M/s. K. Ayyanar and Co.,

"Peer Reviewed Firm"

Chartered Accountants

CA INDIA

CA DAY - 2026

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EDITORIAL

Knowledge, Integrity and Progress...

Dear Readers,

It gives us immense pleasure to present the inaugural edition of the E-Journal of **M/s. K. Ayyanar and Co., Chartered Accountants**, on the occasion of **Chartered Accountants' Day 2026.**

Today, Chartered Accountants serve as strategic advisers, compliance partners, technology facilitators and trusted professionals supporting businesses, institutions and society at large. The regulatory and professional environment is changing rapidly. Amendments in taxation laws, increasing digitalization, data-based assessments, automated compliance systems and enhanced reporting responsibilities require professionals and organizations to remain continuously updated. In this environment, professional knowledge is not merely an advantage—it is essential for making informed and responsible decisions.

This E-Journal has been introduced as a knowledge-sharing platform for our clients, professional colleagues, employees, students and other stakeholders. Our objective is to present important legal and regulatory developments in a clear, practical and understandable manner. Through this initiative, we aim to bridge the gap between complex statutory provisions and their practical application.

The present edition covers several areas of professional relevance. It highlights the transformation of Chartered Accountancy practice through technology, significant developments relating to FCRA and GST, an important GST case-law update, useful Microsoft Excel functions and the statutory compliance calendar for July 2026. Together, these subjects reflect the expanding responsibilities and opportunities before today's professionals.

Technology has significantly transformed the manner in which professional services are delivered. Cloud accounting, data analytics, artificial intelligence, automated reconciliations and digital reporting have improved efficiency and accuracy. Nevertheless, technology cannot replace professional judgement, ethical responsibility or human understanding.

We sincerely appreciate the partners, team members and contributors who have shared their knowledge and devoted their time to making this publication possible. Their collective effort reflects our firm's commitment to continuous learning, professional excellence and service to the community.

On this Chartered Accountants' Day, let us renew our commitment to uphold the dignity of our profession, embrace technological advancement, strengthen public confidence and serve with integrity.

Wishing you an informative and enriching reading experience.

Editorial Board

M/s. K. Ayyanar and Co.

Peer Reviewed Firm - Chartered Accountants

Marching Towards Technology

– The Transformation Of CA Practice

CA R. SARAVANA PERUMAL, FCA., ICMAI

Dear Professional Colleagues,

It is a matter of immense pride and joy to welcome you to the inaugural edition of our E-journal, launching this July 1st—a date that also marks a significant milestone as we celebrate our 3rd annual anniversary. As we look back at our journey, it is equally vital that we look ahead, aligning our practice with the rapid currents of technological evolution..

1. Practice upto 1985

To understand where we are going, we must appreciate where we began. For those who stepped into the profession in the 1960s and 70s, the landscape of accounting was physical, laborious, and intensely demanding. Clients maintained heavy, hard-bound ledgers and manual cash books. Writing accounts by hand was a monumental exercise in patience, and tallying them at the end of the financial year was often the stuff of nightmares. In those days, extracting a Trial Balance, preparing the Profit & Loss account, and Balance Sheet ahead of schedule was considered a stellar achievement.

2. IT Wave and the transformation

While the industrial revolution took decades to reach its peak globally—with India experiencing a delayed wave—the Information Technology revolution has followed a completely different, vertical trajectory. Since its early foundational days, computing has galloped forward at an astonishing pace. Massive mainframes gave way to desktop computers, which then shrank into the laptops we carry today. The exponential leaps in semiconductor technology have granted us near-infinite data storage in the palm of our hands. Internet connectivity, email, and mobile telephony have fundamentally altered the global business outlook.

3. Role of Software

Today, manual data entry is rapidly yielding to automated data capturing, dominated by robust platforms like Tally, Zoho and ERP Software like SAP. Meanwhile, cloud computing has completely revolutionized storage, enabling secure, real-time access to financial insights from any corner of the globe

4. CA Office Today

Walk into a modern Chartered Accountant's office today, and you will find that desktops, laptops, and secure servers have replaced columns of clerk desks.

Our human capital is no longer bogged down by routine arithmetic; instead, our team's knowledge has expanded vastly. By leveraging powerful tools like advanced Excel, data analytics, and presentation software, today's professional acts more as a strategic consultant than a mere bookkeeper.This E-journal serves as a testament to that expanded knowledge. It provides an excellent medium to educate our clients and employees about complex statutory compliances and topics of present, pressing requirement.

5. Role of the Journal

By keeping both our internal teams and our external partners well-informed, we ensure that our practice remains robust and proactive.I must extend my heartfelt thanks to our partners for their invaluable contribution of articles to this inaugural issue.

Your expertise and dedication to educating our clients form the bedrock of this publication. Technology is no longer a choice; it is the very environment in which we practice. As we transition into this dynamic digital space, our message remains clear: we must continuously adapt, upskill, and lead.Let us embrace these digital advancements with confidence and march resolutely toward a technology-driven future.Happy reading, and a very happy Anniversary to us all.

Foreign Contribution (Regulation) Amendment Rules, 2026

A Shift Towards Purpose-Specific, Geography-Specific and Disclosure-Based Regulation

CA K. Ayyanar, B.Com., FCA., ACS.,

1. Introduction

The Foreign Contribution (Regulation) Act, 2010 was enacted to regulate the acceptance and utilisation of foreign contribution and foreign hospitality by individuals, associations and companies in India.

Organisations having a definite cultural, economic, educational, religious or social programme may receive foreign contribution only after obtaining either:

- A certificate of registration under the FCRA; or
- Prior permission from the Central Government for a specific donor, amount and project.

Over the years, the FCRA framework has been progressively strengthened through amendments relating to banking arrangements, administrative expenditure, transfer of foreign contribution, Aadhaar identification, renewal of registration and reporting obligations.

The Foreign Contribution (Regulation) Amendment Rules, 2026 represent another important development. The focus of the amended Rules is not merely on the amount received and spent but also on:

- The persons controlling the association;
- The exact activities for which registration is granted;
- The States and Union Territories where the activities are undertaken;
- The identity of the ultimate foreign donor;
- Project-wise and location-wise utilisation;
- Publications and digital presence of the organisation; and
- Demonstrable utilisation of foreign contribution for public benefit.

2. Introduction of the Term "Key Functionary"

One of the most important amendments is the insertion of a specific definition of the expression **"key functionary"**.

In relation to a person other than an individual, the expression includes:

- A director of a company;
- A partner of a firm;
- A trustee of a trust;
- The Karta of a Hindu Undivided Family;
- An office-bearer or member of the governing body, managing committee or other controlling authority of a society, trust, trade union or association of individuals; and
- Any other officer or person who exercises control over, or is responsible for, the management or affairs of the organisation.

Practical significance

The definition is broad and is based not merely on the designation of a person but also on the actual control or responsibility exercised by that person.
Therefore, an organisation should not restrict the identification of key functionaries only to its President, Secretary and Treasurer. It must examine:

- Who takes important financial decisions;
- Who controls the bank accounts;
- Who approves projects and expenditure;
- Who manages the day-to-day affairs;
- Who represents the organisation before government authorities; and
- Who exercises effective control over its activities.

The term “key functionary” has also been substituted in various provisions dealing with administrative expenditure, registration, prior permission, renewal and change of governing body members.

3. Foreign Nationals as Key Functionaries

The amended Rules clarify that an association having foreign nationals, other than persons of Indian origin, as its key functionaries will ordinarily not be considered eligible for registration or prior permission.
However, the Central Government may specify circumstances in which foreign nationals may be permitted to act as key functionaries, subject to the fulfilment of prescribed conditions.

Compliance implication

Associations having foreign citizens on their governing boards or management committees should examine:

- Their nationality and citizenship status;
- Whether they are persons of Indian origin;
- Their role and decision-making powers;
- The organisation’s governing documents; and
- Any specific exemption or permission available under government orders.

The organisation should not assume that the mere appointment of a foreign national as an honorary or non-executive member will automatically fall outside the scope of the provision. The actual degree of control and responsibility should be evaluated.

4. Purpose-Specific FCRA Registration

The amended Rules introduce a detailed Schedule specifying the purposes for which FCRA registration may be obtained.

The permitted activities are classified under five broad categories:

- Religious;
- Cultural;
- Economic;
- Educational; and
- Social.

Each broad category contains a detailed list of specific activities.

Importance of activity mapping

Associations must carefully match their actual programmes with the activities specified in the Schedule. Merely relying on broad objects contained in the trust deed, memorandum or bylaws may no longer be sufficient.

5. Geographical Scope of Registration

The certificate of registration will now specify not only the approved purposes but also the States or Union Territories in which the association is authorised to undertake its activities.

Every new application for registration must therefore disclose:

- The purpose or purposes selected from the prescribed Schedule; and
- The States or Union Territories where the activities are proposed to be undertaken.

Effect on existing associations

Associations registered before the commencement of the 2026 Amendment Rules are required to submit an intimation in Form FC-6F within one year, specifying:

- The purposes for which they seek to retain their registration; and
- The States or Union Territories in which they intend to operate.

This requires every existing organisation to undertake a comprehensive internal review of its present and proposed activities.

An association operating through schools, hospitals, convents, project offices, field centres or branch units in different States must ensure that all relevant areas are properly identified.

6. Introduction of Form FC-6F

A new Form FC-6F has been introduced for the inclusion or deletion of:

- A purpose;
- A State; or
- A Union Territory.

An application for changing the scope of registration must be supported by:

A resolution passed by the governing body; and

Payment of the prescribed fee.

The Central Government may approve or reject the application after conducting such inquiry as it considers necessary.

7. Revised Fee Structure

The prescribed registration fee will cover operation in:

- One State or Union Territory; and
- One purpose.

Where the application covers more than one State or Union Territory, an additional fee of ₹300 is payable for each additional State or Union Territory.

Similarly, where the application covers more than one purpose, an additional fee of ₹300 is payable for each additional purpose.

Associations should carefully determine the purposes and geographical areas required at the time of application to avoid unnecessary amendments and delays at a later stage.

8. Utilisation Restricted to Activities in India

The amended Rules expressly clarify that foreign contribution must be utilised only:

- For activities carried out in India;
- In accordance with the stated objects of the association; and
- For the purpose for which the contribution was received.

This provision strengthens the principle that foreign contribution received under the FCRA should have a clear and direct connection with activities undertaken within India.

9. Subsequent Instalments Under Prior Permission

A new Form FC-3BB has been introduced for obtaining the release of the second or any subsequent instalment of foreign contribution received under prior permission.

The subsequent instalment can be released only after:

- At least 75 per cent of the previous instalment has been utilised; and
- A field inquiry regarding such utilisation has been conducted.

The application requires details of:

- Prior permission granted;
- Amount permitted;
- Amount received and utilised;
- Project-wise utilisation; & Assets created;
- Balance available; and
- Compliance with the FCRA.

The application must also be supported by a utilisation statement certified by a Chartered Accountant, relevant bank statements and an activity report.

10. Minimum Level of Reasonable Activity

A new Rule 14A provides a measurable standard for determining whether an association has undertaken reasonable activity in its chosen field.

For the purposes of cancellation and renewal, an association will be considered to have undertaken reasonable activity where it has utilised foreign contribution of not less than ₹10 lakh during the preceding two financial years for the approved purpose.

Only activities undertaken through the utilisation of foreign contribution received in accordance with the Act will be considered for this purpose.

11. Strengthened Annual Return Reporting in Form FC-4

The annual return in Form FC-4 has been substantially expanded.

The amended form requires additional details relating to the following matters.

- Website and social-media accounts
- Ultimate donor information
- Project-wise utilisation
- Detailed activity report
- Publications
- Chartered Accountants UDIN requirements

12. Amendments to Other Forms

Form FC-2

Additional office and service particulars are required from specified public functionaries applying for prior permission to accept foreign hospitality.

Form FC-3A

The application for registration now seeks additional information regarding:

- Social-media accounts;
- Purpose of registration;
- Geographical area of operation;
- Activities undertaken during the preceding three financial years;
- FCRA and utilisation bank accounts; and
- Government ownership or compulsory CAG audit status.

Form FC-3B

The prior-permission form includes additional declarations relating to establishment under a Central or State law, government ownership and compulsory CAG audit.

Form FC-3C

The renewal application requires a year-wise detailed activity report for the preceding three financial years, along with additional government and CAG-related disclosures.

13. Major Impact on FCRA Associations

- From broad objects to specific activities
- From national operation to approved geographical operation
- From consolidated accounting to project-level reporting
- From immediate donor to ultimate donor transparency
- From general activity to measurable utilisation
- Greater governance accountability

14. Suggested Compliance Action Plan

Every FCRA-registered association should consider undertaking the following steps immediately:

- Map all programmes to the approved FCRA purposes and ensure consistency with the organisation's constitutional documents.
- Identify all key functionaries, review the eligibility of foreign nationals, and file Form FC-6F wherever required.
- Maintain separate project-wise, purpose-wise and location-wise accounting records and monitor utilisation requirements.
- Keep complete records of ultimate donors, websites, social media accounts, publications and activity reports.
- Prepare separate audited FCRA financial statements and obtain all required audit certifications and UDINs.
- Conduct periodic internal FCRA compliance reviews to ensure continuous adherence to the Act and Rules.

15. Challenges in Implementation

While the amendments aim to improve transparency and accountability, organisations may face certain practical challenges.

- Difficulty in selecting appropriate scheduled purpose
- Activities spread across multiple States/UTs
- Donor-driven changes during project execution
- Emergency relief outside approved geographical scope & Obtaining ultimate donor details from intermediaries
- Identifying persons exercising indirect control
- Maintaining project-wise accounting for smaller organisations
- Ensuring alignment between financial and activity reporting & Portal and procedural issues in filing new forms.

16. Conclusion

The Foreign Contribution (Regulation) Amendment Rules, 2026 substantially strengthen the compliance framework applicable to organisations receiving foreign contribution. The principal message of the amendments is that an FCRA registration will no longer operate merely as a general permission to undertake charitable activities. Timely mapping of activities, filing of Form FC-6F, strengthening of accounting records and regular professional review will be essential for protecting the continuity of FCRA registration and ensuring that foreign contribution is utilised strictly in accordance with the law.

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Unlocking Efficiency: GST Reforms 2026

– A Structural Transformation Of India's Indirect Tax Regime

A Simple Guide for Businesses and the Common Man

CA M.M.L. Vassya Sivagami, MBA., ACA.,

INTRODUCTION

The Finance Bill 2026 proposes certain important changes to the Goods and Services Tax law. These changes mainly aim to simplify GST procedures, reduce disputes, improve the refund process and support exporters and service providers.

The major GST proposals relate to:

1. Post-sale discounts;
2. Refunds arising from the inverted duty structure;
3. Small refund claims by exporters;
4. Appeals against conflicting advance rulings; and
5. Export treatment of intermediary services.

Let us understand each proposal in simple language.

1. Easier GST Treatment for Post-Sale Discounts

What is a post-sale discount?

A post-sale discount is a discount given to a customer after the sale has already taken place.

For example, a manufacturer sells goods worth ₹10 lakh to a dealer. After three months, the manufacturer gives the dealer a discount of ₹50,000 for achieving a sales target. This is called a post-sale discount.

Present position

Under the existing GST provisions, a discount given after the sale can generally be reduced from the taxable value only when:

- ✓ The discount was agreed upon before or at the time of sale;
- ✓ The discount can be linked to the relevant invoices; and
- ✓ The buyer reverses the Input Tax Credit relating to the discount.

These conditions have created practical difficulties. In many businesses, discounts are decided only after reviewing annual turnover, sales targets, market conditions or customer performance.

When the discount was not agreed upon at the time of the original sale, the supplier could face difficulty in reducing the GST liability.

Proposed change

The Finance Bill 2026 proposes to remove the condition that the post-sale discount must have been agreed upon before or at the time of supply.

GST REFORMS 2026

Addressing Structural Frictions in GST

Under the proposed system:

- ✓ The supplier may issue a GST credit note for the post-sale discount;
- ✓ The buyer must reverse the corresponding Input Tax Credit; and
- ✓ The supplier may reduce the taxable value and GST liability, subject to the prescribed conditions.
- ✓ Section 34 is also proposed to be amended to specifically recognise post-sale discounts as a valid reason for issuing a credit note.

Simple example

A company sells goods for ₹1,00,000 plus GST of ₹18,000.

Later, it grants a discount of ₹10,000.

The company may issue a credit note for:

- ✓ Discount: ₹10,000
- ✓ GST adjustment: ₹1,800

The buyer must reverse the Input Tax Credit of ₹1,800. The seller may then reduce the corresponding GST liability.

Benefit

This proposal will:

- ✓ Reduce disputes over commercial discounts;
- ✓ Help businesses introduce flexible incentive schemes;
- ✓ Simplify the issue of GST credit notes; and
- ✓ Ensure proper matching between the seller's tax reduction and the buyer's ITC reversal.

2. Faster Refund for Inverted Duty Structure

What is an inverted duty structure?

An inverted duty structure arises when the GST rate paid on purchases is higher than the GST rate charged on sales.

For example:

- ✓ Raw materials purchased are taxed at 18%;
- ✓ Finished goods sold are taxed at 5%.

In this situation, the business pays more GST on purchases but collects less GST on sales. The unused Input Tax Credit keeps accumulating in its GST electronic credit ledger.

Eligible businesses can claim a refund of such accumulated ITC.

Present position

At present, provisional refund of up to 90% is mainly available for zero-rated supplies such as exports.

Businesses claiming a refund because of an inverted duty structure normally have to wait until the refund application is fully examined and approved.

This delay can affect the working capital of manufacturers and traders.

Proposed change

The Finance Bill 2026 proposes to extend the provisional refund facility to inverted duty structure claims.

Accordingly, up to 90% of the eligible refund amount may be released provisionally, subject to automated and risk-based verification.

Simple example

A manufacturer has an eligible inverted duty refund claim of ₹10 lakh.

Under the proposed system, the department may release up to ₹9 lakh provisionally. The balance amount may be released after detailed verification of the claim.

Benefit

This proposal will:

- ✓ Improve the cash flow of businesses;
- ✓ Reduce the period for which money remains blocked;
- ✓ Support industries facing continuous ITC accumulation;
- ✓ Reduce refund pendency; and
- ✓ Improve ease of doing business.

Businesses should, however, maintain proper purchase invoices, return reconciliations and supporting records because the final refund will remain subject to verification.

3. Refund of Less Than ₹1,000 for Exporters

Present position

GST law generally does not permit a refund where the amount claimed is less than ₹1,000 under a particular tax head.

This creates difficulty for small exporters, online sellers and businesses sending low-value goods outside India through postal or courier services.

Even though GST has been paid on the exported goods, a small refund may remain unclaimed because it is below the prescribed limit.

Proposed change

The Finance Bill 2026 proposes to remove the ₹1,000 minimum refund restriction for goods exported out of India with payment of tax.

Simple example

A small online seller exports handmade goods and pays IGST of ₹750 on the export.

Under the existing minimum limit, the seller may not be able to claim the refund separately.

Under the proposed amendment, the seller may claim even this small amount, subject to satisfying the normal export and refund conditions.

Benefit

This change will be particularly helpful to:

- ✓ Micro and small exporters;
- ✓ E-commerce exporters;
- ✓ Handicraft sellers;
- ✓ Postal and courier exporters; and
- ✓ Businesses making frequent low-value exports.

The proposal supports the basic GST principle that exports should not carry the burden of domestic taxes.

4. National-Level Appeals Against Conflicting Advance Rulings

What is an advance ruling?

An advance ruling is a decision obtained by a taxpayer on a specific GST question.

A business may seek an advance ruling regarding:

- ✓ GST rate;
- ✓ Classification of goods or services;
- ✓ Availability of Input Tax Credit;
- ✓ Taxability of a transaction; or
- ✓ Registration requirements.

The present difficulty

Advance rulings are given by State-level authorities. Different States may sometimes give different rulings on the same issue.

For example, one State may classify a product under the 5% GST rate, while another State may classify the same product under the 18% rate.

Such conflicting rulings create uncertainty for businesses operating in multiple States.

Although the GST law provides for a National Appellate Authority, the required authority has not been fully operationalized.

Proposed change

The Finance Bill 2026 proposes to permit an existing authority, including an eligible tribunal, to function as the National Appellate Authority for hearing appeals involving conflicting advance rulings.

The proposal is intended to operate from 1 April 2026.

Benefit

This change is expected to:

- ✓ Provide faster resolution of conflicting rulings;
- ✓ Promote uniform GST treatment across India;
- ✓ Reduce uncertainty for businesses operating in several States;
- ✓ Avoid unnecessary litigation; and
- ✓ Improve consistency in GST interpretation.

5. Major Relief Proposed for Intermediary Services

What is an intermediary service?

An intermediary is a person who arranges or facilitates a transaction between two or more persons without supplying the main goods or services on his own account.

Examples may include:

- ✓ Commission agents;
- ✓ Marketing facilitators;
- ✓ Certain business support agents;
- ✓ Persons arranging transactions between foreign customers and suppliers; and
- ✓ Certain brokers or service coordinators.

Whether a particular service is an intermediary service depends on the agreement and the actual nature of the work performed.

Present position

Under the existing IGST provisions, the place of supply of intermediary services is treated as the location of the intermediary.

Therefore, when an Indian intermediary provides services to a foreign client, the place of supply is presently treated as India.

As a result:

The service may not qualify as an export;

GST may be payable in India;

Zero-rated benefits may not be available; and

The foreign customer may not be able to claim credit for the Indian GST.

This increases the cost of services supplied from India to foreign customers.

Proposed change

The Finance Bill 2026 proposes to remove the special place-of-supply rule for intermediary services.

After the proposed amendment, the place of supply would ordinarily be determined according to the general rule, namely, the location of the recipient of the service.

Therefore, where the recipient is outside India, the place of supply may also be treated as outside India.

Simple example

An Indian company assists a foreign company in finding customers and receives a commission in foreign currency.

Under the existing special rule, the place of supply may be treated as India, resulting in GST liability.

Under the proposed general rule, the place of supply may be the foreign customer's location. The service may qualify as an export when all the other conditions for export of services are also satisfied.

Important caution

The amendment does not mean that every service supplied to a foreign customer will automatically become an export.

The supplier must still satisfy all applicable export conditions, including:

The supplier is located in India;

The recipient is located outside India;

The place of supply is outside India;

Payment is received in permitted foreign exchange or in another manner allowed by the RBI; and The supplier and recipient are not merely establishments of the same person.

The agreement, scope of work, invoicing arrangement and actual nature of the service must therefore be carefully examined.

Overall Impact of the GST Proposals

The GST amendments proposed in the Finance Bill 2026 are mainly aimed at making the law more business-friendly.

Conclusion

The GST proposals in the Finance Bill 2026 focus on practical problems faced by taxpayers rather than making major changes to GST rates.

The relaxation relating to post-sale discounts will help manufacturers, distributors and dealers. The provisional refund facility will improve liquidity for businesses affected by inverted tax rates. Removal of the minimum export refund limit will support small exporters. The advance-ruling proposal will promote consistency, while the amendment relating to intermediary services could provide substantial relief to Indian service exporters.

Taxpayers should remember that these are proposals contained in the Finance Bill. Their final application will depend on enactment, the effective dates notified by the Government and the relevant rules, circulars and procedural instructions.

Annual Return of Deposits and Specified Outstanding Receipts – Form DPT 3

CA C. Renuga Devi, B.Com., ACA.,

1. Introduction

Form DPT-3 is an annual return prescribed under the Companies Act, 2013 for reporting deposits and specified receipts of money or loans outstanding in the books of a company as at the close of the financial year.

The filing requirement is not restricted to companies that have accepted public deposits. A company may also be required to file Form DPT-3 where amounts such as loans from directors, bank borrowings, inter-corporate loans or other receipts excluded from the definition of "deposit" remain outstanding as at 31 March.

Each outstanding balance must be examined with reference to the nature, source, terms and period of retention of the amount. The classification appearing in the ledger or financial statements should not, by itself, determine the reporting position.

2. Purpose and Significance

- Promotes transparency in corporate borrowings and financial liabilities;
- Ensures compliance with the deposit provisions of the Companies Act, 2013;
- Requires disclosure of deposits, loans, advances and other reportable receipts outstanding as at 31 March;
- Prevents the misclassification of deposits as loans, advances or other liabilities;
- Enables the Ministry of Corporate Affairs and the Registrar of Companies to monitor the nature and source of funds received by companies; and
- Provides relevant information to investors, lenders, auditors and regulatory authorities.

3. Classification of Receipts

3.1 Deposits

An amount may be treated as a deposit where it represents money received by the company and does not fall within any of the exclusions prescribed under Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014.

Deposits may include:

- Deposits accepted from the public;
- Deposits accepted from members under Sections 73 or 76;
- Loans received from unrelated individuals not covered by any exclusion;
- Amounts received without satisfying the conditions of the relevant exclusion;

FORM DPT-3

- Share application money not allotted or refunded within the prescribed period;
- Customer advances retained beyond the permissible period; and
- Other receipts not covered by a specific exclusion.

The classification must be based on the substance of the transaction and not merely on the accounting description assigned to it.

3.2 Transactions Not Considered as Deposits

The following receipts are generally excluded from the definition of deposit, subject to fulfilment of the prescribed conditions:

- Money received from the Central Government or a State Government;
- Loans and facilities received from banks;
- Amounts received from specified financial institutions;
- Money received from another company;
- Loans received from directors;
- Loans received by a private company from relatives of its directors;
- Foreign borrowings received in compliance with FEMA;
- Eligible employee security deposits;
- Share application money allotted or refunded within the prescribed period; and
- Genuine business advances satisfying the conditions prescribed under the Rules.

Although these receipts are not treated as deposits, they may still be required to be disclosed in Form DPT-3 where they remain outstanding as at 31 March.

4. Items Ordinarily Outside the Scope of Reporting

Subject to verification of the underlying transaction, the following items ordinarily do not constitute deposits or reportable exempted receipts:

- Genuine trade creditors arising from the purchase of goods or services;
- Salary payable to employees;
- Directors' remuneration payable;
- Statutory liabilities such as GST, TDS, PF and ESI payable;
- Provisions for expenses;
- Debtors and other receivables;
- Non-fund accounting entries that do not arise from the receipt of money;
- Share application money allotted or refunded within the prescribed period; and
- Business advances adjusted within the permissible period.

The accounting head is not conclusive. Each balance should be reviewed to determine whether it represents a genuine operational liability or a receipt of money requiring disclosure.

FORM DPT-3

5. Information and Documents Required

The following records should be obtained and reviewed before preparing Form DPT-3:

- Trial balance as at 31 March;
- Audited financial statements, where available;
- Detailed secured and unsecured loan ledgers;
- Bank loan, cash-credit and overdraft statements;
- Loan agreements and sanction letters;
- Balance confirmations from lenders;
- Declarations from directors and their relatives regarding the source of funds;
- Register of directors showing the dates of appointment and cessation;
- Details of inter-corporate borrowings;
- Customer advance ageing statement;
- Share application money register;
- Board and shareholder resolutions relating to allotment of securities;
- Deposit register, wherever applicable;
- Details of charges registered with the Registrar of Companies;
- Details of liquid assets or deposit repayment reserve, wherever applicable;
- Deposit insurance details, wherever applicable;
- Auditor's certificate, wherever required;
- Board authorisation for filing the form;
- Digital Signature Certificate of the authorised signatory; and
- Reconciliation of ledger balances with the amounts reported in Form DPT-3.

6. Other Important Points

- The normal statutory due date is 30 June, being 90 days from the end of the financial year. For FY 2025–26, filing without additional fees is permitted up to 31 July 2026.
- The filing requirement applies irrespective of the company's size, turnover, capital or profitability.
- Government companies, banking companies, RBI-registered NBFCs, housing finance companies and other specifically exempted classes of companies are generally outside the filing requirement.
- Outstanding balances brought forward from earlier years must be reported even where no fresh amount was received during the year.
- Loans from directors, bank borrowings, inter-corporate loans and other exempted receipts must be correctly classified and supported by appropriate documentation.
- The amounts reported must be reconciled with the books of account and the relevant financial statements.
- An auditor's certificate is required where the form includes a return of deposits.

FORM DPT-3

- Non-filing, delayed filing or incorrect reporting may attract additional fees, ROC notices, penalties and adverse compliance or audit consequences.

7. Conclusion

Form DPT-3 is an important annual disclosure return covering deposits as well as specified receipts that are excluded from the definition of deposits under the Companies (Acceptance of Deposits) Rules, 2014.

Every company should undertake a detailed ledger-level review of all amounts outstanding as at 31 March and determine the nature, source and appropriate classification of each receipt.

Adequate agreements, declarations, confirmations, ageing statements and reconciliations should be maintained to support the information reported in the form. Reliance solely on the balance-sheet or ledger description should be avoided.

CASE LAW UPDATE

Case No. 1

M/s. Divya Textile Industries
vs Assistant Commissioner, Vanasthalipuram-I Circle & Others
Telangana High Court – 08.06.2026

Legal Provisions

- Section 73, CGST Act, 2017 – non-fraud cases
- Section 73(10) – time limit for passing order
- Section 73(2) and 73(9) – SCN and adjudication
- Article 265 – no tax except by authority of law
- Principle of natural justice

Facts of the Case

Proceedings were initiated under Section 73 for FY 2019–20. As per statutory limitation under Section 73(10), the last date for passing the order was 31.08.2024. However, the assessment order was passed on 02.09.2024, after expiry of limitation. The assessee challenged the order before the Telangana High Court under Article 226.

Issue Involved

Whether an assessment order passed after the statutory limitation period prescribed under Section 73(10) is valid in law and whether administrative delay can extend statutory limitation.

Assessee's Stand

- Order passed beyond time limit is without jurisdiction
- Limitation under GST law goes to the root of jurisdiction
- Order after expiry is null and void ab initio
- Administrative delay cannot override statute

Revenue's Stand

- Demand was valid on merits
- Delay was procedural and due to administrative constraints
- Substantive tax liability should not be defeated by technical limitation

Conclusion – Legal Principle

- Statutory limitation is mandatory, not directory
- Jurisdiction cannot be revived by administrative explanation
- Orders passed beyond limitation are void ab initio

Editorial Note

This ruling is significant for GST litigation because it strengthens time-bar defences under Sections 73 and 74. It can be used in appeals, writs and rectification petitions where orders are passed beyond limitation.

CASE LAW UPDATE

Case No. 2

Assistant Commissioner (Anti-Evasion) & Anr.
vs Aerocom Cushions Pvt. Ltd. – Supreme Court (22.05.2026)

Aerocom Cushions Pvt. Ltd.
vs Assistant Commissioner (Anti-Evasion), CGST – Bombay High Court, Nagpur Bench (09.01.2026)

Legal Provisions

The critical statutory issue in this dispute centres on **Section 7** of the Central Goods and Services Tax (CGST) Act, 2017, and the parallel provisions of the Maharashtra Goods and Services Tax (MGST) Act, 2017. Section 7 defines the scope of "supply," which constitutes the primary taxable event under the GST regime. According to this section, for a transaction to qualify as a supply, it must involve goods or services and be made "in the course or furtherance of business". Furthermore, **Schedule II** of the Act delineates transactions to be treated as a supply of goods or a supply of services, while **Schedule III** outlines activities or transactions which shall be treated neither as a supply of goods nor a supply of services (such as the sale of land and, by extension, benefits arising out of immovable property).

Facts of the Case

The petitioner, **Aerocom Cushions Private Limited**, held a long-term **95-year leasehold right** over an industrial plot allotted by the Maharashtra Industrial Development Corporation (MIDC) in Hingna, Nagpur. With the formal approval of the MIDC, the petitioner assigned and transferred its complete leasehold rights over the industrial land, along with the factory building standing thereon, to a third party, M/s Rishita Industries, for a total consideration of INR 1.5 Crore. The assignment deed was formally registered and subjected to appropriate stamp duty.

The GST Department issued a Show Cause Notice (SCN) demanding GST amounting to INR 27 Lakhs on this transaction, treating the assignment of the leasehold rights as a taxable "supply of service" classified under "miscellaneous services" taxable at a rate of 18%. The taxpayer challenged this SCN before the Nagpur Bench of the Hon'ble **Bombay High Court**, contending that a complete assignment of long-term leasehold rights is distinct from a regular lease or sub-lease, as the assignor's rights stand entirely extinguished.

CASE LAW UPDATE

The petitioner argued that such a transfer amounts to a sale of immovable property or a transfer of benefits arising out of land, falling outside the purview of GST. On **January 9, 2026**, the Bombay High Court ruled in favour of the taxpayer and quashed the SCN. Aggrieved, the Revenue filed a Special Leave Petition (SLP) before the Supreme Court of India.

Conclusion

On **May 22, 2026**, the Hon'ble **Supreme Court of India**, in *Assistant Commissioner (Anti-Evasion) & Anr. v. Aerocom Cushions Pvt. Ltd.*, dismissed the Revenue's Special Leave Petition, thereby affirming the landmark ruling of the Bombay High Court. The judiciary unequivocally held that the assignment of long-term leasehold rights constitutes a permanent transfer of an interest in immovable property and does not amount to a "supply" of services under Section 7 of the CGST Act. The Court noted that since the assignor completely relinquishes their rights to the new party, the transaction is akin to the sale of land.

It was further emphasized that the Revenue failed to establish how such a one-time assignment was connected to the regular course or furtherance of the business of the assignor. Consequently, the ruling firmly settles the legal landscape by confirming that **no GST is liveable on the assignment of long-term industrial leasehold rights.**

Tech Update :

100 EXCEL FORMULAS

— EVERY PROFESSIONAL SHOULD KNOW —

BEGINNER → ADVANCED | ORGANIZED BY CATEGORY | SAVE FOR REFERENCE

1 MATH & CALCULATION (1-10)

1	SUM	Add values
2	SUMIF	Sum with condition
3	SUMIFS	Multiple conditions
4	PRODUCT	Multiply values
5	ROUND	Round numbers
6	ROUNDDOWN	Round down values
7	ROUNDUP	Round up yalues
8	ABS	Absolute value
9	MOD	Remainder calculation
10	POWER	Exponents

2 LOGICAL FUNCTIONS (11-20)

11	IF	Single condition logic
12	IFS	Multiple conditions
13	AND	All conditions must be true
14	OR	Any condition true
15	NOT	Reverse logic
16	IFERROR	Handle errors
17	IFNA	Handle #N/A errors
18	SWITCH	Multiple outcomes
19	TRUE	Logical TRUE value
20	FALSE	Logical FALSE value

3 LOOKUP FUNCTIONS (21-30)

21	XLOOKUP	Modern lookup function
22	VLOOKUP	Vertical lookup
23	HLOOKUP	Horizontal lookup
24	INDEX	Return value by position
25	MATCH	Find position
26	XMATCH	Advanced matching
27	LOOKUP	Basic lookup
28	CHOOSE	Select from list
29	OFFSET	Dynamic reference
30	INDIRECT	Reference from text

4 TEXT FUNCTIONS (31-40)

31	LEFT	Extract left characters
32	RIGHT	Extract right characters
33	MID	Extract middle text
34	LEN	Count characters
35	TRIM	Remove extra spaces
36	CONCAT	Combine text
37	TEXTJOIN	Join text with separator
38	UPPER	Convert to uppercase
39	LOWER	Convert to lowercase
40	PROPER	Capitalize words

5 DATE & TIME FUNCTIONS (41-50)

41	TODAY	Current date
42	NOW	Current date & time
43	DATE	Create date
44	YEAR	Extract year
45	MONTH	Extract month
46	DAY	Extract day
47	WEEKDAY	Day number
48	EDATE	Add months
49	EOMONTH	Last date of month
50	NETWORKDAYS	Working days

6 STATISTICAL FUNCTIONS (51-60)

51	AVERAGE	Mean value
52	MEDIAN	Middle value
53	MODE	Most frequent value
54	MIN	Lowest value
55	MAX	Highest value
56	COUNT	Count numbers
57	COUNTA	Count non-empty
58	COUNTIF	Conditional count
59	COUNTIFS	Multiple conditions
60	STDEV	Standard deviation

7 FINANCIAL FUNCTIONS (61-70)

61	PMT	Loan payment
62	FV	Future value
63	PV	Present value
64	NPV	Net present value
65	IRR	Internal rate of return
66	RATE	Interest rate
67	CUMIPMT	Total interest
68	CUMPRINC	Total principal
69	SLN	Straight line depreciation
70	DB	Declining balance

8 DATA ANALYSIS FUNCTIONS (71-80)

71	SUBTOTAL	Summary calculations
72	AGGREGATE	Advanced subtotal
73	RANK	Ranking values
74	PERCENTILE	Percentile calculation
75	QUARTILE	Quartiles
76	LARGE	Nth largest value
77	SMALL	Nth smallest value
78	FREQUENCY	Distribution
89	CORREL	Correlation

9 ADVANCED FUNCTIONS (81-90)

81	LET	Define variables
82	LAMBDA	Custom function
83	BYROW	Row-based calculation
84	BYCOL	Column-based calculation
85	MAP	Apply function to array
86	REDUCE	Reduce array values
87	SCAN	Running calculation
88	MAKEARRAY	Create arrays
89	ISNUMBER	Check numeric value
90	ISBLANK	Check empty cell

MASTER EXCEL TODAY, EXCEL TOMORROW!

STATUTORY & REGULATORY COMPLIANCE CALENDAR

Professional Events & Commemorative Observances

Date	Income Tax Act, 2025	Action Required
Jul-07	Income Tax - TDS / TCS Payment	☐
Jul-15	Form 143– TCS Return	☐
Jul-30	Issue of TCS Certificates (Form 133)	☐
Jul-31	Income Tax Return Filing for Individuals and Non-Corporate Taxpayers Not Subject to Tax Audit and Not Having Income from Business or Profession	☐
Jul-31	TDS Return (Q1) in Forms 138, 140, 144 (Salary, Non-Salary to Residents, and Payments to NRIs)	☐
	Goods and Services Tax Act, 2017	
Jul-10	GSTR-7 – Government GST TDS	☐
Jul-10	GSTR-8 – E-Commerce Operator	☐
Jul-11	GSTR-1 – GST Sales	☐
Jul-13	GSTR-1 – GST QRMP Sales & GSTR-6 – Input Service Distributor (ISD)	☐
Jul-15	GSTR-2B – Verification of GST Purchases & ITC	☐
Jul-18	CMP-08 – Composition Scheme GST Payment	☐
Jul-20	GSTR-3B – GST Payment	☐
Jul-20	GSTR-5 – Non-Resident Taxpayer	☐
Jul-20	GSTR-5A – Non-Resident OIDAR Service Provider	☐
Jul-22	GSTR-3B for QRMP (Quarterly Return Filing and Monthly Tax Payment)	☐
	Foreign Exchange Management Act (FEMA), 1999	
Jul-15	FLA Return (Indian Resident Companies, LLPs, and Partnership Firms)	☐
	Employees' Provident Fund and Miscellaneous Provisions Act, 1952	
Jul-15	Provident Fund (PF) & ESI Payment	☐
	Indian Partnership Act, 1932	
Jul-30	Registered Firm Renewal – As per Partnership Act, 1932.	☐
	Companies Act, 2013	
Jul-31	Annual Return of Deposits and Specified Outstanding Receipts – Form DPT 3	☐

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