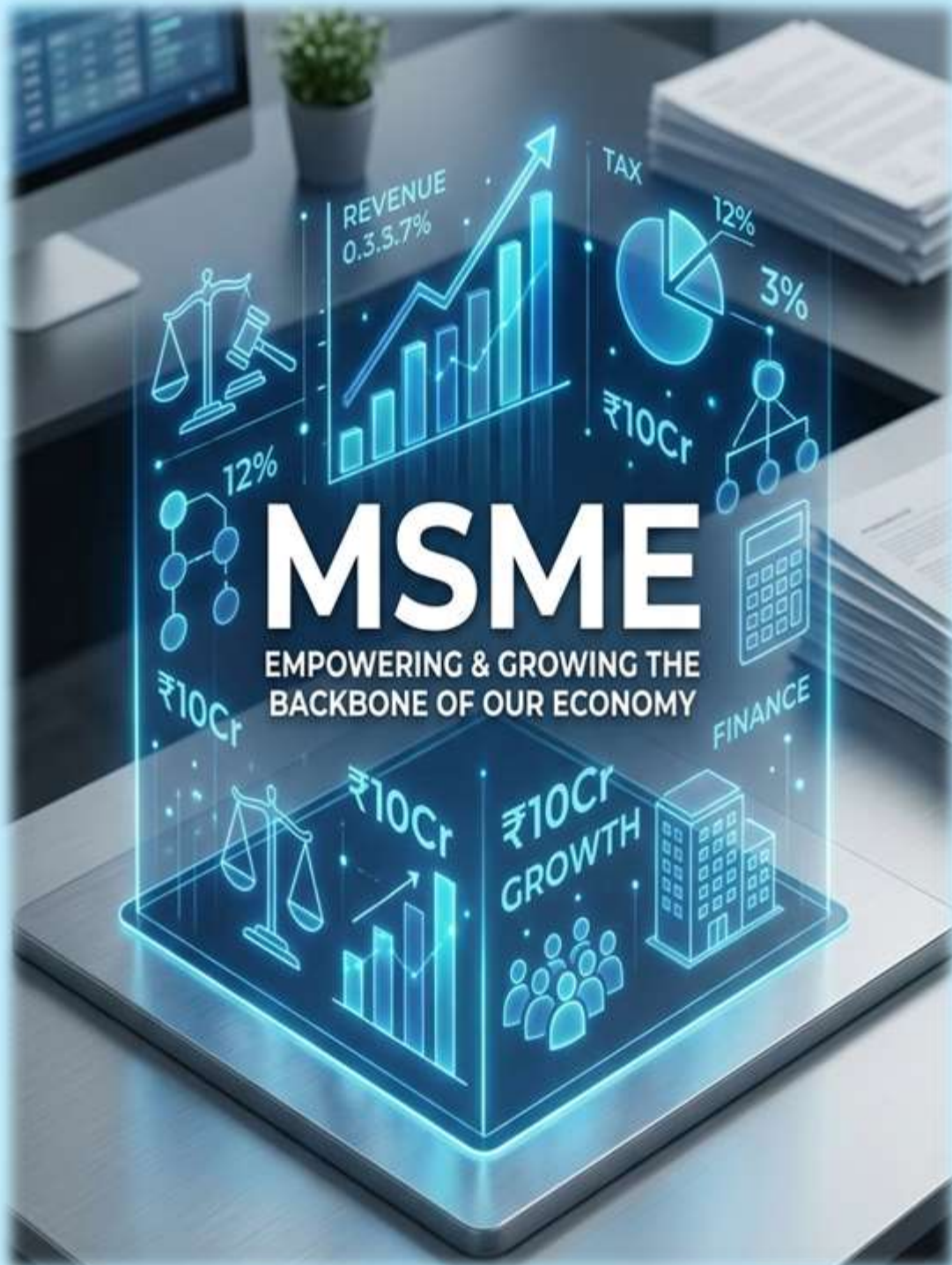




Gandhidham Branch (WIRC)

E-Newsletter





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From the Chairman's Desk

Dear Esteemed Professional Colleagues,

The month of June reminds us that the Chartered Accountancy profession is constantly evolving to meet the changing needs of society, business, and the economy. As trusted professionals, our role today extends far beyond financial reporting and taxation—we are increasingly becoming strategic advisors, governance professionals, and partners in India's growth story.

During the month, the Gandhidham Branch organized a seminar on the Digital Personal Data Protection (DPDP) Act, 2023, introducing members to the emerging field of data privacy and digital governance. As businesses adapt to a data-driven economy, Chartered Accountants can play an important role in strengthening compliance frameworks and governance practices. The launch of the Certificate Course on Data Protection Compliance and Audit (DPCAC) by ICAI is a timely initiative that equips members to explore this promising area of professional practice.



21st June, celebrated worldwide as the International Day of Yoga, reminds us that professional success is best achieved through a balanced mind and healthy body. The discipline and mindfulness that Yoga teaches are equally relevant in our professional lives, enabling us to perform our responsibilities with clarity, integrity, and resilience.

Another important occasion is International MSME Day on 27th June, recognizing the invaluable contribution of Micro, Small and Medium Enterprises to India's economy. As financial advisors, auditors, tax consultants, and business mentors, Chartered Accountants have been instrumental in supporting MSMEs through compliance, funding, restructuring, digital transformation, and sustainable growth. Strengthening MSMEs is, in many ways, strengthening the foundation of our nation's economy.

As we move ahead, let us continue to embrace learning, adapt to technological advancements, and uphold the highest ethical standards. Every new challenge presents an opportunity to expand our horizons and contribute meaningfully to the profession and the nation.

"The future belongs to professionals who combine knowledge with integrity, technology with trust, and excellence with service."

With warm regards,

-- CA Virag Acharya

Chairperson

Gandhidham Branch (WIRC)



From the Editorial Board

Dear Members,

It gives me immense pleasure to present the June edition of our newsletter, dedicated to one of the most significant pillars of the Indian economy, the Micro, Small and Medium Enterprises (MSME) sector.

MSMEs are often referred to as the backbone of India's economic framework. They contribute substantially to GDP, exports, employment generation, innovation, and regional development. From manufacturing units and service providers to emerging technology-driven enterprises, MSMEs play a vital role in creating opportunities and fostering inclusive growth.

The business environment is evolving rapidly. Digital transformation, artificial intelligence, automation, sustainability requirements, and changing regulatory expectations are reshaping the way businesses operate. For MSMEs, these changes bring both challenges and opportunities. Access to finance, technological adoption, compliance management, and market expansion remain key focus areas for sustained growth.

As Chartered Accountants, we are uniquely positioned to support MSMEs beyond traditional compliance functions. We serve as trusted advisors by helping businesses strengthen financial management, improve governance, adopt technology, optimize taxation, manage risks, and access growth opportunities. Our guidance can enable MSMEs to become more resilient, competitive, and future-ready.

The Government of India continues to introduce various initiatives aimed at strengthening the MSME ecosystem through improved credit availability, digital infrastructure, skill development, and ease of doing business. Effective utilization of these initiatives can significantly enhance the growth trajectory of enterprises across sectors.

As members of the profession, let us continue to contribute towards building a stronger MSME ecosystem by providing strategic insights, ethical leadership, and innovative solutions. A robust MSME sector not only strengthens businesses but also accelerates India's journey towards sustainable economic development.

I extend my sincere appreciation to all contributors, committee members, and readers for their continued support. I hope this edition provides valuable insights and encourages meaningful discussions on the future of MSMEs.

Wishing you all professional success and continued growth.

Warm Regards,

-- CA Hency Shah

For Gandhidham Branch (WIRC)





COUNTDOWN TO ORBIT

*The IPO That Changed the Market Before It Listed
SpaceX, Nasdaq and the New Age of Index Capitalism*

-- CA Karan Thacker



AT A GLANCE

PARAMETER	DETAIL
Ticker / Exchange	SPCX / Nasdaq
Offer Date	12 June 2026
Target Valuation	USD 1.75 Trillion
IPO Raise	Up to USD 75 Billion
Lead Underwriter	Goldman Sachs (21 banks total)
FY 2025 Revenue	USD 18.67 Billion
FY 2025 Net Loss (GAAP)	USD 4.94 Billion
CEO / Founder	Elon Reeve Musk (Founded 14 March 2002)
Operating CEO	Gwynne E. Shotwell (President & COO)
Musk Voting Power	85.1% (via Class B, 10 votes/share)
Headquarters	Hawthorne, CA / Starbase, TX
Industry Classification	Specialty Telecommunications / Aerospace

1. INTRODUCTION

When Elon Musk founded SpaceX on 14 March 2002 with the declared ambition of making humanity multi-planetary, few imagined that his rocket company would one day stage what is being billed as the largest initial public offering in capital markets history. That moment arrives on 12 June 2026, when Space Exploration Technologies Corp. lists on the Nasdaq under ticker SPCX at a target valuation of USD 1.75 trillion — larger than Microsoft, trailing only Apple and Nvidia among all publicly traded companies. For Chartered Accountants, this is a masterclass in financial reporting, valuation discipline, corporate governance, and the mechanics of modern capital markets.

2. COMPANY AND FINANCIALS

Three Revenue Segments

SpaceX filed its S-1 with the U.S. Securities and Exchange Commission on 20 May 2026. Following its all-stock merger with Elon Musk's AI company xAI (effective 2 February 2026), the company now operates three distinct segments:

SEGMENT	REVENUE	OP. PROFIT
---------	---------	------------



Starlink / Connectivity	\$11.4 B (61%)	+\$4.4 B
Space Launch	\$4.1 B (22%)	(\$0.66 B)
AI / xAI / X	\$3.2 B (17%)	(\$6.4 B)

The Starlink Engine

Starlink is the crown jewel — the only profitable segment and the primary valuation anchor. Subscribers grew at a 97% CAGR, from 2.3 million (2023) to 10.3 million (Q1 2026). FY 2025 revenue reached USD 11.4 billion with an extraordinary adjusted EBITDA margin of 63%. However, average revenue per user (ARPU) fell 23% year-on-year — from USD 86 to USD 66 — as SpaceX penetrates lower-priced international markets. Volume growth is outpacing unit economics, a tension that will define near-term profitability.

The xAI Merger: Vision or Complication?

The xAI merger transformed SpaceX from a profitable aerospace company (FY 2024 GAAP net income: USD 791 million) into a loss-making conglomerate (FY 2025 GAAP net loss: USD 4.94 billion; Q1 2026 loss alone: USD 4.28 billion). The AI segment burns approximately USD 6.4 billion in annual operating losses on capex of USD 12.7 billion for COLOSSUS data centres and Grok AI training. Management's strategic rationale: rockets enable cheap Starlink deployment; Starlink provides global connectivity; that connectivity, combined with orbital AI compute satellites (deployment from 2028), creates a vertically integrated 'orbital intelligence' stack no terrestrial competitor can replicate.

3. VALUATION: THE ARITHMETIC OF AMBITION

At the target price, the IPO implies a price-to-sales multiple of 109–116x trailing FY 2025 revenue — far exceeding any comparable mega-cap listing. Saudi Aramco's 2019 IPO, the previous record-holder at USD 35.4 billion raised, would be less than half the size of this offering. On forward 2026 revenue projections of USD 27–30 billion, the multiple compresses to 58–65x, still well above Snowflake and Airbnb at their debuts.

The valuation is not a reflection of current earnings power — over 200 S&P 500 companies generated more revenue in 2025 than SpaceX, including Tesla at roughly 5x SpaceX's sales. It is explicitly a bet on three future growth curves: Starlink subscriber expansion, xAI AI-infrastructure monetisation, and Starship's potential to reduce orbital launch costs by 99% versus historical averages.

Not all institutional investors are willing to take that bet. Danish pension fund AkademikerPension (USD 25 billion AUM) has publicly boycotted the IPO, placing SpaceX's fair value at no more than USD 1 trillion. Its CIO stated that investors are being asked to accept an unprecedentedly low risk premium for an enterprise whose pricing is driven more by Musk's narratives than by demonstrable economic reality.

4. GOVERNANCE: THE 85.1% PROBLEM

The governance architecture disclosed in the S-1 is, by conventional standards, extraordinary. SpaceX issues two share classes: Class A (one vote per share, offered to the public) and Class B (ten votes per share, held by Musk and insiders). Musk holds 93.6% of Class B shares, giving him 85.1% of total voting power. He simultaneously serves as CEO, CTO, and Chairman of the Board. Public shareholders — regardless of collective stake accumulated — will have no practical ability to influence outcomes on any matter requiring shareholder approval.

- Super voting shares — Class B carries 10 votes vs. 1 for public Class A
- Controlled company status — SpaceX is exempt from maintaining a majority independent board
- Mandatory arbitration of shareholder claims — limits legal recourse
- No dividends — Class A holders have no income rights for the foreseeable future

A coordinated response came from major institutional investors. New York City and New York State Comptrollers and CalPERS CEO — collectively managing over USD 1 trillion — jointly wrote to SpaceX warning that the structure 'makes it nearly impossible to ensure strong safeguards are in place' and 'dangerously undermines investor rights.'

Proponents argue that dual-class structures — used by Google, Meta, and Snap — protect long-horizon, capital-intensive missions from short-term shareholder pressure. For CA professionals advising Indian clients, note that



SEBI has introduced Differential Voting Rights (DVR) shares under the ICDR Regulations, 2018 for new-age technology companies — the SpaceX governance debate provides directly relevant global precedent.

5. THE NASDAQ RULE CHANGES

SpaceX's scale forced Nasdaq to rewrite its index methodology in three material ways:

- **Seasoning period cut from 90 trading days to 15 trading days — forcing rapid index inclusion**
- **Minimum 10% public float requirement entirely eliminated — SpaceX can list with as little as 1-2% of shares publicly traded**
- **Low-float multiplier of up to 3x introduced — enabling full index weighting with minimal tradable shares**

The consequence: trillions of dollars in passive ETFs (including QQQ) are legally required to purchase SPCX shares within three weeks of listing, creating 'forced buying' insensitive to price. Institutional traders will front-run this wave; once the index rebalancing completes, the structural buying floor disappears — creating what analysts call an 'index inclusion hangover.' The first month of SPCX trading is a structural market event, not a fundamental signal.

6. KEY RISKS

- Valuation at 109x revenue prices in flawless multi-year execution across three uncertain growth curves
- ARPU compression: Starlink's per-user revenue falling 23% as SpaceX enters lower-priced markets
- xAI burning ~USD 2.5 billion per quarter with no near-term monetisation visibility
- Governance concentration: single individual controls 85.1% votes across multiple enterprises simultaneously
- Total long-term debt: USD 29.1 billion; accumulated deficit: USD 41.3 billion as at March 2026
- Post-inclusion hangover: structural buying pressure finite; reversion toward fundamentals likely after Day 15

7. RELEVANCE FOR CA PROFESSIONALS

The SpaceX IPO offers several lessons directly applicable to practice:

Financial Reporting

The GAAP vs. EBITDA gap here is stark — a 63% EBITDA margin at Starlink coexists with a USD 4.94 billion GAAP loss at the consolidated level. CA professionals advising clients on segment reporting (Ind AS 108 / IFRS 8), adjusted metric disclosures, and M&A accounting for common-control transactions will find the S-1 treatment instructive.

Valuation Discipline

At 109x revenue, SpaceX illustrates the danger of narrative-driven valuation. CA professionals engaged in business valuation — whether under Rule 11UA of the Income-tax Rules, 1962, or SEBI Regulations — must anchor assumptions to defensible numbers, not aspirational scenarios.

IPO Due Diligence

The S-1 surfaces multiple pressure points for due diligence practitioners: related-party disclosures on the xAI merger (overlapping Musk-controlled entities); stock-based compensation treatment in GAAP-to-non-GAAP reconciliations; adequacy of going-concern analysis for a heavily loss-making issuer; and sufficiency of governance risk disclosures.

Conclusion: The SpaceX IPO is simultaneously the largest capital raise in market history, a governance controversy, a structural market-mechanics event, and a test of whether investor conviction in a transformative long-term vision can rationally justify a valuation that present financials cannot support. For Chartered Accountants, the professional lesson is timeless: the laws of orbital mechanics are unforgiving — and so, eventually, are the laws of financial gravity. Rigorous analysis, not narrative capture, must guide professional judgment.

DISCLAIMER: For educational and professional development purposes only. Not investment advice. Data sourced from SpaceX S-1 (SEC, May 2026) and public analyst reports. |



Are Your Global Ambitions Getting Caught in Indian Tax Transit?

-- CA Nikita Tejwani



Imagine this: You've finally finalized that dream overseas property, or it's time to pay your child's foreign university fees. You log into your net banking, ready to send the funds, only to be hit with a wall of technical compliance jargon. If you have ever tried to send money out of India to a non-resident loved one, a foreign vendor, or an overseas investment account, you know that the paperwork can feel like conquering an absolute maze.

For years, Form No. 15CA was that familiar, slightly tedious hurdle standing between your bank account and an international wire transfer. But change is here. Under the new Income-tax Act, 2025, the Indian Income Tax Department has rolled out a fresh compliance structure designed to make cross-border remittances smoother, more digital, and highly transparent. The old Form No. 15CA has officially retired, making way for the modern Form No. 145. Let's break down exactly what this means for your international transfers, how the regulatory landscape has shifted, and how these updates affect your remittance.

Out With The Old, In With The New: What Changed?

Feature	The Old Way (Legacy System)	The New Way (Current System)
Primary Form	Form No. 15CA	Form No. 145
Governing Income Tax Act	Income-tax Act, 1961	Income-tax Act, 2025
Applicable Rule	Rule 37BB	Rule 220
Core Sections	Sections 195 & 271-1	Sections 393, 395, 397 & 462
Year of Implementation	Income Tax Rules, 1962	Income Tax Rules, 2026
Submission Mode to Bank	Mandatory Physical/Printed Copy	100% Electronic Delivery available

What is Form No. 145?

Form No. 145 is a mandatory declaration that must be furnished before remitting funds outside India to a non-resident or a foreign company. It acts as a primary compliance tool for the tax department to track overseas funds and ensure that the appropriate Tax Deducted at Source (TDS) has been withheld.

Because it is an event-based form, you need to file it every single time you make an eligible transfer. While there is no deadline, the golden rule remains: it must be submitted before the remittance is processed by your bank.



You no longer need to print out physical copies and hand them to your bank manager. Recent updates to Rule 220 allow for completely electronic delivery directly to your Authorized Dealer (AD) bank, cutting out the painful clerical errors, duplicate captures, and manual paperwork of the past.

Who Should File, Exceptions & Thresholds

As per Rule 220, any person or corporate entity responsible for making a foreign transfer to a non-resident (who is not a company) or to a foreign corporate enterprise must proactively complete this filing. However, the law builds in specific exceptions to keep standard individual processes straightforward.

The Primary Exceptions (Filing Not Required):

- **LRS Remittances by Individuals:** Remittances made by individuals under the Liberalised Remittance Scheme (LRS) that do not require prior RBI authorization.
- **IFSC Unit Transactions:** Any remittance executed by an operating business unit located inside an International Financial Services Centre (IFSC).
- **Exempt Purpose Codes:** Specific low-risk nature and payment categories mapping to designated RBI exemption codes.

The Four Parts of Form No. 145: Which One Do You Need?

- **PART A (The Small-Ticket Transfer):** Used if the total remittance (or the cumulative aggregate) is chargeable to tax but does not exceed ₹5 Lakh during the tax year.
- **PART B (The Officer-Approved Transfer):** Used for taxable remittances exceeding ₹5 Lakh, provided you have already secured a lower or nil-deduction certificate directly from an Assessing Officer u/s 395(1)/395(2).
- **PART C (The Chartered Accountant-Backed Transfer):** Used for taxable remittances exceeding ₹5 Lakh where you have obtained a remittance certificate (Form No. 146) from an independent Chartered Accountant.
- **PART D (The Tax-Exempt Transfer):** Used when the money you are sending is not chargeable to tax in India at all (e.g., standard family gifts or non-taxable overseas commercial items).

Required Documentation Checklist

- **Standard Requirements (All Remittances):** Invoices, agreements, or signed foreign contracts; full names, addresses, bank routing details, and contact points for both sender and overseas recipient.
- **For Part B Filings:** The formal Lower or Nil Tax Deduction Certificate issued u/s 395 by the Assessing Officer.
- **For Part C Filings:** The independent Chartered Accountant's Certificate generated in Form No. 146 along with its system-verified UDIN.
- **For Claiming DTAA (Tax Treaty) Benefits:** Form No. 41, the official Tax Residency Certificate (TRC) from the recipient's government, and the mandatory foreign Tax Identification Number (TIN) if they do not hold an Indian PAN.



Common Remittance Challenges & System Solutions

Common Compliance Challenge	System Solution Implemented
Data Mismatches: Manual clerical errors occurred when banks used physical data to file quarterly statutory returns in Form No. 147.	Electronic Delivery: Rule 220 allows Form No. 145 to be transmitted to Authorized Dealer (AD) banks entirely electronically, removing manual entry steps.
Exchange Rate Fluctuations: Mismatches arose between the exchange rate on the filing day vs. the actual bank ledger transfer date.	ITDREIN Tracking: Centralized transaction tracking registers consumed vs. unutilized forms, creating a clear data ledger for the bank.
Untraceable Global Beneficiaries: High risk of treaty abuse or unverified identification when the foreign party lacked an Indian PAN card.	Mandatory TIN: Capturing the foreign Tax Identification Number (TIN) and a Tax Residency Certificate (TRC) is now compulsory to unlock DTAA benefits.
Fraudulent Tax Certificates: Risk of unverified or inaccurate manual certificates being used to bypass tax withholding.	API Verification: The addition of the UDIN field in Part C connects directly with the ICAI via a real-time API link, instantly validating the form.

Keep Complying, Keep Seamless

The tax department now uses advanced data analytics and risk profiling via the Income Tax Business Application (ITBA) internal platform to cross-verify these filings instantly against banking data. Slipping up, providing inaccurate data, or failing to file altogether can invite a hefty penalty of up to ₹1 Lakh under Section 462.

International banking doesn't have to be stressful. By understanding whether your transfer falls under a simple Part A declaration or requires a CA-certified Form No. 146, you can ensure your funds reach their global destination without a hitch.

If you are planning a major remittance soon, reach out to consultant to review the taxability under the DTAA rules early so we can prepare your Form No. 146 documentation well in advance. Safe travels to your wealth!





Income tax Act, 2025 – A New Dawn or a Reset?

-- CA Sanjay K. Rupchandani



The New Income Tax Act – Income tax Act, 2025 came into effect from 01.04.2026. While it is being heralded as an epoch path breaking event, the taxpayer community is indifferent to it and rightly so, as they are unable to decipher how it is any different to the earlier law. The professionals have reacted to it in a cautious manner, trying to understand certain nuances of the new law and structure of the new Act, however, not going full throttle at reading the new law in its entirety as they have been told that the scope and content (*only simplified*) remain the same. In this background, a humble attempt is made to explain some of the nuances of the new law in this article.

1. Route adopted to make certain changes is not in the spirit of fairness:

While one accepts the power and the right of legislature to make changes in the Act, the taxpayer expects *fairness* in the *communication* of those changes. A change not well-communicated leads to higher probability of error in application of law and also leads to more litigation. It is not hidden from anybody that the new Act was promoted with a loud and emphatic message that “No major tax policy changes have been made to ensure continuity and certainty”. Further, the motives for enactment of the new law were - Simplifying the language, reducing litigation, removing compliance burden and removing redundant provisions. In this background, making *substantial amendments* in the Act, knowing very well that the same would amount to a major tax policy change, was not in the proper spirit.

Before the Act was promulgated, the draft and its three versions were intensely discussed and debated by only a small section of professionals. A large part of the professional community was not very aware about the changes made and their impact on the tax computation process. The legislature was aware that the new Act shall come into effect from 01.04.2026, if not later, and that they would get a chance to make any number of changes in Finance Bill, 2026 before that date. If they would have refrained from making any of the substantial changes in the new Act as enacted on 21.08.2025 and made those changes through the Finance Bill, 2026, those changes would have been *specifically looked into, analyzed, discussed* and *debated* by the professional community and taxpayers, thus avoiding the risk of missing out on any changes.

Some of such *illustrative changes* which were made in the new Act (as enacted) are as under:

- (i) The earlier Sections 68 to 69C used the word ‘**may**’ while empowering the Assessing Officer to charge the unexplained credits, etc. to income tax. In the corresponding Sections 102 to 105 of the new Act, the said word has been replaced with ‘**shall**’, thus making a substantial change in the exercise of powers, which were discretionary earlier and mandatory now.
- (ii) The earlier provisions dealing with presumptive taxation like 44AD, 44ADA, etc. operated with a presumption that any **deduction** allowable under Sections 30 to 38 be deemed to have been already given effect



to and no further deduction under those sections shall be allowed. Section 58(4) of the 2025 Act includes **losses** also in that presumption, with the result that now even losses cannot be set off against the presumptive income.

(iii) Till A.Y. 2016-17, provisions of Section 44AD of earlier Act had a provision for compulsory maintenance of books of account and mandatory audit if the assessee claimed that his profits and gains were **less than the profits specified in the said section (8%)** and his total income exceeded the maximum amount which was not chargeable to income tax.

In A.Y. 2017-18, the said requirement was **replaced** with compulsory maintenance of books of account and mandatory audit **only** when an assessee, after declaring profit as per 44AD in any year, chose to not declare profits as per the provisions of Section 44AD for any of the 5 consecutive years thereafter. In that case, he was required to get his books of account audited, if his income exceeded the exemption limit of income tax.

In the new Act (Section 58), **both of these conditions have been incorporated**. Thus, now there are two situations when compulsory maintenance of books of account and mandatory audit is contemplated (if the income exceeds the exemption limit) due to **non-compliance** with presumptive taxation mechanism of **Section 58** (*only to the extent it is applicable to businesses for which Section 44AD of old Act was applicable*).

The above-mentioned examples are only illustrative of changes which might have escaped taxpayer and tax professionals' scrutiny due to the fact that they were made in Income tax Act, 2025 and not through Finance Bill, 2026.

2. Changes in Concepts & Perspective:

The three main changes in concepts brought in by the new Act are:

- (i) Use of '**Tax Year**' instead of '**Previous Year**';
- (ii) Concept of '**Assessment Year**' removed without any replacement and
- (iii) Use of "**Irrespective of**" instead of "**Notwithstanding anything contained in**".

These three changes would affect most provisions and therefore, one would need to get acclimatized to them sooner rather than later.

Removal of Provisos and Explanations completely from the new Act creates the necessity to interpret the erstwhile Provisos / Explanations in its new avatar as a sub-section. Judicial wisdom has taught us that each sub-section has an equal importance, unless expressly stated otherwise, while a proviso / explanation acts within the realm of the sub-section / section to which it is attached. In the new Act, as long as the express words of the (new) sub-section convey the meaning of the erstwhile proviso / explanation clearly and in the same manner as earlier, there should be no cause for concern. However, where the (new) sub-section **enlarges or reduces the scope** of the erstwhile proviso / explanation, new interpretations shall emerge.

A reader of the new Act will have to take special care while reading the **limitation provisions**. Under the earlier Act, limitations ran mostly from the end of assessment year, while in the new Act, they run from the end of the tax year. This adds 1 year to the limitation period in text, while making no change in substance. For instance, notice u/s. 148A of earlier Act had to be issued within 3 years from the end of relevant assessment year, while u/s. 281 of new Act, it has to be issued within 4 years from end of tax year.

3. The Structure:

Simplification of the structure being the main goal of the new Act, there have been certain noteworthy changes in the structure, some of which are:

- (i) **Schedules** – Schedules have been given prominent importance in the new Act. The most relevant and useful change being distributing the different type of exemptions of earlier Section 10 (now Section 11) into different schedules on the basis of thoughtful categorization. A separate Schedule for deductions under earlier



Sections 80C, 80CCC and 80CCD and another for permitted modes of investment or deposits by registered trusts, etc. are other notable changes.

(ii) **Tables** – Tables within the sections themselves and tables within Schedules (with facility of cross referencing given in the sections) is another appreciable feature. It avoids repetition and also gives the reader an opportunity to cover the taxation of some topics in their entirety (due to cross referencing).

(iii) **Mathematical Formula** – Use of mathematical formula (like, $D = A + B - C$, where each term 'A', 'B', 'C' and 'D' is described clearly) reduces the scope for errors in interpretation, which would arise when the text of a provision has to be interpreted to make a mathematical calculation.

(iv) **Grouping of provisions** relating to one topic under a single section / at a single place is a praiseworthy highlight of the new Act. Grouping of all presumptive sections in Section 58, Section 29 taking care of all deductions relating to employee welfare, Chapter XVII – Special Provisions relating to certain persons – Part B taking care of all provisions relating to registered NPOs, are some of the examples of grouping which shall prove to be very useful.

4. Transitional Provisions:

Transitional provisions have been stated in sufficient detail in the new Act to create an exhaustive bridge between the old and new Acts. It has been observed in the past that whenever any new Act has replaced an old Act or Acts, substantial litigation had arisen due to incomplete or unclear transition provisions (the latest example being the GST Act, which replaced the erstwhile VAT, Excise and Service Tax Acts, among others). The transitional provisions are detailed and clear in the new Act. While any shortcoming in them cannot be ruled out completely, such instances would be known only in the future, as and when such situations arise.

5. Rules:

Income tax Rules, 2026 have been notified w.e.f. 01.04.2026. Very few changes have been made as far as rules are concerned. Some of the limits of exemptions and valuation of perquisites under Salary income have been modified. However, multiple changes have been made in the forms to consolidate forms relating to a particular type of reporting into a single form. Moreover, the details required have been modified at some places to reflect the changing times and with a focus on effective compliance.

6. Notifications, Circulars, etc.:

At the time of penning down this article, 1 order, 1 circular and 3 notifications have been issued under new Act and new Rules. This leads one to wonder that when the new Act and new Rules have been implemented w.e.f. 01.04.2026, why new notifications, circulars, etc. have not been issued? The transitional provisions take care of this issue whereunder they give legal sanctity to the notifications, circulars, etc. issued under the old law to be equally applicable under the new law, to the extent they are not inconsistent with the new law.

7. Future Expectations:

As professionals, the foremost expectation is the expectation from ourselves – the need to read and understand the nuances of the new Act and Rules, so that we can fulfill the expectations of our clients, the stakeholders (including the government) and society at large. As concerned professionals and as representatives of taxpayers, we can only expect the legislature and the executive to test each amendment made by them in future on the yardsticks of simple language, least compliance burden and clarity (to avoid litigation), so that in a distant time in future, Income tax Act, 20XX is drafted with the intent of *simplifying the law* rather than only *simplifying the text of law*.

“The more things change, the more they stay the same”



THE VANISHING ASSET – WHY SHARE BUYBACKS DEFY "DEEMED INCOME"

-- CA Roshni Chirag Thakker



Executive Summary

For years, the Income Tax Department has attempted to characterize the "bargain" in a share buyback as a taxable gift under Section 56(2)(x) of the Income-tax Act. The landmark 2026 ruling of the Delhi High Court in **PCIT vs. Globe Capital Market Ltd.** has finally dismantled this theory, providing a vital shield for corporate reorganizations. This article analyzes the structural "Property Test" and its wide-ranging strategic implications for Financial Year 2026-27.

The Legal Milestone: PCIT vs. Globe Capital (2026)

The core controversy rested on whether a company "receives property" when it buys back its own shares at a price below the Fair Market Value (FMV) computed under Rule 11UA. The Revenue contended that the difference represented inadequate consideration taxable as Income from Other Sources (IFOS). Rejecting this, the High Court established a robust three-pillar legal logic:

1. **The Extinguishment Principle:** Under Section 68 of the Companies Act, 2013, shares bought back must be physically destroyed and extinguished within 7 days. Legally, a corporate entity cannot "receive property" that is statutorily mandated to vanish into non-existence upon receipt.
2. **The Antithesis of Acquisition:** A buyback constitutes a statutory reduction of capital, not an acquisition of an asset. A company cannot be its own shareholder; therefore, it can never "hold" its own shares as a capital asset or allocable property.
3. **Section 56(2)(x) Inapplicability:** The Court ruled that Section 56(2)(x) is strictly an anti-abuse provision meant to catch "sham" or colorable transfers of wealth. A heavily regulated, statutory buyback process completely defies this characterization.

The 2026 Reorganization Landscape

As practitioners navigate the structural mandates of the Income-tax Act, 2025 and the Income-tax Rules, 2026, the Globe Capital precedent must be integrated into the current fiscal matrix. The shifting paradigms for FY 2026-27 include:

Feature	New Rule (FY 2026-27)	Professional Insight & Strategy
Tax Point	Shifted entirely to Shareholders as Capital Gains (LTCG at 12.5% / 20%).	Deploy the Globe Capital ruling defensively to clear legacy backlogs and pending assessments from the pre-2024 era.
Promoter Surcharge	A new flat 12% surcharge applies specifically to promoter buyback gains.	Corporate boards must rigorously evaluate the net-of-tax cash flows for promoters relative to institutional and minority holders.



Selective Reduction	Capital	Accelerated adoption of Section 66 (NCLT route) for targeted exits.	The structural 'Property Test' logic from Globe Capital applies equally here; capital reduction does not trigger generic property acquisition provisions.
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Strategic Advisory for Chartered Accountants

- **The Valuation Buffer:** While the Globe Capital ruling provides exceptional legal protection to the corporate issuer, robust documentation under Rule 11UA remains mandatory to eliminate secondary allegations of indirect shareholder benefits or transfer pricing misalignments.
- **Financial Statement Reclassification:** For corporate clients facing active litigation on this issue, this clear High Court precedent should be evaluated under Ind AS 37 to support the potential reversal of existing tax provisions or the strategic reclassification of liabilities.
- **Cross-Border Reorganizations:** Incorporate this principle when structural buybacks are executed for foreign holding companies. When linked with strategic Double Taxation Avoidance Agreements (DTAA), it cements the position that the transaction is a capital return, not a disguised income distribution.

The Final Word: "A company cannot make a profit by destroying its own capital." The Delhi High Court has successfully restored commercial common sense to the application of Section 56(2)(x). As Chartered Accountants, our role now transitions to ensuring that future capital restructurings are driven cleanly by core business logic, entirely unburdened by the fear of 'deemed income' ghosts.





STEP BY STEP GUIDANCE ABOUT VARIOUS TYPES OF GST NOTICES

-- CA Sachin Mehta



INTRODUCTION:

The objective of the article is merely to give **the brief guidance about the various types of GST Notices**. Receiving a GST notice can be an unsettling experience — whether you are a business owner or a practicing CA, CS, CMA, or tax professional.

The moment it arrives, the questions begin in mind immediately: What does this mean? How serious is it? What do I do next?

The truth is: a GST notice is not always a cause for panic. Many notices are routine in nature - asking for clarifications, reconciliations, or minor corrections. However, if ignored or mishandled, even a routine notice can escalate into a demand, penalty, or prosecution.

This step-by-step guide will walk you through exactly how to handle any GST notice - calmly, systematically and professionally.

Point-1: Types of GST Notices

Before you can respond to a notice, you need to understand what type of notice it is. Under the GST law, notices are issued under various sections of the CGST Act, 2017.

Section	Notice Type	Common Reason
Sec 61	ASMT-10 (Scrutiny)	Mismatch in GSTR-1 vs GSTR-3B vs GSTR-2A
Sec 73	DRC-01 / SCN	Tax short paid — no fraud or suppression
Sec 74	DRC-01 / SCN	Tax short paid — fraud or wilful misstatement alleged
Sec 46	GSTR-3A	Non-filing of GST returns
Sec 50	Interest Notice	Delayed payment of GST
Sec 67	Inspection / Search	Search, seizure, inspection of premises
Rule 86A	ITC Blocking	Input Tax Credit blocked on GST portal
Sec 129/130	Detention Notice	Goods detained in transit

ADVICE: Always note the SECTION NUMBER on the notice FIRST — it tells you the seriousness and the time limit for your response.



Point 2: Step-by-Step Guide to Handling a GST Notice

STEP 1: Do NOT Panic — Read the Notice Carefully

The very first thing to do when you receive a GST notice is to read it completely and carefully. Do not assume the worst. Understand:

- Which section of the CGST/SGST Act it is issued under
- The financial year and tax period it relates to
- The specific issue or discrepancy raised by the department
- The deadline by which a response is required
- The name and designation of the issuing officer

NOTE: Many notices are system-generated and are part of routine compliance checks. They do not necessarily indicate fraud or large demands.

STEP 2: Verify the Authenticity of the Notice

- Before taking any action, verify that the notice is genuine. Fraudulent notices have been reported. Check the following:
- Log in to the GST Portal (www.gst.gov.in) using your GSTIN credentials
- Go to: Services → User Services → View Notices and Orders
- Check if the notice appears with the same Reference Number (RFN)
- Verify the officer details and jurisdiction

ADVICE: Never respond to a notice that does not appear on the official GST portal. Report suspicious notices to your jurisdictional officer immediately.

STEP 3: Gather All Relevant Documents & Data

- Once verified, start collecting all documents related to the period and issue mentioned in the notice. Depending on the type, you may need:
- GSTR-1, GSTR-1A, GSTR-3B, GSTR-2A, GSTR-2B for the relevant period
- Books of Accounts — Purchase Register, Sales Register, Cash Book
- E-way Bills and Delivery Challans (for transit-related notices)
- Bank Statements and Payment Challans (for interest / late payment notices)
- ITC reconciliation statements
- GST registration certificate and return filing history
- Contracts, invoices, and agreements with major suppliers and customers, if any.

ADVICE: Prepare a period-wise GST summary at this stage. It will help you quickly identify the gap the department has spotted.

STEP 4: Perform a Self-Reconciliation

This is arguably the most important step. Reconcile the figures in your books with your GST returns and understand why the discrepancy exists.

Key Reconciliation points to check:

- GSTR-1/1A vs GSTR-3B: Are outward supplies declared correctly in both?
- GSTR-2A/2B vs ITC claimed: Have you claimed excess ITC compared to supplier declarations?



- Tax paid vs Tax liability: Is there a short payment for any period?
- Turnover reconciliation: Does your GST turnover match with your audited financial statements or with Income Tax Return filed?
- Reverse Charge Mechanism (RCM): Have all RCM transactions been properly accounted for and liability on such RCM as well as ITC of such RCM has been shown correctly in GSTR-3B?

ADVICE: Use Excel or your accounting software to do a month-wise GSTR-1/1A vs GSTR-3B reconciliation before drafting your reply. It is also advisable to go through with the system generated annual summary of GSTR-1/1A as well as GSTR-3B for reconciliation purpose.

STEP 5: Consult Your Practicing CA / Tax Advisor / Tax Consultant

If you are a business owner, this is the time to involve your CA or tax consultant. Do not attempt to respond to a serious notice (especially under Section 73 or 74) without professional guidance.

When consulting your advisor, share:

- The original notice with all attachments
- The documents gathered in Step 3
- Your self-reconciliation from Step 4
- Any prior correspondence with the GST department

ADVICE: Time is critical. The limitation period under Section 73 is 3 years and under Section 74 is 5 years from the due date of Annual Return of respective financial year. However, deadlines to give response to separate notices can be as short as 7–30 days.

STEP 6: Draft a Proper Written Reply

Your reply to a GST notice must be formal, factual, and well-documented. A poorly drafted reply can worsen your position. Follow this structure:

Structure of a Good GST Reply:

1. Reference the Notice: Mention the notice number, date, section, and the tax period.
2. State Your Position Clearly: Explain your position factually.
3. Address Each Point Separately: Provide explanation for each discrepancy raised with supporting data.
4. Attach Supporting Documents: List all annexures, clearly numbered and referenced.
5. Acknowledge Errors (if any): Voluntary disclosure and payment of admitted liability reduces penalties.
6. State the Relief Sought: Clearly state whether you want the notice dropped, demand reduced, or figures corrected.

ADVICE: Do NOT provide vague or evasive replies. The officer is required to pass an order with proper reasons so a weak reply can lead to an adverse order.

STEP 7: File the Reply on the GST Portal

Once your reply is drafted and signed, file it on the official GST portal within the stipulated time.

- Step 1: Log in to www.gst.gov.in with your GSTIN credentials
- Step 2: Go to Services → User Services → View Notices and Orders
- Step 3: Select the specific notice and click 'Reply' or 'File a Reply'



- Step 4: Upload your written reply along with all supporting documents
- Step 5: Submit using Digital Signature Certificate (DSC) or EVC
- Step 6: Download the Acknowledgement / ARN number for your records

ADVICE: Always keep a screenshot or PDF of the filed reply and the portal acknowledgement for future reference. This is your proof of timely response.

STEP 8: Attend Personal Hearing (If Applicable)

Under principles of natural justice, the GST officer must give you an opportunity of being heard before passing any adverse order. If you receive a notice for personal hearing:

Do NOT skip or ignore the hearing. Non-attendance is taken adversely.

Carry all original documents and a copy of set of documents for the officer.

Prepare a written submission and hand it over at the hearing even if it is oral.

Make notes of what the officer discusses and any commitments made.

As a practitioner, carry your authorisation letter (Vakalatnama/ Form GST PCT-5).

ADVICE: If you need more time to gather documents, request an adjournment in writing before the hearing date. Departments generally grant one reasonable adjournment.

STEP 9: Review the Order & Decide on Next Steps

After your reply and hearing, the officer will pass an Order. Review it carefully:

If the order is in your favour:

- The notice is dropped. Archive all documents for 6 years.

If the order is partially or fully against you:

- Pay the admitted Tax + Interest + Penalty to close the matter
- File an Appeal before the Appellate Authority within 3 months if you disagree (Section 107)
- For higher disputes, file an appeal to GST Appellate Tribunal (GSTAT) under Section 112

ADVICE: If you decide to appeal, file it WITHIN the time limit. Delay in filing appeals can be condoned only in exceptional circumstances.

STEP 10: Prevent Future Notices — Build Compliance Habits

The best way to handle a GST notice is to never receive one. Here are practices every business and practitioner should follow:

- Monthly GSTR-1/1A vs GSTR-3B reconciliation
- Quarterly GSTR-2A / 2B vs ITC reconciliation before filing
- Timely filing of all GST returns (GSTR-1, GSTR-3B, GSTR-9, GSTR-9C)
- Maintain proper e-way bill records for all goods movement
- File GSTR 9-9C after reconciliation with income tax / balance sheet figures
- Maintain a 6-year documents archive for all GST-related records
- Regularly check GST portal for any pending notices or orders



Quick Reference: 10-Step GST Notice Action Plan

Step	Action
1	Read the notice carefully — note section, period and deadline
2	Verify authenticity on the GST portal (View Notices & Orders)
3	Gather all relevant documents for the relevant tax period
4	Perform Self-reconciliation — find the root cause of the discrepancy
5	Consult your practicing CA or tax advisor for serious notices
6	Draft a formal, factual and well-documented written reply
7	File the reply on GST portal within the due date and save the acknowledgement
8	Attend personal hearing with documents and written submission
9	Review the order and appeal within 3 months if adverse
10	Build monthly compliance habits to prevent future notices

Important Time Limits to Remember

Situation	Time Limit
Reply to ASMT-10 Scrutiny Notice	<i>30 days (extendable on request)</i>
Reply to Show Cause Notice (Sec 73/74)	<i>30 days from receipt of DRC-01</i>
Voluntary payment after SCN (Sec 73)	<i>30 days — reduced penalty benefit</i>
Voluntary payment after SCN (Sec 74)	<i>30 days — penalty reduced to 25%</i>
Appeal before Appellate Authority (Sec 107)	<i>3 months from date of order</i>
Appeal before GSTAT (Sec 112)	<i>3 months from Appellate order</i>
Department limitation — Sec 73 (no fraud)	<i>3 years from Annual Return due date</i>
Department limitation — Sec 74 (fraud)	<i>5 years from Annual Return due date</i>

CONCLUSION:

A GST notice is not the end of the world — but it demands prompt, systematic and professional action. Whether you are a business owner receiving your first notice or a CA / tax practitioner guiding a client through a complex scrutiny, the approach would be the same that read carefully, verify, gather documents, reconcile, draft a proper reply and file on time.

The GST law provides avenues for dispute resolution — from replies and hearings to appeals at multiple levels. The key is to never ignore a notice and always to respond within the stipulated deadline.

Most importantly, the best strategy is prevention. Robust monthly compliance practices, regular reconciliations, and timely return filing are the best insurance against GST notices.

DISCLAIMER:

The contents of this article are solely for informational purpose and shared based on my views and understanding related to the said topic. This is not an expert view. It does not constitute any professional advice or an opinion or a formal recommendation. While due care has been taken in preparing this article, the existence of mistakes and omissions herein is not ruled out.



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

-- CA Animesh Modi



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

The framework, and the timetable that matters the most

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

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

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

Who is who, and why it decides liability

The Data Principal is the individual the data is about, and the holder of the rights. The Data Fiduciary is whoever decides the purpose and the means of processing. Liability tracks that decision-making, not who happens to hold the file. It is a classic case of substance over form: the test is who sets the why and the how, not who owns the server. The Data Processor acts only on the Fiduciary's instructions and has no say over purpose, which is the position of most cloud hosts, payroll bureaus and analytics vendors.



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

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

The two ways data may lawfully be processed

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

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

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

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

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

Rights, duties and a hard line on children

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

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

Following the data through its life

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

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

Retention runs on two clocks at once. Section 8(7) requires deletion once the purpose is met, a duty the Fiduciary must act on without waiting to be asked. For e-commerce, online gaming and social media platforms, the Rules deem the purpose served after three years of user inactivity, after which the data must go, with at least 48 hours'



notice to the user first. At the same time, Rule 8(3) requires processing logs to be kept for at least a year to support audits and investigations. Both duties bind together, so systems must delete personal data on schedule while preserving the logs that record how it was handled.

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

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

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

Proving it, not just doing it

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

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

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

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

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

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

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



Where the work is for us as a Chartered Accountants

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

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

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

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

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





The Psychology of Money by Morgan Housel

-- CA Dilip Saboo



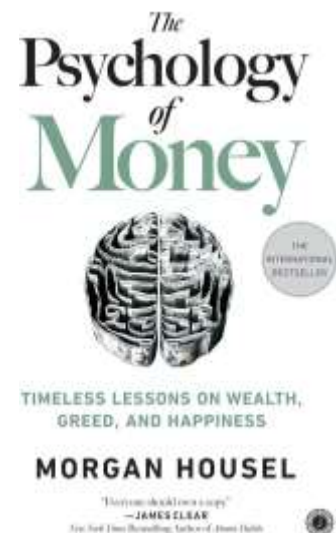
The Psychology of Money by Morgan Housel explores how people's behavior and emotions influence financial decisions more than intelligence or technical knowledge. The book presents 19 short stories that explain the psychology behind wealth, investing, and financial success.

Summary

The central message of the book is that managing money is less about mathematics and more about behavior. Housel argues that financial success depends on qualities such as patience, discipline, humility, and long-term thinking.

Some key lessons from the book include:

1. **Wealth is what you don't see.**
Many wealthy people live modestly, while others spend heavily to appear rich.
2. **Saving matters more than income.**
Building wealth often depends on consistently saving money rather than earning a high salary.
3. **Compounding is powerful.**
Small gains accumulated over long periods can create extraordinary results.
4. **Luck and risk play major roles.**
Success and failure are not always the result of skill alone.
5. **Financial freedom is the highest dividend of money.**
The ability to control your time is one of the greatest benefits of wealth.
6. **Long-term investing beats short-term speculation.**
Patience is often rewarded in financial markets.



Review

Morgan Housel writes in a simple and engaging style, making complex financial concepts easy to understand. Instead of focusing on investment formulas and technical strategies, he highlights the human side of money management. The real-life examples and stories make the lessons memorable and practical. My favourite story is Nothing's Free.



Taxtopia

-- CA Nikhil Narwani



I recently got my annual incentives. Unsure of whether I just wanted to spend them on parties or something meaningful, I ended up in a bookstore while on a visit to Mumbai. There I stumbled upon this intriguing book titled “Taxtopia”.

The synopsis of the book read “How I discovered the injustice of the tax evasion game”. Armed with youthful exuberance and a fresh degree in the field, I simply couldn't leave the store without it. And it turned out to be an amazing find.

If you have a career in accounting, especially Tax Planning, you will enjoy this book. The anonymous author -the Rebel Accountant- is British and has a sharp sense of humor. His observations about Office Life, Corporate Culture and of course the Tax Laws will have you cracking up many times as you than what you expect from a book on Taxation.

The book is packed with examples of tax avoidance strategies used by wealthy individuals and corporations. Some are perfectly legal, some push the boundaries of the law, and others stray into outright illegality. You'll learn about the British GST Laws (VAT as they prefer to call it) and how awfully similar they are to the Indian Laws. You'll learn that “punishable by a fine means legal for a price.” And a few more things that might help your clients, wink wink.

At one point in time, the author makes a remark that “accountants are cheating the system to ensure that their clients, people with serious money, are paying a lot less tax than they should be.” And having worked on this side of the table, I believe that to be true. But what can I do? The government doesn't pay me; my client does.

The book is unapologetically opinionated and filled with stories that may remind many readers of their articleship days. At times, you'll be shocked by the author's revelations; at others, you may strongly disagree with his conclusions. The final chapters propose a solution to what he sees as an unjust tax system. While the idea is compelling in theory and rooted in admirable principles, I found it difficult to imagine how such reforms could be implemented in practice.

That said, I cannot take away anything from the author. Using Wittiness, quirkiness and thoughtful criticism he attempts to invoke moral consciousness in us Tax Professionals and consider our role in fighting an imperfect system.

Rather than assigning a numerical rating, I'll simply say this: Taxtopia deserves to be read. Not only by accountants and finance professionals, but by anyone curious about how taxation, wealth, and equality intersect in the modern world.





Due Dates - JUNE – 2026

-- Compiled By CA Chetan Katariya

Date	Particulars	Return/ Form	For the Period
INCOME TAX			
07-06-2026	Due date for deposit of Tax collected/Tax deducted by an office of the government	CHALLAN NO./ITNS 281N	May-26
07-06-2026	Due date for Deposit of Commodities Transaction Tax / Deposit of Securities Transaction Tax	CHALLAN NO./ITNS 282N	May-26
07-06-2026	Due Date for e-Filing Declarations received during the month of May 2026 by a Seller, which are made by a Buyer for obtaining Goods without Collection of Tax (TCS) u/s 394(2) of the Income Tax Act, 2025 [Rule 212 of the Income Tax Rules, 2026].	Form 127	May-26
14-06-2026	Due Date for Issue of TDS Certificate u/s 395(4) of the Act [Rule 215(1)]	Form 132	Apr-26
15-06-2026	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194S & 194IM	FORM 16B, FORM 16C, FORM 16E & FORM 16D	May-26
15-06-2026	Due Date for Issue of Annual Certificate u/s 203 of the Income Tax Act, 1961 [Rule 31(1)(a) of the Income Tax Rule, 1962] for Tax Deducted at Source (TDS) on Salary Paid to an Employee u/s 192 or Income of Specified Senior Citizen u/s 194P of the Income Tax Act, 1961 for the FY 2025-26	Form 16 (Part A & Part B)	FY 2025-26
15-06-2026	Due Date for Issue of Quarterly Certificate u/s 203 of the Income Tax Act, 1961 [Rule 31(1)(b) of the Income Tax Rule, 1962] for Tax Deducted at Source (TDS) in respect of Payments Other Than* Salary paid to Employees u/s 192 or Income of Specified Senior Citizen u/s 194P of the Income Tax Act, 1961 made to Residents / Non-Residents for the 4th Quarter	Form 16A	January to March 2026
15-06-2026	Due Date for filing the statement of income distributed by a Business Trust to unit holders during the FY 2025-26 to be filed electronically to the Principal CIT or CIT.	Form 64A	FY 2025-26
15-06-2026	Due Date for Furnishing Monthly Statement u/s 392(2)(a) of the Income Tax Act, 2025 [Rule 218 of the Income Tax Rules, 1962] by an Office of the Government where Tax Deducted at Source (TDS) / Tax Collected at Source (TCS) for April 2026 has been paid without the production of Income Tax Challan	Form 137	May-26
15-06-2026	Due Date for furnishing statement of Income paid or credited by a securitisation trust to be furnished for the FY 2025-26 u/s 115TCA of the Income Tax Act, 1961 [Rule 12CC(1)(i) of the Income Tax Rules, 1962]	Form 64E	FY 2025-26
15-06-2026	Due Date for furnishing statement showing particulars of perquisites, other fringe benefits or amenities & profits in lieu of salary with value thereof [Rule 26A(2)(b) of the Income Tax Rules, 1962]	Form 12BA	FY 2025-26
30-06-2026	Due Date for Quarterly Deposit of First Instalment of Advance Tax [15% of Tax Liability] for the 1st Quarter of TY 2026-27	Challan No. ITNS 280N	April to June 2026



30-06-2026	Due Date for furnishing Statement of Specified Services or E-Commerce Supply or Services u/s 167 of the Finance Act, 2016 [Rule 5 of Equalisation Levy Rules, 2016]	Form 1: Equalisation Levy	FY 2025-26
30-06-2026	Due Date for Furnishing Report under clause (ii) of subsection (4) of section 35AC of the Income Tax Act, 1961 [Rule 11MA of the Income Tax Rules, 1962] to the National Committee by an Approved Association or Institution	Form 58C	FY 2025-26
30-06-2026	Due Date for Furnishing Report by a Public Sector Company, Local Authority or an Approved Association or Institution under clause (ii) of sub-section (5) of section 35AC of the Income tax Act, 1961 [Rule 11MAA of the Income Tax Rules, 1962] to the National Committee on a Notified Eligible Project or Scheme	Form 58D	FY 2025-26
30-06-2026	Due Date for furnishing Statement of Income Distributed by Business Trust to its Unit Holders u/s 115UA of the Income Tax Act, 1961 [Rule 12CA(2)(ii) of the Income Tax Rules, 1962]	Form 64B	FY 2025-26
30-06-2026	Due Date for Furnishing Statement by Alternative Investment Fund (AIF) to the Unit Holders in respect of Income Distributed during the PY 2025-26 u/s 115UB of the Income Tax Act, 1961 [Rule 12CB(1)(i) of the Income Tax Rules, 1962].	Form 64C	PY 2025-26
30-06-2026	Due Date for issuing Certificate by an Accountant under clause (23FF) of Section 10 of the Income Tax Act, 1961 [Rule 2DD(3) of the Income Tax Rules, 1962]. If the Assessee is required to submit a Return of Income u/s 139(1) of the Income Tax Act, 1961 on or before July 31st, 2026	Form 10-IJ: Audit Report	FY 2025-26
30-06-2026	Due Date for Verification by an Accountant under subrule (3) of rule 21AJA in respect of Computation of Exempt Income of Specified Fund, attributable to the investment division of an offshore Banking Unit, for the purposes of clause (4D) of section 10 of the Income Tax Act, 1961. If the Assessee is required to submit a Return of Income u/s 139(1) of the Income Tax Act, 1961 on or before July 31st, 2026	Form 10-IL: Audit Report	FY 2025-26
30-06-2026	Due Date for Filing Quarterly Return of Non Deduction of Tax at Source (TDS) by a Banking Company from Interest on Time Deposit u/s 206A of the Income Tax Act, 1961 [Rule 31AC of the Income Tax Rules, 1962] in respect of the 4th Quarter	Form 26QAA	January to March 2026
30-06-2026	Statement regarding preliminary expenses incurred to be furnished under the proviso to clause (a) of sub-section (2) of section 35D of the Income Tax Act, 1961 [Rule 6ABBB of the Income Tax Rules, 1962] by the Assessee If the Assessee is required to submit a Return of Income u/s 139(1) of the Income Tax Act, 1961 on or before July 31st, 2026	Form 3AF	FY 2025-26
30-06-2026	Due Date for furnishing Statement of Income Distributed by Securitisation Trust to be provided to the Investor u/s 115TCA of the Income Tax Act, 1961 [Rule 12CC(2)(ii) of the Income Tax Rules, 1962]	Form 64F	FY 2025-26
30-06-2026	Due Date for Furnishing of Challan-cum-Statement in respect of Tax Deducted at Source (TDS) u/s 393(1) [Table: Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income Tax Act, 2025 [Rule 218(3) & 219(5) of the Income Tax	Form 141: Challan-cum- Statement of Tax Deduction	FY 2025-26



	Rules, 2026] in the month of May 2026.* Table:2(i): TDS on Payment of Rent by Individual/ HUF3(i): TDS on Transfer of Immovable Property 6(ii): TDS on Payment made by Individual/ HUF to Contractor/ Professional8(vi): TDS on Transfer of Virtual Digital Asset (VDA) by Individual/HUF	at Source u/s 393(1)	
Other Compliance Due Date			
07-06-2026	Due Date for Reporting Actual Transactions of External Commercial Borrowings (ECB)	Form ECB-2	May-26
15-06-2026	ESIC: Deposit of Contribution in ESIC Account	-	May-26
15-06-2026	EPFO: Electronic Challan cum Return (ECR)- Payment of Professional Tax of Employee	-	May-26
30-06-2026	Import Export Code (IEC): Due Date for Annual Updation/ Validation of Import Export Code on DGFT Portal. Failure to update your IEC by this date will result in its deactivation, preventing you from importing or exporting.	Annual Updation/ Validation of Import Export Code (IEC)	-
GST			
10-06-2026	Summary of Tax Deducted at Source (TDS) and deposited under GST laws	GSTR- 7	May-26
10-06-2026	Summary of Tax Collected at Source (TCS) and deposited by e-commerce operators under GST laws	GSTR- 8	May-26
10-06-2026	Due Date for Filing Monthly Statement of Inputs used and the Final goods produced by the Manufacturer of PAN Masala and Tobacco Products.	GST SRM-II	May-26
11-06-2026	Due Date for Filing Details of Outward Supplies of Goods or Services for May 2026 where, Regular Taxpayers whose Turnover exceeds ₹5 Crores in the Previous Financial Year or any quarter in the Current Financial Year	GSTR-1	May-26
13-06-2026	Due Date for Filing Monthly Return by Non-Resident Taxable Person	GSTR-5	May-26
13-06-2026	Details of ITC received and distributed by an ISD	GSTR - 6	May-26
13-06-2026	Details of Outward Supplies of Goods/Services	GSTR-1 (IFF)	May-26
14-06-2026	Auto Drafted ITC (Input Tax Credit) Statement	GSTR-2B	May-26
20-06-2026	Summary of outward taxable supplies, and tax payable by a person supplying OIDAR services	GSTR- 5A	May-26
20-06-2026	Amendment of Outward Supplies of Goods or Services for Current Tax Period	GSTR-1A	May-26
20-06-2026	Due Date for Filing Monthly Return for April2026 where, Regular Taxpayer whose Turnover exceeds ₹5Crores in the Previous Financial Year or any quarter in the Current Financial Year.	GSTR- 3B	May-26
25-06-2026	Due Date for depositing GST in Electronic Cash Ledger for April 2026 (M1) by, Regular Taxpayer who has opted for Quarterly Filing of GSTR-3B under QRMP Scheme (Quarterly Return & Monthly Payment Scheme) either by Fixed Sum Method or Self Assessment Method	PMT-06	May-26
28-06-2026	Due Date for Filing Monthly Statement of Inward Supplies by UIN Holder (Unique Identification Number Holders) in order to avail GST Refund for the Inward Supplies received by them	GSTR-11	May-26

*The due dates mentioned are subject to changes notified by the concerned department.



Ethics Corner

DISCIPLINARY CASE INSIGHT

(For Professional Awareness & Ethical Compliance)

Relevant Provision

Clause (7), Part I of Second Schedule

Chartered Accountants Act, 1949

“Failure to exercise due diligence or gross negligence in conduct of professional duties”

Background

The case arose from observations made by the Financial Reporting Review Board (FRRB) regarding the statutory audit of a company engaged in production of films and serials.

The Respondent CA, being the statutory auditor, was alleged to have failed in reporting several non-compliances and disclosure deficiencies in the financial statements for the relevant financial year.

Key Allegations

- Incorrect disclosure of Fixed Deposits under “Loans & Advances”
- Improper classification and disclosure of Loans & Advances
- Incomplete disclosure of Related Party Transactions
- Ambiguous accounting policy relating to Intangible Assets
- Incorrect depreciation rates applied on theatre assets
- Non-disclosure of accounting policy for Work-in-Progress
- Non-compliance with AS-22 relating to Deferred Tax Assets/Liabilities
- Failure to report various disclosure deficiencies in audit report

Defence by the Respondent

- Claimed issues involved presentation/classification matters rather than financial misstatements
- Stated disclosures were based on management representations
- Argued that some matters were not materially significant
- Submitted that accounting treatment adopted was in line with industry practices

Findings of the Disciplinary Committee

The Committee observed that:

- Mandatory disclosure requirements under Companies Act and Accounting Standards were not complied with
- The auditor failed to appropriately report non-compliances in the audit report
- Certain disclosures and accounting policies were incomplete, ambiguous, or misleading
- Material information relevant to stakeholders was omitted

Committee emphasized:



- Statutory auditors are required to ensure proper presentation and disclosure in financial statements
- Compliance with Accounting Standards and Schedule VI requirements is mandatory
- Material disclosure deficiencies cannot be ignored merely as presentation issues

Conclusion

The Respondent was held: **GUILTY of Professional Misconduct** Under Clause (7), Part I of Second Schedule

Disciplinary Action

Reprimand (Warning)

Key Professional Takeaways

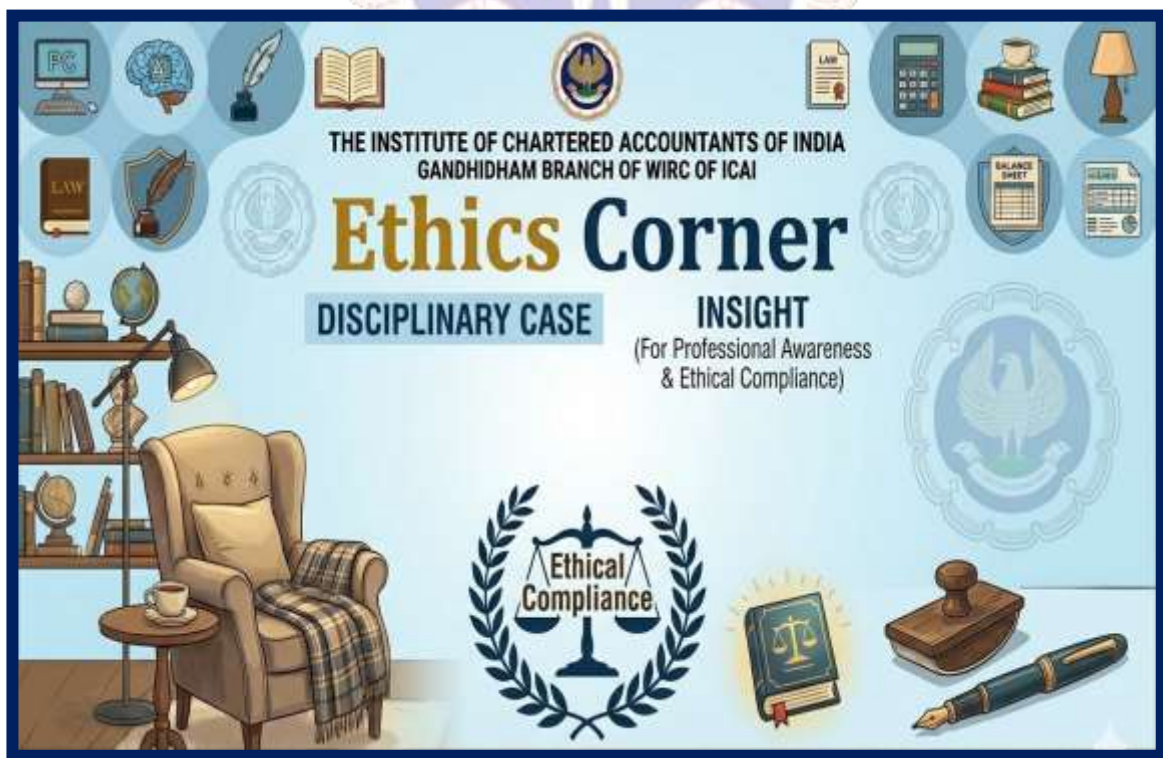
- Proper disclosure and presentation are integral to true & fair view
- Accounting policies must be clear, complete, and unambiguous
- Auditors must report all material non-compliances in audit reports
- Classification and disclosure errors may amount to professional misconduct
- Materiality cannot be used to ignore mandatory disclosure requirements

Ethical Reminder

Professional diligence extends beyond verification of figures.

Transparent disclosures and compliance with accounting standards are essential to maintain public confidence in financial reporting.

(Source: ICAI Disciplinary Committee Order)





AI Corner

Formula Bot – Your AI-Powered Spreadsheet Assistant

<https://www.formulabot.com/>

Artificial Intelligence is transforming the way professionals work, and Chartered Accountants are no exception. Among the growing list of AI tools, Formula Bot has emerged as a practical solution for professionals who regularly work with spreadsheets, financial data, and complex calculations.

What is Formula Bot?

Formula Bot is an AI-powered assistant designed to generate, explain, and optimize spreadsheet formulas. Users can simply describe what they want in plain English, and the tool automatically creates the required Excel or Google Sheets formula. It can also explain existing formulas, identify errors, and assist in data analysis.

Why is it Relevant for Chartered Accountants?

Chartered Accountants spend a significant portion of their time working with spreadsheets. From financial reporting and budgeting to taxation and audit analytics, spreadsheets remain a core part of professional practice. Formula Bot helps reduce manual effort and improves efficiency in several areas:

- Converts plain language instructions into Excel formulas.
- Explains complex formulas for better understanding and review.
- Assists in data cleaning and analysis.
- Reduces formula errors and improves accuracy.
- Saves time during preparation of reports and working papers.
- Supports faster learning for students and young professionals.

Practical Applications for CAs

A Chartered Accountant can use Formula Bot for:

- Financial statement analysis.
- GST and income tax data reconciliation.
- Audit sampling and exception reporting.
- Budgeting and forecasting models.
- MIS reporting and dashboard preparation.
- Large-scale data validation exercises.



Benefits

The biggest advantage of Formula Bot is productivity. Instead of spending valuable time searching for formula syntax or troubleshooting spreadsheet errors, professionals can focus on analysis, decision-making, and client advisory services. This not only improves efficiency but also enhances the quality of professional output.

A Word of Caution

Like any AI tool, Formula Bot should be treated as an assistant rather than a replacement for professional judgment. Every formula, calculation, and output should be independently reviewed before being used in client work or financial reporting.



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Past Month Activity Report

Gandhidham Branch Past Chairman Meet



Seminar of DPDP Act





Meet with Deendayal Port Authority



ICAI JUST CHANGED THE RULES!

A New Era of Growth, Visibility & Opportunities for CA Firms

1 CA FIRMS CAN NOW MARKET & ADVERTISE SERVICES

- What you CAN advertise:** Non-Assurance services (Tax Advisory, Management Consulting, AI, Forensics, Valuation, Bookkeeping).
- What you CANNOT advertise:** Statutory Audits and core Assurance services (to protect auditor independence).
- Where you can market:** Social media (LinkedIn, Instagram), websites, and emails.
- The "Consent" Rule:** You can display client names and assignments, provided you have their explicit prior consent.
- The Safeguards:** No fee disclosures, no claims of superiority, and no direct comparison with other firms.

2 PM INTERNSHIP SCHEME (PMIS) HURDLES CLEARED

- The Funding Split:** Interns get a ₹9,000+ monthly stipend. The Government pays ₹8,100, and the CA firm pays the remaining balance (₹900+) directly from regular business expenses.
- The Training Mandate:** At least 50% of the training duration must be hands-on, real-world experience.

THE TAKEAWAY: This is a massive leap toward leveling the playing field for Indian firms to build global brands, adopt digital-first marketing, and tap into subsidized, government-backed talent pools.

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Captivating Minds

Invitation for ARTICLES / WRITEUPS

Articles / writeups are hereby invited from members on any key topics to be published in the upcoming e-newsletter.

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.

Articles should be engaging, original and aligned with Journal guidelines.

The article should be original, i.e. not published/broadcasted/hosted elsewhere including any website.

Members may kindly send their articles to gandhidham@icai.org with the subject line "Article for Newsletter" on or before the last date of the month along with mentioned details:

1. Name
2. Membership number
3. Contact number
4. E-mail id
5. Photo
6. Article in docx format



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