. The Opinion must, therefore, be read in the light of any amendments and/or other developments subsequent to the issuance of Opinion by the Committee.
3.	The Compendium of Opinions containing the Opinions of Expert Advisory Committee has been published in forty-three volumes. These volumes are available for sale and can be procured online through CDS Portal at https://icai-cds.org/ .
4.	Opinions of the Committee may be accessed at the following link: http://115.248.235.50/eacicai/ .
5.	Opinions can be obtained from EAC as per its Advisory Service Rules which are available on the website of the ICAI, under the head 'Resources'. For further information, write to eac@icai.in .

Rack the Brain!

01 I steer the nation's grand design; with revenue and spending, the power is mine. Taxing or cutting, I set the tone; shaping the economy, steady and grown. Which policy am I?

04 I am the nation's central treasure chest; formed by Article 266, I stand above the rest. Direct and indirect taxes, plus borrowed sums I hold; but without Parliament's nod, my funds stay cold. Which fund am I?

02 I transform a private firm into a public sight; with shares on sale, I take flight. I'm the launchpad for new capital to grow; for investors to trade and make their own show. What am I?

05 I am a secret reserve, crafted under Article 267's might; at the President's disposal to address an urgent plight. For unforeseen costs, I am the trusted friend; but Parliament must approve each expense I lend. What essential fund am I?

03 I bring together what was once apart; merging separate pieces into one heart. With unity, I form a brand new whole; combining entities to reach a shared goal. What am I?

Answers of February 2025 Edition:

1. Corporate Social Responsibility
2. Liquefied Natural Gas
3. RFID Tag
4. Barcode
5. Non-Banking Financial Company - NBFC



Accountant's Browser

PROFESSIONAL NEWS & VIEWS PUBLISHED ELSEWHERE

Index of some useful articles taken from Periodicals received during January – February 2025 for the reference of Faculty/Students & Members of the Institute..

1. Accountancy

Climate Change and its Impact on Financial Statement

by Kishor M. Parikh and Divya A. Khair. *Bombay Chartered Accountant Journal, January 2025, pp. 11-19.*

2. Audit

Auditor's Report on Special Purpose Financial Statements

by Deepa Agarwal. *Bombay Chartered Accountant Journal, January 2025, pp. 30-41.*

3. Economics

Comparative Study of the Severity Ranking of Risks in the Indian Automobile Manufacturing Supply Chain Using PROMETHEE, VIKOR and TOPSIS

by Vinod G, Surange and Sanjay U. Bokade. *Vikalpa the Journal for Decision Makers, October-December 2024, pp. 327-348.*

4. Management

Business Succession Planning: The Strategic Role of Chartered Accountants and Creating Value Beyond

Compliance by Shaleen Shah. *Bombay Chartered Accountant Journal, January 2025, pp. 21-25.*

Getting Strategic About Sustainability: Use these Four Lenses to Focus on What Matters by Jason Jay, Kate Isaacs and Hong Linh Nguyen. *Harvard Business Review, January-February 2025, pp. 61-69.*

Start-Ups as Engines, Governance as Fuel: Charting India's Sustainable Growth to 2047 by Ritu Gupta. *Chartered Secretary, January 2025, pp. 72-87.*

5. Investment

Strategic Impact of Issuing Bonus Shares by Aswani Singh Bisht. *Chartered Secretary, January 2025, pp. 119-126.*

6. Taxation and Finance

Recent Developments in GST by G.G. Goyal and C.B. Thakar. *Bombay Chartered Accountant Journal, January 2025, pp. 84-89.*

Full Texts of the above articles are available with the Central Council library, ICAI, which can be referred on all working days. For further inquiries please contact on 011-30110419 and 011-30110420 or by e-mail at library@icai.in.

CLASSIFIEDS

- 6087 Kolkata based CA firm requires practising CA only as a full time Partner for its Kolkata office. Write: hoaps1980@gmail.com
- 6088 45 years old CA firm requires practising CAs only as a full time Partner purely on revenue sharing basis (No fixed remuneration) for Mumbai, Bhopal, Chennai, Hyderabad, Indore, Ahmedabad, Gandhinagar, Surat, Siliguri, Darjeeling, Guwahati, Agartala, Chandigarh and Portblair. Write: hoaps1980@gmail.com
- 6089 CA Firms/ Retired CAs in India with DISA/ IND AS/ FAFP etc., interested in merging / joining with a 50 years' old CA firm, write with details including Profile, Firm Card, Member Card to cahelpline45@gmail.com
- 6090 34 yrs old, 6 partners' firm headquartered in Kolkata willing to open branches in Bhubaneswar, Mumbai, Ranchi, Delhi, Chennai. Young CAs and firm may Reach us at contact@cassassociates.co.in mob: 9748030444
- 6091 34-year-old firm headquartered in Delhi NCR invites proposals for merger from sole proprietorship or partnership firms. Mail with brief profile to sangeeta.pgc@gmail.com or call 9811278153
- 6092 Gujarat headquartered 42 year old firm (www.rkdoshi.com) wishes to open branches in Tamil Nadu, Kerala, Punjab, AP, Telangana, Assam, Delhi, Orissa & WB. Contact: firm.rkdoshi@gmail.com.

Legal Decisions



Income Tax

LD/73/39
ITAT Delhi: ITA No.3833/Del/2023
Jagbir Singh
Vs.
The Income Tax Officer
08th January 2025

ITAT quashed reassessment order u/s 147 observing that the approval u/s 151 suffers from non-application of mind and that identity of the person on record who granted sanction is not mentioned; Approval u/s 151 a dead document due to this; Approval memo without the identity of the authority concerned vitiates the approval of the reassessment proceedings; Powers conferred u/s 147 are coupled with statutory duty and ensures that the powers vested u/s 147 are not exercised unless the designated superior officer is satisfied.

LD/73/40
ITAT Chennai: ITA No.2057/Chny/2024
Tweezerman India Pvt. Ltd.
Vs.
The Asst. Commissioner of Income Tax
07th January 2025
Income Tax (International Tax)

ITAT upheld CIT(A) order rejecting assessee's application claiming refund of excess Dividend Distribution Tax (DDT) paid @ 15% u/s 115-O, instead of DDT @ 10% under Article 10 of India-Germany DTAA; Reliance placed on Mumbai ITAT Special Bench order in Total Oil India; Revenue rejected assessee's refund application on the ground that DDT was additional income tax levied on distributed profits of the company and that it is a tax on income of payer entity and not tax on the shareholders; DDT being abolished w.e.f 01/04/2020 cannot be applied retrospectively.

LD/73/41
ITAT Mumbai: ITA No. 4844/Mum/2024
Mridula Jha Jena
Vs.
International Tax
07th January 2025
Income Tax (International Tax)

Assessee left India during the previous year for the purpose of employment and stayed in India for a period of less than 182 days, however the AO while passing the ex-parte order treated the assessee as a resident; Salary income earned for services rendered in India only are to be regarded as income earned in India; Rejects Revenue's contention that the provision of Section 5(2) is applicable in Assessee's case; Salary received by the Assessee for services rendered outside India though received in India is not taxable u/s 9(1)(ii); AO directed to allow credit for TDS.

LD/73/42
ITAT Mumbai: ITA No. 1857/Mum/2023
The Dy. Commissioner of Income Tax
Vs.
Union Bank of India
03rd January 2025

Assessment order passed without issuance of notice under Section 143(2) in the name of amalgamated company, quashed by ITAT; Notice u/s 143(2) was issued in the erstwhile name of the Assessee prior to amalgamation despite being informed about the scheme of amalgamation; Rejects Revenue's argument of assessee's participation in the proceedings, by stating that 'absence of service of notice, cannot be cured by invoking the provisions of section 292BB'; ITAT noted that time limit to issue a valid notice under Section 143(2) had already lapsed before the assessment order was passed.

LD/73/43
Supreme Court: SLP No. 63 of 2025
The Prin. Commissioner of Income Tax
Vs.
Jupiter Capital P Ltd
02nd January 2025

Supreme Court held that capital reduction is covered within ambit of sale, exchange or relinquishment of the asset u/s 2(47), and so, consequent long term capital loss can be claimed; SC rejected Revenue's argument that, although the number of shares got reduced, yet the face value of each share as well as shareholding pattern remained the same and hence there was no extinguishment since the assessee has not sold any shares; Term "extinguishment of any right therein" is of wide import; Capital loss claim thus allowed.

LD/73/44
ITAT Chennai: ITA No.2508/Chny/2024
Shri Sankaranarayanan Ramasubramanian
Vs.
The Asst. Commissioner of Income Tax
31st December 2025

ITAT held that surcharge and education cess is not leviable on the tax rates prescribed under DTAA; Assessee filed his return declaring income of Rs 6.68 cr out of which income of Rs 9.13 lakhs was earned in India; CPC computed education cess on entire tax liability, whereas the Assessee computed cess on the tax liability only on income as arising in India; Since Article 2 of DTAA states that surcharge is included in income tax and the tax rate as prescribed under Articles 10 and 11 of DTAA shall deemed to include tax surcharge, and 'cess' is nothing but an additional surcharge, then the prescribed DTAA rates shall deemed to include cess also.

LD/73/45
ITAT Chennai: ITA No. 1326/Chny/2023
Income Tax Officer
Vs.
Shri Rohitkumar Nemchand Piparia
31st December 2025

ITAT upheld penalty u/s 271(1)(c) levied on account of failure to disclose capital gain income in original return

by a non-resident assessee; CIT(A) had deleted said penalty noting it as an 'inadvertent mistake' by assessee by relying on SC judgment in Hindustan Steels; Onus is on the Assessee to prove that the subject income was not deliberately concealed; Despite being a non-resident, the primary liability to compute the correct tax remains on the Assessee which cannot be shifted to the remitter bank; No documentary evidences has been adduced by the Assessee to substantiate that it had paid due taxes forthwith as finally determined by the AO.

LD/73/46
ITAT Bangalore: ITA No. 1666/Bang/2024
The Dy Commissioner of Income Tax
Vs.
Rashtrorathana Parishat
30th December 2025

ITAT upheld penalty u/s 270A for under-reporting and misreporting of income with regard to disallowance of depreciation claimed, on the ground that the revenue expenditure claimed as application of income included the depreciation claim also, which is in contravention of section 11(6), since the same capital expenditure was also claimed as application of income; CIT(A) erred in holding that Revenue failed to establish any *mens rea*; Reliance placed on SC judgment in Dharamendra Textiles; Assessee's reliance on SC judgment in Price Waterhouse Coopers distinguished; *Mens rea* is not an essential element for imposing penalties for breach of civil obligations.

LD/73/47
ITAT Cochin: ITA No. 288/Coch/2023
Kulasekharapuram Service Co-operative Bank Ltd
Vs.
NFAC
26th December 2025

ITAT deleted penalty u/s 271B for delay in filing tax audit report under Section 44AB citing a lack of proper professional advice to the Assessee; Tax audit report filed belatedly was made available to the AO before the completion of the assessment and so penalty u/s 271B cannot be levied due to technical venial breach in absence of malafide intention; Penalty will not be imposed merely because it is lawful to do and the authority to impose penalty should exercise judiciously; Not filing the tax audit report within due date was demonstrated as a reasonable cause by assessee, u/s 273B.

LD/73/48
ITAT Mumbai: ITA No. 1406/Mum/2024
The Asst. Commissioner of Income Tax
Vs.
Surya Ferrous Alloys Pvt Ltd
24th December 2025

ITAT quashed reassessment notice u/s 148 and order u/s 147 due to improper/incorrect sanction as mandated

under Section 151(ii) (new regime); Issue of sanctioning authority is no more *res integra* in view of SC judgement in Rajeev Bansal; Assessee's case fell under Section 151(ii) whereby the specified authority for grant of approval was specified as PCCIT or Chief Commissioner, however, the approval was given by PCIT; Reassessment notice u/s 148 held to be invalid sans proper sanction.

LD/73/49
Bombay High Court: Writ Petition No. 247 of 2023
C C Dangi & Associates
Vs.
The Asst. Commissioner of Income Tax
26th November 2025

Bombay HC quashed notice u/s 148A(b) and consequent order issued u/s 148A(d) and imposed Rs 25,000/- each on the concerned JAO and PCIT; AO had unclear understanding of GST transactions and had completely misread facts; AO clearly adopted a mechanical approach and merely on the basis of information and without its verification proceeded to issue notice u/s 148A(b); Information available with CGST cannot *ipso facto*/automatically apply to the Assessee; PCIT's remarks while granting approval u/s 151 has crossed all the limits of legitimacy, and HC remarked that it had serious doubt whether the concerned PCIT can continue to discharge his duties on such post and should be considered by the CBDT.

FORM IV (SEE RULE 8)

- | | |
|---|---|
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I, Jai Kumar Batra hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date:
February 24, 2025

sd/-
Jai Kumar Batra
Signature of publisher



FEMA Updates

Summary Information on few Compounding Orders issued after 1st March 2020

Sr. No.	Party Name	Nature of Contravention	Date of Order	Compounding Fees (Rs.)
1.	M/s Halliburton Offshore Services Inc. (Project Office)	Contravention of Regulation 3 read with Regulation 4(f) of Notification No. FEMA 22(R) /RB-2016 dated March 31, 2016 (as amended from time to time) for opening of Project office in India.	29-01-2025	1,96,000
2.	Balaji Nivritirao Waghmare	Contravention of Rule 30(1) read with Rule 24(a) of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 dated October 17, 2019 (as amended from time to time) for transfer of immovable property without prior approval of RBI	01-01-2025	1,81,000
3.	Covenant Stones Pvt Limited	Contravention of Regulation 5(1)(i) of Foreign Exchange Management (Borrowing and lending in rupees) Regulations, 2000, notified vide Notification No. FEMA 4/2000-RB dated May 03, 2000, as amended from time to time for issue of NCDs without fulfilling conditions prescribed therein.	11-11-2024	16,75,000

Contributed by CA. Sahil Garud, Disciplinary Directorate. Matter on FEMA has been contributed by CA Manoj Shah, Mumbai, CA Hinesh Doshi, Mumbai, CA Sudha Bhushan, Mumbai and CA Viral Satra, Mumbai.

Disciplinary Case

Failure to Report multiple instances of non-compliance of the Bombay Public Trust Act, 1950 – Failure to Report excess expenditure on recurring and non-recurring building repairs – Gross Negligence in Conducting Audit – Respondent is Guilty under Clause (6) and (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

Held:

In the present case, the Respondent, who was the Statutory Auditor allegedly failed to report multiple instances of non-compliances of the Bombay Public Trust Act, 1950 and other statutory regulations in the Trust's financial statements. The Committee observed that the Respondent failed to disclose several material defaults, including improper capitalization of building repair expenses, misclassification of interest on earmarked funds, failure to comply with accounting standards, non-filing of audited financial statements on time, and non-disclosure of the Trust's failure to comply with the Foreign Contributions Regulation Act (FCRA). Additionally, the Respondent neglected to report misconduct by the trustees and omitted crucial disclosures regarding the property register and tendering process. Despite being aware of these issues, the Respondent did not provide appropriate commentary or make the necessary disclosures in the audit report, thus exhibiting gross negligence in carrying out his professional duties. Therefore, the Committee held the Respondent guilty of professional misconduct under Items (6) and (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

PR-94/15-DD/97/2015-DC/1147/2019

Failure to disclose outstanding dues in Financial Statements – Non-compliance with Section 22 of the MSMED Act, 2006– Gross negligence in statutory audit and failure to adhere to disclosure requirements – Respondent is guilty of Professional misconduct under Items (6) and (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

Held:

The Respondent, a statutory auditor of the company was charged for failure to disclose the outstanding dues in the "Notes to Accounts" of the financial statements of the company, as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The Committee noted that despite being made aware of the omission, the Respondent did not include the necessary disclosure. It was observed that the Complainant's bills, amounting to Rs. 18,35,673/-, were recorded as payable by the Company, but payment was not made by the due date stipulated under the MSMED Act. Despite this, the Respondent failed to make the appropriate remarks in the audit report and did not adhere to the disclosure requirements of the MSMED Act. The Committee found that the Respondent's failure to report material misstatements and comply with statutory obligations amounted to gross negligence in conducting the statutory audit. Accordingly, the Respondent was held guilty of professional misconduct under Items (6) and (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

PR-164/17-DD/194/2017-DC/1148/2019

ANNOUNCEMENT

Invitation for Empanelment as Examiners for Chartered Accountants Examinations

Applications are invited from eligible members of the Institute and other professionals including academicians of reputed educational institutions, tax and legal practitioners etc., having a flair for academic activities including evaluation of answer books and willing to undertake confidential assignments as a dedicated examiner, for empanelment as examiner in respect of the following papers of the Chartered Accountants Examinations.

Foundation Examination	
Paper - 2	Business Laws

Intermediate Examination	
Paper - 3	3A : Income Tax Law
Paper - 5	Auditing and Ethics

Final Examination	
Paper - 2	Advanced Financial Management
Paper - 3	Advanced Auditing, Assurance and Professional Ethics

The eligibility criteria for empanelment as examiner are as follows:

- Chartered Accountants with a minimum of five years standing in practice or in service are eligible.
- University Lecturers/Professors with a minimum of five years teaching experience are eligible.
- ICWA, ACS, M.Com, Post Graduates in Economics or Law, Lawyers, IT Professionals, MBA (Finance) and other professionals with at least five years experience, either in academic position or in practice or in employment are eligible to apply. Those with work experience having direct relevance to the aforesaid subjects(s) of examination(s) will be preferred.
- Persons above 65 years of age are not eligible.
- Persons who are visually impaired or suffer from such other physical disability that might necessitate taking the assistance of any other person for evaluation of answer books are not eligible.
- Persons who are undergoing CA Course of the Institute are not eligible.

- Persons whose applications were rejected earlier from the Panel are eligible to apply again after a gap of 1 year from the date of rejection.
- Those who are already empanelled with ICAI as examiners need not apply. Their candidature will be considered in the normal course, at the appropriate time.
- Persons associated with the coaching activities are not eligible. Those who have ceased to be associated with the coaching activity, are permitted to apply after a gap of 5 years.

Scales of honorarium for evaluation of answer books

Examination	Paper	Rate (for Digital Evaluation)
Foundation	1 & 2	Rs. 160/- per answer book
Intermediate (IPC)	1,2,4 & 5	Rs. 200/- per answer book
Intermediate (IPC)	Sectional papers (Paper 3A, 3B, 6A & 6B)	Rs. 130/- per answer book
Final examination	1, 2, 3, 4, 5 & 6	Rs. 250/- per answer book

Application for empanelment as examiner can be made online at <http://examinerspanel.icaiaexam.icaai.org>.

ICAI has implemented the Digital evaluation (Online Evaluation) of answer books in all the papers of Foundation, Intermediate and Final examinations. Hence, applicants are expected to be comfortable working on computers and also evaluating answer books on-line. However, requisite training will be provided, before on-line evaluation assignments are undertaken. Please fill the application online, take a print out, affix your photograph, sign it and send with all the requisite enclosures to the following address:

CA. Anand Kumar Chaturvedi
 Joint Secretary (Exams)
 The Institute of Chartered Accountants of India
 ICAI Bhawan
 Indraprastha Marg
 New Delhi – 110002

Joint Secretary (Exams.)

Glimpses of February 2025

THE ECONOMIC TIMES | BANGALORE | THURSDAY, 20 FEBRUARY 2025 | WWW.ECONOMICTIMES.COM

Economy: Macro, Micro & More 7

Panel to Promote Work-life Balance to be set up: ICAI Chief

Our Bureau

New Delhi: The Institute of Chartered Accountants of India (ICAI) will set up a committee on promoting work-life balance, its new president Charanjot Singh Nanda said on Wednesday, amid a raging debate over ideal weekly work hours in the private sector and polarising opinions over the concept of hard work.

The panel will work with the ICAI's managing committee members at regional and branch levels to sensitize chartered accountants across the country on handling work-related stress and to come up with possible remedial measures

without jeopardising productivity. Nanda indicated at his first press conference after taking over as the ICAI chief last week.

The issue around accountability-related stress gathered traction late last year after the death of chartered accountant Anna Sebastian Perayil, allegedly due to extreme work pressure. Perayil was working with SR Batliboi, an EY entity.

INPUTS ON NEW-I-T BILL SOON
A five-member group, set



TAX AUDITS
Audits, including the tax-related ones, should remain the pre-

served by the ICAI to closely examine various provisions of the new income-tax bill, will submit its report to the finance ministry and the parliamentary select committee before March 10, Nanda said.

The 536 sections of the bill have been divided among 39 regional members for suggestions, which will be submitted first with the institute's five-member group.

Top bodies representing company secretaries and cost accountants this month approached the government to include their members as accountants under the provisions of the new income-tax bill. Any such move would allow them to conduct lucrative tax audits by chartered accountants alone.

"I would like to maintain good relations with other institutes. But tax audit is the forte of chartered accountants," Nanda said.



ICAI to soon launch mentorship programme to guide aspiring CAs

The institute has also formed a committee on promoting work-life balance among CAs

Priyadarshini Gupta | Posted February 20, 2025 11:26 AM



ICAI president Charanjot Singh Nanda addressing the press conference along with Prasanna Kumar D, the newly elected ICAI vice-president

In a move to offer structured guidance to aspiring chartered accountants, the Institute of Chartered Accountants of India (ICAI) will be soon coming up with a mentorship programme, said Charanjot Singh Nanda, the newly elected ICAI president, addressing a press conference in the national capital on Wednesday.

Nanda, who took over as ICAI president on February 12, said that students form the backbone of the Chartered Accountancy profession, and ICAI is committed in strengthening their educational journey.

Talking to Education Times, he said, "It is always good if students are guided properly. The mentorship programme will connect students with experienced CAs who can mentor them in subject-specific areas, career planning, training, and entrepreneurship. Additionally, young qualified CAs, who may require guidance on career growth, startup ventures, and business strategy, will also benefit from this initiative. The ICAI is currently working on forming the committee and it should be in place in the next few months."

Nanda also said the institute is focused on enhancing faculty capabilities through its Faculty Development Programmes (FDPs), ensuring that educators across the country are equipped to deliver quality training to future CAs. Further, ICAI is also committed to providing world-class international facilities for students, ensuring that they have access to the best resources, training, and industry exposure, he said.

The ICAI, set up under an Act of Parliament, has more than four lakh members and around 10 lakh students,

said Nanda. Acknowledging the growing need to ensure that professionals too require to maintain well-being, the institute has also formed a committee on promoting work-life balance, he said. "We are very keen that every person associated with us, students and even our employees, should have a healthy work-life balance," said Nanda.

The new ICAI president said, "India is a factory of accountants. The institute envisions a future where Artificial Intelligence (AI), blockchain, data analytics, and cybersecurity play a pivotal role in enhancing efficiency, and accuracy within financial systems. These advancements are expected to reduce the chances of error, ensuring that professional services are delivered with greater precision and timeliness. With the adoption of advanced technology, Indian CAs will be able to extend their expertise not just domestically but across global markets."

Global recognition

Nanda also added that the institute is keen to introduce newer professional opportunities for CAs, enabling them to explore opportunities beyond traditional accounting roles. "The ICAI plans to create an environment where CAs can take on international assignments and work with global clients, ensuring that Indian professionals are not only well-trained but also recognised on a global scale. The ICAI is advocating for stronger government collaboration to enhance networking access and help Indian CAs presence in overseas markets," said Nanda.

Addressing concerns about technology replacing accountants, Nanda said, "Emerging technologies, including AI-driven automation and tools like ChatGPT, are enhancing rather than replacing the role of CAs. These advancements help simplify processes, allowing professionals to focus on strategic decision-making, advisory roles, and higher-value services. Technology will act as a catalyst, making CAs more efficient and expanding their scope of work rather than diminishing their relevance."

Prasanna Kumar D, the newly elected ICAI vice-president was also present at the event.

Business 9

CA Charanjot Singh Nanda elected as President of ICAI for 2025-26

NEW DELHI: The Institute of Chartered Accountants of India (ICAI) on February 12, 2025 elected CA Charanjot Singh Nanda, FCA, as its 73rd President for the term 2025-26. Nanda, a distinguished Fellow Member, has been a practicing CA for the last 34 years since 1991. He attained his Bachelor of Commerce degree from M.L.N. College in 1987, consistently securing a position on the Merit List at Kurukshetra University throughout his undergraduate studies. He secured 35th rank in the CA Inter Examination and attained his Chartered Accountancy qualification in 1991. During the years 2002-2003, he was elected Chairman of the Northern India Regional Council (NIRC) of ICAI.



MPOST

CA Prasanna Kumar D elected as Vice-President of ICAI for 2025-26

NEW DELHI: The Institute of Chartered Accountants of India (ICAI) on February 12, 2025 elected CA Prasanna Kumar D from Visakhapatnam, Andhra Pradesh (Southern India Regional Council) as its Vice-President for the year 2025-26. An erudite, CA. Prasanna Kumar D holds a Bachelor's degree in Zoology from the prestigious Loyola College, Chennai and an M.A. in Sociology from Sri Venkateswara University, Tirupati. He completed his Chartered Accountancy in 1984. A fellow Member of ICAI with more than three decades of experience, CA. Prasanna Kumar D was elected to the Central Council of ICAI for the three consecutive terms (24th Council; 25th Council and 26th Council).



MPOST



Pg-01

TODAY'S QUOTE
Focus on making Indian CA firms global

“Institute of Chartered Accountants of India will seek the government's support towards making Indian chartered accountants global players and also create newer professional opportunities. ICAI has over 4 lakh members. We'll set up a committee on promoting work-life balance. India is a factory of accountants. We want Indian CA firms to be global, for which we will seek government's support. The institute wants to have healthy relations with National Financial Reporting Authority

- Charanjot Singh Nanda, president, ICAI

the hindu **businessline.**

CA Institute asserts exclusive right to tax audit, dismisses claims of CS and cost accountants

KR Srivastava
New Delhi

The Institute of Chartered Accountants of India (ICAI) has firmly stated that tax audits should remain solely under its purview, rejecting demands from Company Secretaries (CS) and Cost Accountants (CMA) professional bodies for inclusion in the "accountant" definition in the new Income Tax Bill, 2025.



ICAI President Charanjot Singh Nanda

"Tax audit is fundamentally an audit function, and only chartered accountants in practice are qualified to perform audits. Audit is a serious responsibility that should be handled by professionals with expertise," said Charanjot Singh Nanda, who recently took charge as ICAI President for 2025-26.

Nanda underscored that two key judicial rulings — one from the Supreme Court and another from the Delhi High Court — reinforce the position that CAs are best suited for tax audits.

While acknowledging the importance of sister professional bodies — the Institute of Company Secretaries of India (ICSI) and the Institute of Cost Accountants of India (ICMAI) — Nanda dismissed their demand for a level-playing field in the new Income Tax Bill in tax audits.

"We respect our sister institutes, but tax audits are the core domain of CAs. We don't seek cost audits, though we study costing in our curriculum. Tax audits were entrusted to us by Parliament, and that should remain unchanged," he asserted.

'CS WELL-EQUIPPED'
Reacting to Nanda's remarks, ICSI President Dhyanjay Shukla said that Company Secretaries are well-equipped to conduct tax audits and should be considered at par with other professionals.

Given India's vision of becoming a \$5-trillion economy by 2027 and a developed nation by 2047, he emphasised the need to expand the pool of professionals to ensure smoother tax compliance and prevent repeated extensions of filing deadlines.

Nanda's remarks come amid growing concerns of ICSI and ICMAI over their exclusion from the definition of "accountant" in the Income Tax Bill, 2025.

The matter will be discussed at the Coordination Committee under the Ministry of Corporate Affairs, which includes heads of all three professional bodies.

Nanda clarified that the ICAI has no objection to CS and CMAs handling tax representation work before income tax authorities.



Appointments



Charanjot Singh Nanda elected President, ICAI (2025-26): Charanjot Singh Nanda, FCA, has been elected as the 73rd President of the Institute of Chartered Accountants of India (ICAI) for the term 2025-26. CA. Nanda, a distinguished Fellow

Member, has been a practicing chartered accountant for the last 34 years since 1991. Exhibiting outstanding academic acumen, he attained his Bachelor of Commerce degree from M.L.N. College in 1987, consistently securing a position on the merit list at Kurukshetra University. During the year 2024-25, he was elected as VP

The 26th Council of ICAI also elected Prasanna Kumar D as Vice-President, ICAI. He is from Visakhapatnam (Southern India Regional Council), holds a bachelor's degree in Zoology from Loyola College, Chennai, and an M.A. in Sociology from Sri Venkateswara University, Tirupati. A fellow member of ICAI with more than three decades of experience, Prasanna Kumar D was elected to the Central Council of ICAI for three consecutive terms.

14 Economy: Macro, Micro & More

THE ECONOMIC TIMES | KOLKATA | FRIDAY | 14 FEBRUARY 2025

FinMin Taps ICAI for Inputs on New Bill

Accountants' body forms five-member panel

Banikankar Pattanayak

New Delhi: The finance ministry has asked the chartered accountants' body to study the new income tax bill and suggest changes to improve it, two people aware of the development said.

The Institute of Chartered Accountants of India (ICAI) has formed a five-member group to closely examine various provisions of the tax bill, one of them told ET.

"The Central Board of Direct Taxes wants the ICAI to give in-depth inputs on the bill. So, the institute's group will go through chapter by chapter, section by section of the bill before submitting its recommendations,"

another person said. "The exercise will be done, keeping in mind the sensitivities of industry as well as individual taxpayers because the government wants to ensure both ease of doing business and ease of living," he added.

Finance minister Nirmala Sitharaman on Thursday introduced the bill, which aims to usher in a simplified and investor-friendly income-tax regime, in the Lok Sabha.

The bill was referred to a parliamentary select committee for detailed scrutiny and recommendations.

DEMAND FOR SPECIAL REGIME

The ICAI had in December 2024 rooted for a special and concessional tax regime for partners-

hip firms. At present, partnership firms—including limited liability partnerships—are subject to a 30% income tax. A 12% surcharge is also levied if the taxable income exceeds ₹1 crore.

The institute had made a raft of other recommendations to the finance ministry as well, including a simplified registration and taxation regime for charitable trusts, mandatory time limit for disposal of appeals, and further simplification of income-tax return forms.

It had also called for the alignment of rates of tax deducted at source and tax collected at source, periodic review of disposal of cases by the assessing officer and an effective grievance redressal mechanism.

समाचार र्योर्ट्स

भारत की चार्टर्ड अकाउंटेंट कंपनियों को वैश्विक बनाने पर ध्यान केंद्रित करेगा आईसीएआई

नयी दिल्ली: भारतीय सनदी लेखाकार संस्थान (आईसीएआई) ने देश की चार्टर्ड अकाउंटेंट कंपनियों को वैश्विक बनाने तथा नए पेशेवर अवसर सृजित करने के लिए सरकार से सहयोग का आग्रह किया है। आईसीएआई के अध्यक्ष चरणजोत सिंह नंदा ने बुधवार को राष्ट्रीय राजधानी में संबंद्धता सम्मेलन में यह बात कही। उन्होंने अपने सदस्यों तथा छात्रों के लिए कार्य-जीवन संतुलन के महत्व पर भी जोर दिया और कहा कि सबसे अधिक ध्यान नैतिक मूल्यों पर दिया जाना चाहिए। नंदा ने 12 फरवरी को आईसीएआई के अध्यक्ष पद का कार्यभार संभाला था। आईसीएआई के चार लाख से अधिक सदस्य हैं। वह कार्य-जीवन संतुलन को बढ़ावा देने के लिए एक समिति गठित करेगा। उन्होंने कहा, "भारत, अकाउंटेंट (लेखाकार) का एक कारखाना है... हम चाहते हैं कि भारतीय (चार्टर्ड अकाउंटेंट) कंपनियां वैश्विक बनें (जिसके लिए) हम सरकार का सहयोग मांगेंगे।"

दैनिक जागरण IV नई दिल्ली, 20 फरवरी, 2025 www.jagran.com

नए आयकर बिल व बजट प्रस्ताव पर सुझाव भेजेगा आईसीएआई

जागरण संवाददाता, नई दिल्ली: नए आयकर विधेयक और आम बजट प्रस्ताव पर 14 फरवरी को आईसीएआई (आईसीएआई) अपनी सुझावनामक सिफारिशों केन्द्र सरकार को भेजेगा। आईसीएआई की पांच सदस्यीय समिति 39 सदस्यीय उपसमिति के साथ इसका अध्ययन कर रही है। आईसीएआई आठ मार्च तक केन्द्र सरकार और केंद्रीय प्रत्यक्ष कर बोर्ड (सीबीडीटी) को समिति की सिफारिशों सौंपने की तैयारी में है। नया आयकर विधेयक, आयकर अधिनियम, 1961 को जगह लेगा। फिनलाल यह सुझाव और सिफारिशों के लिए इन दिनों भाजपा सांसद जयवंत पांडा की अध्यक्षता वाली संसद की 31 सदस्यीय प्रवर समिति (सलेक्ट कमेटी) के पास है। यह जाणकारी आईसीएआई के



आईसीएआई भवन में आयोजित प्रस्तावों को संबंधित करने आईसीएआई के अध्यक्ष सीए चरणजोत सिंह नंदा साथ में मौजूद सीए प्रसन्ना कुमार डी • जागरण

अध्यक्ष सीए चरणजोत सिंह नंदा ने आईसीएआई भवन में आयोजित प्रकरणावार्ता में दो। प्रकरणावार्ता में आईसीएआई के उपाध्यक्ष सीए प्रसन्ना कुमार डी भी उपस्थित थे। नंदा ने बताया कि नए आयकर विधेयक की सिफारिशों आम जनता के लिए कितनी व्यावहारिक हैं और कितनी नहीं, आईसीएआई की समिति और उपसमिति इसका अध्ययन कर रही है। उसमें बदलाव या सुधार के व्यावहारिक दृष्टिकोण से समिति अपना अध्ययन कर रही है। यह पूछे जाने पर कि समिति ने अब तक के अपने अध्ययन में क्या पाया, उन्होंने बताया कि विभिन्न स्रोत से अब तक मिली जानकारी के अनुसार 622 पन्नों के नए आयकर विधेयक में 536 धाराएं हैं। व्यावहारिक दृष्टिकोण से उन सभी का पूरी बारीकी के साथ अध्ययन करना, उस पर अपनी राय बनाना और आम जनहित में

- आठ मार्च तक केन्द्र सरकार को आईसीएआई सीएए अपनी सिफारिश
- पांच सदस्यीय समिति व 39 सदस्यी की उपसमिति कर रही है बिल, बजट का अध्ययन

2,771 सीए पर की गई कार्रवाई

आईसीएआई के अध्यक्ष सीए चरणजोत सिंह नंदा ने बताया कि चार्टर्ड अकाउंटेंट्स के कवचवार के 2771 मामलों में दोषी पाए गए सीए को सदस्यता रद्द करने और जमाने की सजा दी गई है। कई आम मामलों में सुनवाई जारी है।

सुझाव देना आसान नहीं है। इसमें पयांत समय लगता है। साथ ही यह मामला संसद को प्रवर समिति के पास है। आईसीएआई की सिफारिश सीबीडीटी के माध्यम से प्रवर समिति के पास भेजी जाएगी। इसलिए इससे पहले उस पर यहाँ या अन्य किसी मंच पर चर्चा करना विधिक तौर पर उचित नहीं है। उन्होंने बताया कि यह कवायद टेक्स सिस्टम को सरल और आधुनिक बनाने, आयकर की कानूनी जटिलताओं को कम, इसकी भाषा को सरल बनाने ताकि यह आम करदाताओं को सरलता से समझ आ सके और करदाताओं के लिए कर भुगतान को सरल करने के लिए की जा रही है। आईसीएआई की समिति और उपसमिति बजट और नए आयकर कानून विधेयक प्रस्ताव पर इसी दृष्टिकोण से काम कर रही हैं।

THE ECONOMIC TIMES

फटाफट खबरें ICAI करेगा न्यू टेक्स बिल की स्टडी



● पीटीआई, नई दिल्ली: वित्त मंत्रालय ने चार्टर्ड अकाउंटेंट्स की संस्था ICAI से न्यू इनकम टेक्स बिल की स्टडी करने और इसमें सुधार के लिए सुझाव देने को कहा है। ICAI का कहना है कि नया इनकम टेक्स बिल देश के 60 साल पुराने टेक्स सिस्टम को आसान बनाएगा और MSMEs की प्रीथ को भी बढ़ावा देगा। टेक्स के मामलों में अहम भूमिका निभाने वाली ICAI ने वित्त के अलग-अलग प्रावधानों की बारीकी से जांच के लिए पांच सदस्यीय का एक ग्रुप बनाया है।



**CHARTERED ACCOUNTANTS'
BENEVOLENT FUND [CABF]**
The Institute of Chartered
Accountants of India
(Set up by an Act of Parliament)

JOIN HANDS TO STRENGTHEN CABF : SPECIAL DRIVE

The Chartered Accountants' Benevolent Fund (CABF) was established in December, 1962 with the main objective to provide financial assistance for maintenance, and other similar purposes to needy members of the Institute, their wives, widows, children and dependent parent(s).

A dedicated CABF Portal (cabf.icai.org) is functioning as One Stop solution for making CABF Contribution and grant of Financial Assistance.

During Covid pandemic, hundreds of ICAI members had lost their battle and many others were struggling hard to pass through that difficult time. The impact was deep and had certainly shattered their dreams. The Institute through the CABF had tried to help the members or their dependents in distress.

With an objective to augment funds to provide requisite support to members, it has been decided to launch special drive and to recognise the contributors. Details of the same are given below.

The Financial Assistance disbursed along with number of beneficiaries during the last five financial years has been produced below:-

S No.	Particulars (Years)	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
1.	Number of beneficiaries	88	280	877	221	84
2.	Financial assistance disbursed (in ₹)	0.94 Crore	3.97 Crore	11.92 Crore	3.67 Crore	1.50 Crore

The Contribution is eligible for tax exemption under Section 80G of the Income Tax Act

Link for Contribution as Life Member:
<https://cabf.icai.org/lifeMember>

Link for Voluntary Contribution:
<https://cabf.icai.org/voluntaryMember>

Contribution can also be made by scanning the QR code or directly through NEFT/RTGS



Name of A/C : Chartered Accountants Benevolent Fund

Name of Bank & Branch : Axis Bank Ltd., Swasthya Vihar Branch

A/C No. : 913010046844303
IFS code : UTIB0000055

SPECIAL DRIVE FOR CONTRIBUTION TO THE CHARTERED ACCOUNTANTS BENEVOLENT FUND (CABF)

The contributions/donations are accepted from the following:



Members of ICAI



CA Firms

The donors will be recognized as under: (All contributors exceeding ₹10,000 to receive congratulatory letter from the President, ICAI)

Category of Contribution	Amount Not Less Than	Acknowledgement/Recognition
CABF-Bronze	₹ 1 Lakh	Special Bronze Shield – Along with Congratulatory Letter from the President to be sent by Post/Courier
CABF-Silver	₹ 5 Lakh	Special Silver plated Shield – Along with Congratulatory Letter from the President to be handed over by Regional Chairman in Regional Council Meeting (Acknowledgement to be published in Regional Newsletter and quarterly list to be published in ICAI Journal)
CABF-Gold	₹ 11 Lakh	Special Gold plated Shield – Along with Congratulatory Letter from the President to be handed over at ICAI Head Office. (Acknowledgement to be published in ICAI Journal)
CABF-Platinum	₹ 51 Lakh	Special Platinum plated Shield – Along with Congratulatory Letter from the President to be handed over by President & Vice President at ICAI Council Meeting. (Acknowledgement to be published in ICAI Journal with photograph taken during Council Meeting)

LET'S BE A PART OF THIS NOBLE MISSION FOR EXTENDING HELPING HAND TO MORE AND MORE PROFESSIONAL COLLEAGUES DURING UNFORTUNATE CIRCUMSTANCES



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