



अग्रसर

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BRANCH OF NIRC OF ICAI



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CHAIRPERSON

Embracing Change, Empowering Growth

Dear Professional Colleagues,

Warm greetings after the festival of lights! Diwali reminds us that knowledge and innovation are the true sources of illumination in our lives. As technology and Artificial Intelligence reshape our profession, it's time we embrace these changes with confidence and curiosity.

ICAI is actively guiding us through this transformation with new learning initiatives and technology-focused programs. At the Gurugram Branch, we are committed to helping our members stay ahead through continuous learning and collaboration.

Let's move forward together – blending ethics, knowledge, and technology to build a stronger future for our profession.

CA. Pooja Aggarwal
Chairperson, Gurugram Branch of NIRC of ICAI



Newsletter Committee CHAIRPERSON

Dear Members and Students,

Warm greetings to you and your families! We celebrate Diwali as a symbol of light, joy, and positivity. May these values reflect in our homes, our communities, and our professional endeavors. The festival of lights reminds us that true illumination lies in clarity of purpose and sincerity of action.

As beautifully stated in the Bhagavad Gita (Chapter 2, Verse 47):

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।
मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥

"You have the right to perform your prescribed duties, but you are not entitled to the fruits of your actions. We should neither work only for reward nor avoid action out of uncertainty, but continue our path with steadiness and clarity."

This timeless teaching encourages us, as professionals, to remain committed to excellence not for the sake of outcomes, but through sincerity, consistency, and responsibility in our work. It reminds us that true progress is achieved through steady effort and unwavering adherence to ethical values.

At the Gurugram Branch, we continue to uphold this spirit through ongoing learning and collaboration. In recent months, we have organized seminars, workshops, and interactive discussions focusing on regulatory updates, emerging technologies, and practical professional insights. I extend my heartfelt appreciation to all speakers, volunteers, and participants whose dedication made these initiatives impactful.

Our Newsletter remains a collective platform for knowledge and reflection. I encourage members and students to contribute articles, research insights, case studies, and thought leadership pieces. Your contributions strengthen our shared understanding and help nurture a vibrant, informed professional community.

As we move forward, let us keep learning and growing together, supporting one another with humility, respect, and a shared commitment to progress.

Warm regards,

CA. Ajay Sharma,
Chairman, Newsletter Committee,
Gurugram Branch of NIRC of ICAI



The best way to predict the future is to create it.

NICASA- Student Team's

Introduction

Chartered Accountancy has long been associated with numbers, compliance, and integrity. From statutory audits to GST filings, from tax planning to financial advisory—CAs are entrusted with ensuring accuracy and guiding businesses toward financial stability. But today, the environment is more challenging than ever.

Regulations keep evolving, clients demand faster services, and deadlines are tighter. Here, **Artificial Intelligence (AI)** is emerging as the much-needed partner for finance professionals. Tools like **ChatGPT, Gemini AI, and Power BI** are redefining workflows by reducing repetitive work, minimizing errors, and allowing CAs to focus more on strategic advisory.

For CA Articles (trainees), AI is becoming an essential learning tool, while for qualified CAs, it is a business enabler that ensures competitiveness.

The Traditional Challenges for CAs

CAs and Articles face common hurdles in their professional lives:

- **Data Overload:** A mid-sized CA firm handling 200 clients during tax season may process over 15,000+ invoices weekly, leaving room for errors.
- **Time Pressure:** Filing deadlines like 31st July for ITR or 30th September for tax audits pile up tasks within short windows.
- **Frequent Amendments:** In 2023 alone, over 400 GST notifications and circulars were issued, making compliance a continuous learning process.
- **Client Expectations:** Businesses now expect real-time insights, not just historical reports.
- **Skill Gaps:** Many professionals remain dependent on Excel and manual processes while competitors are shifting to AI-driven dashboards.

Clearly, the traditional methods alone can't keep up.

How AI is Making CA Life Easier

1. ChatGPT: The Virtual Knowledge Partner

ChatGPT is more than just a Chabot; it's a **24/7 assistant** that helps CAs and Articles save time and effort.

- **Drafting & Reviewing:** Engagement letters, management representations, and client emails can be prepared in **under 2 minutes**.
- **Quick Learning:** Instead of spending hours searching, Articles can ask: "Explain GST Section 194Q with examples" and receive simplified answers instantly.
- **Compliance Guidance:** ChatGPT can summarize complex provisions like MAT credit or Ind-AS 115 in seconds.
- **Client Communication:** Helps prepare polished responses, especially during peak seasons.

Example: An article preparing a tax computation may ask ChatGPT to explain **surcharge calculation for income of ₹2.5 crore**, and get a step-by-step explanation—saving at least **30 minutes of research**.

2. Gemini AI: The Research and Analysis Powerhouse

Gemini AI (Google DeepMind) specializes in information synthesis and deeper analytics.

- **Regulatory Updates:** Can summarize MCA circulars, GST amendments, and CBDT notifications within minutes.
- **Anomaly Detection:** In a dataset of **10,000 transactions**, Gemini can highlight unusual entries (e.g., duplicate invoices or cash entries >₹2 lakh).
- **Audit Support:** It can cross-check ratios like debt-to-equity or interest coverage across years and flag sharp deviations.
- **Predictive Scenarios:** Helps project cash flows—e.g., estimating that a client's working capital will fall short by **₹50 lakhs** in the next quarter if receivables continue at current trends.

Example: A CA conducting an internal audit can use Gemini to scan large datasets and identify **10 suspicious entries out of 50,000**, something that might otherwise take days of manual checking.

3. Power BI: From Spreadsheets to Smart Dashboards

Power BI transforms raw data into visual stories, making insights clearer for both clients and auditors.

- **Data Visualization:** Instead of 100 rows of sales data, a Power BI dashboard can show that **40% of revenue comes from just 2 clients**.
- **GST Reconciliation:** It can match GSTR-2B with purchase registers and instantly display mismatches of say **₹12 lakhs** in ITC claims.
- **KPI Dashboards:** Businesses can track EBITDA, working capital cycle, or debt ratios in real time.
- **Predictive Insights:** Based on sales trends, it can project that revenue may grow by **15% in**

- **Q3** but drop in Q4 if seasonal factors are ignored.

Example: Instead of giving a client a 20-page Excel sheet for their MIS, a CA can present a **3-page Power BI dashboard** highlighting profit margins, debtor aging, and variance analysis—making advisory more impactful.

Why AI Knowledge is Crucial for CA Articles

CA Articleship is the most formative phase of a student's career. Traditionally, articles spend 70–80% of their time on manual work like vouching, tallying, and ledger postings. AI changes this drastically:

- **Time Efficiency:** An article reconciling 500 bank entries manually may take 5–6 hours. With AI-supported Excel/BI tools, it can be done in **under 45 minutes**.
 - **Better Learning:** Instead of spending hours on repetitive data entry, trainees can focus on **Ind-AS, taxation planning, and audit techniques**.
 - **Industry Edge:** Articles trained in AI tools like Power BI are more job-ready and command higher respect within firms.
 - **Competitive Advantage:** When appearing for campus placements, an article who can prepare an AI-driven dashboard has an edge over peers relying solely on Excel.
- In short, learning AI is for today's Articles what learning Excel was for CAs in the early 2000s—a **non-negotiable skill**.

Why Qualified CAs Must Upgrade with AI

For practicing Chartered Accountants, AI isn't just a convenience—it's a survival strategy.

- **Practice Growth:** Automation allows handling **20–30% more clients** without increasing staff.
- **Client Advisory:** A CA using AI-driven forecasting can advise that reducing receivable days from 60 to 45 can improve cash flow by **₹1.2 crore annually**.
- **Global Relevance:** Outsourcing and international projects increasingly require proficiency in AI-driven reporting tools.
- **Value Addition:** Rather than just filing returns, CAs can present clients with **risk analysis, growth opportunities, and predictive insights**.

Challenges in AI Adoption

Adopting AI isn't without hurdles:

- **Learning Curve:** Senior professionals may take time to adapt.
 - **Data Confidentiality:** Sensitive client data must be protected with strong IT policies.
 - **Costs:** Premium AI tools (e.g., Power BI Pro) may cost ₹750–₹1,200 per user monthly.
 - **Over-Reliance Risk:** AI can make mistakes—human professional judgment remains vital.
- Yet, when balanced with proper safeguards, the benefits clearly outweigh the risks.

The Road Ahead: Human + AI

AI is not replacing Chartered Accountants—it is **augmenting them**.

- **AI handles:** repetitive, time-heavy, data-driven tasks.
- **CAs focus on:** professional judgment, ethics, strategic advisory, and client trust.

A hybrid approach is the way forward. Firms that adopt AI will lead; others may struggle to stay competitive.

Conclusion

Artificial Intelligence is no longer a buzzword—it is a **business reality** for Chartered Accountants.

- **ChatGPT** simplifies learning, drafting, and communication.
- **Gemini AI** enhances research, anomaly detection, and forecasting.
- **Power BI** converts financial data into powerful visual insights.

For **CA Articles**, AI means smarter learning and faster growth. For **qualified CAs**, it means scaling practices, improving client value, and staying relevant in a digital-first economy. The profession stands at a turning point. Those who embrace AI will not just keep pace with change—they will lead it.

“Artificial Intelligence won’t replace Chartered Accountants, but CAs who use AI will replace those who don’t.”

Vanshika Seedhar

Vice Chairperson, NICASA Gurugram



CA. RAMANUJAN SHARMA



CA. Amandeep Kaur

Trusted by Customs, Preferred in Trade – AEO–T1

Authored by **CA. Ramanujan Sharma** and co-authored by **CA. Amandeep Kaur**, this article examines the Authorized Economic Operator – T1 (AEO–T1) Certification. AEO–T1 is the entry-level voluntary compliance program designed for importers and exporters who wish to demonstrate self-assessed compliance and build trusted partnerships with Customs.

Over the years, the AEO–T1 scheme has been refined through circulars, guidelines, and practical trade experiences. This article seeks to explain the eligibility conditions, benefits and documentation requirements of AEO–T1 in simple terms, while addressing practical considerations for businesses planning to apply.

The discussion attempts to answer the following:

- What is AEO–T1 certification and who can apply?
- What are the benefits available to businesses under AEO–T1?
- What documents and annexures are required for the application process?

What is AEO: AEO is a voluntary compliance program. It enables Indian customs to enhance and streamline cargo security through close cooperation with the principal stakeholders of the international supply chain viz. importers, exporters, logistics providers, custodians or terminal operators, custom brokers and warehouse operators. The program aims to enhance international supply chain security and facilitate movement of legitimate goods. AEO encompasses various players in the international supply chain. AEO encompasses various players in the international supply chain.

- Three-Tier AEO Certification:
 - AEO-T1: For importers/exporters with self-assessed compliance.
 - AEO-T2: For importers/exporters with verified compliance, including **on-site verification**.
 - AEO-T3: For importers/exporters with advanced compliance, including **business partner certification**.
- Single Tier AEO-LO certification: for logistics providers, custodians, terminal operators, customs brokers, and warehouse operators.

Who can apply for AEO certificate?

- Open to all entities in the international supply chain **engaged in Customs-related activity** (exporters, importers, logistics providers, custodians, CHAs, warehouse owners, port operators, couriers, stevedores, etc.).

- Status applies only to the legal entity applying, **not to a group of companies**, or specific **site/branch/division**.
- Applicant should normally have 3 years of business operations; exceptions may be made after verification of internal controls.
- Must have a clean compliance record – **no SCN** in last 3 years involving **fraud, smuggling, forgery, or tax collected not paid**.

No prosecution launched or contemplated against the **entity** or its senior **management**.

What are the benefits and process of filing of documents for AEO T1

- If required to furnish a **Bank Guarantee**, an AEO certificate holder **needs to provide only 50%** of the amount applicable to a non-AEO importer/exporter.
- **24/7 clearances on request at all sea ports and airports** – **No Merchant Overtime Fee (MOT)** charges need to be paid.
- They shall be accorded **high level of facilitation** in imports and export of their consignments, thereby ensuring **shorter cargo release time**.
- Wherever feasible, they will get **separate space earmarked** in Custodian's premises.
- They are eligible for Direct Port Delivery (DPD) for imports and Direct Port Entry (DPE) for exports, subject to the volume of their containerized trade.
- **ID cards to be granted to authorized personnel** for hassle free entry to Custom Houses, CFSs and ICDs.
- **Investigations**, if any, in respect of **Customs, Central Excise and Service Tax** cases would be **completed**, as far as possible, in **six to nine months**.
- Customs, Central Excise, and Service **Tax disputes** are aimed to be resolved at the adjudicating authority level **within Six Months**.
- They will not be subjected to **regular transactional PCA**, instead of that onsite PCA will **be conducted once in two years** only.
- They will get an **e-mail regarding arrival/ departure** of the **vessel carrying their consignments**.

Validity: The validity of AEO certificate shall be **Three Years** for AEO-T1

Renewal: Application for renewal **before lapse of validity:** 30 days

What documents and annexures are required for the application process?

Sr. No.	Annexure	Subject	Applicability	Description
1	A	Application Form	Yes	Basic details of the business entity such as Certificate of Incorporation (COI), KYC details, PAN, GST Registration Certificate, site/location for import or export, major items and countries of import & export, Bills of Entry/Shipping Bills filed in the last year and MSME Certificate (if applicable).
2	C	Process Map	Yes	To illustrate the flow of goods and related documentation/information from the receipt of an order through to the export, delivery, or receipt of the product (Order-to-Cash cycle).
3	D	Site Plan	Yes	The security plan should cover the external perimeter, access points, buildings, lighting, CCTV coverage, fencing, designated storage/parking areas, and the controlled movement of goods, vehicles, and personnel.
4	E.1	General Compliance	Yes	Copy of AEO certificate (if any), Importer Exporter Code (IEC), GST Registration Certificate, summary of 25 Bills of Entry/Shipping Bills, confirmation of business activity for the last 3 years, and details of any criminal offences by the applicant, if applicable.
5	E.2	Legal Compliance	Yes	Cases of infringement of Customs laws, involvement in show cause notices relating to fraud, forgery, outright smuggling, clandestine removal of excisable goods, or instances where GST has been collected from customers but not deposited to the Government, and details of any prosecution, if applicable.
6	E.3	Managing commercial and (where appropriate) transport	Yes	Accounts maintained as per GAAP/IFRS, along with information technology security measures to safeguard the applicant's computer systems from unauthorized access and to ensure the security of all documentation.
7	E.4	Financial Solvency	Yes	Audited Balance Sheets for the last three years, documents filed with the ROC, audit comments, details of any contingent liabilities or provisions, confirmation of positive net current assets, disclosure of any defaults in payment of due taxes during the past three years, and a solvency certificate issued by the Statutory Auditor.

To make the provisions easy to understand, we have compiled the following FAQs based on the latest guidelines:

Que: Who can apply for AEO status in India?

Ans: Any entity involved in the **international supply chain** that **undertakes Customs-related activities** in India, irrespective of size, can apply.

This includes exporters, importers, logistics providers (carriers, airlines, freight forwarders), custodians, terminal operators, Customs House Agents (CHAs), warehouse owners, port operators, authorized couriers, and stevedores etc.

Que: Who is **not eligible** for AEO status?

Ans: Entities **not engaged in Customs-related activities** in the international supply chain cannot apply.

For example, **banks, insurance companies, consultants**, purely domestic traders, service providers with no customs interface, or businesses with no import/export operations are not eligible.

Que: Does an AEO application cover a **whole group of companies**?

Ans: No, An AEO application and the resulting status apply **only to the specific legal entity** that has applied.

Que: Does AEO status apply to a **group of companies**, or to **specific sites/divisions/branches**, or only to the **entire legal entity and all its activities**?

Ans: AEO status is entity-specific, covering the entire legal entity and all its activities and locations – **not group-wide** or **branch/division-specific**.

Que: Can a **newly established** business **apply** for AEO status?

Ans: Yes, but only in exceptional cases. If a new business does not meet the 3-year requirement, the AEO Program manager **may still consider the application** after conducting a **physical verification** of its internal controls.

Que: What is the **minimum import/export** threshold to **apply for AEO** status?

Ans: Importers and Exporters must have filed at least **25 import or export documents** (Bills of Entry or Shipping Bills) during the last financial year.

Que: Can an applicant with a **Show Cause Notice (SCN)** still apply for AEO status?

Ans: Yes. An applicant may still apply even if a SCN has been issued in the past three financial years, provided it does not relate to:

- Fraud or forgery
- Outright smuggling
- Clandestine removal of excisable goods
- Collection of Service Tax (GST) from customers without depositing it to the Government

Que: What are the **financial solvency** requirements for AEO status?

Ans: The applicant **must** be financially solvent in the **last 3 financial years**, not declared **insolvent/liquidated/bankrupt**, with **no Customs duty default**.

For **AEO-T1 and T2**, applicants may submit a solvency certificate from the statutory auditor or a reputed CA (based on the last three years' audited balance sheets). For **AEO-T3, AEO-LO, and T2**

Que: Can an applicant apply if they are undergoing bankruptcy proceedings?

Ans: No. If the applicant is subject to bankruptcy proceedings at the time of application, the request will not be accepted. However, the application may be resubmitted once the applicant becomes solvent.

Que: What happens if an **applicant does not nominate** a responsible person as the Point of Contact?

Ans: The application **will not be accepted**. It can only be resubmitted once the applicant nominates a responsible person to serve as the official Point of Contact for the AEO Program.

Que: What is the **validity** period of an AEO Certificate?

Ans: The **validity** of the Authorized Economic Operator (AEO) Certificate depends on the category:

- **AEO-T1 & T2:** 3 years
- **AEO-T3 & LO:** 5 years

Que: What is the process for **renewal** of **AEO-T1** certification (including MSMEs)?

Ans: AEO-T1 entities **no longer need** to apply for **periodic renewals**. They have been given the facility of continuous certification with **auto-renewal**, **subject to** filing an **annual self-declaration** between **1st October and 31st December each year**

Conclusion:

The Authorized Economic Operator (AEO) Program is a cornerstone initiative by Indian Customs aimed at building trust-based partnerships with stakeholders in the international supply chain. By voluntarily adopting the program, businesses demonstrate their commitment to compliance, transparency, and security, thereby gaining significant operational and financial advantages.

For AEO-T1 certification, the process is straightforward yet structured, requiring submission of specific annexures covering business details, compliance history, process flow, site security, financial solvency, and records management. While the documentation and internal controls must be accurate and verifiable, the benefits far outweigh the efforts – ranging from faster clearances, reduced guarantees, and prioritized dispute resolution to long-term credibility with Customs and global trade partners.

In essence, AEO status not only strengthens cargo security and compliance but also enhances ease of doing business, reduces costs, and positions an enterprise as a trusted and reliable partner in global trade. For companies aspiring to scale their import-export operations, obtaining AEO certification is both a strategic necessity and a competitive advantage.



CA. Hament Goyal

Supreme Court's Recent Judgment on JSW Steel and Bhushan Power & Steel Ltd (BPSL): A Critical Analysis

Origins of the Case

Bhushan Power & Steel Ltd (BPSL), a major steel producer, defaulted on loans exceeding ₹45,000 crore. Following this, Punjab National Bank filed an insolvency petition against BPSL. The National Company Law Tribunal (NCLT) admitted the case on **July 26, 2017**.

Claims and Creditors

During the Corporate Insolvency Resolution Process (CIRP), the admitted claims included:

- Over ₹47,000 crore from financial creditors
- Over ₹621 crore from operational creditors

Resolution Plan Competition

Several companies, including JSW Steel, Tata Steel, and Liberty House, submitted resolution plans. After evaluation, JSW Steel's plan was rated highest by the Committee of Creditors (CoC) and selected for further negotiation.

Approval and Acquisition

JSW Steel's final resolution plan, after amendments, was approved by the CoC through e-voting in **October 2018**. The NCLT approved the plan on **September 5, 2019**, making BPSL one of the first large cases resolved under the Insolvency and Bankruptcy Code (IBC).

Challenges post-approval

In 2021, operational creditors and former promoters challenged the resolution plan, alleging unfair treatment and procedural lapses. Points of contention included:

- The structure of JSW's funding (a mix of equity and optionally convertible debentures)
- Delays in plan implementation

The Supreme Court's May 2, 2025, Judgment

On **May 2, 2025**, the Supreme Court set aside JSW Steel's resolution plan for BPSL, citing non-compliance with **Sections 30(2) and 31(2)** of the Insolvency and Bankruptcy Code (IBC). The Court:

- Declared the plan illegal
- Ordered the liquidation of BPSL
- Directed refunds of payments made by JSW Steel and to creditors

Key Grounds for Rejection

- Non-compliance with IBC provisions, particularly concerning operational creditors and procedural adherence
- Failure of the Committee of Creditors and Resolution Professional to exercise due diligence
- NCLT and NCLAT exceeding their jurisdiction, especially in granting immunity from Enforcement Directorate (ED) actions

Personal Views

Keeping the IBC Rules First and Foremost

The court made it clear that everyone must follow the Insolvency and Bankruptcy Code (IBC) strictly. Since the IBC is meant to be a clear, fast, and fair way to handle bankruptcies, ignoring its rules can damage trust in the system and scare away investors.

Judges Will Keep a Close Eye on Insolvency Cases

The court's decision shows that judges will carefully check insolvency cases to make sure no one breaks the rules, even years after a deal is done. This helps stop cheating or shortcuts by those handling the bankruptcy.

Worries About Final Decisions Being Changed Later

Although the court wants to make sure rules are followed, its decision makes things less certain. For example, JSW Steel might lose the asset they bought even after a long time, which could make future buyers and investors hesitant because they can't be sure the deal is final.

Who Has the Right Power?

The court criticized the insolvency tribunals for going beyond their authority, especially about protecting assets from investigations by agencies like the Enforcement Directorate (ED). This shows there is a need to clearly define who can do what, possibly through new laws or rules.

Expected Financial Losses to JSW Steel if Supreme Court Judgment Materialises

Loss of Operational Gains and Future Earnings

- BPSL contributes 10–13% of JSW Steel's total steel production and about 10–11% of consolidated EBITDA for FY25–28. Losing the asset could cause an EBITDA shortfall of ₹4,000–4,500 crore in FY25 alone.
- The Odisha plant, a key asset, accounts for 4.5 million tonnes per annum (MTPA) of JSW's domestic capacity. Losing BPSL would reduce JSW's capacity and hamper growth targets.

Impact on Market Value and Strategic Plans

- The verdict caused a sharp decline in JSW Steel's share price and market capitalization.
- JSW's plans to expand BPSL's capacity to 10 MTPA by 2030–31 would be disrupted, affecting long-term strategic growth.

Additional Investments at Risk

- After acquisition, JSW invested an additional ₹3,500–4,500 crore to expand BPSL's capacity and improve operations. The fate of these investments is uncertain if liquidation proceeds.

Conclusion

The Supreme Court's intervention in the JSW-BPSL case marks a watershed moment for India's insolvency regime. It:

- Reinforces the need for strict legal compliance and robust judicial oversight
- Exposes gaps related to finality of resolution plans and inter-agency coordination
- Demonstrates a balanced approach between justice and commercial realities through interim relief

The unfolding developments will have far-reaching implications for creditors, investors, and the broader insolvency ecosystem in India.



S.S. Vidhya

A legal conundrum on the classification of Prefabricated Structures as Movable or Immovable Property under GST

Introduction: The proliferation of prefabricated structures within the modern construction landscape has precipitated a critical legal and fiscal dilemma: their classification as either movable assets or immovable property. The classification of prefabricated goods as movable or immovable property is critical under the GST regime due to the Input Tax Credit (ITC) restrictions outlined in Section 17(5)(c) and Section 17 (5)(d) of the CGST Act, 2017. These Sections block ITC on goods and services used for the construction of immovable property, which creates a significant tax cost for business unless an exception applies. The primary reason for this denial is to prevent the cascading effect of taxes from being offset against the GST liability of the final sale of a completed building, which is generally not subject to GST after the issuance of a completion certificate.

What are Prefabricated Structures?

Prefabricated structures, often called "prefabs," are buildings with components manufactured off-site in a factory and then transported to a site for assembly. This method is used for creating worksite accommodations, offices, schools, shops, and sheds. As per the Harmonized System of Nomenclature (HSN) tariff schedule, the expression "prefabricated buildings" under heading HSN 9406 is defined as: "buildings which are finished in the factory or put up as elements, presented together, to be assembled on site, such as housing or worksite accommodation, offices, schools, shops, sheds, garages or similar buildings."

These structures are typically made of steel and other materials, designed for quick assembly. How they are attached to the land whether bolted to a simple foundation or integrated more permanently, is the central fact in determining their legal classification. The case of *Bharti Airtel Limited Vs Commissioner, CGST Appeals-1, Delhi* and other cited legal precedents provide significant insight into how these structures are treated for tax purposes, specifically concerning their classification as movable or immovable property.

Understanding the definition of immovable property

The determination of whether a property is movable or immovable is guided by statutory definitions:

Section 3(26) of the General Clauses Act, 1897: Defines immovable property as including land, benefits arising out of the land, and things attached to the earth, or permanently fastened to anything attached to the earth.

Section 3 of the Transfer of Property Act, 1882: Excludes standing timber, growing crops, and grass from the definition of immovable property. It implies that "attached to the earth" means rooted in the earth (like trees), embedded in the earth (like walls or buildings), or attached to what is so embedded for permanent beneficial enjoyment.

In focus to the above-said definitions of immovable property under Section 3(26) of the General Clauses Act, 1897 and Section 3 of the Transfer of Property Act, it could be understood that there is importance given to the term “attached to the earth” The interpretation of the term “attached to earth” is further applied and has evolved into the criteria of two-fold test.

The Two-Fold Test for Immovable Property: Indian courts have consistently applied a two-fold test to determine whether a structure is to be considered as immovable property. This test, emphasized in cases like Commissioner of Central Excise, Ahmedabad Vs. Solid & Correct Engineering Works and followed in the M/S. Wework India Management Private Limited case, (AAR) 2020 ITL (GST) 383 involves examining:

The Degree or Mode of Annexation: This part of the test considers how firmly the structure is attached to the earth or to another structure that is embedded in the earth. If an item can be removed without causing significant damage to the structure it is attached to, it is more likely to be considered movable.

The Object or Intention of Annexation: This aspect delves into the purpose for which the structure was erected. If the intention was for the permanent beneficial enjoyment of the land or the building to which it is attached, it leans towards being immovable property. Conversely, if the attachment is for the beneficial enjoyment of the structure itself, it is more likely to be considered movable.

In the **M/S. Wework India Management Private Limited case**, the Appellate Authority for Advance Ruling in Karnataka applied this test to detachable sliding and stackable glass partitions. It was determined that since these partitions could be dismantled and relocated without damaging the civil structure, and their purpose was for the flexible use of the space rather than the permanent enhancement of the building, they were movable property.

Contrasting legal precedents on whether a prefabricated structure can be considered as an immovable property?

Several pivotal judgments have established a strong precedent for classifying certain prefabricated structures as movable property.

The landmark ruling of the Delhi High Court in Commissioner (Appeals), Central Tax Vs Bharti Airtel Limited, 2025 (8) TMI is a cornerstone in this regard, having decisively classified telecommunication towers as movable property. The court's jurisprudential rationale was anchored in the established two-fold test. Regarding the mode of annexation, it was observed that the towers are affixed to a concrete base with nuts and bolts merely for operational stability and can be dismantled and relocated without permanent integration into the land. Concerning the intention of annexation, the High Court determined that the structure's purpose was for the beneficial enjoyment of the tower itself as a piece of telecommunications equipment, not for the permanent enhancement of the land upon which it stood.

The Supreme Court dismissed the Special Leave Petition in Commissioner, CGST Appeal-1, Delhi v. Bharti Airtel Ltd. (SLP) 2025 (8) TMI 707 thereby upholding the Delhi High Court's ruling that telecom towers are not “immovable property” under Section 17(5)(d) of the CGST Act.

The dispute arose because Revenue authorities had denied input tax credit (ITC) on goods and services used for setting up mobile towers, contending that such towers constituted immovable property and thus fell within the blocked credit category. Bharti Airtel argued, and the High Court agreed, that the towers are movable assets functioning as “plant and machinery,” eligible for ITC. By refusing to interfere, the Supreme Court affirmed this view, emphasizing that mere attachment to land or buildings does not by itself render an asset immovable; rather, the nature of annexation and its intended permanence are decisive.

This perspective is corroborated by the Andhra Pradesh High Court's decision in the ***Sterling and Wilson (P.) Ltd. case 2025 (1) TMI 663***, which held that solar power plants are movable property. The court reasoned that the solar panels and generating systems were attached for the beneficial enjoyment of the power station itself, rather than the land.

However, this classification is not universally applied and faces opposition from tax authorities. A significant counterpoint is presented by the West Bengal Authority for Advance Ruling (AAR) in the matter of ***Tewari Warehousing Co. Pvt. Ltd, 40/WBAAR/2018-19***. In this case, the AAR classified a warehouse constructed with prefabricated technology as immovable property, consequently denying the Input Tax Credit claim. The authority's reasoning was that the structure was erected on a permanent civil foundation and intended for long-term use as a warehouse, thereby rendering it a permanent fixture for the beneficial enjoyment of the land. This ruling underscores the tax department's potential stance: if a prefabricated structure is affixed to a substantial civil foundation and intended for enduring use, it may be deemed immovable, irrespective of its off-site manufacturing. This creates a legal ambiguity where the final classification is highly contingent upon the factual matrix of each individual case.

Conclusion

The debate over whether prefabricated structures are movable or immovable is far from settled. While higher judicial forums like the Supreme Court and various High Courts have provided a clear framework through the two-fold test, the final classification is not absolute. The answer ultimately hinges on the specific **facts and circumstances of each case**. The degree of attachment, the nature of the foundation, the ease of relocation, and, most importantly, the intention behind the installation are all critical factors. A lightly anchored portable cabin used at a temporary construction site is factually very different from a large prefabricated warehouse bolted onto a permanent concrete foundation intended for use over many years.

Therefore, while strong precedents favour classifying prefabs as movable assets, businesses must carefully evaluate their specific situation. The possibility of litigation remains, leaving the final determination in a state of flux, dependent on a case-by-case analysis.



CA. Akarsh Agarwal

Real Estate Investment Trusts (REITs): A Comprehensive Guide

REITs are companies that own or operate income-generating real estate properties, allowing individuals to invest in real estate without directly owning properties. They pool capital from numerous investors and distribute rental income as dividends.

Benefits of REITs

- Regular Income: REITs distribute at least 90% of net distributable cash flows as dividends, providing regular income to investors.
- Diversification: REITs allow investors to diversify their portfolios by investing in various properties and sectors.
- Liquidity: REITs are listed on stock exchanges, making it easy to buy and sell units.
- Professional Management: Experienced managers handle day-to-day operations, ensuring optimal returns.

How REITs Work

1. Investors Invest: Buy units of REITs, pooling capital to invest in properties.
2. REIT Acquires Assets: Uses investor capital to purchase or finance real estate assets.
3. Rental Income: Generates rental income from properties, distributing it to investors as dividends.

Investing in REITs

- Minimum Investment: as much as value of one unit of REIT.
- Listed REITs: Available on stock exchanges like NSE and BSE.
- REIT IPOs: Subscribe to new REIT offerings.

Popular REITs in India

- Embassy Office Parks REIT: Invests in office spaces and commercial properties.
- Mindspace Business Parks REIT: Focuses on office buildings and IT parks.
- Brookfield India REIT: Invests in commercial properties.
- Nexus Select Trust: Invests in retail and commercial properties.

Risks and Considerations

- Market Risk: REIT unit prices can fluctuate based on demand and supply.
- Property Vacancy Risk: Loss of rental income if tenants leave or don't renew leases.
- Interest Rate Risk: Rising interest rates may reduce REIT attractiveness.

The Indian REITs Association ('IRA'), is formed under the guidance of the Securities and Exchange Board of India (SEBI) and Ministry of Finance, committed to advancing the growth and development of REIT sector in India. Please also refer SEBI Master circular: **SEBI/HO/DDHS-PoD-2/P/CIR/2025/99** dated July 11, 2025, to know the regulations in this regard.



CA. Gopal Nathani & FCMA
Advocate Raji Nathani

Reassessing Income Tax: Can amended provisions of Section 148A (1.9.2024) travel beyond constitutional limits

Introduction

Section 147 of the Income Tax Act, 1961, empowers the Assessing Officer to assess or reassess income that has escaped taxation for any assessment year, including recalculating losses, depreciation, or other allowances. Section 148 authorizes the issuance of a notice when income has escaped assessment, while Section 148A mandates a preliminary procedure before such a notice is issued. Both Sections 147 and 148 are subject to Section 148A, which requires the Assessing Officer to act on "information" suggesting that income chargeable to tax has escaped assessment. However, the term "information" in Section 148A lacks specificity, leaving ambiguity about whether it must be definite or can be general in nature.

Provisions as per the Act:

- **Sec 148- Issue of notice where income has escaped assessment**

"...(3) For the purposes of this section and section 148A, the information with the Assessing Officer which suggests that the income chargeable to tax has escaped assessment means,—

- 1.any information in the case of the assessee for the relevant assessment year in accordance with the risk management strategy formulated by the Board from time to time; or
 - 2.any audit objection to the effect that the assessment in the case of the assessee for the relevant assessment year has not been made in accordance with the provisions of this Act; or
 - 3.any information received under an agreement referred to in section 90 or section 90A of the Act; or
 - 4.any information made available to the Assessing Officer under the scheme notified under section 135A; or
 - 5.any information which requires action in consequence of the order of a Tribunal or a Court; or
 - 6.any information in the case of the assessee emanating from survey conducted under section 133A, other than under sub-section (2A) of the said section, on or after the 1st day of September, 2024."
- The information defined herein is termed as **"Material on Record" under section 148A**, the relevant portion is reproduced herein under: **"...(3) The Assessing Officer shall, on the basis of material available on record and taking into account the reply of the assessee furnished under sub-section (2), if any, pass an order with the prior approval of the specified authority determining whether or not it is a fit case to issue notice under section 148..."**

Analysis:

In a legal context, "material on record" refers to evidence, documents, or information that has been formally admitted or presented in a legal proceeding and is part of the official record of the case. Material on record is not just any information; it's specifically the information that has been officially introduced and recognized by the court. This can include documents like contracts, reports, emails, photos, or videos, as well as tangible objects like weapons or other items relevant to the case. The court relies on the material on record to make its decisions in the case. It considers the information presented to determine the facts, apply the law, and reach a conclusion. It's a formal and reliable record which is crucial for upholding the rule of law and ensuring the consistency of legal decisions over time.

Procedural safeguards before reopening an assessment:

Post-1.4.2021 section **148A** of the **Income Tax Act, 1961** introduced procedural safeguards before reopening an assessment, ensuring fairness and transparency in tax reassessment proceedings. Here are the key safeguards:

1. Prior Inquiry by Assessing Officer (AO)

- The AO must conduct an **inquiry** before issuing a notice under **Section 148**.
- This ensures that reassessment is based on **credible information** rather than mere suspicion.

2. Opportunity to Be Heard

- The taxpayer is given a **chance to explain** before reassessment proceedings begin.

The AO must provide **not less than 7 days but not more than 30 days** for the taxpayer to respond.

3. Approval from Specified Authority

- The AO **cannot reopen an assessment** without prior approval from a **Principal Commissioner or Commissioner of Income Tax**.
- This prevents arbitrary reassessment actions.

4. Time Limit for Reopening

- Normally, reassessment **cannot be initiated after 3 years** from the end of the relevant assessment year.
- However, if the **escaped income exceeds ₹50 lakh**, reassessment can be initiated **up to 10 years**.

5. Mandatory Order Under Section 148A(d)

- Before issuing a notice under **Section 148**, the AO must pass an order under **Section 148A(d)**.
- This order must **record reasons** for reopening the assessment.

These safeguards ensure that **taxpayers are protected from arbitrary reassessment** and that tax authorities follow a **structured process** before reopening cases.

Post 1.9.2024 safeguard 1 in regard to prior Inquiry by Assessing Officer has been dropped from the section.

Penny Stock Transactions and Judicial Insights

Penny stocks are identified based on specific criteria: a market capitalization of less than Rs 1,000 crore, a share price below Rs 20, and a minimum recent trading volume of 5 lakh shares, according to the latest available data. (Data Source: ACE Equity)

The Delhi High Court, in its ruling in **CNB Finwiz Ltd. v. Deputy Commissioner of Income Tax [2025] 174 taxmann.com 918 (Delhi) [20-05-2025]**, clarified that not all transactions involving penny stock companies are sham transactions. The Court cautioned against the tax department indiscriminately targeting taxpayers engaged in market transactions of penny stocks. In this case, the Assessing Officer relied on information from the Investigation Wing, which flagged:

1. DEL, a penny stock listed on the BSE, was involved in "suspicious" trading.
2. DEL's stock was allegedly used to introduce exempt capital gains or short-term losses into beneficiaries' books.
3. A sharp rise in DEL's share price lacked support from the company's fundamentals.
4. Transactions were concentrated among a few entities, often non-filers or those with nominal income returns.

The Court found this information too general, lacking specificity or a direct connection to the petitioner. The absence of details about the period of the transactions, the extent of price fluctuations, or evidence linking the information to the taxpayer rendered the reopening of the assessment invalid. The court deemed the notice under Section 148 a "casual/mechanical reopening" based on suspicion rather than credible evidence.

Shift in Reassessment Framework Post-Finance Act, 2021

Before the Finance Act, 2021, the Assessing Officer was required to establish "reasons to believe" that income had escaped assessment, ensuring a rational connection between the evidence and the belief. However, the introduction of Section 148A shifted this burden. Now, the Assessing Officer need only rely on "information" suggesting income escapement, without forming a personal belief. This change lowers the threshold for initiating reassessments, allowing even general or vague information to trigger notices under Section 148.

In the context of penny stock transactions, this relaxed standard risks enabling the tax department to pursue taxpayers based on broad, unsubstantiated information from sources like the Investigation Wing. Without requiring the Assessing Officer to verify the specificity or relevance of the information, Section 148A opens the door to potential misuse.

Historical Judicial Guidance on "Information"

The Supreme Court has historically emphasized the need for definite and relevant information to justify reassessment. In *Sheo Nath Singh v. Appellate Assistant CIT* [1971] 82 ITR 147 (SC), the court held that the Assessing Officer's belief must be based on reasonable grounds, supported by direct or circumstantial evidence, and not on mere suspicion, gossip, or rumor. Similarly, in *Income-tax Officer v. Lakhmani Mewal Das* [1976] 103 ITR 437 (SC), the court

clarified that the material must have a "direct nexus or live link" to the belief that income has escaped assessment. The absence of the term "definite information" in the current Section 147, unlike its predecessor Section 34 of the 1922 Act, does not justify reopening based on vague or remote information.

These precedents underscore the importance of ensuring that reassessments are grounded in specific, credible evidence. However, under the current Section 148A, the lack of a requirement for the Assessing Officer to form a reasoned belief undermines this principle, particularly in cases involving penny stock transactions.

Precedents Cited in the Judgment and Their Impact

1. Calcutta Discount Co. Ltd. v. ITO [1961] 41 ITR 191 (SC) (Para 20)

- **Key Principle:** Established that reassessment cannot be initiated based on mere suspicion; the Assessing Officer must have tangible material to justify reopening.
- **Relevance to CNB Finwiz Case:** The court followed this precedent to ensure that reassessment notices must be based on concrete evidence and not vague assumptions.

2. Chhugamal Rajpal v. S.P. Chaliha (1971) 1 SCC 453 (Para 22)

- **Key Principle:** Reinforced that borrowed satisfaction from an investigation report is not a valid ground for reopening an assessment.
- **Relevance:** The Delhi High Court considered this to determine whether the reassessment was properly substantiated or merely reliant on an external investigation.

3. Sheo Nath Singh v. Appellate Asstt. CIT (1972) 3 SCC 234 (Para 24)

- **Key Principle:** Held that vague and generalized reasons for reassessment cannot justify reopening under Section 147.
- **Relevance:** The judgment examined whether the reassessment in CNB Finwiz Ltd. complied with these procedural safeguards.

4. Joti Parshad v. State of Haryana 1993 Supp (2) SCC 497 (Para 25)

- **Key Principle:** Addressed the importance of procedural fairness and the need for assessing authorities to follow natural justice principles.
- **Relevance:** The court ensured that the taxpayer had the right to contest reassessment and present additional submissions before proceedings continued.

5. ITO v. Lakhmani Mewal Das (1976) 3 SCC 757 (Para 27)

- **Key Principle:** Ruled that reassessment cannot be initiated based on irrelevant or vague information; the AO must establish a direct connection between the taxpayer and alleged tax evasion.
- **Relevance:** The Delhi High Court followed this to ensure that the Assessing Officer provided specific reasoning rather than relying on generic investigative inputs.

6. Asstt. CIT v. Rajesh Jhaveri Stock Brokers (P.) Ltd. [2007] 161 Taxman 316/291 ITR 500 (SC) (Para 28)

- **Key Principle:** Clarified that reopening assessments under Section 147 requires new material evidence and cannot be arbitrary.
- **Relevance:** This precedent guided the court in determining whether the information available justified reassessment.

7. CIT v. Kelvinator India Ltd. [2010] 187 Taxman 312/320 ITR 561 (SC) (Para 29)

- **Key Principle:** Established that mere change of opinion by the AO does not justify reassessment—new tangible material is required.
- **Relevance:** The judgment ensured that the reassessment of CNB Finwiz Ltd. was not merely a reconsideration of existing facts but based on new evidence.

8. Pr. CIT v. Meenakshi Overseas (P.) Ltd. [2017] 82 taxmann.com 300/395 ITR 677 (Delhi) (Para 30)

- **Key Principle:** Reinforced that reassessment must be backed by concrete evidence and cannot be based on generic allegations.
- **Relevance:** The Delhi High Court referenced this to ensure procedural compliance before reopening the assessment.

Impact on CNB Finwiz Ltd. Ruling

- The Delhi High Court ensured that reassessment was properly substantiated and not merely based on borrowed satisfaction from external sources.
- It upheld the safeguards encompassed under Section 148A, ensuring fairness and proper procedural adherence.
- The precedents cited collectively strengthen taxpayer protections, ensuring reassessment is not arbitrary but based on clear, tangible material.

Validity of historical judicial precedents under amended provisions of sec 148A (1.9.2024)

The current framework of Section 148A, post-Finance (No. 2) Act, 2024, lowers the threshold for reassessment, allowing Assessing Officers to act on general information without forming a reasoned belief, though this is what it seems on plain reading of the section. But the definition of “information” and its relation to “material on record” explained supra, it still needs to be substantiated, validated and authenticated with or without the basic inquiry (as in earlier post-2021 provision) and has to be in evidentiary form like reasons to believe (as in older provision).

Though the Courts are time and again still relying on the historical judicial precedents in such cases authenticating and validating their importance even in current scenario to corroborate that the basic principles do not change with changed provisions.

The basic principles of the Income Tax Act derive their authority from the Constitution. Provisions or amendments can modify the application of these principles but cannot override the constitutional framework and courts have consistently followed this

Is there any need for Safeguards in Section 148A

The Delhi High Court’s ruling highlights the necessity for safeguards in Section 148A to prevent arbitrary reassessments. Without a requirement for “definite information,” the provision allows Assessing Officers to act on general or casual information, as seen in the case of CNB Finwiz Ltd. This risks unwarranted scrutiny of taxpayers engaged in legitimate market transactions, particularly in penny stocks.

In our view, “information” in new section still means “definite and evidentiary information” and reasons to believe is nothing but material on record.



CA. Ayush Jain

Validity of notice issued under section 143(2) of the Income-tax Act, 1961 ('the Act')

The validity of a notice issued under section 143(2) of the Income-tax Act, 1961 ("the Act") has been gaining attraction at various levels of jurisdiction. Courts and tribunals across the country have repeatedly quashed scrutiny assessments on the ground that the notice issued was defective or not in conformity with statutory requirements. Since **any defect in such a notice goes** to the root of the assessment proceeding, therefore such legal issue can be raised even for the **first time at the appellate stage**

This article highlights key issues relating to defective 143(2) notices, important judicial precedents, and practical points that taxpayers should keep in mind.

Prescribed Format of Notice (CBDT Instructions)

CBDT has issued Instruction No. **F.NO.225/157/2017/ITA-II** dated 23.06.2017 wherein it has directed all the AO to issues scrutiny notice u/s 143(2) of the Act in the **revised format** and has provided format for various type of scrutiny :-

- Limited Scrutiny
- Complete Scrutiny
- Compulsory Manual Scrutiny

The ITAT Kolkata in case of **Ashok Kumar Agarwal and Ors HUF vs ACT** (ITA No. 1/KOL/2025) held that notice u/s 143(2) of the Act specifies only computer aided scrutiny selection which **neither mentioned it either to be a limited or a complete scrutiny nor compulsory manual scrutiny**. Thus, the said notice has been issued in violation of the instruction issued by CBDT and the revenue authorities have to follow the instruction issued by CBDT and violation thereto would certainly render the notice as invalid with the result of all the consequential proceedings.

Some other judgements on similar issue: -

- Anita Garg vs ITO (I.T.A No.4053/Del/2024) (ITAT- Delhi)
- Tapas Kumar Das vs. ITO (ITA No. 1660/KOL/2024) (ITAT- Kolkata)
- Hind Ceramics Pvt Ltd vs DCIT (ITA No 608/Kol/2024) (ITAT- Kolkata)

Thus, the scrutiny type must be clearly specified in the notice, failing which the proceedings are void.

Signing and Authentication of Notice (Section 282A)

As per section 282A of the Act, requires that any communication received from the Income-tax Authorities must be validly signed and authenticated. Relevant extract of section 282A is reproduced under:-

282A. (1) Where this Act requires a notice or other document to be issued by any income-tax authority, such notice or other document shall be signed and issued in paper form or communicated in electronic form by that authority in accordance with such procedure as may be prescribed.

- (2) Every notice or other document to be issued, served or given for the purposes of this Act by any income-tax authority, shall be deemed to be authenticated if the name and office of a designated income-tax authority is printed, stamped or otherwise written thereon.

The ITAT Raipur in case of **Manoj Kumar Sahu, Durg, Durg vs ITO (ITA No. 474/RPR/2025)** held that "There is no dispute that as per requirement of the provision for authentication of such notice, the presence of name and office of the designated Income Tax Authority, if it is printed etc. then it shall be deemed to be authenticated. However, **this provision does not supersede Clause (1) of Section 282A of the Act where it is mandatory first and foremost that the competent Income Tax Authority issuing any notice shall sign such notice or other document irrespective of such notice issued either on paper form or communicated through electronic form.** Meaning thereby, signing of notice issued to the assessee is mandatory and that is not dispensed with by the deeming provision of Clause (2) to Section 282A of the Act which is only with regard to authentication of such notice."

Thus, it is important to ensure that any communication received from the Income Tax Authority is **signed**.

Expired Digital Signatures

If the **digital signatures used by the officers are expired at the time of signing the notice/order** then the notice can be challenged as per Rule 26 of Information Technology (Certifying Authorities) Rules, 2000, a digital signature shall not be reused on expiry.

This can also be seen from the order of Hon'ble Allahabad High Court delivered by the Hon'ble Justice J. J Munir in Transfer Application (CIVIL) No. 701 of 2021 dated 05.01.2022, having Neutral Citation No. – 2022: AHC: 1670 wherein at the end of the judgement, the Hon'ble Judge has mentioned by way of a note as under:

"Note: Since my digital signature has expired and its renewal will take some time, the print out of the order has been taken and has been manually signed by us. This copy be uploaded with the stipulation as and when the digital signature is renewed or a fresh digital signature is obtained, the digital signature copy be uploaded after deleting the scanned copy."

Hence, using expired digital signatures may also be challenged under section 282A of the Act read with Rule 26 of the IT (Certifying Authorities) Rules, 2000.

Other Points

If initially notice under section 143(2) was issued for a limited scrutiny on three aspects the **Assessing Officer could not have expanded the scope of scrutiny** without obtaining approval for a complete scrutiny from the appropriate authority

Issuance of notice u/s 143(2) in proper format is a **jurisdictional requirement** and any defect therein goes to the root of the assessment proceedings and therefore such legal issue can be raised even for the **first time at the appellate stage**

The AO is not required to issue notice u/s 143(2) in cases where the assessee fails to file ITR u/s 148 within the prescribed limit.

Checklist: What to Verify in a 143(2) Notice

When an assessee receives a notice under section 143(2), the following should be checked immediately:

1. **Format** - Is it in CBDT-prescribed format, clearly stating whether scrutiny is limited, complete, or compulsory manual scrutiny?
2. **Signature** - Is the notice signed digitally or manually by the jurisdictional AO?
3. **Validity of Digital Signature** - Was the digital signature valid (not expired) on the date of issuance?
4. **Jurisdiction** - Was the notice issued by the correct jurisdictional AO?
5. **Scope** – If issued as limited scrutiny, has the AO stayed within the permitted scope unless approval for expansion is obtained?
6. **Time Limit** - Was the notice issued **served** on the assessee after the expiry of **three months** from the **end** of the **financial year** in which the **return** is **furnished**.

Conclusion

A valid notice under section 143(2) is the foundation of any scrutiny assessment. Courts have consistently held that defects in such notices are **jurisdictional defects**, not mere technical irregularities. Taxpayers should therefore **carefully examine every scrutiny notice at the outset** and raise objections, if any, at the earliest stage to safeguard their rights.



CA. Parveen Jain

Navigating Change: Wisdom, Grit, and Growth with CA Parveen Jain

CA Parveen Jain, a seasoned finance leader with over 25 years of distinguished experience, currently serves as India Finance Head at Frigoglass India Pvt. Ltd., Manesar. His career journey—from managing greenfield projects to leading global financial reporting under IFRS—reflects perseverance, discipline, and deep professional integrity. In this candid conversation, he shares his thoughts on life, leadership, and the evolving role of Chartered Accountants in a rapidly changing business landscape.

1. Life Journey & Inspiration

Ques: What inspired you to pursue Chartered Accountancy, and who were the key influences during your formative years?

My greatest inspiration has always been my father — a truly remarkable person whose guidance has shaped every step of my journey. He instilled in me the values of discipline, integrity, and perseverance from a very young age. It was his belief in the power of education and professional excellence that motivated me to choose Chartered Accountancy as a career. Whenever I faced challenges or moments of doubt, his words and encouragement gave me the confidence to stay focused and keep moving forward. I owe my success and professional identity as a Chartered Accountant to his constant motivation and unwavering support.

Ques: Could you share a few challenges from your articleship or exam preparation phase that tested your resilience and how you overcame them?

Like many CA students, I faced multiple challenges during my articleship and exam preparation managing long study hours alongside practical training was never easy. There were times when I faced setbacks and had to re-evaluate my preparation strategy. However, I learned to remain patient, consistent, and positive. I developed a disciplined routine, focused on conceptual clarity rather than rote learning, and stayed motivated by remembering my father's words — *"Success may take time, but dedication always pays off."* Those difficult times taught me the importance of perseverance, self-belief, and maintaining composure under pressure.

2. Life Before & After Becoming a Chartered Accountant

Ques: How would you describe your life before and after qualifying as a CA — what changed most significantly, both personally and professionally?

Before qualifying as a Chartered Accountant, my life revolved around learning, discipline, and perseverance. Balancing articleship responsibilities with exam preparation was challenging, but it taught me the value of hard work, patience, and attention to detail — qualities that later became the foundation of my professional career.

After becoming a CA, the transformation was profound. Professionally, it opened doors to leadership opportunities and gave me the confidence to take on strategic responsibilities, lead

teams, and make critical financial decisions. Personally, it instilled a strong sense of accountability, resilience, and the satisfaction of achieving a goal that required years of dedication. The qualification not only shaped my career but also strengthened my approach to problem-solving, mentoring, and driving results in a corporate environment.

Ques: If you could give advice to your younger self, what would you do differently?

If I could advise my younger self, I would say: “Value the journey as much as the destination.” During my CA preparation, I was often fully focused on results and sometimes overlooked the lessons learned along the way. I would encourage myself to embrace challenges, maintain a balanced approach between work and personal growth, and trust that consistent effort always yields results. Every setback is a learning opportunity, and the discipline and resilience developed during this phase become your greatest assets in a leadership role.

3. Experience in Industry

Ques: You’ve led finance operations in multinational setups reporting to Greece and Japan. What leadership lessons have these cross-cultural experiences taught you?

Working in multinational setups has been an enriching experience. Each MNC operates with well-defined processes, a clear focus on efficiency, and a structured approach to financial management. What stood out most was their openness to adopt new, value-added activities – whether it was implementing advanced analytics, automation tools, or strategic initiatives to enhance business performance.

From these experiences, I learned that effective leadership goes beyond managing tasks; it is about fostering collaboration, embracing diversity, and inspiring teams to adopt best practices. Cross-cultural exposure taught me the importance of empathy, patience, and adapting communication styles to different work cultures. Leading teams across geographies requires balancing global standards with local nuances, and this has strengthened my ability to drive results while nurturing talent.

Ques: Managing audits, taxation, and compliance across industries must have required adaptability. How do you ensure continuous learning amid changing regulations?

Adaptability is key to managing the dynamic landscape of audits, taxation, and regulatory compliance. Working in well-structured MNCs exposed me to robust processes and continuous improvement initiatives. These organizations encourage proactive learning and the adoption of value-added practices, which not only ensure compliance but also enhance strategic decision-making.

To stay ahead, I make continuous learning a priority – attending professional courses, participating in industry webinars, engaging with regulatory updates, and leveraging technology tools like automation and data analytics. By embracing a mindset of curiosity and continuous improvement, I can navigate regulatory changes efficiently while contributing meaningful insights to the business.

4. Hobbies and Personal Interests

Ques: What hobbies or personal activities outside of work help keep you motivated and balanced, and how do you think such hobbies contribute to managing stress and staying creative as a professional Chartered Accountant?

Outside of work, I enjoy playing table tennis and badminton, which help me stay physically active, mentally alert, and energized. Engaging in these sports not only improves focus, agility, and reflexes but also provides a healthy outlet to relieve stress and maintain balance in life.

Hobbies like these encourage discipline, resilience, and strategic thinking – qualities that directly complement professional life. They foster creativity, sharpen decision-making skills, and help maintain a positive mindset, all of which are crucial for a Chartered Accountant managing complex financial operations. In essence, investing time in personal interests ensures both physical well-being and sustained professional performance.

5. Impact of the Chartered Accountancy Profession

Ques: In your view, how has the role of a Chartered Accountant evolved from being a compliance expert to a strategic business partner?

The role of a Chartered Accountant has undergone a remarkable transformation over the years. Traditionally, CAs were primarily seen as compliance experts – ensuring accuracy in financial reporting, taxation, and statutory obligations. While compliance remains fundamental, today's CAs are expected to act as strategic business partners who provide actionable insights that drive growth, optimize resources, and mitigate risks.

Modern CAs contribute to strategic decision-making, financial planning, performance analysis, and investment planning. They work closely with business leaders to shape policies, support mergers and acquisitions, and enable long-term sustainability. Essentially, a CA's role now blends technical expertise with business acumen, making them trusted advisors and critical contributors to an organization's success.

Ques: How do you see technology – like automation, analytics, and AI – influencing the next phase of the CA profession?

Technology is reshaping the CA profession at an unprecedented pace. Automation and AI are streamlining routine tasks such as data entry, reconciliations, and report generation, freeing up CAs to focus on higher-value activities like strategic analysis, risk assessment, and advisory services. Advanced analytics enables real-time insights, predictive forecasting, and more informed decision-making.

Embracing technology is no longer optional – it is essential to remain relevant and add value in a competitive business environment. Future-ready CAs must combine technical accounting knowledge with digital literacy, analytical thinking, and an ability to leverage technology to provide strategic solutions. In my view, technology empowers CAs to evolve from traditional compliance roles to becoming innovative, forward-thinking business partners.

6. Advice to Young Chartered Accountants

Ques: What qualities distinguish an exceptional Chartered Accountant from a good one, in your opinion?

An exceptional Chartered Accountant goes beyond technical expertise and compliance. They combine strong analytical skills, business acumen, and ethical integrity with effective communication and leadership abilities. Such professionals are proactive, adaptable, and solution-oriented. They understand the broader business context, anticipate challenges, and provide strategic insights that help organizations grow. While a good CA executes tasks accurately, an exceptional CA adds value, influences decisions, and becomes a trusted advisor to stakeholders.

Ques: For those aspiring to reach leadership roles like CFO or Head of Finance, what mindset or career path would you recommend?

Aspiring leaders should cultivate a growth mindset, embrace continuous learning, and develop a holistic understanding of business operations beyond finance. Gaining cross-functional experience, international exposure, and involvement in strategic projects accelerates leadership development. It is important to focus on decision-making, people management, and building credibility through consistent performance and ethical conduct. Leadership is about inspiring teams, driving results, and thinking strategically while balancing short-term goals with long-term vision.

Ques: What emerging areas or specializations do you think future CAs should focus on other than the traditional work ?

The CA profession is evolving rapidly, and future CAs should equip themselves with skills in emerging areas such as financial analytics, data-driven decision-making, ESG (Environmental, Social & Governance) reporting, and digital finance. Knowledge of AI, automation, and fintech can help CAs provide innovative solutions and advisory services. Specializing in sustainability, risk management, or strategic business advisory will position future CAs as indispensable business partners in an increasingly complex and technology-driven world.

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Branch Events



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