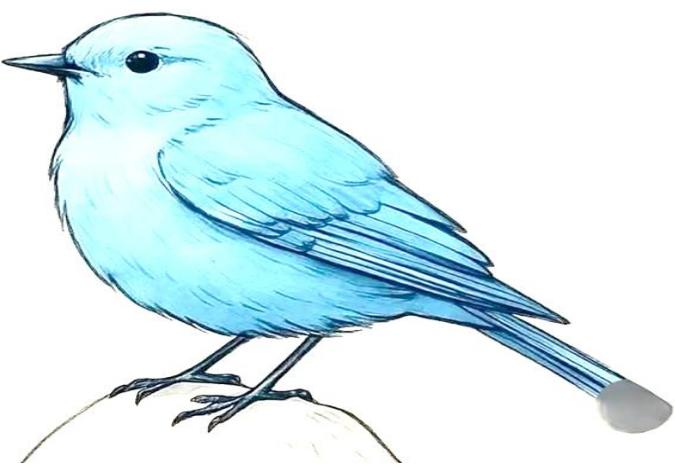




Don't ask permission  
to fly.

The wings are yours.  
And the sky belongs  
to no one.



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Dear Readers,

Greetings from **DLS & Associates LLP**.

#### ***“November — A Month to Reflect, Renew, and Rise.***

As the cool breeze of November sets in, it brings with it a sense of calm, balance, and introspection. This is the time when we naturally begin to look back at the months gone by — the goals we achieved, the lessons we learned, and the challenges that shaped us. November is a gentle reminder to pause and reflect before we step into the final chapter of the year.

November invites us to renew our energy and focus. It's a chance to realign our priorities, rekindle our motivation, and strengthen our commitment to the goals that matter most. Renewal brings growth — in ideas, in spirit, and in action.

And as we turn the page toward the year's final chapter, November inspires us to rise — to rise with gratitude, with resilience, and with renewed optimism for what lies ahead. Let's carry forward the lessons, laughter, and light of the past months, and step confidently into the days to come.

Together, let's make November a month of reflection, renewal, and rising as one team — stronger, wiser, and more inspired than ever.

Wishing everyone a thoughtful, refreshing, and uplifting November!

*Sumit Dhadda*

With Regards  
Sumit Dhadda  
Managing Partner

# **CBDT Notifies India–Qatar Double Taxation Avoidance Agreement (DTAA) and Protocol**

**Notification No. 154/2025 [F. No. 504/6/2004-SO-FTD-II(2)] / G.S.R. 789(E)**

**Dated : 24 October 2025**

The Government of India has notified the Agreement and Protocol between India and the State of Qatar for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

- The Agreement and Protocol were signed in New Delhi on 18 February 2025.
- They entered into force on 10 September 2025

## **Effective Date of Application**

In accordance with paragraph 3 of Article 30 of the Agreement, the provisions shall apply in India for income arising on or after the first day of the fiscal year immediately following the calendar year in which the Agreement entered into force. Accordingly, since it came into force in September 2025, the provisions will apply from 1 April 2026, corresponding to Financial Year 2026–27 (subject to any further Government notification).

## **Significance of the Notification**

The newly notified DTAA provides an updated framework for the taxation of cross-border income between India and Qatar. It covers key aspects such as residence, permanent establishment, dividends, interest, royalties, and capital gains, offering greater tax certainty and clarity for taxpayers in both countries.

This development is particularly significant given the large number of Indian residents and businesses operating in Qatar, ensuring avoidance of double taxation and improved transparency in cross-border tax administration.

### **Key Takeaways for Tax Professionals**

- The India–Qatar DTAA is now formally notified under Section 90 of the Income-tax Act, 1961. It will apply to income arising on or after FY 2026–27.
- Indian taxpayers and entities with business or income connections to Qatar should review their structures, treaty eligibility, and withholding tax positions in light of the new Agreement.
- Tax professionals should update compliance checklists, cross-border tax documentation, and treaty planning strategies accordingly.

[Click here for original Notification](#)

# **CBDT Extends Due Dates for Filing Audit Reports and Income Tax Returns for AY 2025–26**

## **Circular No. 15/2025 | F. No. 225/131/2025/ITA-II Dated : 29 October 2025**

The Central Board of Direct Taxes (CBDT), exercising its powers under Section 119 of the Income-tax Act, 1961, has announced an extension of the timelines for furnishing Income Tax Returns (ITRs) and Audit Reports for the Assessment Year 2025–26 (Previous Year 2024–25).

### **Revised Due Dates:**

- Income Tax Return (ITR) for assessees covered under clause (a) of Explanation 2 to Section 139(1)
  - Extended from 31st October 2025 to 10th December 2025
- Tax Audit Report under Section 44AB
  - Extended to 10th November 2025, in line with the above ITR extension

This extension provides much-needed relief to taxpayers and professionals, ensuring adequate time for compliance and accurate reporting.

[Click here for original Notification](#)

# **CBIC Withdraws Circular on Evidence for Discounts under Section 15(3)(b)(ii) of CGST Act**

**Circular No. 253/10/2025 – GST**

**Dated : 1 October 2025**

The Central Board of Indirect Taxes and Customs (CBIC) has withdrawn Circular No. 212/6/2024-GST dated 26th June 2024, which earlier provided clarification on the mechanism for furnishing evidence of compliance with the conditions prescribed under Section 15(3)(b)(ii) of the CGST Act, 2017 (relating to post-supply discounts).

## **Key Update**

- The procedure laid down in the earlier circular for providing documentary evidence to prove fulfillment of conditions under Section 15(3)(b)(ii) will no longer be required.
- This withdrawal has been made to ensure uniformity in implementation across field formations under the GST law.

## **Action Points**

The notification comes into effect immediately from 11th September 2025.

- Field officers and taxpayers need not follow the procedure prescribed in Circular No. 212/6/2024-GST.
- Suitable trade notices are to be issued to inform taxpayers about this withdrawal.
- Any difficulties in implementing this direction may be reported to the Board.

[Click here for original Notification](#)

# **GST Update: Due Date for Filing GSTR-3B for September 2025 Extended**

**Notification No. 17/2025 – Central Tax**

**Dated : 18 October 2025**

The Central Board of Indirect Taxes and Customs (CBIC) has notified an extension in the due date for filing GSTR-3B returns under the Central Goods and Services Tax (CGST) Act, 2017.

## **Revised Due Dates**

The Commissioner, exercising powers under Section 39(6) read with Section 168 of the CGST Act and on the recommendations of the GST Council, has extended the time limit for furnishing FORM GSTR-3B as follows:

### **1. For monthly filers (under Section 39(1)):**

- Return for September 2025 can now be filed up to 25th October 2025.

### **2. For quarterly filers (under proviso to Section 39(1)):**

- Return for the quarter July–September 2025 can also be filed up to 25th October 2025.

## **Key Takeaway**

Taxpayers filing GSTR-3B for either September 2025 (monthly) or the quarter ending September 2025 (quarterly) get an extension up to 25th October 2025 to submit their returns electronically through the GST common portal.

[Click here for original Notification](#)

# **CBIC Issues Notification No. 18/2025 – Central Tax (Fourth Amendment to CGST Rules, 2017)**

**Notification No. 18/2025 – Central Tax**

**Dated : 31 October 2025**

The Central Government has notified the Central Goods and Services Tax (Fourth Amendment) Rules, 2025, introducing several significant changes to streamline the registration process and compliance framework under GST.

## **1. Introduction of Rule 9A – Grant of Registration Electronically**

A new Rule 9A provides for automatic grant of registration through the GST common portal based on data analysis and risk parameters.

- Registration will be granted electronically within three working days of submission of the application.
- This is aimed at faster processing and reducing manual intervention.

## **2. Introduction of Rule 14A – Optional Registration for Small Taxpayers**

A new Rule 14A offers an option for simplified registration to taxpayers having monthly output tax liability up to ₹2.5 lakh on supplies made to registered persons.

Key provisions include:

- Aadhaar authentication is mandatory for eligibility.
- Only one registration per State/UT under this rule is allowed per PAN.
- Option to withdraw from this scheme via Form GST REG-32, subject to compliance conditions.
- Withdrawal applications will be processed electronically through the common portal using Aadhaar or biometric verification.

### **3. Introduction of New Forms**

To operationalize the new rules, several new and revised forms have been prescribed:

- FORM GST REG-32: Application for withdrawal from Rule 14A registration option.
- FORM GST REG-33: Order of withdrawal from the option under Rule 14A.
- Amendments/Substitutions in:
  - FORM GST REG-01 (application for registration)
  - FORM GST REG-02 (acknowledgment)
  - FORM GST REG-03, 04 & 05 (clarification, additional info, and rejection notices)

### **4. Withdrawal and Compliance Conditions**

- Minimum return filing requirement before withdrawal:
  - 3 months (if before 1 April 2026)
  - 1 tax period (if on or after 1 April 2026)
- No withdrawal allowed if proceedings under Section 29 (cancellation) are initiated.
- Applicants must update all registration particulars before applying for withdrawal

### **5. Objective and Impact**

- Simplify the GST registration process for small taxpayers.
- Enable data-driven risk-based approval and monitoring.
- Enhance efficiency through electronic and Aadhaar-verified processes.

[Click here for original Notification](#)

# **CBIC Circular No. 24/2025 – Auto-Approval of Incentive Bank Account and IFSC Code Registration**

**Circular No 24/2025-Customs**

**Dated: 07th October 2025**

The CBIC has announced the introduction of an auto-approval system for registration of incentive bank accounts and IFSC codes across all customs locations. This move aims to streamline the registration process and enhance trade facilitation for exporters.

## **Key Highlights**

- Once a bank account and IFSC code combination for an Importer Exporter Code (IEC) is approved at one customs location, it will now be automatically approved at all other ports.
- The submission process via the ICEGATE portal remains unchanged.
- Auto-approved requests will continue to be validated through the Public Financial Management System (PFMS) as per the existing procedure.
- This change eliminates repetitive manual approvals, reducing turnaround time and improving ease of doing business.

## **Key Impact**

- Faster registration and approval process for exporters
- Reduction in administrative burden for Customs officers
- Enhanced efficiency and uniformity across customs locations

[Click here for original Notification](#)

# **CBIC Issues Implementation Update on Sea Cargo Manifest and Transhipment Regulations (SCMTR), 2018**

**Circular No. 25/2025-Customs**

**Dated: 08th October, 2025**

The Central Board of Indirect Taxes and Customs (CBIC) has issued Circular No. 25/2025-Customs, dated 8 October 2025, providing a detailed status update on the phased implementation of the Sea Cargo Manifest and Transhipment Regulations (SCMTR), 2018, as amended by Notification No. 61/2025-Customs (N.T.) dated 30 September 2025.

## **Key Developments**

- The Sea Arrival Manifest (SAM) and Sea Entry Inward (SEI) have been successfully implemented across India with effect from 16 January 2025.
- The Sea Departure Manifest (SDM) has also been implemented nationwide from 26 August 2025, along with its amendment functionality.
- The Stuffing Message (SF), filed by custodians, has been rolled out on a pilot basis at ICD Tughlakabad and CFS-Sattva, Chennai, effective 29 September 2025.
- The Directorate General of Systems (DG Systems) will test and operationalize all remaining SCMTR messages by 31 December 2025.

## **Transitional and Compliance Provisions**

- The transitional period for SCMTR implementation has been extended up to 31 December 2025.
- During this period, all stakeholders are required to file accurate electronic declarations in the prescribed format.
- It has been emphasized that SAM and SDM messages must be filed in strict compliance with Sections 30, 41, 53, and 54 of the Customs Act, 1962 and the provisions of SCMTR, 2018.

## **Monitoring and Outreach Initiatives**

- A Task Force has been constituted to monitor implementation and address stakeholder issues on a real-time basis.
- Chief Commissioners of Customs, in coordination with DG Systems, have been instructed to organize weekly outreach programs within their respective zones to ensure smooth and uniform adoption of SCMTR processes.

## **Administrative Directions**

All field formations are advised to issue Trade/Public Notices for wider dissemination of this Circular. Any implementation challenges or operational issues may be reported to the Customs Policy Wing for further guidance.

[Click Here for original Notification](#)

# **MCA General Circular No. 05/2025 – Extension for Filing DIR-3 KYC without Fee**

**Circular No. 05/2025**

**Dated: 15th October 2025**

The Ministry of Corporate Affairs has extended the due date for filing e-form DIR-3 KYC and web-form DIR-3 KYC-WEB without payment of any additional filing fee.

## **Key Update**

- The filing of Director KYC forms (DIR-3 KYC / DIR-3 KYC-WEB) can now be completed up to October 31, 2025, without incurring any late fees.
- This extension has been granted in continuation of General Circular No. 04/2025 dated September 29, 2025.
- The relaxation provides additional time for directors who have not yet completed their KYC compliance for the current financial year.

## **Key Impact**

- Avoidance of additional filing fees up to October 31, 2025
- Ensures active DIN status and continued compliance under the Companies Act, 2013
- Opportunity for non-compliant directors to regularize filings

[Click Here for original Notification](#)

# **MCA Grants One-Time Relaxation in Filing Deadlines and Additional Fees**

**Circular No. 06/2025**

**Dated: 17 October 2025**

The Ministry of Corporate Affairs (MCA) has issued General Circular No. 06/2025, providing a one-time relaxation in the payment of additional fees and extending the due dates for filing certain statutory forms under the Companies Act, 2013 and the Limited Liability Partnership Act, 2008.

## **Key Provisions**

- The relaxation covers forms (other than those under Sections 92, 137, and charge-related forms) that were due for filing between 1 April 2024 and 31 August 2025.
- Such pending forms can now be filed without any additional fees up to 31 December 2025.
- This measure aims to ease the compliance burden on companies and LLPs and promote the Government's vision of "Ease of Doing Business."

## **Implications for Stakeholders**

The relaxation provides a valuable opportunity for companies and LLPs that could not complete their filings within the prescribed time. Entities are advised to take advantage of this extension to regularize all pending filings and ensure compliance well before the revised due date.

[Click Here for original Notification](#)

# **MCA Grants Relaxation for Filing of Cost Audit Report (CRA-4) for FY 2024–25**

**Circular No. 07/2025**

**Dated: 27 October 2025**

The Ministry of Corporate Affairs (MCA) has issued General Circular No. 07/2025 providing relaxation of additional fees for the filing of Form CRA-4 (Cost Audit Report in XBRL format) for the financial year ended 31 March 2025.

## **Key Highlights**

- The MCA has received multiple representations from stakeholders seeking an extension for the filing of CRA-4, due to the deployment of the new form on the MCA V3 portal.
- Considering these requests, the Ministry has decided that any filing of CRA-4 made up to 31 December 2025 shall not attract any additional fees.
- Filings made after 31 December 2025 will be subject to normal and additional fees as prescribed under the Companies (Registration Offices and Fees) Rules, 2014, calculated from the original due date under Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014.

## **Implications for Companies**

This circular provides temporary relief to companies and cost auditors by extending the effective filing window for CRA-4 without additional charges. Stakeholders are encouraged to complete the submission of their cost audit reports well before 31 December 2025 to avail this relaxation.

[Click Here for original Notification](#)

# **SEBI Revises Block Deal Framework to Enhance Market Efficiency**

**SEBI/HO/MRD/POD-III/CIR/P/2025/134**

**Dated: 8 October 2025**

The Securities and Exchange Board of India (SEBI) has issued a circular revising the Block Deal Framework to streamline the execution of large trades and ensure greater transparency and market integrity. The revisions follow the recommendations of the Working Group, deliberations of the Secondary Market Advisory Committee (SMAC), and feedback received from public consultations.

## **Key Changes Introduced**

### **1. Block Deal Windows**

SEBI has permitted two distinct block deal windows during trading hours:

- Morning Block Deal Window: 8:45 AM – 9:00 AM
  - Reference Price: Previous day's closing price of the stock.
- Afternoon Block Deal Window: 2:05 PM – 2:20 PM
  - Reference Price: Volume Weighted Average Price (VWAP) of trades executed between 1:45 PM – 2:00 PM.
  - Between 2:00 PM – 2:05 PM, stock exchanges shall calculate and disseminate the VWAP to facilitate trading.

### **2. Price Range and Order Size**

- Orders must be placed within  $\pm 3\%$  of the applicable reference price in each block deal window.
- The minimum order size for a block deal shall be ₹25 crore.
- All trades must result in compulsory delivery and cannot be squared off or reversed.

### **3. Disclosure Requirements**

Stock exchanges are required to disclose details of block deals — including the scrip name, client name, quantity, and trade price — to the public on the same day after market hours.

#### **4. Applicability and Oversight**

- The revised framework shall apply to both T+1 and optional T+0 settlement cycles.
- Stock Exchanges, Clearing Corporations, and Depositories must ensure that existing surveillance, trading, settlement, and risk management practices are fully applied to block deal operations.
- The circular will come into effect 60 days from the date of issuance (i.e., effective from 7 December 2025).

#### **Action Points for Market Infrastructure Institutions (MIIs)**

All MIIs are directed to:

1. Implement necessary systems and operational changes.
2. Amend relevant byelaws, rules, and regulations to align with the revised framework.
3. Inform all market participants and investors and publish the circular on their respective websites.

[Click here for original Circular](#)

# **SEBI Eases Disclosure Requirements for Related Party Transactions (RPTs)**

**SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135**

**Dated: 13 October 2025**

The Securities and Exchange Board of India (SEBI) has issued a circular revising the minimum information requirements to be provided to Audit Committees and Shareholders for the approval of Related Party Transactions (RPTs).

This move aims to simplify compliance procedures for listed entities while maintaining transparency and accountability in RPT disclosures.

## **Background**

- Under SEBI's Master Circular dated 11 November 2024 and Circular dated 26 June 2025, listed entities were required to adhere to detailed "RPT Industry Standards" formulated by the Industry Standards Forum (ISF).
- Following representations from industry bodies through ISF, SEBI discussed the matter with the Advisory Committee on Listing Obligations and Disclosures (ACLOD) and sought public comments through a consultation paper issued on 4 August 2025.
- The SEBI Board, in its 211th meeting held on 12 September 2025, approved relaxations in the disclosure norms to facilitate ease of doing business.

## **Key Amendments**

### **1. Revised Thresholds for Disclosure**

- Transactions not exceeding 1% of annual consolidated turnover of the listed entity or ₹10 crore (whichever is lower) — shall require only limited disclosures as prescribed in Annexure-13A of this Circular.
- Transactions up to ₹1 crore (individually or cumulatively in a financial year) shall be exempt from these requirements altogether.

## 2. Information to be Provided to the Audit Committee

For transactions above the ₹1 crore threshold but within the relaxed limit, the Audit Committee must be provided with concise details including:

- Type and material terms of the transaction
- Relationship and interest of the related party
- Tenure and value of the transaction
- Percentage of turnover represented by the transaction
- Key financing details, where applicable
- Justification for the transaction being in the interest of the company

## 3. Information to be Provided to Shareholders

The notice seeking shareholders' approval for RPTs must include:

- Summary of key transaction details shared with the Audit Committee
- Justification for the transaction
- Financial particulars (for loans, advances, or investments)
- Disclosure on valuation or external reports (if any)
- Voluntary disclosure of counterparty turnover percentage

### Clarifications

- The ₹1 crore exemption threshold as specified in Para 3(c) of the RPT Industry Standards remains applicable.
- Listed entities must follow the revised disclosure format along with applicable Industry Standards from the effective date of the circular.

### Regulatory Reference

This Circular has been issued under the powers conferred by:

- Sections 11(1) and 11A of the SEBI Act, 1992
- Regulation 101 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

[Click here for original Circular](#)

# Ind AS 34: A Comprehensive Guide to Understanding Interim Financial Reporting in India

**Contributed By: Ms. Neha Yadav**



## **Introduction: Why Interim Reporting Matters**

In the modern business environment, stakeholders—from individual investors to large financial institutions—require frequent updates on a company's performance. The traditional annual financial report often provides a picture that is too infrequent for effective decision-making. Interim financial reports bridge this information gap.

Indian Accounting Standard (Ind AS) 34, Interim Financial Reporting, provides the framework for how companies in India should prepare and present these reports, which are typically issued every three months (quarterly). The standard is aligned with global norms (IAS 34), ensuring consistency in how Indian companies communicate their financial status to the world.

## **Objective and Applicability: The "When and How"**

The primary objective of Ind AS 34 is simple yet crucial: to prescribe the minimum content and the fundamental principles for recognizing and measuring items in an interim report.

## **Key points for the first-time reader:**

- **The Mandate:** Ind AS 34 does not force a company to publish interim reports. That requirement usually comes from regulatory bodies, such as the Securities and Exchange Board of India (SEBI), which mandates quarterly results for listed companies.

- **The Compliance:** If a company chooses or is required to publish an interim report under Ind AS, it must follow the rules of Ind AS 34.
- **The Goal:** To provide timely, reliable information that helps users understand the company's profitability, cash generation, and liquidity throughout the year.

### **The Structure: What's Inside an Interim Report?**

Ind AS 34 is designed for efficiency. Unlike a voluminous annual report, the interim report is condensed, focusing on significant changes and events since the last annual reporting period. A complete interim report must include, at a minimum:

- **Condensed Balance Sheet (Statement of Financial Position):** A snapshot of assets, liabilities, and equity at the end of the interim period.
- **Condensed Profit & Loss Statement (Statement of Comprehensive Income):** The company's financial performance over the period.
- **Condensed Statement of Changes in Equity:** Details of changes in ownership interests.
- **Condensed Statement of Cash Flows:** How the company generated and used cash.
- **Selected Explanatory Notes:** Crucial context and narrative information.

### **The Guiding Principles: Consistency is Key**

A core principle of Ind AS 34 is that the same accounting policies used for the comprehensive annual financial statements must be applied in the interim report. You cannot switch rules mid-year.

- **Year-to-Date Measurement:** Financial figures are measured based on the cumulative activity up to that point in the year, ensuring all quarters add up correctly to the final annual results.

## Measurement: The Role of Estimates and Judgement

Because interim reports are prepared quickly, they inherently rely more on management's best estimates than annual reports do.

- **Best Estimates:** Items like the expected annual tax rate or potential warranty costs require careful prediction. Management must use sound judgement to ensure these estimates are reliable.
- **Materiality:** Something that might seem small in an annual report could be very important in a quarterly report. The standard requires that all material information for the interim period be disclosed.

❖ **Handling Tricky Areas: Uneven Costs and Seasonal Revenue**

This is where companies need to be careful to ensure fair reporting:

- **Costs Incurred Unevenly:** Costs like annual maintenance or advertising campaigns are only allocated across different quarters if they meet strict criteria (e.g., qualifying as an asset). Otherwise, they are expensed in the quarter they occur. This prevents companies from "smoothing" expenses across the year.
- **Seasonal Revenue:** If a business makes most of its money in one quarter (e.g., a toy company during the festive season), all that revenue must be reported in that specific quarter. It cannot be spread out to make other quarters look better.

## The Importance of Explanatory Notes: Telling the Story

The notes are where the numbers get context. They help the reader understand what caused the changes in the numbers. Key information disclosed includes:

- Write-downs of inventory or asset impairments.
- Major business events (acquisitions, disposals).
- Details of any seasonal fluctuations.
- Changes in accounting estimates.

## The Strategic Importance of Ind AS 34

Ind AS 34 is more than just a regulatory requirement; it is a vital tool for building trust and transparency in the Indian capital markets. By providing frequent, reliable updates, companies empower investors to make better decisions.

### Key Takeaways for the Reader:

- **Timeliness:** Interim reports provide quick updates that help markets react faster to company performance.
- **Comparability:** Aligned with global standards, Ind AS 34 allows investors to compare Indian companies with international peers.
- **Transparency:** The standard requires companies to be upfront about estimates, seasonal factors, and significant events that affect their financial position.

In conclusion, Ind AS 34 ensures that companies provide a clear and consistent flow of information throughout the year, fostering a healthy and informed investment environment.

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**Disclaimer:** The above article is purely formed on the views & opinions of the author & editorial team in no way is responsible for any discrepancy in the facts of the same. No one should act on such information without appropriate professional advice, after a thorough examination of the particular situation. The technical contents therein are solely meant for communicating information and not as professional advice.

# Carbon Pricing, Emissions Trading, and the Cost of Non-Compliance

**Contributed By: Mr Tanay Mathur**



Carbon pricing is a method by which governments and regulators assign a monetary value to the emission of greenhouse gases (GHGs) — primarily carbon dioxide (CO<sub>2</sub>). The principle is simple yet powerful: those who emit more must pay more. By attaching a cost to each tonne of CO<sub>2</sub> released into the atmosphere, carbon pricing translates environmental impact into a financial variable that can influence corporate behavior.

There are two dominant mechanisms through which this happens:

1. Carbon Tax – where a direct fee is levied for every tonne of CO<sub>2</sub> emitted; and
2. Emissions Trading System (ETS) – where companies receive or purchase emission “allowances” and may trade them in a regulated market.

In both cases, the economic incentive is identical: reducing emissions means reducing costs or generating value. This market-based approach transforms the traditional “pollute-for-free” model into one where emissions carry a real and measurable financial consequence.

## **The Mechanics of Carbon Markets**

Under a typical Emissions Trading System (ETS), the government sets an overall cap on emissions for specific industries. Companies are then allocated emission permits — or can purchase them — representing the

right to emit a fixed amount of CO<sub>2</sub>.

If a company emits less than its allowance, it can sell its surplus credits to others. Conversely, if it exceeds its cap, it must buy additional credits or face penalties. This “cap-and-trade” mechanism creates a market price for carbon, rewarding efficiency and penalizing excess.

A carbon tax achieves the same goal through a simpler route: it imposes a fixed cost per tonne of CO<sub>2</sub>. While taxes give price certainty, trading systems create flexibility and reward innovation. Many economies use hybrid models to balance both objectives.

## **Why Carbon Pricing Matters**

According to the World Bank’s 2024 State and Trends of Carbon Pricing Report, there are now 75 carbon pricing instruments operating globally — covering about 28% of global greenhouse-gas emissions. Together, these initiatives generated over US \$100 billion in revenues in 2023, which many governments are channeling into renewable-energy, green-infrastructure, and social-transition funds.

Such figures underline the growing role of carbon pricing as a mainstream economic policy, not just an environmental tool. For corporates, it signals that carbon has become a cost center — one that must be measured, managed, and reported alongside energy, materials, and capital.

## **India’s Policy Landscape and the CCTS Framework**

India’s climate policy is entering a decisive phase. The government’s pledge to achieve net-zero emissions by 2070 is now being operationalized through concrete instruments — most notably, the Carbon Credit Trading Scheme (CCTS) launched in 2023 under the Energy Conservation Act, 2001.

The Bureau of Energy Efficiency (BEE) and the Central Electricity Regulatory Commission (CERC) will jointly oversee this national framework. The CCTS

builds on India's earlier Perform, Achieve and Trade (PAT) scheme, extending it from energy efficiency to comprehensive carbon management.

Under this system:

- Entities that achieve emissions reductions beyond their assigned targets will generate tradeable carbon credits;
- Those that fail to meet targets must purchase credits to offset their excess emissions; and
- Over time, participation will become mandatory for key industrial sectors such as power, steel, cement, and transport.

This development aligns India with global carbon markets like the EU ETS and China's National ETS, integrating carbon considerations into the heart of corporate financial and operational planning.

Carbon pricing and emissions trading represent the monetization of environmental responsibility. They are transforming climate ambition into economic discipline. For India Inc., the message is unambiguous: managing carbon efficiently is not just an act of compliance — it is an act of competitiveness.

As global markets, investors, and consumers converge around low-carbon expectations, companies that internalize the true cost of carbon will enjoy lower risks, better valuations, and stronger stakeholder trust. The age of voluntary sustainability is ending; the age of priced emissions and accountable transition has begun.

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# Economic Value Added (EVA): The True Measure of Wealth Creation

Contributed By: Ms. Toshi Kumawat



Economic Value Added (EVA) is a way of measuring how much real wealth a company creates. Unlike ordinary profit, EVA looks at whether a business earns enough to cover the full cost of using the money invested in it — including what investors expect as a fair return.

If a company's earnings are higher than this cost, it's creating value. If not, it might look profitable on paper but is actually losing value in reality.

## **The Shift from Profit to Value**

When we think about a company's success, the first thing that usually comes to mind is profit. If a business earns good profits, it seems like everything is going well. While income statements may showcase positive profits, they often fail to answer a critical question — Is the company truly creating value for its shareholders?

This is where Economic Value Added (EVA) steps in as a far more insightful and comprehensive performance metric. EVA helps us understand whether a company is really adding value after covering all its costs, including the cost of using capital.

EVA recognizes that every rupee invested in a business comes at a cost. Investors and creditors expect a return that compensates them for the risk they undertake. Therefore, unless a company earns profits above its cost of capital, it is not truly adding value—it is, in fact, destroying economic value.

In other words, EVA answers the question:

“After paying for the cost of all our resources, how much profit is really left for shareholders?”

This approach makes EVA a powerful tool for strategic decision-making, helping management understand whether their operations and investments genuinely contribute to shareholder wealth.

### Breaking Down the EVA Formula

The formula for EVA may look simple, but it captures deep financial insight:

$$\text{EVA} = \text{NOPAT} - (\text{Capital Invested} \times \text{Cost of Capital})$$

where,

$$\text{NOPAT} = \text{EBIT} \times (1 - \text{Tax Rate})$$

Let's break this down:

- NOPAT means Net Operating Profit After Tax — basically the profit a company makes from its operations after paying taxes.
- Capital Invested is the total money put into the business by owners and lenders.
- Cost of Capital is the return that investors expect in exchange for using their money.

EVA thus calculates how much profit remains after covering the cost of using all forms of capital.

If EVA is positive, the company is creating value.

If EVA is zero, it is merely breaking even in economic terms.

If EVA is negative, it is destroying shareholder value—even if accounting profits look healthy.

### Why EVA is a Superior Financial Metric

EVA is much more than a number—it is a management philosophy that encourages efficiency, accountability, and alignment between management and shareholder interests.

## **EVA Encourages Capital Efficiency**

Managers are motivated to use capital wisely because EVA penalizes wasteful or low-return investments. It drives attention toward projects that generate returns exceeding the cost of funds.

## **EVA Aligns Management with Shareholder Interests**

Traditional profit measures can encourage short-term gains, but EVA promotes long-term thinking. By focusing on sustainable value creation, it ensures that management decisions align closely with shareholder expectations.

## **EVA Improves Investment Decisions**

Through EVA, companies can evaluate which business units or products generate true value and which drain resources. It helps prioritize high-EVA projects and discontinue value-destroying ones.

## **EVA Supports Transparent Performance Measurement**

Because EVA adjusts for the cost of capital, it removes accounting distortions. It offers a cleaner, more objective view of financial performance across divisions or time periods.

“EVA transforms profit into performance — it measures not how much you earned, but how much you earned after paying for all your capital.”

## **Applying EVA in Real Business Contexts**

Many global corporations, including leading industrial and financial firms, have adopted EVA as a central component of their performance evaluation and incentive systems. By tying executive compensation and business decisions to EVA, these organizations ensure that every rupee invested must justify its cost.

### **Implementation Steps for Businesses:**

- **Calculate the true cost of capital (WACC)** — factoring in both equity and debt expectations.
- **Determine NOPAT** — to assess operational efficiency after taxes.

- **Compute EVA for each division or business line** — to identify value creators and destroyers.
- **Link management bonuses to EVA performance** — reinforcing a value-driven culture.
- **Communicate EVA insights** — to investors and employees for transparency and accountability.

### Advantages of EVA-Driven Management:

- Promotes strategic discipline in investments.
- Encourages long-term sustainable growth.
- Provides a clearer measure of true profitability.
- Builds investor confidence through value-based reporting.

### Conclusion: A Holistic View of Performance

Economic Value Added (EVA) provides a comprehensive, realistic, and forward-looking measure of financial performance. It ensures that profitability is not evaluated in isolation but within the broader context of risk, capital cost, and opportunity cost.

In an era where companies compete not just for profits but for investor trust and market credibility, EVA stands out as the gold standard for assessing real economic success.

EVA is not just an accounting metric — it is a strategic mindset. It transforms the way businesses view profit, investment, and value creation, ultimately guiding them toward sustainable wealth generation for all stakeholders.

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**Disclaimer:** The above article is purely formed on the views & opinions of the author & editorial team in no way is responsible for any discrepancy in the facts of the same. No one should act on such information without appropriate professional advice, after a thorough examination of the particular situation. The technical contents therein are solely meant for communicating information and not as professional advice.

# November 2025- Compliance Calendar

S. No	Compliance Details	Form to be filed	Due Date
1	Due date for deposit of Tax deducted/collected for the month of October, 2025.	Challan No. ITNS-281	07.11.2025
2	Monthly Return of Outward Supplies for the month of October, 2025.	GSTR-1	11.11.2025
3	Monthly return for reporting actual transactions of External Commercial Borrowings (ECBs) for the month of October, 2025.	Form ECB-2	11.11.2025
4	Monthly Return of Outward Supplies for the month of October, 2025 for QRMP	GSTR-1 IFF	13.11.2025
5	Payment and filing of Provident Fund (PF) dues for employees for the month of October 2025.	ECR (Electronic Challan cum Return)	15.11.2025
6	Payment of Employees' State Insurance (ESI) contribution for the month of October 2025.	ESI Challan	15.11.2025

S. No	Compliance Details	Form to be filed	Due Date
7	Due date of Issue of TDS Certificates in for July to Sep 2025	Form 16A	15.11.2025
8	Due date for filling of GST return for the month of October 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	20.11.2025
9	GST challan payment for October 2025— applicable to all quarterly filers under the QRMP scheme.	PMT-06	25.11.2025
10	Due date of Reconciliation of share capital report	Form PAS 6	30.11.2025
11	Due date of filling Annual return with the National Financial Reporting Authority	Form NFRA 2	30.11.2025
12	Due date for TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments), 26QE (Crypto Assets) for September 2025	Form 26QB,26QC ,26QE	30.11.2025

## "Living the Gita"

**अपि स्वर्णमयं देहं पिण्डं भस्मान्तमेष्यति।  
ज्ञानं चित्तं सुशान्तं च विद्या धर्मं च साध्य॥**

*Meaning: Even if one's body were made of pure gold, in the end it will still turn into ashes. Therefore, one should strive to attain knowledge, purify the mind, cultivate calmness, and practice righteousness (dharma).*

**अपि स्वर्णमयं देहं (Api svarṇamayam deham)** — Even if the body is made of gold — symbolizing wealth, beauty, or perfection.

**पिण्डं भस्मान्तमेष्यति (Piṇḍam bhasmāntameṣyati)** — It will ultimately become ashes — all physical forms are temporary; death spares no one.

**ज्ञानं चित्तं सुशान्तं च (Jñānam cittam suśāntam ca)** — Cultivate knowledge and a peaceful, controlled mind — inner enlightenment and tranquility are lasting treasures.

**विद्या धर्मं च साध्य (Vidyā dharmam ca sādhaya)** — Pursue learning and righteousness — strive to live a virtuous life based on wisdom and moral values.

### The key learnings from this shloka are:

- **Impermanence of the Body:** Physical beauty, wealth, and power are temporary — they all perish one day.
- **Value of Knowledge:** True wealth lies not in gold or possessions, but in knowledge and learning, which guide us beyond material limits.
- **Peaceful Mind:** A calm and disciplined mind is the foundation of happiness and wisdom.
- **Practice of Dharma:** Living righteously — with honesty, kindness, and responsibility — gives meaning to life.

## **The Orbit Desk — “The Man Nobody Could Lift”**

*In the 1940s, an unassuming Irish-American named Johnny Culling became a living mystery to the world of strength and physics.*

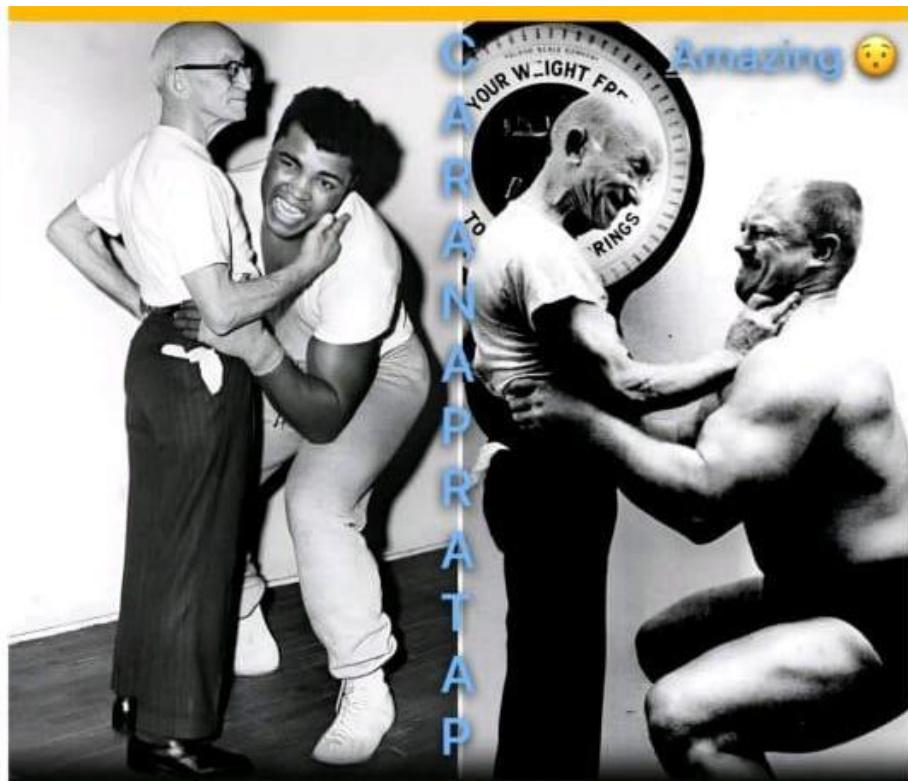
*Despite weighing barely 70 kilograms, no one — not even the great Muhammad Ali — could lift him off the ground.*

**The secret?** Culling had mastered an ancient principle of perfect balance and center of gravity. By controlling his posture, breathing, and muscle tension, he distributed his weight in such a way that it became impossible for anyone to gain leverage over him. Scientists later described it as “human structural equilibrium.”

*He became famous as “**The Unliftable Man**”, not because he was the strongest — but because he understood his own stability better than anyone else.*

### **Lesson from the Orbit Desk:**

*“Strength is not just about power — it’s about knowing your balance. In life and in work, those who master equilibrium become truly unshakeable.”*



## Diwali Celebration

Our Diwali bash was a perfect blend of fun, festivity, and fabulous moments! The office came alive with vibrant ethnic wear, dazzling décor, and cheerful laughter that echoed through every corner. From spirited games to team selfies, from diyas lighting up the workspace to sweets shared with joy — it was truly a day to remember, filled with togetherness and celebration.

As we step into a new season, may this radiant spirit of light continue to inspire us — guiding our path toward new achievements, stronger bonds, and brighter days ahead. Here's to carrying the glow of Diwali into everything we do!



## Event Highlights of the Month

Our Associate Partner, **CA Neha Bhandari**, represented DLS & Associates LLP as a panelist at the prestigious **Real Value Conference 2025**, where she delivered insightful perspectives on “Challenges in Estimation of Fair & Liquidation Value in IBC Cases.”

The event, organised by the Assessor and Registered Valuers Foundation (AaRVF), served as a dynamic platform for industry experts and thought leaders to exchange views on valuation methodologies, evolving regulatory frameworks, and best practices under the IBC regime. Here are few glimpse of event:

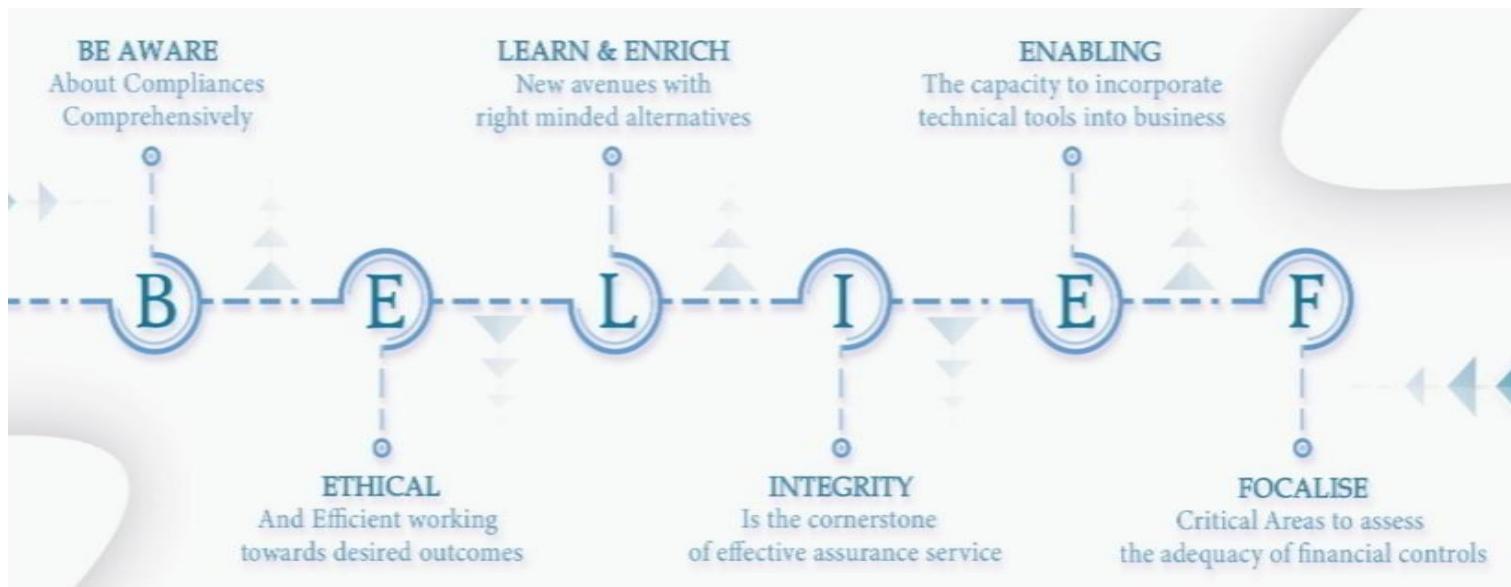




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**Our Core Values**-Our firm DLS works for ***BELIEF*** where we are dedicated for



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