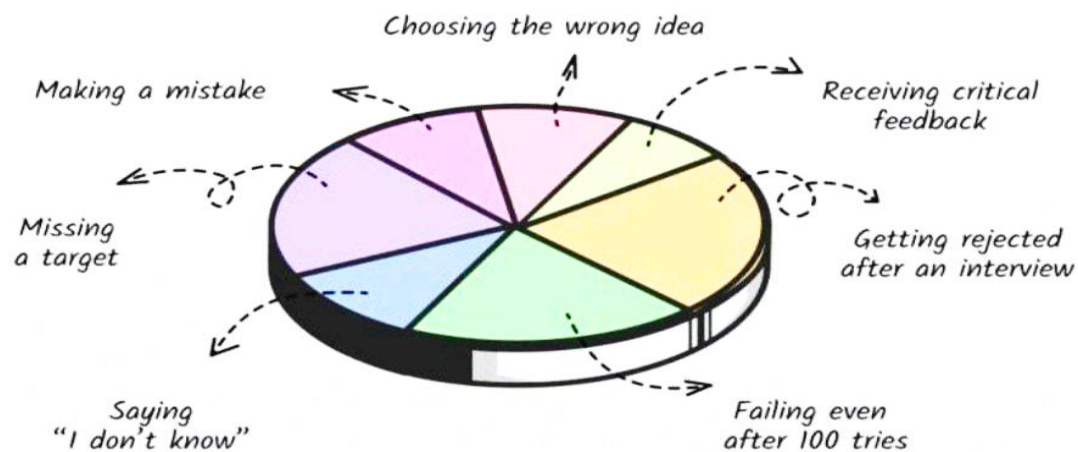




CHARTERED SCANNER

MAGNIFYING LAW & COMPLIANCE

THIS ISN'T FAILURE:



THIS IS FAILURE:



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Dear Readers,

Greetings from **DLS & Associates LLP**.

As we progress deeper into the financial year, May stands out as a pivotal month — a bridge between reflection and execution, between planning and performance. With the closure of the previous fiscal behind us, we now step into a season of audits, filings, strategic evaluations and focused client engagements.

For professionals across finance, audit, tax and compliance, May offers more than just deadlines. It presents a timely opportunity to pause, reassess, and realign — to look inward at our processes and outward at our purpose. It is a month to recalibrate compliance calendars, enhance internal controls, and invest in knowledge and capability building.

This is also a moment to ask ourselves:

- Are we merely working in our profession, or are we actively working on it?
- Are we investing in mentorship, continuous learning, and thinking beyond checklists?

Through this edition, we aim to spark meaningful questions and perhaps offer some inspiration and insight along the way. Let's continue to foster a culture where collaboration thrives, learning is ongoing, and professional dialogue is a shared pursuit.

Wishing you a month filled with purpose, progress, and impactful conversations.

Happy Reading!

Sumit Dhadda

With Regards
Sumit Dhadda
Managing Partner

CBDT Notifies Aadhaar-PAN Linking Deadline for Allottees Based on Aadhaar Enrolment ID

Notification No. 26/2025

Dated : April 3, 2025

The Central Board of Direct Taxes (CBDT), under the Ministry of Finance, has issued Notification No. 26/2025, dated April 3, 2025, setting a deadline for linking Aadhaar with PAN (Permanent Account Number) in specific cases.

Key Requirements:

As per the notification, any individual who has been allotted a PAN on the basis of an Aadhaar Enrolment ID submitted before October 1, 2024, is now mandated to intimate their Aadhaar number to the Income Tax Department.

The Aadhaar number must be communicated to:

- The Principal Director General of Income-tax (Systems),
- The Director General of Income-tax (Systems), or
- Any person authorized by these authorities.

Deadline:

The deadline for furnishing the Aadhaar number is December 31, 2025, unless an alternate date is specified by the CBDT.

Implications:

Affected individuals should ensure timely compliance to avoid complications in tax filing, processing of returns, or potential invalidation of PAN. Tax professionals and entities managing bulk PAN allotments should proactively inform concerned stakeholders.

[Click here for original Notification](#)

CBDT Notifies HUDCO's Ten-Year Zero Coupon Bonds as Specified Securities under Section 2(48)

Circular No. 34/2025

Dated : April 17, 2025

In a key move to support infrastructure financing, the Central Board of Direct Taxes (CBDT) has notified the "Ten Year Zero Coupon Bond" issued by Housing and Urban Development Corporation Ltd. (HUDCO) as a zero coupon bond under clause (48) of section 2 of the Income-tax Act, 1961. The notification enables the application of favorable tax treatment to such instruments in accordance with Rule 8B of the Income-tax Rules, 1962.

Key Features of the Notified Bond:

- **Issuer:** Housing and Urban Development Corporation Ltd. (HUDCO)
- **Bond Name:** Ten Year Zero Coupon Bond
- **Term:** 10 years and 1 month
- **Issue Deadline:** On or before March 31, 2027
- **Maturity Amount:** ₹5,000 crores
- **Discount Amount:** ₹2,351.49 crores
- **Number of Bonds:** 5 lakh units

The bond will be issued at a discount and redeemed at face value after the specified maturity period, thus qualifying as a zero coupon bond for tax purposes.

[Click here for original Circular](#)

CBIC Introduces New Regulations for Post-Export Amendments under Instrument-Based Schemes

Circular No. 11/2025 – Customs

Dated: April 03, 2025

The Central Board of Indirect Taxes and Customs (CBIC) has notified the Export Entry (Post Export Conversion in relation to Instrument-Based Scheme) Regulations, 2025. This initiative aims to streamline post-export amendments to shipping bills and align with the government's broader push for ease of doing business for exporters.

Key Highlights:

- 1. Electronic Processing Introduced:** Post-export amendments under Section 149 of the Customs Act, provisional assessments, and data re-transmission to relevant agencies will now be processed electronically.
- 2. Approval Mechanism for Sensitive Amendments:**
Sensitive changes in shipping bills—such as port of loading, country of destination, invoice value, HS code, and quantity—require approval from an Additional or Joint Commissioner.
- 3. Regulatory Changes:**
The new rules supersede the 2022 regulations, introduce a one-year time limit for conversion of export entries, and allow conversion from drawback schemes to instrument-based schemes with benefit reversal.

These changes reflect the government's continued focus on digitization, efficiency, and trade facilitation. Exporters and customs officers are advised to stay informed and adapt to the new procedures to ensure smooth implementation.

[Click here for original Notification](#)

Government Updates List of Authorized Banks for Customs Duty Payments under Notification 50/2017-Customs

Notification No. 24/2025–Customs

Dated: April 28, 2025

The Government of India, Ministry of Finance (Department of Revenue), has issued Notification No. 24/2025-Customs, dated April 28, 2025, introducing an amendment to the long-standing Notification No. 50/2017-Customs, which provides concessional rates of duty for specified imports. This update specifically revises List 34A and List 34B of the Annexure, detailing the banks authorized to deal with specific customs-related payments and guarantees.

Key Amendments:

1. Legal Basis for the Amendment: The amendment is made under the powers conferred by:

- Section 25(1) of the Customs Act, 1962, and
- Section 3(12) of the Customs Tariff Act, 1975.

The changes are implemented in public interest and will remain effective from April 1, 2025, to March 31, 2026.

2. Updated Lists of Authorized Banks:

- **List 34A (13 Banks):** Includes Axis Bank, Bank Of India, Federal Bank, HDFC Bank, ICICI Bank, SBI, PNB, Kotak Mahindra Bank, and others.
- **List 34B (2 Banks):** Indian Overseas Bank and Union Bank of India.

Background and Implications:

Notification No. 50/2017-Customs, originally issued on June 30, 2017, provides various duty exemptions and concessional rates for goods imported under specified conditions. The attached lists, such as 34A and 34B, determine which banks are eligible to handle specific financial instruments and customs-related transactions. The updated lists ensure the continued alignment of authorized banking institutions with evolving compliance, risk, and public interest considerations.

Importers, exporters, and customs brokers should take note of the revised list of authorized banks and ensure all customs-related transactions under Serial No. 359A of Notification 50/2017-Customs are routed through the newly specified banks. The notification is valid for the fiscal year 2025–26 and is part of the government's ongoing effort to streamline customs procedures and maintain financial integrity.

[Click here for original Notification](#)

SEBI Clarifies Organizational Positioning of Compliance Officer under LODR Regulations

SEBI/HO/CFD/PoD2/CIR/P/2025/47

Dated: April 01, 2025

The Securities and Exchange Board of India (SEBI) has issued Circular No. SEBI/HO/CFD/PoD2/CIR/P/2025/47, dated April 1, 2025, providing critical clarification on the organizational positioning of the Compliance Officer under Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

Background:

Regulation 6(1), as amended via the Third Amendment Regulations, 2024 (dated December 12, 2024), mandates that the Compliance Officer must be:

- In whole-time employment of the listed entity,
- Not more than one level below the board of directors, and
- Designated as a Key Managerial Personnel (KMP).

This raised interpretational questions, particularly around the meaning of "one level below the board."

Key Clarification:

SEBI has now clarified that:

- The term 'level' refers to the organizational structure of the listed entity.
- "One-level below the board of directors" specifically means one level below the Managing Director (MD) or Whole-Time Director(s) who are members of the Board.
- In entities without an MD or Whole-Time Director, the Compliance Officer must report no more than one level below the Chief Executive Officer (CEO), Manager, or any other person heading day-to-day operations.

This interpretation aligns with:

- Regulation 2(1)(o) of the LODR Regulations, and
- Section 2(51) of the Companies Act, 2013, which defines the term "Key Managerial Personnel."

Implications for Listed Entities:

Listed companies must ensure that their designated Compliance Officer:

- Holds a position of sufficient seniority, and
- Directly reports (or is just one level removed) from top executive leadership.

This aims to strengthen internal governance and accountability, ensuring that the Compliance Officer can effectively fulfill their statutory and regulatory duties.

[Click here for original Circular](#)

RBI Issues Updated Master Circular on Bank Finance to NBFCs for FY 2025–26

No. RBI/2025-26/15

Dated: April 1, 2025

The Reserve Bank of India (RBI) has issued the revised Master Circular on Bank Finance to Non-Banking Financial Companies (NBFCs) for the financial year 2025–26, consolidating all relevant instructions up to March 31, 2025. This updated circular supersedes the previous version dated April 24, 2024, and is applicable to all Scheduled Commercial Banks, excluding Regional Rural Banks (RRBs). Importantly, the circular does not introduce new guidelines, but compiles and updates existing regulatory instructions governing bank exposure to NBFCs.

Key Guidelines:

1. Eligibility and Scope:

- Banks may provide working capital and term loans to NBFCs registered with RBI and engaged in infrastructure financing, leasing, hire purchase, factoring, or investment activities.
- NBFCs dealing in second-hand assets may also be financed.
- Banks must frame board-approved policies within the prudential and exposure norms set by RBI.

2. NBFCs Not Requiring RBI Registration: For exempt NBFCs (as per RBI Master Directions), banks may decide on credit based on standard credit appraisal—asset quality, risk perception, and repayment capacity.

3. Prohibited Lending Activities: Banks are barred from financing NBFCs for:

- Rediscounting of bills, except those for sales of vehicles drawn by manufacturers on dealers.
- Investments in shares, debentures, or any long/short-term investments.
- Unsecured loans and inter-corporate deposits.

- Lending to subsidiaries/group entities or for IPO financing.
 - Lease agreements with NBFCs.
- 4. Factoring Companies – Conditional Access:** Bank finance is allowed for NBFC-Factors and NBFC-ICCs under the Factoring Regulation Act, 2011, provided:
- At least 50% of their income and assets relate to factoring activity,
 - Receivables are secured via hypothecation or assignment.
- 5. Other Prohibitions:**
- Bridge loans or interim finance pending capital raising are prohibited.
 - No loans secured by shares or debentures to NBFCs.
 - Banks cannot issue guarantees to support fund placement with NBFCs.

Exposure Limits:

- **Single NBFC:** 20% of Tier I capital.
- **Group of NBFCs:** 25% of Tier I capital.
- **Gold-loan NBFCs:** 7.5% of capital funds (extendable to 12.5% for infra lending).
- Banks are encouraged to set internal exposure limits and sub-limits for high-risk NBFCs.

Risk & Investment Norms:

- Banks must follow risk weights as per Basel III guidelines (updated April 1, 2025).
- Investment in securities issued by NBFCs must comply with the 2023 Master Direction on Investment Portfolio Management.

Conclusion:

This circular reinforces the RBI's calibrated approach to ensure financial discipline, protect systemic stability, and regulate bank–NBFC linkages. Banks

are advised to ensure compliance, especially with exposure norms and activity-specific restrictions, to avoid regulatory breaches.

[Click here for original Circular](#)

RBI Caps Compounding Amount for Certain FEMA Contraventions at ₹2 Lakh

No. RBI/2025-26/32

Dated: April 24, 2025

The Reserve Bank of India (RBI) has amended the Master Directions on Compounding of Contraventions under FEMA, 1999, providing a key relaxation for minor violations. As per the update, the maximum compounding amount may now be capped at ₹2,00,000 per regulation/rule for specific contraventions falling under Row 5 of the Compounding Matrix, subject to the following conditions:

Key Amendment:

- **New Clause Introduced:** Para 5.4.II.vi in the Master Directions.
- **Cap Introduced:** ₹2,00,000 per contravention (per regulation/rule applied for compounding).
- **Applicable To:** Contraventions classified under Row 5 of the compounding matrix.
- **Conditions:**
 - Discretion of the compounding authority.
 - Based on nature of contravention.
 - Consideration of exceptional facts/circumstances.
 - Wider public interest.

Implications:

This amendment provides much-needed regulatory relief for minor and technical FEMA violations, particularly benefiting small entities and

individuals by limiting the financial burden of compounding.

All Authorised Dealer Category-I banks and other authorised banks are advised to inform their clients and stakeholders about this important update.

[Click here for original Circular](#)

RBI Mandates Wider ATM Access to ₹100 and ₹200 Notes

No. RBI/2025-26/33

Dated: April 28, 2025

In a move aimed at improving public convenience and access to commonly used banknote denominations, the Reserve Bank of India (RBI) has directed all banks and White Label ATM Operators (WLAOs) to ensure regular dispensation of ₹100 and ₹200 notes through ATMs.

Key Milestones Set by RBI:

- **By September 30, 2025:** At least 75% of ATMs must be configured to dispense ₹100 or ₹200 notes from at least one cassette.
- **By March 31, 2026:** This coverage must be increased to 90% of ATMs across the network.

Purpose & Impact:

This directive comes in response to continued public demand for smaller denominations in circulation. With increased access through ATMs, the RBI aims to:

- Enhance currency availability in daily-use denominations.
- Improve convenience in retail transactions.
- Reduce dependency on over-the-counter withdrawals for lower-value notes.

Banks are expected to reconfigure their ATM cassette management systems accordingly and ensure compliance within the prescribed timelines.

[Click here for original Circular](#)

Understanding Ind AS 36: **Impairment of Assets**

Contributed By: Mr. Ansh Mangtani



What is Impairment of Assets?

Impairment of assets refers to a permanent decline in the recoverable amount of an asset below its carrying amount (also called the book value) on a company's balance sheet. When such a decrease in value occurs, an impairment loss must be recognized, reducing both the asset's carrying value and the profit for the period.

What is Goodwill?

Goodwill is an intangible asset that arises when one company acquires another and pays more than the fair value of its net identifiable assets (i.e., assets minus liabilities). This excess payment reflects elements like brand reputation, customer loyalty, and market position—factors that are not separately identifiable but add value.

Scope of the Standard

As per the applicable accounting standards (Ind AS, aligned with IFRS), impairment testing applies to most assets except for the following:

- Inventories (Ind AS 2)
- Assets from construction contracts (Ind AS 11)
- Deferred tax assets (Ind AS 12)
- Employee benefit-related assets (Ind AS 19)
- Financial assets (Ind AS 39)
- Certain biological assets (Ind AS 41)

Goodwill is within the scope of impairment and is tested annually or more frequently if impairment indicators are present.

How is Goodwill Impaired?

Goodwill impairment occurs when the carrying amount of the cash-generating unit (CGU) to which the goodwill is allocated exceeds its recoverable amount.

The recoverable amount is the higher of:

1. **Value in Use (VIU)** – the present value of expected future cash flows from the asset or CGU.
2. **Fair Value Less Costs of Disposal (FVLCD)** – the price that would be received to sell an asset, minus any direct selling costs.

Calculating Value in Use (VIU)

To calculate VIU, follow these steps:

1. Project future cash flows from the CGU (typically 5 years).
2. Apply a discount rate that reflects current market assessments of the time value of money and asset-specific risks.
3. Calculate the present value of those cash flows.

Formula:

$$\text{VIU} = \sum (\text{Future Cash Flow in year } t) / (1 + \text{Discount Rate})^t$$

Where:

t = each year of the projection period

Calculating Fair Value Less Costs of Disposal (FVLCD)

FVLCD is usually determined using:

- Market-based valuation (e.g., observable prices for similar businesses)

- Appraisal reports
- Recent transactions of comparable entities

Then deduct costs to sell, such as legal fees, broker commissions, and other disposal-related costs.

Impairment Test Formula

To determine whether goodwill (or any asset) is impaired:

**If Carrying Amount > Recoverable Amount,
then Impairment Loss = Carrying Amount - Recoverable Amount**

This impairment loss is then recognized in the profit and loss statement.

Can Goodwill Impairment Be Reversed?

According to Ind AS and IFRS guidelines, impairment losses recognized for goodwill cannot be reversed in subsequent periods, even if the recoverable amount increases later.

This reflects a conservative accounting approach, ensuring that companies do not artificially inflate goodwill once written down.

Impairment Of Goodwill In Valuation

In the context of valuation, impairment of goodwill plays a crucial role in ensuring that the asset side of a company's balance sheet reflects realistic and economically justifiable values. Goodwill, being an intangible asset arising from acquisitions, often represents expectations of future benefits such as brand strength or customer loyalty. However, if the acquired business underperforms or market conditions shift unfavourably, the value attributed to goodwill may no longer be supported.

Impairment testing ensures that goodwill is not overstated in valuations by comparing its carrying amount with the recoverable amount of the associated cash-generating unit. Recognizing an impairment loss when necessary ensures that valuations reflect a true and fair view of the company's financial health, which is especially critical for investors, analysts, and during mergers and acquisitions.

Impairment of goodwill is a critical accounting consideration, especially during times of economic uncertainty or when business units underperform. Since goodwill reflects intangible value, companies must perform annual impairment testing to ensure it is not overstated on the balance sheet. Accurate calculation of Value in Use or Fair Value Less Costs of Disposal ensures that goodwill remains fairly represented, aligning financial statements with the true economic value of business acquisitions.

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Double Materiality: The Strategic Core of ESG Reporting under CSRD



Contributed By: CS Ruchi Singh

Introduction:

As sustainability reporting transitions from a voluntary endeavor to a regulatory obligation, the concept of Double Materiality has emerged as a defining principle—reshaping how organizations identify risks, assess impacts, and engage with stakeholders. Propelled by the European Union’s Corporate Sustainability Reporting Directive (CSRD), double materiality is the new benchmark for corporate transparency and resilience.

What Is Double Materiality?

At its core, double materiality extends traditional financial materiality by introducing a dual-lens approach:

- Financial Materiality considers how environmental and social issues influence a company’s financial performance, stability, and long-term viability.
- Impact Materiality examines how the company’s own operations, products, and value chains affect the environment and society regardless of whether these impacts are financially quantifiable in the short term.

This dual approach acknowledges that ESG issues are not just risks to be managed, but outcomes to be measured and improved. It recognizes that a company’s role as a global citizen is just as critical as its obligations to shareholders.

Double Materiality vs. Single Materiality: A Shift in Perspective

Historically, ESG disclosures have largely been shaped by single materiality, focusing only on what's financially relevant to investors. This approach, however, often overlooks significant environmental or social harms that do not immediately register on the balance sheet.

Double materiality, in contrast, incorporates a stakeholder-centric perspective. It reflects the evolving expectations of regulators, investors, customers, and civil society, who demand accountability for both financial risk and real-world impact.

Dimension	Single Materiality	Double Materiality
Focus	Financial impact on the company	Financial + environmental/social impact of the company
Primary Audience	Investors	Investors + stakeholders (public, regulators, NGOs)
Scope	Inward-looking	Inward and outward-looking
Compliance Frameworks	Voluntary/non-uniform	Mandatory (e.g. CSRD, ESRS)

Double Materiality Under CSRD: A Regulatory Imperative

The CSRD, effective from 2024 onwards, mandates that over 50,000 companies operating in the EU, including many global firms, conduct a Double Materiality Assessment (DMA). This process is not only about disclosure; it requires a systemic understanding of where and how a company affects, and is affected by, sustainability issues.

Key CSRD expectations include:

- Conducting a thorough double materiality assessment that identifies both financial risks and environmental/social impacts.
- Reporting in line with the European Sustainability Reporting Standards (ESRS), ensuring comparability, verifiability, and audit-readiness.

- Involving cross-functional teams to integrate sustainability into enterprise risk management, strategy, and governance.

The Double Materiality Assessment Process:

A robust double materiality assessment involves:

- 1. Stakeholder Mapping & Engagement:** Identify key internal and external stakeholders (employees, regulators, investors, suppliers, communities).
- 2. Topic Identification:** Create a long list of sustainability topics based on sector relevance, global frameworks (e.g., GRI, TCFD), and stakeholder feedback.
- 3. Impact and Risk Assessment:** Evaluate each topic's relevance based on two dimensions:
 - Impact materiality: Scale, scope, and likelihood of environmental/social effects.
 - Financial materiality: Current or potential impact on financial performance.
- 4. Prioritization & Validation:** Use heat maps or materiality matrices to plot and prioritize topics. Validate findings with senior leadership and the board.
- 5. Integration into Strategy & Disclosure:** Embed the prioritized topics into ESG strategy, targets, and reporting processes. Ensure alignment with ESRS and external assurance readiness.

Why It Matters: Business Value Beyond Compliance

While CSRD has made double materiality a legal requirement, its strategic benefits go far beyond ticking regulatory boxes:

- **Enhanced Risk Foresight:** Anticipate and respond to emerging non-financial risks.
- **Investor Alignment:** Meet the due diligence expectations of ESG-focused investors and financial institutions.
- **Reputation Management:** Strengthen stakeholder trust through credible, values-driven reporting.
- **Operational Resilience:** Inform more ethical and efficient supply chains, product design, and workforce planning.

Companies that proactively implement double materiality gain a competitive edge in long-term market positioning and stakeholder credibility.

From Framework to Future

Double materiality is not merely a reporting requirement, but a strategic compass. It forces organizations to look both inward and outward, to redefine materiality not just as what is financially relevant, but what is morally and environmentally consequential.

As regulators tighten ESG disclosure norms and stakeholders demand higher accountability, double materiality is shaping the future of sustainable business, where success is no longer defined solely by shareholder return, but by shared value creation.

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Internal Audit and Evaluation of Internal Controls: A Comprehensive Guide

Contributed By: Mr. Krishn Agarwal



What is Internal Audit?

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps organizations achieve their objectives by systematically evaluating risk management, internal controls, and governance processes. Internal auditors provide insights and recommendations to enhance efficiency, effectiveness, and compliance.

Section 138 of the Companies Act, 2013 – Requirement for Internal Auditor: As per Section 138 of the Companies Act, 2013, certain classes of companies are mandated to appoint an Internal Auditor. This professional can be:

- A Chartered Accountant or Cost Accountant, or
- Any other qualified professional as decided by the Board
- Appointed from within or outside the organization
- Either an individual or a firm in practice

Applicability – Companies Required to Appoint an Internal Auditor

- a) Every Listed Company
- b) Every Unlisted Public Company, if it meets any one of the following

thresholds:

- Paid-up share capital of ₹50 crore or more
- Turnover of ₹250 crore or more
- Outstanding loans or borrowings from banks or public financial institutions exceeding ₹100 crore
- Outstanding deposits of ₹25 crore or more

c) Every Private Company, having:

- Turnover of ₹200 crore or more
- Outstanding loans or borrowings exceeding ₹100 crore

Key Areas Covered in Internal Audit:

1. Finance and Accounting:

- Verification of financial statements and general ledger integrity
- Compliance with accounting standards (Ind AS, IFRS)
- Review of journal entries, reconciliations, and financial controls
- Budgetary control and variance analysis

2. Procurement and Vendor Management:

- Evaluation of procurement policies and controls
- Vendor selection, evaluation, and contract compliance
- Price verification and prevention of duplicate/inflated payments

3. Sales and Receivables:

- Review of the order-to-cash cycle
- Monitoring of customer credit policies and approvals
- Assessment of invoicing, collections, and aging reports

4. Inventory and Stores:

- Physical verification of inventory and stock reconciliation
- Review of inventory tracking systems and shrinkage analysis
- Valuation of obsolete, damaged, or slow-moving inventory

5. Payroll and Human Resources:

- Verification of employee master data and payroll processing
- Compliance with statutory obligations (e.g., PF, ESI, TDS)
- Audit of bonuses, gratuity, and leave encashment calculations

6. Fixed Assets:

- Maintenance of fixed asset registers and physical verification
- Capitalization policy compliance and depreciation practices
- Disposal and retirement process review

7. Information Technology (IT):

- Evaluation of IT general controls and user access management
- Review of backup procedures and cybersecurity framework
- Software licensing, data integrity, and audit trail examination

8. Compliance and Legal:

- Verification of compliance with applicable laws and industry regulations
- Audit of contracts, licenses, and legal documentation
- Monitoring of labor, environmental, and safety compliance

9. Cash and Bank:

- Review of cash handling practices and surprise cash counts
- Reconciliation of bank accounts and verification of fund movements
- Evaluation of bank mandates and authorization controls

10. Risk Management and Internal Controls:

- Review of the enterprise risk management framework
- Assessment of control design and operating effectiveness
- Identification of process gaps, redundancies, and risk exposures

Conclusion:

Internal audit is a critical function that strengthens the overall governance framework of an organization. By conducting structured evaluations of internal controls and risk management systems, internal auditors provide assurance to the Board and management on the effectiveness of operations. Regular audits not only ensure compliance and operational efficiency but also contribute significantly to the safeguarding of assets and the achievement of strategic objectives.

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Corporate Restructuring: A Strategic Imperative for Growth and Survival



Contributed By: Ms. Anjali Rathi

In today's rapidly evolving business landscape, companies face numerous challenges, including shifting market dynamics, increasing competition, and changing regulatory environments. To stay ahead of the curve and ensure long-term sustainability, organizations must be willing to adapt and transform. Corporate restructuring has emerged as a vital strategy for companies seeking to revamp their operations, improve efficiency, and drive growth.

What is Corporate Restructuring?

Corporate restructuring involves significant changes to a company's operations, management, or financial structure. This can include a range of activities, such as:

- **Mergers and Acquisitions:** Combining with other companies or acquiring new businesses to expand market share, improve efficiency, or gain access to new technologies.
- **Divestitures:** Selling off non-core assets or businesses to focus on core operations and improve financial performance.
- **Spin-Offs:** Creating new companies from existing businesses to unlock value and drive growth.
- **Debt Restructuring:** Renegotiating debt obligations to improve financial

stability and reduce risk.

- **Organizational Redesign:** Reorganizing a company's management structure, processes, and systems to improve efficiency and effectiveness.

Why Restructure?

Companies may choose to restructure for a variety of reasons, including:

- **Improve Efficiency:** Streamlining operations, reducing costs, and enhancing productivity to improve competitiveness.
- **Enhance Competitiveness:** Responding to changing market conditions, technological advancements, and shifting consumer preferences to stay ahead of the competition.
- **Manage Debt:** Restructuring debt obligations to improve financial stability and reduce risk.
- **Drive Growth:** Pursuing new business opportunities, expanding into new markets, and developing innovative products or services to drive growth and increase revenue.

Types of Corporate Restructuring:

There are several types of corporate restructuring, including:

- **Operational Restructuring:** Focuses on improving operational efficiency and effectiveness, such as streamlining processes, reducing costs, and improving productivity.
- **Financial Restructuring:** Involves reorganizing a company's financial structure, including debt and equity, to improve financial stability and reduce risk.
- **Strategic Restructuring:** Aims to transform a company's business model,

products, or services to drive growth and competitiveness.

Benefits of Corporate Restructuring:

The benefits of corporate restructuring can be significant, including:

- **Improved Financial Performance:** Enhanced profitability, reduced costs, and increased cash flow.
- **Increased Competitiveness:** Better positioned to respond to market changes and capitalize on new opportunities.
- **Enhanced Shareholder Value:** Improved financial performance and growth prospects can lead to increased shareholder value.
- **Improved Efficiency:** Streamlined operations and reduced costs can lead to improved efficiency and productivity.

Conclusion:

In conclusion, corporate restructuring is a strategic imperative for companies seeking to adapt to changing market conditions, and drive growth. By understanding the benefits and challenges of restructuring, organizations can navigate this complex process and emerge stronger and more

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May 2025- Compliance Calendar

S. No	Compliance Details	Form to be filed	Due Date
1	GST Filing of returns by registered person with aggregate turnover exceeding INR 5 Crores during previous year.	GSTR-1	11.05.2025
2	The borrower are required to report actual ECB transaction on monthly basis through AD category I bank (7 Working days)	ECB-2	12.05.2025
3	Payment and filing of ESIC Return for the month of April 2025	ESI challan	15.05.2025
4	Payment and filing of PF Return for the month of April 2025	ECR	15.05.2025
5	GST return for the month of April 2025. For the taxpayer with Aggregate turnover upto INR 5 crores during previous year and taxpayers who has opted for Monthly filing of GSTR-3B.	GSTR-3B	20.05.2025
6	Summary of outward supplies, ITC claimed, and net tax payable by taxpayers with Aggregate turnover upto INR 5 crores during previous year and who has opted for Quarterly filing of GSTR-3B	GSTR-3B	22.05.2025

S. No	Compliance Details	Form to be filed	Due Date
7	Statement of deviation(s) or variation(s) (SEBI (LODR))	Reg 32 (1) (SEBI (LODR))	30.05.2025
8	Financial Results along with Limited review report/Auditor's report	Reg 33(3)(a) (SEBI (LODR))	30.05.2025
9	Disclosures of related party transactions	Reg 23(9) (SEBI (LODR))	30.05.2025
10	Secretarial Compliance Report	Reg 24A (SEBI (LODR))	30.05.2025
11	Reconciliation of Share Capital Report	PAS-6	30.05.2025
12	Annual Return of the Foreign Companies	FC-4	30.05.2025
13	Annual Return of LLP	Form 11	30.05.2025
14	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending March 31st, 2025	Form 27D	30.05.2025
15	Quarterly statement of TDS deposited for the quarter ending March 31, 2025	Form 24Q/26Q/ 27Q	31.05.2025

“Living the Gita”

विफलत्वं न दोषः स्यात् प्रयत्नं यदि सत्कृतम्।
पुनः कर्मसु यः युक्तः स एव विजयी भवेत्॥

Meaning: *"Failure is not a fault if the effort was sincere and noble. One who persists with renewed dedication in their actions—such a person truly becomes victorious."*

विफलत्वं = Failure

न दोषः स्यात् = is not a fault/blameworthy

प्रयत्नं = effort

यदि सत्कृतम् = if it was noble, sincere, and well-done

First Line Meaning: Failure is not a fault if the effort was genuine and rightly directed.

This line emphasizes intent and effort over just the outcome. If your actions were honest, ethical, and well-intentioned, the fact that they did not yield success should not be seen as a failure of character.

पुनः = again

कर्मसु यः युक्तः = one who is engaged/involved in action

स एव = that person alone

विजयी भवेत् = becomes victorious

Second Line Meaning: *He who engages in action again with dedication—he alone becomes victorious.*

This part teaches resilience: real victory comes to those who get up again, learn from their past, and continue with even greater focus and balance.

The shloka carries profound life lessons and moral values that are universally applicable. Here are the key learnings from it:

1. Effort Matters More Than Outcome

- The shloka reminds us that honest effort is never wasted, even if it doesn't immediately succeed.
- In life, not every good action will yield success right away, but that doesn't make the effort wrong or meaningless.

***Lesson:** Judge yourself by the quality of your efforts, not just by the outcome.*

2. Failure Is Not a Sin

- Society often treats failure as something shameful—but this shloka says: failure is not a fault if you acted with sincerity and discipline.
- It separates moral worth from external results.

***Lesson:** Don't be ashamed of falling—be proud of trying the right way.*

3. Resilience Is the Key to Victory

- The second line emphasizes that the real winner is not the one who never fails, but the one who rises again and keeps trying.
- This resilience—coming back stronger after defeat—is the mark of a true achiever.

***Lesson:** Success doesn't come to those who never fall, but to those who never quit.*

4. Every Failure Is a Step Forward

- Even when things don't work out, the process builds experience, patience, and character.

- The shloka implies that failure is a teacher, not a punishment.

***Lesson:** Treat failures as feedback, not final verdicts.*

5. Spiritual Angle: Detached Action

- Inspired by the Bhagavad Gita, this shloka also teaches non-attachment to results—focus on doing your duty well and leave the rest to time or destiny.

***Lesson:** Do your karma with full devotion, and let go of the anxiety about results.*

6. Integrity in Action Is Its Own Reward

- The phrase "यदि सत्कृतम्" (if the effort was noble) reminds us that how we act—with honesty, ethics, and diligence—is more important than just reaching the goal.
- A success gained without integrity may look good, but it doesn't bring peace. A failure with integrity, however, builds true character.

***Lesson:** Walk the right path—even if it's harder. The reward is a clear conscience and self-respect.*

7. Consistency Beats Occasional Brilliance

- The shloka values continued engagement—"पुनः कर्मसु यः युक्तः" (one who remains engaged in action).
- This teaches that consistency—not just flashes of talent or hard work—is what leads to lasting success.

***Lesson:** It's not about how hard you try once. It's about showing up again and again, with purpose*

“Life is not about never failing; it's about rising every time you fall, with your heart still open and your spirit still strong.”

Event Highlights of the Month

At our firm, we take immense pride in fostering a culture of learning, leadership, and celebration. Whether it's recognizing milestones or encouraging young professionals to lead knowledge sessions, we believe in creating opportunities that empower and uplift.

To continue this, our Article Janvi, conducted on 19 April 2025 a highly insightful session on ROC Search Reports. Her clarity, confidence and command over the subject were truly commendable.

We also celebrated the birthday on 27 April 2025 of our Partner, **CA Sumit Dhabda**, whose **vision, leadership, and energy** continue to inspire us every day!

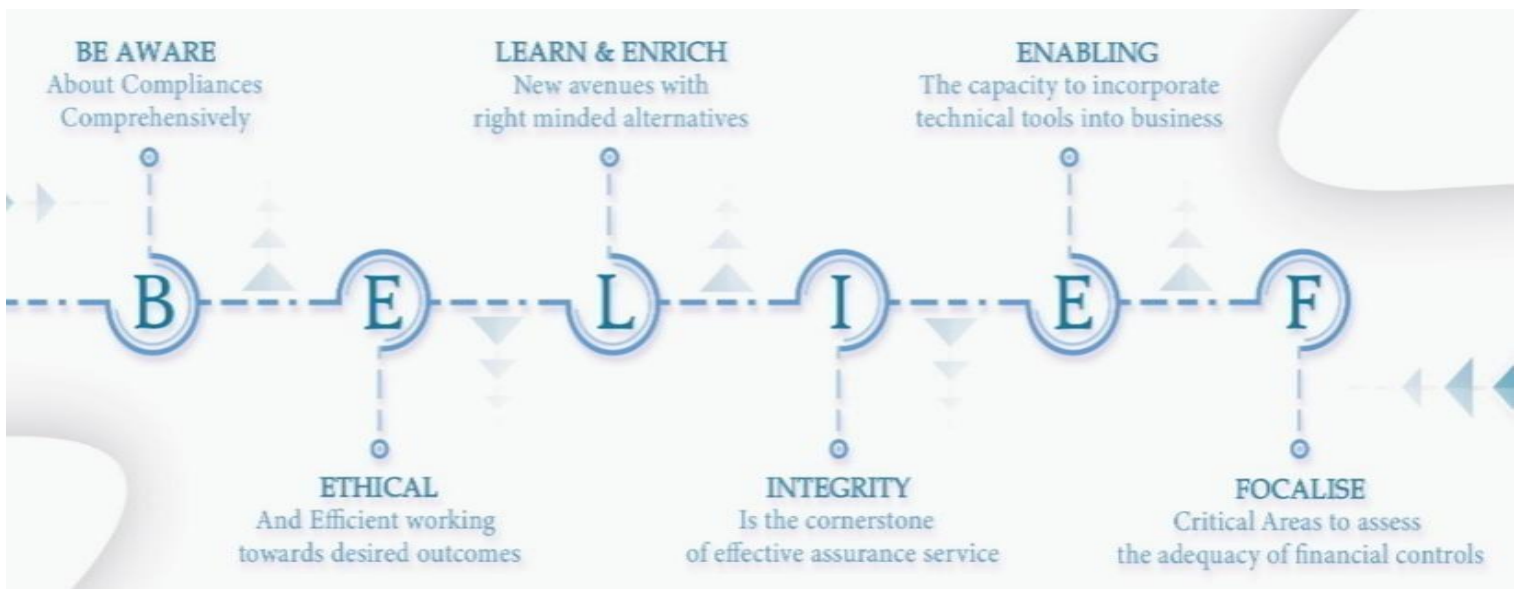




We are leading Chartered Accountant Firm withstanding **Since 2013 and have** Strong network at **Jaipur, Bangalore, Delhi, Mumbai. International Branch in Bahrain with MGI worldwide Affiliation.** We also have PAN India presence through network of associates

Pioneer in Audit & Assurances, Internal Financial Control (IFC), Valuation Services, Taxation, Financial Advisory, Forensic Audits, BRSR (Business Responsibility & Sustainability Reporting), GST and IND-AS implementation across Industries

Our Core Values-Our firm DLS works for **BELIEF** where we are dedicated for



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