

THE

VOLUME 1 | ISSUE 15 | July 2025 ...

WORLD ECONOMICS TIMES



Decoding Cost Audit: Rules, Relevance, and Reporting

Is Selling Old Gold Taxable? An Expert Analysis

AI as an Assistant:
Understanding the Power of Generative vs. Predictive Models

President and Vice President of INCOC
with Shri Harsh Malhotra Ji, MoS:Ministry of Road,Transport & Highways And Ministry of Corporate Affairs

Rethinking Credit Assessment: **Why SMEs**
are Stuck Behind the Credit Wall



THE WORLDONOMICS TIMES

PUBLISHED BY

**INTERNATIONAL NAVODAYA
CHAMBER OF COMMERCE**
Established in 2021

Volume 1 | Issue 15 | July 25 Knowledge Box

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sangam@incoc.in

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Member - Business Development

The Worldonomics Times

Alankrit Society A 31, Plot A1,
Vishwas Nagar, Delhi 110032

Head Office

International Navodaya Chamber Of Commerce
30/26A, Street No. 9, Vishwas Nagar, Delhi 110032

Tel: +91 11 69268366

Email Us

For Circulation, sponsorship and inquiry
info@incoc.in

Website

www.worldonomics.in
MRP: 200 (including GST)
Delhi Legal Jurisdiction

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***Prosperity's Promise: Economic
Growth Starts with Human
Development***

Dear Esteemed Readers,

It is with great pleasure that I welcome you to this edition of The Worldonomics Times. As the Editor-in-Chief, and as the Founder & President of the International Navodaya Chamber of Commerce (INCOC), I am proud to lead a publication that serves as a beacon of enlightenment and empowerment in the ever-evolving world of economics. Our mission, much like that of INCOC, is to empower individuals, businesses, and communities by providing a platform for insightful knowledge.

In an era defined by rapid change and diverse complexities, the importance of authentic and timely information cannot be understated. Our collective journey is a testament to the power of continuous learning and informed decision-making. The Worldonomics Times is not merely a magazine; it is a comprehensive resource designed to help professionals navigate the challenges and opportunities that lie ahead.

This issue, in particular, delves into critical topics shaping our professional landscape. We explore the nuanced challenges faced by MSMEs in a credit system that needs to evolve to truly reflect their financial health. We also shine a light on the increasing importance of financial independence and early retirement, a goal that resonates with a growing number of professionals.

Furthermore, our pages examine the crucial intersections of finance with technology, sustainability, and social responsibility. As we have seen in recent times, the integration of new technologies, such as Artificial Intelligence, is not just an option but a necessity for innovation and efficiency.

I extend my deepest gratitude to our dedicated editorial team, insightful contributors, and partners who have worked tirelessly to bring this vision to life. Your efforts are what make this publication a trusted companion for professionals across various sectors.

I am confident that The Worldonomics Times will continue to inspire innovative solutions to global challenges and serve as a catalyst for growth. I wish all our readers a journey of success and empowerment.

The magazine aims to be a crucial resource for professionals, offering valuable insights and actionable strategies to navigate the evolving economic landscape and explore the intersections of finance with technology, sustainability, and social responsibility.

Sandeep Kumar

EDITOR-IN-CHIEF

The Worldonomics Times



Courtesy Meeting With Shri Sripad Y Naik Ji,
Union Minister of State for Power & New &
Renewable Energy, Govt. of India



Courtesy Meeting With Smt. Annupurna Devi Ji,
Union Minister of Women and Child
Govt. of India

”









3rd Foundation Day (23.07.2024) of International Navodaya Chamber of Commerce

Courtesy Meeting With
Shri Harsh Malhotra Ji,
Ministry of Road, Transport & Highways
And
Ministry of Corporate Affairs Govt. of India

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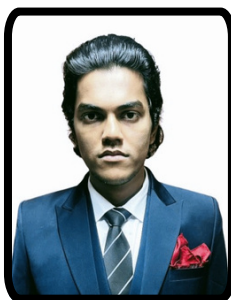
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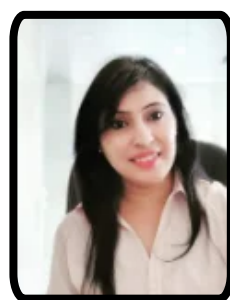
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MSMES BEHIND THE CREDIT WALL: TIME TO RETHINK CREDIT ASSESSMENT

India's micro, small, and medium enterprises are evolving fast, but the frameworks used to assess their financial health haven't quite kept pace. Access to formal credit remains a persistent hurdle for many SMEs, not necessarily due to poor performance, but because the current credit rating systems do not reflect the full picture. The rating models, often inherited from large corporate standards, overlook the operational patterns and cash flow rhythms unique to smaller enterprises.

The existing long-term rating scale used by credit agencies ranges from AAA to D. For large corporates, fine distinctions are made within the investment-grade spectrum, from AAA to BBB. However, below this range classified as non-investment grade—most SMEs are clustered into a broad BB to C band, with little granularity. This results in a scenario where vastly different businesses, in terms of financial discipline and repayment ability, are viewed as equally risky by lenders.



This simplification does a disservice to many small businesses. A firm with consistent cash flows, solid customer relationships, and a clean repayment history may still be rated at the same level as a business with irregular revenue and weak compliance. Without the ability to distinguish between the two, lenders tend to err on the side of caution, either offering loans at high interest rates or avoiding the segment altogether. For the SME, this means restricted access to capital, often forcing reliance on costlier options outside the banking/FIs system.



There is a growing consensus that the solution lies in broadening the rating lens. Instead of treating the non-investment grade zone as a homogenous space, further refinement can provide a more calibrated risk view. This would prompt credit agencies to evaluate businesses in greater detail, going beyond traditional financial ratios.

What also deserves greater focus is the type of data used to evaluate SME creditworthiness. While balance sheets may not always capture the full story, patterns in tax compliance, frequency of digital payments, and stability in customer orders can reveal a business's financial discipline. These behavioral signals often speak louder than static financials. Including such operational indicators in credit models would allow lenders to identify resilience that may not be obvious from legacy metrics.

Consider a few examples. A solar panel installation firm operating in tier-2 cities might generate most of its income around peak summer months. While revenue appears slumpy, the business is stable and supported by repeat contracts. An edtech content provider working with vocational training institutes may receive milestone-based payments spread across academic cycles, yet maintains a consistent delivery track record and cash discipline. Or take a food processing unit exporting specialty ingredients—its working capital is stretched due to long shipping and payment timelines, but it has a robust export pipeline and low customer churn. Traditional rating models often flag these businesses for uneven earnings or elongated receivables, missing the deeper signals of sustainability and reliability.



Even with a growing digital footprint, many banks remain hesitant to underwrite MSMEs. The resistance stems not from lack of data, but from a deeper discomfort with the perceived reliability and interpretability of that data. Credit officers are more accustomed to assessing audited financials and tax returns than parsing real-time transaction histories or alternate data trails. As a result, even well-run MSMEs with digital discipline often struggle to convert their digital visibility into bankable credit.



Part of the problem lies in the uneven quality of the data itself. Digital payments may not be reconciled to revenue and many MSMEs still rely on informal practices that don't leave a clean digital trail. While fintechs have adapted by building context-aware models that adjust for sector, seasonality, or billing cycles, banks have been slower to integrate such contextualisation into their risk frameworks. In effect, MSMEs are penalized not because they lack activity, but because that activity doesn't fit the reporting structures banks are comfortable with.

This disconnect is further exacerbated by a conservative credit culture that equates formality with safety. For many lenders, the absence of audited financials or pledged assets becomes an automatic red flag—regardless of whether the MSME has maintained consistent cash flows or low default risk through digital means.

Bridging this gap requires more than regulatory nudges; it demands active skilling and mindset shifts within the credit machinery of banks. Credit officers need training in interpreting behavioral and transactional data, supported by tools that translate digital signals into actionable lending parameters.

A better rating system would not only offer fairer assessments but also unlock new financial avenues. When SME risk is more accurately priced, it becomes easier for institutions beyond traditional banks to participate, whether through capital markets, debt funds, or new-age fintech platforms. But broader participation depends on trust, and trust depends on credible, differentiated ratings.

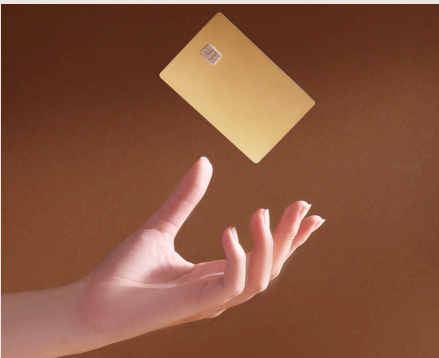


There is also a role for regulators in facilitating this shift. The Reserve Bank of India, which recently made efforts to inject liquidity into the system through rate cuts and CRR adjustments, can support the credit ecosystem by linking regulatory incentives to improved rating frameworks. If risk weights on SME loans are adjusted based on more granular, behavior-based ratings, it would give banks a reason to expand their portfolios without stretching their capital buffers disproportionately.



The push toward more inclusive and transparent credit models is already underway. Platforms like Account Aggregators and the Open Credit Enablement Network (OCEN) are designed to make financial data more accessible and credit delivery more efficient. But these tools will deliver their true value only if rating systems are updated to absorb and process richer data streams. Without that

upgrade, the ecosystem risks building new pipes for an outdated product. Importantly, better ratings don't just benefit lenders. They also encourage SMEs to formalize, digitize, and build stronger financial records—actions that contribute to broader financial inclusion. A well-rated business can negotiate better loan terms, attract new partners, and scale sustainably.



Jyoti Prakash Gadia

Managing Director
Resurgent India
Limited

ANALYSIS OF NOTIFICATIONS & CIRCULARS - JUNE 2025

(Income Tax, GST, Central Excise, Custom Duty, DGFT, SEBI, MCA, IBBI, RBI)

(The links to documents as issued by the authorities are active in the online version)

A.Income Tax

India-Oman Double Taxation Avoidance Agreement (DTAA) Protocol comes into force:

A Protocol amending DTAA between the Republic of India and the Sultanate of Oman became effective on 28th May 2025. The key changes include updated definitions for "competent authority" and "tax year," revised rules for determining residency for non-individuals, a reduction in withholding tax rates on royalties and technical fees from 15% to 10%, and the introduction of new articles on non-discrimination, enhanced exchange of information, and assistance in the collection of taxes.

(Link: [Income Tax Notification 69/2025 Dated 25/06/2025](#))



Exemptions to Food Safety and Standards Authority of India:

Food Safety and Standards Authority of India, an authority constituted under the Food Safety and Standards Act 2006, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for the specified purposes under Section 10(46A)(a) of the Income Tax Act.

(Link: [Income Tax Notification 68/2025 Dated 24/06/2025](#))

Exemptions to IFSC Units from TDS on specified payments: The notification provide exemptions from Tax Deduction at Source (TDS) for specific payments made to units located in International Financial Services Centres (IFSCs). It provides that no tax deduction will be made on certain types of income received by IFSC units. The specific exempted payments include professional, consulting, and advisory fees for BATF Service Providers, Payments from Recognised Stock Exchanges and commission/incentives for Broker-Dealers, interest on lease and freight/hire charges for Finance Companies, etc. To avail this relaxation, the IFSC unit (payee) must submit a statement- cum-declaration in Form No. 1 to the payer, confirming their eligibility for Section 80LA deduction for ten consecutive assessment years.

(Link: [Income Tax Notification 67/2025 Dated 20/06/2025](#))



Exemptions to Forum of Regulators:

Forum of Regulators, an authority constituted by Govt. of India, Ministry of Power, in exercise of the powers conferred by section 166(2) of the Electricity Act 2003, has been notified under section 10(46) for exemption on its income Grants from Government, membership fees and interest on bank deposits.

(Link: [Income Tax Notification 66/2025 Dated 19/06/2025](#)).

Exemptions to Kerala Toddy Workers Welfare Fund:

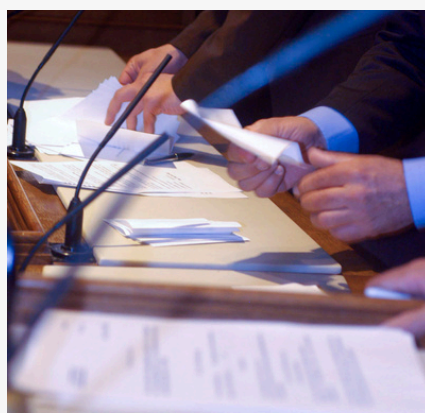
Kerala Toddy Workers Welfare Fund, a Board established under the Kerala Toddy Workers Welfare Fund Act 1969, has been notified under section 10(46) for exemption on its income arising from all sums received under said Act, contribution from members and interest on bank deposits.

(Link: [Income Tax Notification 65/2025 Dated 19/06/2025](#)).

**Exemptions to Yamuna Expressway Industrial Development Authority:**

Yamuna Expressway Industrial Development Authority, an authority constituted under the Uttar Pradesh Industrial Area Development Act 1976, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for the specified purposes under Section 10(46A) (a) of the Income Tax Act.

(Link: [Income Tax Notification 63/2025 Dated 16/06/2025](#)).

**Exemptions to Dental Council of India: Dental Council of India:**

a body constituted under 'The Dentists Act 1948, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for the specified purposes under Section 10(46A) (a) of the Income Tax Act.

(Link: [Income Tax Notification 62/2025 Dated 16/06/2025](#)).

**Exemptions to Puducherry Planning Authority:**

Puducherry Planning Authority, an authority constituted under the Pondicherry Town and Country Planning Act, 1969, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for the specified purposes under Section 10(46A) (a) of the Act.

(Link: [Income Tax Notification 61/2025 Dated 16/06/2025](#)).

Exemptions to Karnataka Electricity Regulatory Commission, Bengaluru:

Karnataka Electricity Regulatory Commission, Bengaluru, a commission constituted under The Electricity Act 2003, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for the specified purposes under Section 10(46A) (a) of the Income Tax Act.

(Link: [Income Tax Notification 60/2025 Dated 16/06/2025](#)).

Exemptions to Himachal Pradesh Board of School Education, Dharamshala:

Himachal Pradesh Board of School Education, Dharamshala, a Board established under Himachal Pradesh Board of School Education Act 1968, has been notified under section 10(46) for exemption on its income arising from Grants from State Government, Fees/charges, sale of books and educational material, and interest on bank deposits.

(Link: [Income Tax Notification 59/2025 Dated 16/06/2025](#))

Exemptions to Treasurer Charitable Endowments:

Treasurer Charitable Endowments, an authority constituted by the Government of Haryana, has been notified under section 10(46) for exemption on its income arising from grants received from Central/ State Government for National Workers Relief Fund and interest on bank deposits.

(Link: [Income Tax Notification 58/2025 Dated 16/06/2025](#))



Exemptions to Haryana Real Estate Regulatory Authority, Gurugram:

Haryana Real Estate Regulatory Authority, Gurugram, an Authority constituted under section 20(1) of the Real Estate (Regulation and Development) Act 2016, has been notified under section 10(46) for exemption on its income arising from Fee/penalty received from builders/developers, agents or any other stakeholders and interest on bank deposits.

(Link: [Income Tax Notification 57/2025 Dated 16/06/2025](#))

National Bank for Agriculture and Rural Development (NABARD) Zero Coupon Bond notified under section 2(48):

The Central Government specifies the Ten year Zero Coupon Bond of NABARD as zero coupon bond under section 2(48) Income Tax Act. The duration of the bond is ten years eleven months thirteen days, to be issued on or before the 31st day of March, 2027, the amount to be paid on maturity or redemption of the bond is Rs.1,00,000/- for each bond, the number of bonds to be issued is 19.50 lakhs, for Rs 19500 Crores.



-- A Zero Coupon Bond (ZCB) is a financial instrument that does not pay periodic interest (coupon) during its tenure. Instead, it is issued at a discount and redeemed at its face value upon maturity. The difference between the issue price and face value represents the return for investors. If held beyond 12 months, the long term capital gains will attract a 12.5% tax rate. If sold before 12 months, the short term capital gains will be taxed as per the bondholder's income tax slab.

(Link: [Income Tax Notification 56/2025 Dated 12/06/2025](#))



Exemptions to Greater Noida Industrial Development Authority:

Greater Noida Industrial Development Authority, an authority constituted under the U.P. Industrial Area Development Act, 1976 has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for the specified purposes under Section 10(46A) (a) of the Income-tax Act.

(Link: Income Tax Notification 55/2025 Dated 10/06/2025).

Income Tax Dept to share data with Maharashtra for 'Mazi Ladki Bahin Yojana':

The notification specifies 'Secretary to the Government of Maharashtra, Women and Child Development' for the purposes of sharing of information regarding Income-tax payers' for identifying eligible beneficiaries under the Mukhyamantri Mazi Ladki Bahin Yojana. Section 138(1)(a)(ii) allows the CBDT or other specified income tax authorities to furnish information received or obtained by them in the performance of their duties under the Income-tax Act. Such information can be shared with an officer, authority, or body performing functions under any other law, provided the Central Government specifies the entity via an official notification.

(Link: Income Tax Notification 54/2025 Dated 03/06/2025)



Relaxation of time limit to process delayed Income Tax Returns:

The relaxation applies to returns filed by 31st March 2024, for which the prescribed intimation period under Section 143(1) has lapsed. These returns, delayed due to technical reasons, will now be processed. Intimation for such cases will be issued by 31st March 2026. This measure excludes cases where proceedings for assessment, reassessment, re-computation, or revision of income have already been completed. Also, the refunds with applicable interest will be issued for eligible cases, barring instances where PAN-Aadhaar linkage is not found.

(Link: Income Tax Circular 07/2025 Dated 25/06/2025).

CBDT Facilitates Income Tax Data sharing with MoP&NG:

The CBDT has issued an order designating the Director General of Income-tax (Systems), New Delhi, as the authority for sharing specific income tax information with the Joint Secretary (Marketing), Ministry of Petroleum & Natural Gas (MoP&NG). MoP&NG will provide Aadhaar or PAN details along with assessment years to DGIT (Systems). In response, DGIT (Systems) will indicate whether an income tax return has been filed for the provided PAN/Aadhaar and if the declared income exceeds ₹10 lakh, subject to PAN Aadhaar linkage.

(Link: Income Tax CBDT Order Dated 17/06/2025).



Guidelines for compulsory selection of returns for Complete Scrutiny during the Financial Year 2025-26:

The guidelines specify the parameters and procedures for selection of cases. Returns will be compulsorily scrutinized in cases involving surveys conducted under Section 133A of the Income-tax Act on or after 1st April 2023. Similarly, cases where search operations under Section 132 or requisitions under Section 132A were initiated between 1st April 2023, and 31st March 2025, will also face mandatory scrutiny. For search and survey cases, returns will generally be transferred to Central Charges within 15 days of notice issuance.

- Moreover, returns filed in ITR-7 by assessee claiming tax exemption/deduction will be subject to compulsory scrutiny if their registration or approval under various sections (e.g., 12A, 12AB, 10(23C)) was not granted, cancelled, or withdrawn by March 31, 2024, unless reversed on appeal. Cases with recurring additions from earlier assessment years exceeding Rs. 50 lakh in eight major metro cities or Rs. 20 lakh elsewhere, where such additions have become final or upheld by appellate authorities, will also be selected. Additionally, returns will be scrutinized if specific information pointing to tax evasion for the relevant assessment year is provided by any law-enforcement or regulatory agency and the return has been filed.

(Link: Income Tax CBDT Guidelines Dated 13/06/2025).



CBDT extends processing deadline for AY 2023-24 ITR filed under section 139 to 30th November 2025:

Using its powers under Section 119(2)(a), the Board has relaxed the time limit specified in Section 143(1), allowing valid ITRs, where the intimation period has lapsed, to be processed by 30th November 2025. However, this extension excludes returns selected for scrutiny or those unprocessed due to issues attributable to the assessee.

(Link: Income Tax CBDT Order Dated 09/06/2025).

Guide to Filing of ITR after Condonation of Delay in Return Filing:

The Income Tax has released user manual titled 'Filing of ITR after Condonation of Delay'. It guides taxpayers who, due to genuine hardship, failed to file their income tax returns on time and wish to claim refunds or carry forward losses. Taxpayers in such situations have two options:

1. file ITR-U under Section 139(8A) with additional taxes and within a limited time window, or
2. file ITR under Section 139(9A) after getting condonation approval under Section 119(2)(b), which exempts them from additional penalties and interest.

It provides practical support for taxpayers navigating delayed ITR filings due to reasonable cause.

(Link: Income Tax Use Manual Guide Dated 09/06/2025).

CBDT Facilitates Income Tax Data Sharing for Maharashtra Scheme:

The CBDT order designate the Director General of Income-tax (Systems), New Delhi, as the authority to share information with the Secretary to the Government of Maharashtra, Women and Child Development. This information exchange pertains to identifying eligible beneficiaries for the "Mukhyamantri Mazi Ladki Bahin Yojana" by checking income tax payer status.

(Link: [Income Tax CBDT Order Dated 06/06/2025](#)).



SC, Combined deductions under sections 80-IA & 80-HHC cannot exceed profits:

Case of Shital Fibres Limited vs CIT, SC Judgement Dated 20th May 2025. The apex Court held that if a deduction of profits and gains under Section 80-IA of Income Tax Act is claimed and allowed, the deduction to the extent of such profits and gains in any other provision under the heading 'C' is not allowed. Thus combined deductions under sections 80-IA & 80-HHC cannot exceed profits.

(Link: [SC Judgement Dated 20/05/2025](#))

HC, Valuation of unquoted equity shares by DCF method permissible under rule 11UA(2):

Case of PCCIT vs AH Multisoft Pvt Ltd, HC Delhi Judgement Dated 30th May 2025. HC held that valuation of unquoted equity shares held by the assessee by Discounted Cash Flow (DCF) method is permissible under rule 11UA(2) of the Income Tax Rules. Accordingly, appeal of revenue dismissed.

(Link: [HC Delhi Judgement Dated 30/05/2025](#)).

HC, Buyer's TDS Form error would not deny NRI seller credit:

Case of Parag Keshav Boparrdika vs ITO, HC Delhi Judgement Dated 27th May 2025. High Court ruled in favour of Non-Resident Indian (NRI), directing the Income Tax Department to grant him full Tax Deducted at Source (TDS) credit, despite an error by the buyers of his property in filing the incorrect TDS form.

(Link: [HC Delhi Judgement Dated 27/05/2025](#)).



HC, Common Area Maintenance charges fall under TDS Section 194C:

Case of CIT vs Liberty Retail Revolutions Limited, HC Delhi Judgement Dated 22nd May 2025. High Court has held that Common Area Maintenance (CAM) charges are subject to TDS under Section 194C (payments for works contracts), rather than Section 194-I (rent) of the Income Tax Act.

(Link: [HC Delhi Judgement Dated 22/05/2025](#)).



HC, Cross-Cost charges not Royalty, AO directed to issue NIL Tax Certificate:

Case of Aecom Technical Services vs ITO, HC Delhi Judgement Dated 20th May 2025. HC held that payment of cross-cost charges does not construed as royalties within scope of Article 12(3) of the India-US DTAA, hence order rejecting application for NIL withholding tax set aside. AO directed to issue necessary certificate.

(Link: [HC Delhi Judgement Dated 20/05/2025](#)).

HC, TRACES data gap, directs TDS credit processing on company provided cheque & bank details: Case of KJP and Associates vs DCIT, HC Delhi Judgement Dated 9th May 2025. The Court, after reviewing the submissions and the internal communications of the tax department, found the AO's inaction to be problematic. The court observed that while TRACES data might be unavailable for the specified period, the comprehensive details provided by the petitioner including cheque numbers, bank accounts, and deposit dates, offered a verifiable alternative. The court noted that no attempt had been made to verify these details directly from the concerned banks. It directed the AO to consider the response as correct, unless it determines otherwise, and process the petitioner's request on the aforesaid basis as expeditiously as possible and preferably within a period of eight weeks.

(Link: [HC Delhi Judgement Dated 09/05/2025](#)).



HC excludes prior year losses from Tax Effect calculation for CBDT circular threshold:

Case of CIT vs Sis Live, HC Delhi Judgement Dated 7th May 2025. HC has clarified that losses from previous assessment years are not to be included when computing the "tax effect" for determining whether an appeal falls within the monetary limits set by CBDT circulars. The court's refusal to allow the Revenue to expand the definition of "tax effect" beyond what is explicitly provided in the circular is consistent with the notion that the department is bound by its own instructions.

(Link: [HC Delhi Judgement Dated 07/05/2025](#)).

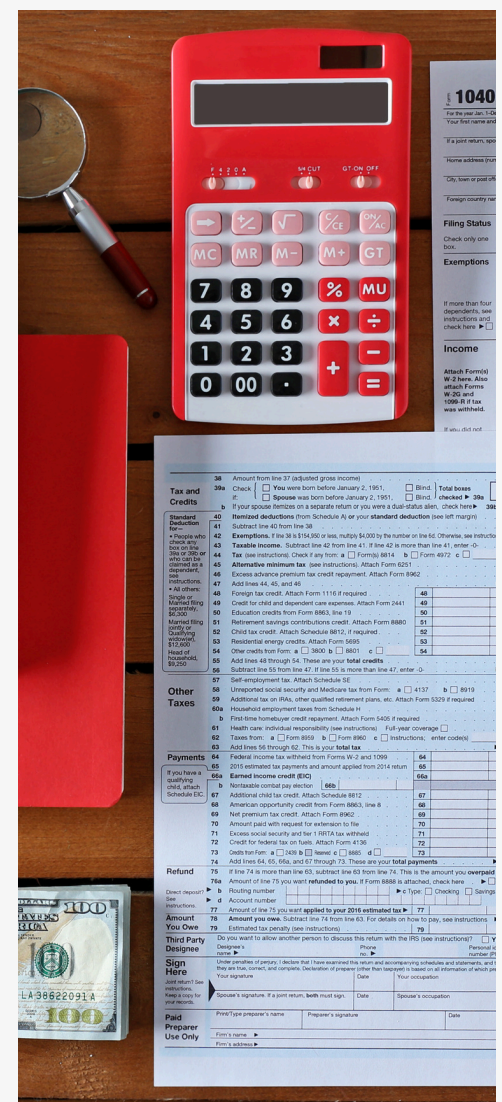
HC, AWS Cloud Computing Service receipt not taxable as equipment royalty:

Case of CIT vs Amazon Web Services, HC Delhi Judgement Dated 29th May 2025. HC held that amount received by assessee from Indian entities for rendering cloud computing services are not taxable as equipment royalty thus the payments received cannot be considered as royalties within the meaning of Article 12(3) of the India-US DTAA.

(Link: [HC Delhi Judgement Dated 07/05/2025](#)).

HC, Section 54F exemption granted for different floors of single residential house: Case of PCIT vs Lata Goel, HC Delhi Judgement Dated 30th April 2025. High Court held that exemption under section 54F of the Income Tax Act is allowed towards different floors of a house considering it as single residential house. Accordingly, appeal of the revenue dismissed.

(Link: [HC Delhi Judgement Dated 30/04/2025](#)).



B. Goods and Service Tax (GST)

Amendment to Goods and Services Tax Appellate Tribunal (GSTAT) rules: The corrigendum amending previous notification dated 24th April 2025. The key changes include a clarification in Rule 115(1) of Chapter XIV, specifying the applicability of the rule within the broader framework of Chapters I to XIV, unless otherwise ordered by the President. Also, a correction has been made to the schedule of fees for interlocutory applications, where 'Rule 118(2)' is now to be read as 'Rule 119(2)'. In Form GSTAT FORM-05, the reference '[See rule 6 and 81]' has been revised to simply '[See rule 81]'.
([Link: Fin Min Notification Corrigendum Dated 18/06/2025](#)).

Partial modification to Group of Ministers (GoM) on restructuring Compensation Cess: The GoM will now be convened by Shri Pankaj Chaudhary, the Union Minister of State for Finance. Its members include the Finance Ministers from various states as notified. All other terms of reference for the GoM remain unchanged.
([Link: GST Council Office Memo Dated 10/06/2025](#)).

Reviewing authority, Revisional Authority and Appellate Authority in respect of orders passed by Common Adjudicating Authority (CAA) for show cause notices issued by DGGI: The circular clarifies the review, revision, and appellate procedures related to Orders-in-Original (O-I-Os) passed by CAA, particularly for show cause notices issued by the Directorate General of GST Intelligence (DGGI). It clarifies that under Section 107 of the CGST Act, the Principal Commissioner or Commissioner of Central Tax under whom the CAA (Joint/Additional Commissioner) is posted will act as the Reviewing Authority. Likewise, for revisions under Section 108, the same Principal/Commissioner will function as Revisional Authority. Appeals against CAA orders will lie with Commissioner (Appeals) corresponding to the territorial jurisdiction of the posting Commissionerate.
([Link: GST Circular 250/2025 Dated 24/06/2025](#)).

Generation and quoting of Document Identification Number (DIN) on communication by the CBIC officers to tax payers and other persons: The communications generated via the GST common portal already include a Reference Number (RFN), which is verifiable online and provides essential document details such as issuance date, type, and originating office. As per Section 169 of the CGST, serving documents electronically through the common portal fulfills statutory requirements, rendering additional DIN quoting redundant. It emphasizes that RFN-bearing communications are valid without DIN, streamlining the process while maintaining traceability.
([Link: GST Circular 249/2025 Dated 09/06/2025](#)).



Advisory, Handling of inadvertently rejected records on IMS:

When a recipient inadvertently rejects invoices, debit notes, or ECO-documents on the Invoice Matching System (IMS), and their corresponding GSTR-3B for the same tax period has already been filed, the recipient can still claim Input Tax Credit (ITC). This is done by supplier, to re-report the exact same record in the same return period's GSTR-1A or the amendment table of a subsequent GSTR-1/IFF. Upon accepting the amended record on IMS and recomputing GSTR-2B, the recipient can avail the full ITC.

(Link: [GSTN Advisory Dated 19/06/2025](#)).

Advisory to file pending returns before expiry of three years:

Taxpayers are advised to file all pending returns before the three-year deadline. The taxpayers cannot file GSTR-1, GSTR- 3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR-7, GSTR-8, and GSTR-9/9C after three years from their respective due dates. This restriction will be implemented on the GST portal starting from the July 2025 tax period. Any return with a due date three or more years ago that remains unfiled by the July 2025 tax period will be barred. For example, GSTR- 1/IFF for June 2022 and GSTR-9/9C for FY 2020-21 will become barred from 1st August 2025.

(Link: [GSTN Advisory Dated 18/06/2025](#)).



Advisory, Introduction of enhanced inter-operable services between E-Way Bill portals:

GSTN will launch the E-Way Bill 2.0 portal on 1st July 2025, to improve inter-operability with the existing E-Way Bill 1.0 portal. The new portal will offer additional functionalities such as generating E-Way Bills from Part-A details, creating consolidated E-Way Bills, extending validity, and updating transporter information, supplementing existing services like E-Way Bill generation and vehicle detail updates. Both portals will operate on a real-time synchronized architecture, mirroring data to ensure business continuity and reduce reliance on a single system.

(Link: [GSTN Advisory Dated 16/06/2025](#)).

Advisory, Filing of SPL-01/ SPL-02 where payment made through GSTR 3B and other:

While filing amnesty applications in Form SPL-01 or SPL-02 under Section 128A of the CGST Act, 2017, some taxpayers are facing technical issues related to auto population of payment details in Table 4 of the forms, in cases of, amount paid through "payment towards demand order" functionality, pre-deposit amount details, or payment made through GSTR 3B. Taxpayers are advised to proceed with filing of waiver application as GST portal doesn't stop the taxpayers from filing the application in case wherever the payment details and demand amount are not matching. It is advised to upload the relevant payment information as attachments.

(Link: [GSTN Advisory Dated 12/06/2025](#)).

Advisory on filing of Amnesty applications under Section 128A of the CGST:

it has come to notice that certain taxpayers are facing difficulties in filing amnesty applications under Section 128A on the GST portal. taxpayers who are facing technical issue which is restricting them to file waiver application are advised to adopt the steps outlined in the given link, whereby the applicants are advised to adopt the alternative route of manual entry of order details on the portal.

(Link: [GSTN Advisory Dated 11/06/2025](#)).

Advisory, System validation for filing of refund applications on GST portal for QRMP:

GSTN had implemented a system validation on the GST Portal in May 2025, mandating that all due GSTR-1 and GSTR-3B returns (or other specific returns for certain taxpayer types) must be filed before a refund application can be submitted. This new validation caused issues for Quarterly Return Monthly Payment (QRMP) scheme taxpayers, as the system did not correctly recognize invoices furnished through the Invoice Furnishing Facility (IFF) for the initial two months of a quarter (M1 and M2). This oversight prevented QRMP taxpayers from filing their refund applications, particularly when attempting to do so between quarters. GSTN has since resolved this technical problem. However, invoices furnished via IFF that do not yet have a filed GSTR-3B should not be included in the refund claim. ([Link: GSTN Advisory Dated 10/06/2025](#)).



Advisory regarding non-editable of auto-populated liability in GSTR-3B:

GST Portal provides a pre-filled GSTR-3B, where the tax liability gets auto-populated based on the outward supplies declared in GSTR-1/ GSTR-1A/ IFF. As of now taxpayers can edit such auto populated values in form GSTR 3B itself.



-- With introduction of form GSTR 1A, taxpayer now has a facility to amend their incorrectly declared outward supplies in GSTR-1/IFF through GSTR-1A, allowing them an opportunity to correct their liabilities before filing their GSTR-3B in the same return period. In view of the same, from July 2025 tax period, such auto populated liability will become non editable and taxpayers will be allowed to amend their auto populated liability by making amendments through form GSTR 1A.

([Link: GSTN Advisory Dated 07/06/2025](#)).



Advisory, Barring of GST Return on expiry of three years:

As per the provisions, the taxpayers shall not be allowed file their GST returns after the expiry of a period of three years from the due date of furnishing the said return under Section 37 (Outward Supply), Section 39 (payment of liability), Section 44 (Annual Return) and Section 52 (Tax Collected at Source). These Sections cover GSTR-1, GSTR 3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR 7, GSTR 8 and GSTR 9. The said restriction will be implemented on the GST portal from July 2025 Tax period. Hence, the taxpayers are once again advised to reconcile their records and file their GST Returns as soon as possible if not filed till now.

([Link: GSTN Advisory Dated 07/06/2025](#)).

AAR, Vehicle Leasing and Logistics Management Services falls under SAC 997319, 18% GST: Case of Shreyans Logistics Private Limited, AAR Odisha Ruling Dated 23rd May 2025. The applicant proposes to enter into business of Vehicle Leasing and Logistics Management Services, with aim to provide systematic and seamless goods transport vehicle leasing to GTAs with quality control and support in respect of operations and functional efficiency of such goods transport vehicles/ trucks. AAR ruled that appropriate HSC/SAC for the services is SAC 997319 'Leasing or rental services concerning other machinery and equipment without operator' and GST rate is 18%.

(Link: [AAR Odisha Ruling Dated 23/05/2025](#)).



AAR denied GST exemption for PMAY sub-contracted labour: Case of Build Layer Constructions, AAR Rajasthan Ruling Dated 23rd May 2025. The applicant has entered into agreement to provide pure labour construction services to M/s BCM Builder, who has entered into contract with Rajasthan Govt to construst 380 flats under Affordable Housing Scheme under PMAY. As per agreement, it is noted that applicant is under obligation to provide machine and other materials, thus not a pure labour contract. The labour services provided by applicant fall under HSN 9954 attracting GST rate of 18%.

(Link: [AAR Rajasthan Ruling Dated 23/05/2025](#)).

AAR, GST rule 86B exemption denied as neither Firm nor Individual Partners paid Rs 1 Lakh Income Tax: Case of Aadinath Agro Industries, AAR Rajasthan Ruling Dated 23rd May 2025. The total income tax paid by the firm and its partners can not be considered for exemption under CGST Rule 86B.

(Link: [AAR Rajasthan Ruling Dated 23/05/2025](#)).



AR, Silver trade, ruling on Barter, RCM & E-Way Bill:

A Case of Paaragiri Balaraman Nagarajeshwaran, AAR Tamil Nadu Ruling

Dated 9th May 2025.

SL.No	Query raised by the applicant.	Ruling issued
1	Does barter exchange apply to B2B transactions where payments are made without the involvement of bank transactions? Specifically, is the exchange of silver scrap for finished ornaments under GST laws considered a supply, despite the absence of monetary payments?	Barter system is covered under the scope of 'supply and specifically exchange of silver scrap for finished ornaments will be considered a 'supply' under the GST law, despite the absence of monetary payments.
2	If Job Work is performed by an unregistered individual, does RCM "apply? Additionally, does RCM cover job work' provided by individuals to proprietorship concerns?	As job-work does not attract RCM, the question of answering the said query does not arise.
3	For safety purposes, is it appropriate to mention the legal name on shipping labels and also ship the bills with discreet packaging?	No ruling is passed as the said question does not fit into any of the clauses at (a) to (g) of Section 97(2) of the CGST Act, 2017.
4	To cases where insurance of Goods is mandatory, can we insure the goods for a lesser value?	No ruling is passed as the said question does not fit into any of the clauses at (a) to (g) of Section 97(2) of the CGST Act, 2017, and since the same is not related to GST in any manner.
5	What are the appropriate HSN codes for scrap, melted scrap bars, melted rods and melted kacha?	Silver Scrap – 7112 melted scrap Bars – 7112 melted Silver Rods – 7106 melted Kacha (imperfect Silver) – 7106

SL.No	Query raised by the applicant.	Ruling issued
6	Is E-way Dill mandatory for purchase and sale of silver scrap, silver ornaments and silver fine?	'E-way bill is riot mandatory for the movement inter-state and intra-state involving purchase and sale of silver scrap, silver ornaments and silver fine.
7	In situations involving delivery challan for supply on approval, job work and repair when is an e-way bill required?	E-way bill is not mandatory for the movement of goods in question in situations involving supply on approval, job work and repair of silver bars and ornaments.
8	Tow can the value of products with varying purities but the same name be proved and which documents are necessary for this purpose?	No ruling is passed as the said question does not fit into any of the clauses at (a) to (g) of Section 97(2) of the CGST Act, 2017 and since the same is not related to GST.
9	Ts it valid under GST to make payments to job workers in the form of materials instead of sales transactions?"	No ruling is passed as the said question does not fit into any of the clauses at () to (@ of Section 97(2) of the CGST Act, 2017.

AAR, GST on Composite Value for Construction & Land Sale: Case of Sripriya Constructions Private Limited, AAR Tamil Nadu Ruling Dated 09th May 2025. The applicant entered a Joint Development Agreement (JDA) to construct four apartments, with two allocated to the landowner and two for sale. The applicant executed separate sale deeds for the undivided share (UDS) of land and construction agreements, paying stamp duty on UDS and GST on construction. AAR ruled that the applicant claim of exclusion of entire value of UDS and the area including the built up area as 'Sale of Land' resulting in non-liability in their hands, does not fall under Item-5 Schedule III. The applicant activity constitutes supply of services as per Entry 5(b) Schedule II and appropriate levy of GST is attracted.

([Link: AAR Tamil Nadu Ruling Dated 09/05/2025](#)).

AAR, TR-6 challan not eligible document for ITC availment:

Case of Becton Dickinson India Private Limited, AAR Tamil Nadu Ruling Dated 09th May 2025. The applicant, involved in importing medical equipment from related overseas companies, frequently made "true-up" adjustments to import prices based on Arm's Length Price (ALP) principles. AAR ruled that neither TR-6 challan as such, nor TR-6 challan read with SVB order and letters issued by tax authorities, as claimed by applicant can be considered as an eligible document for availment of ITC. Availment of ITC on import IGST on basis of re-assesses bill of entry is governed by time limit as per section 16(4) of CGST Act. The time limit would begin from date of re-assessment of bill of entry.

(Link: AAR Tamil Nadu Ruling Dated 09/05/2025).



AAR, MSETCL services like shifting of transmission lines, construction of new infrastructure, taxable at 18%:

Case of Maharashtra State Electricity Transmission Company Limited (MSETCL), AAR Maharashtra Ruling Dated 30th April 2025. AAR has ruled that various works undertaken by MSETCL at the request of dedicated consumers constitute a "supply" under the GST regime and are liable to an 18% tax.

(Link: AAR Maharashtra Ruling Dated 30/04/2025).

AAR Emission System classified as vehicle part:

Case of Cummins Technologies India Pvt Ltd, AAR Maharashtra Ruling Dated 30th April 2025. AAR held that the After Treatment System (ATS), a critical component for controlling vehicle emissions, is classifiable as a part of a motor vehicle under Chapter Heading 8708 of the GST tariff.

(Link: AAR Maharashtra Ruling Dated 30/04/2025).

AAR Real Estate redevelopment projects, GST on free units & monetary payments:

Case of Sahara Vastu Nirmitee Pvt Ltd, AAR Maharashtra Ruling Dated 30th April 2025. AAR clarifies that the provision of "free" units to existing society members in exchange for development rights is a taxable supply of construction services. The value of this supply is based on comparable sales to independent buyers, and the developer is liable to pay GST. While monetary payments made by the developer to society members are part of the consideration for acquiring development rights, they do not constitute a separate supply of services by the developer, instead the tax liability related to the development rights falls on the developer under the reverse charge mechanism.

(Link: AAR Maharashtra Ruling Dated 30/04/2025).



AAR, Raymond Realty's GST rate limited to three towers:

Case of Raymond Limited Realty Division, AAR Maharashtra Ruling Dated 30th April 2025. Realty Division, a business vertical of Raymond Limited, has not applied the pre 1st April 2019, GST rate of 12% (with Input Tax Credit) for all towers in its "Ten X Habitat" residential project. The ruling states that only three out of the ten towers within the project meet the criteria for an "ongoing project," thus limiting favourable tax treatment to these initial phases.

([Link: AAR Maharashtra Ruling Dated 30/04/2025](#)).



AAR denies late ITC claim on Bill of Entry due to section 16(4) time limit:

Case of Adi Enterprises, AAR Maharashtra Ruling Dated 29th April 2025. AAR held that the time limit prescribed under Section 16(4) of the CGST Act, for claiming ITC is applicable to IGST paid on imports. It clarified that a Bill of Entry, the document used for import clearances, should be treated on par with a tax invoice for the purpose of this time limit.

([Link: AAR Maharashtra Ruling Dated 29/04/2025](#)).

AAR, Veterinary services exempt, Chick sales commission and lab testing taxable under GST:

Case of Venkateshwara Hatcheries Pvt Ltd, AAR Maharashtra Ruling Dated 29th April 2025. AAR ruled that Selling arrangement commission (10%) are not exempt. Veterinary services charges (3%) classified under SAC 99835 are exempt. Laboratory testing and analysis charges (7%) are not exempt.

([Link: AAR Maharashtra Ruling Dated 29/04/2025](#)).

AAR, Property tax survey services for municipalities not exempt from GST:

Case of Sthapatya Consultations Pvt Ltd, AAR Maharashtra Ruling Dated 29th April 2025. AAR held that services provided to municipal councils for the purpose of property tax assessment are not exempt from GST. It determined that while these are pure services provided to a local authority, they do not fall under the specific functions entrusted to a municipality under Article 243W of the Constitution, which is a mandatory condition for availing the exemption.

([Link: AAR Maharashtra Ruling Dated 29/04/2025](#)).

AAR denies ITC on pipeline, rules floating unit is a Factory:

Case of H-Energy Gateway Pvt Ltd, AAR Maharashtra Ruling Dated 29th April 2025. AAR ruled that applicant is not eligible to claim ITC on the goods and services used for constructing its "Tie-in pipeline." It held that the company's Floating Storage and Regasification Unit (FSRU), a vessel, qualifies as "factory premises" under GST law, thereby excluding the connecting pipeline from the definition of eligible "plant and machinery."

([Link: AAR Maharashtra Ruling Dated 29/04/2025](#)).



AAR, Liquidated damages & forfeited deposits for MSETCL not 'Supply' under GST:

Case of Maharashtra State Electricity Transmission Co Ltd (MSETCL), AAR Maharashtra Ruling Dated 28th April 2025. AAR ruled that following is not supply under GST.

- Liquidated Damages (LD)/Penalty recovered from contractors/suppliers for breach of contract.

- Liquidated Damages (LD)/Penalty recovered from contractors/suppliers on Deposit Works/ Outright Contribution Works (ORC).

- Forfeiture of Security Deposit or Earnest Money Deposit in care of refusal to accept the work order despite of being Lowest one (L1) or failure of performance by the supplier or contractor.

- Old and unclaimed Creditors balance written back to income A/c after Three (03) Years from the date of completion of the contract.

- Write back of Old and unclaimed Earnest Money Deposit (EMD) / Security Deposit (SD) to income A/c after Three (03) Years from the date of the completion of the guarantee period as per contract.

- Penalty or charges applied for violation of conditions of contract.

(Link: [AAR Maharashtra Ruling Dated 28/04/2025](#)).



AAR, Shot Blasting on customer castings classified as Job Work, attracting 12% GST:

Case of Amruta Fattlers, AAR Maharashtra Ruling Dated 28th April 2025. The shot blasting activity carried out by the applicant on the castings of his customer within his premises by using his own shot blasting machine/steel shots as well as labourers is classifiable as job work service falling under SAC 9988. The said activity will attract 12% GST in terms of clause (id) of serial number 26 of notification No.11/2017 dated 28th June 2017.

(Link: [AAR Maharashtra Ruling Dated 28/04/2025](#)).

AAR, Gantrex's service for ISRO is Pure Service, not Works Contract, attracts 18% GST:

Case of Gantrex India Crane Ralls Private Ltd, AAR Maharashtra Ruling Dated 28th April 2025. The provision of testing and commissioning service of Rail Track is classifiable under Heading 9954 and more specifically under Sr.No.3(xii) of notification number 11/2017 dated 28th June 2017 and the rate of tax will be 18%.

(Link: [AAR Maharashtra Ruling Dated 28/04/2025](#)).

AAR, Infantometer taxable at 12% GST, Stadiometer taxable at 18% GST:

Case of Nitiraj Engineers Limited, AAR Maharashtra Ruling Dated 28th April 2025. The Infantometer, being a diagnostic medical equipment, is covered under Tariff Heading 9018 and liable to GST at rate 12%. The would be correctly classified under tariff Heading 9017 and liable to GST at rate 18%.

(Link: [AAR Maharashtra Ruling Dated 28/04/2025](#)).

AAR, Fruit protection bags classified under 48194000, attract 18% GST:

Case of KR Innovation, AAR Maharashtra Ruling Dated 28th April 2025. The product i.e. Fruit Protection bags, made out of kraft paper would be classifiable under 48194000. It shall be the taxable at rate 18%.

(Link: [AAR Maharashtra Ruling Dated 28/04/2025](#)).

AAR, Baby car seats classified as 'Other Seats', not vehicle accessories:

Case of Artsana India Private Limited, AAR Maharashtra Ruling Dated 28th April 2025. The product namely baby car seat is classified under 94018000. The said goods are classified under 94018000 and therefore, the notification number 5/2024 dated 8th October 2024 would not be applicable to the subject goods.

(Link: [AAR Maharashtra Ruling Dated 28/04/2025](#)).

AAR, Interest on deferred payments in Road Projects taxable under GST:

Case of Shenwa Infrastructure Private Limited, AAR Maharashtra Ruling Dated 28th April 2025. The interest receivable on deferred payment in Equated Yearly Instalment as per tender terms under Annuity Model is liable for payment of GST. The service is classified same as that of original taxable supply of 'services of construction of road and maintenance' and applicable rate of GST shall be the same as that of original taxable supply.

(Link: AAR Maharashtra Ruling Dated 28/04/2025)

SC rejects tactics of offering money for bail, then challenging conditions:

Case of Kundan Singh vs Superintendent of CGST and Central Excise, SC Judgement Dated 23rd June 2025. The Court highlighted a troubling pattern, parties voluntarily offer substantial monetary deposits during bail applications to demonstrate bona fide and secure liberty. Courts, relying on these undertakings, grant bail without fully delving into the merits. Subsequently, the same parties challenge these conditions before higher courts, claiming they are onerous or illegal.

-- The apex court termed this behaviour as 'approbating and reprobating', emphasizing the sanctity of the judicial process. It firmly stated that parties cannot be allowed to 'play ducks and drakes with the Court'. It concluded that both the original bail order and the modification order, granting final relief, had to be set aside. The matter was consequently remanded to the High Court for a fresh consideration on merits.

(Link: Supreme Court Judgement Dated 23/06/2025)



HC, Investment Management Agreement interpretation beyond Writ Jurisdiction:

Case of DMI Alternatives Pvt Ltd vs Addl. Commissioner, HC Delhi Judgement Dated 7th May 2025. HC held that Investment Manager Expenses would constitute part of the management fee or not would have to be analysed on the basis of Investment Management Agreement. Accordingly, held that the interpretation of such agreements which involves a factual analysis are beyond the scope of writ jurisdiction.

(HC Delhi Judgement Dated 07/05/2025)

HC, Parallel GST proceedings barred:

Case of Sun Automation Limited vs Sales Tax Officer, HC Delhi Judgement Dated 1st May 2025. HC has ruled that the DGST Department lacked the authority to initiate proceedings on a subject matter already adjudicated by CGST Department. This decision relates to the interpretation and application of Section 6(2)(b) of CGST Act.

(HC Delhi Judgement Dated 01/05/2025)

HC, Awaits SC verdict on GST deadline challenge:

Case of Engineers India Limited vs Union of India, HC Delhi Judgement Dated 23rd April 2025. HC decided to defer its judgment on a petition challenging an adjudication order and specific GST notifications that extended tax-related deadlines. The court decision is contingent upon a forthcoming ruling by the Supreme Court, which is currently examining the validity of similar notifications due to a divergence of opinions among various High Courts across the country. The central point of contention revolves around the procedural requirement for issuing such extensions. Section 168A of the GST Act mandates a prior recommendation from the GST Council before any deadlines can be extended.

(Link: HC Delhi Judgement Dated 23/04/2025)

HC, Sets aside GST refund rejection under Budgetary Support Scheme:

Case of Shiva Industries vs Union of India, HC J&K Judgement Dated 4th April 2025. HC ruled in favour of petitioner and directed to release the full amount of budgetary support claimed by the company. The court found that the partial rejection of refund claims by the respondent was contrary to the clear provisions of the Government of India's notification dated 5th October 2017, concerning budgetary support under GST provisions.

(Link: [HC J&K Judgement Dated 04/04/2025](#)).

C. Central Excise

No Notifications/ Circular during the month.

D. Custom Duty

Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver:

CBDT notified the Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver, which shall come into force w.e.f. 14th June 2025. The tariff value for crude palm oil is set at USD 981 per metric ton, while gold and silver have tariff values of USD 1092 per 10 grams and USD 1171 per kilogram, respectively. The tariff value for areca nuts is fixed at USD 6970 per metric ton.

(Link: [Custom Notification 43/2025 \(NT\) Dated 13/06/2025](#)).

Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver:

CBDT notified the Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver, which shall come into force w.e.f. 12th June 2025. The tariff value for crude palm oil is set at USD 965 per metric ton, while gold and silver have tariff values of USD 1067 per 10 grams and USD 1189 per kilogram, respectively. The tariff value for areca nuts is fixed at USD 6970 per metric ton.

(Link: [Custom Notification 42/2025 \(NT\) Dated 11/06/2025](#)).

CBIC Appoints Common Adjudicating Authority for Bando (India):

The notification appoints a common adjudicating authority for specific show cause notices involving M/s Bando (India) Pvt Ltd. For these cases, the Commissioner of Customs, Chennai II, Import, has been appointed as the common adjudicating authority.

(Link: [Custom Notification 41/2025 \(NT\) Dated 11/06/2025](#)).



Extension of use of ICETAB for efficient export examination and clearance:

The examining officers will now be able to view Shipping Bill details, including examination orders, Risk Management System (RMS) instructions, and supporting documents, directly on the ICETAB, eliminating the need for paper documentation during export examinations. The digital system also allows officers to promptly enter examination reports and upload four key images of the cargo, which will be stored in the e-sanchit repository. In cases where ICETAB use is not feasible due to exigencies, prior approval is required and must be recorded.

(Link: [Custom Circular 17/2025 Dated 19/06/2025](#)).



Anti-dumping Duty on Plastic Processing Machines originating in or exported from China and Taiwan:

Anti-dumping Duty has been imposed on imports of Plastic Processing Machines originating in or exported from China and Taiwan and imported into India. The anti-dumping duty shall be effective for a period of five years.

(Link: [Custom Notification 21/2025 \(ADD\) Dated 26/06/2025](#)).

Anti-dumping Duty on Potassium Tertiary Butoxide (KTB) from China PR and USA, and Sodium Tertiary Butoxide (STB) from China:

Anti-dumping Duty has been imposed on imports of Potassium Tertiary Butoxide (KTB) originating in, or exported from China and USA and imported into India, and Sodium Tertiary Butoxide (STB) originating in or exported from China and imported into India. The anti-dumping duty shall be effective for a period of five years. Vide corrigendum dated 24/06/2025, the entry in table, for

'29051490, 29051990, 29051990 and 29054900' to be read as '29051490, 29051920, 29051990 and 29054900'.

(Link: [Custom Notification 20/2025](#) (ADD) Dated 24/06/2025, Corrigendum).

Anti-Dumping Duty modification on Chinese Decor Paper originating in or exported from China:

The existing anti-dumping duty was originally imposed vide notification 77/2021 dated 27th December 2021. Based on the findings of the review, the government has substituted the duty table with a new one. As per revised structure, specific Chinese producers such as Shandong Boxing Ouhua Special Paper Co Ltd and Zibo OU-MU Special Paper Co Ltd will face a duty of 110 USD per metric ton. Hangzhou Huawang New Material Technology Co Ltd will face a duty of 297 USD per metric ton. All other producers from China, as well as Decor Paper originating from any country but exported from China, will be subject to a duty of 542 USD per metric ton.

(Link: [Custom Notification 19/2025](#) (ADD) Dated 24/06/2025).

Anti-dumping Duty on Linear Alkyl Benzene(LAB) originating in or exported from Iran and Qatar:

Anti-dumping Duty has been imposed on imports of Linear Alkyl Benzene (LAB) originating in or exported from Iran and Qatar and imported into India. The anti-dumping duty shall be effective for a period of five years.

(Link: [Custom Notification 18/2025](#) (ADD) Dated 23/06/2025)

Anti-dumping Duty on Pretilachlor and PEDA originating in or exported from China:

Anti-dumping Duty has been imposed on imports of Pretilachlor and PEDA originating in or exported from China and imported into India. The anti-dumping duty shall be effective for a period of five years.

(Link: [Custom Notification 17/2025](#) (ADD) Dated 19/06/2025).

Anti-dumping Duty on Acetonitrile originating in or exported from China, Russia and Taiwan:

Anti-dumping Duty has been imposed on imports of Acetonitrile originating in or exported from China, Russia and Taiwan and imported into India. The anti-dumping duty shall be effective for a period of five years.

(Link: [Custom Notification 16/2025](#) (ADD) Dated 19/06/2025).



Anti-dumping Duty on Aluminium foil up to 80 micron originating in or exported from China:

Anti-dumping Duty has been imposed on imports of Aluminium foil up to 80 micron originating in or exported from China and imported into India. The anti-dumping duty shall be effective for a period of five years.

(Link: [Custom Notification 15/2025](#) (ADD) Dated 19/06/2025).



Anti-dumping Duty on Vitamin-A Palmitate originating in or exported from China, European Union and Switzerland:

Anti-dumping Duty has been imposed on imports of Vitamin-A Palmitate originating in or exported from China, European Union and Switzerland, and imported into India. The anti-dumping duty shall be effective for a period of five years.

(Link: [Custom Notification 14/2025](#) (ADD) Dated [06/06/2025](#)).



Anti-dumping Duty on Insoluble Sulphur originating in or exported from China and Japan:

Anti-dumping Duty has been imposed on imports of Insoluble Sulphur originating in or exported from China and Japan and imported into India. The anti-dumping duty shall be effective for a period of five years.

(Link: [Custom Notification 13/2025](#) (ADD) Dated [06/06/2025](#)).

Counter-veiling Duty on Digital Offset Printing Plates from China and Taiwan:

Counter-veiling Duty has been imposed on imports of Digital Offset Printing Plates originating in or exported from China and Taiwan, and imported into India. The counter-veiling duty shall be effective for a period of five years.

(Link: [Custom Notification 05/2025](#) (CVD) Dated [27/06/2025](#)).

Counter-veiling Duty on Effect pearlescent pigments or mica pearlescent pigments, excluding effect pigments for automotive applications from China:

Counter-veiling Duty has been imposed on imports of Effect pearlescent pigments or mica pearlescent pigments, excluding effect pigments for automotive applications originating in or exported from China and imported into India. The counter-veiling duty shall be effective for a period of five years.

(Link: [Custom Notification 04/2025](#) (CVD) Dated [26/06/2025](#)).



Extension of validity of the NOC for the Alcoholic Beverages bottled in origin & in bulk:

It pertains to the validity of No Objection Certificates (NOCs) for imported alcoholic beverages, specifically those bottled at origin and in bulk, containing over 10% alcohol and lacking an expiry date. The FSSAI has decided that for such consignments, the NOC issued under the FSS (Import) Regulations, 2017, will now be valid for 365 days. If consignments remain in the port's Customs area beyond this 365 day period, a visual inspection can be conducted upon payment of a fee for re-validation of the NOC.

(Link: [Custom Instructions 19/2025](#) Dated [20/06/2025](#)).

Restrictions in import of precious metal compounds:

The import policy for various colloidal precious metals, inorganic or organic compounds of precious metals, and amalgams of precious metals (including those of gold, silver, platinum, rhodium, and palladium) has been revised from 'Free' to 'Restricted' with immediate effect. These items, previously importable without specific restrictions, now require a license or authorization for import into India.

(Link: [Custom Instructions 18/2025](#) Dated [20/06/2025](#)).

Import policy amended for Palladium, Rhodium, Iridium: It impacts the import of Palladium, Rhodium, and Iridium, along with their various forms (unwrought, powder, and other). While the import policy for these items under specific ITC(HS) codes remains 'Free', a new condition has been introduced. Specifically, the import of alloys of Palladium, Rhodium, or Iridium that consist of more than 1% gold by weight is now 'Restricted'.

(Link: [Custom Instructions 17/2025 Dated 19/06/2025](#)).

Ensuring adherence of Indian Standard of respective Imported Steel and Steel Products:

The instructions are based on an order from the Ministry of Steel, emphasizes compliance with the Steel and Steel Products (Quality Control) Order, 2024 (QCO). Currently, 151 Indian Standards, covering steel and steel products under Chapters 72 and 73 of ITC(HS) codes, are integrated into this QCO. The instruction clarifies that input materials for these steel products, which are also part of the QCO, must also conform to their respective Indian Standards.

(Link: [Custom Instructions 16/2025 Dated 18/06/2025](#)).



Applicability of SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies)- Consolidated Repository: It highlights that DGFT regularly provides clarifications regarding SCOMET applicability on various goods through Office Memoranda. CBIC has compiled a consolidated repository of these DGFT clarifications. This repository is now accessible on the CBIC website at a specified link. However, it emphasizes that these clarifications are solely for reference purposes. It is crucial for each item to be individually assessed for SCOMET coverage based on its specific characteristics, intended use, and other relevant specifications.

(Link: [Custom Instructions 15/2025 Dated 12/06/2025](#)).

Implementation of Agreement signed between FSSAI, Ministry of Health and Family Welfare, Government of India and Bhutan Food and Drug Authority (BFDA): FSSAI has shared the updated list of 117 approved establishment of Bhutan with scope of approval. It may be noted that there is no change in the format of the Health Certificate or in the list of authorized signatories previously communicated. All other compliance requirements remain unchanged. The officers under your jurisdiction be sensitized regarding the said matter.

(Link: [Custom Instructions 14/2025 Dated 02/06/2025](#)).

Removal of Port Restrictions and Testing Requirements for Export of Finished Leather, Wet Blue Leather, El Tanned Leather and Crust Leather: DGFT has removed the port restriction and testing requirement for Export of Finished Leather, Wet Blue Leather, El Tanned Leather and Crust Leather. Thus the following export conditions stands revoked i.e. Port restrictions and Requirement for Testing and certification by Central Leather Research Institute (CLRI) for Finished Leather, Wet Blue Leather, Crust Leather and El tanned leather. The officers under your jurisdiction be sensitized regarding the said matter.

(Link: [Custom Instructions 13/2025 Dated 02/06/2025](#)).

SC, CBEC Circular on 1% AIR Duty Drawback for Merchant Exporters retrospective from 2008: Case of Suraj Impex (India) Pvt Ltd vs Union of India, SC Judgement Dated 22nd May 2025. The apex court held that CBEC Circular No. 35/2010 dated 17th September 2010, should be given retrospective effect from the year 2008. Consequently, the appellant merchant exporter was entitled to the benefit of 1% All Industry Rate (AIR) Duty Drawback on its export of Soyabean Meal from the year 2008.

(Link: [SC Judgement Dated 22/05/2025](#)).

SC, Bank Guarantee encashment not duty payment, Unjust Enrichment doctrine inapplicable:

Case of Patanjali Foods Limited vs Union of India, SC Judgement Dated 19th May 2025. The apex court held that arbitrary encashment of the bank guarantees cannot be treated as payment of duty or duty paid by a claimant. Thus, the doctrine of unjust enrichment or Section 27 of the Customs Act would not be applicable.

(Link: [SC Judgement Dated 22/05/2025](#)).



HC, Gold Jewellery & iPhone are Personal Effects, release ordered:

Case of Yogesh Anand vs Commissioner of Custos, HC Delhi Judgement Dated 21st May 2025. HC has held that gold jewellery and an iPhone, the detained items were considered personal effects under established Indian baggage rules and highlighted a significant procedural lapse i.e. the failure to issue a formal show cause notice. It ordered release of these items.

(Link: [HC Delhi Judgement Dated 21/05/2025](#))

E.Directorate General of Foreign Trade (DGFT)

Port restriction on import of select flax & jute goods from Bangladesh to India:

The new provision prohibits imports of selected flax and jute products, identified by specific HS codes, from entering India via land ports along the India-Bangladesh border. These imports are now permitted only through the Nhava Sheva seaport. The restricted goods include flax tow and waste, raw or retted jute, single and multiple yarns of flax and jute, and woven fabrics of these materials. The restriction does not apply to Bangladesh exports that are transiting through India en-route to Nepal or Bhutan.

(DGFT Notification [21/2025 Dated 27/06/2025](#)).



Amendment in Import Rules for Quality Control Order (QCO)

Products: The amendment relates to the Export Obligation (EO) period for imports under Advance Authorisation, Export Oriented Units (EOU), and Special Economic Zones (SEZ) that are subject to mandatory Quality Control Orders (QCOs). Previously, the EO period for QCO-exempt textile and chemical products was restricted to 180 days from import clearance. As per revision, the 180-day restriction now only applies to chemical products notified by the Department of Chemicals & Petrochemicals (DCPC). (DGFT Notification [20/2025 Dated 23/06/2025](#)).

Amendment in import policy for Precious Metal Compounds:

The Notification amends the import policy for items classified under CTH 2843 of ITC (HS) 2022, Chapter 28. It changes the import status of colloidal precious metals, their inorganic or organic compounds, and amalgams from 'Free' to 'Restricted', effective immediately. The import will be allowed for industrial and manufacturing sectors, including electronics, electrical and specialised chemical industry, against an import authorization.

(Link: [DGFT Notification 19/2025 Dated 17/06/2025](#)).

Amendment in import policy of Precious Metals:

The notification amends the import policy for various forms of Palladium, Rhodium, and Iridium. While the import of these metals in their unwrought, powder, or other forms remains 'Free', the import of alloys of Palladium, Rhodium, or Iridium that contain more than 1% gold by weight is now 'Restricted'. It aims to regulate the import of such alloys, particularly those with a significant gold content.

(Link: DGFT Notification 18/2025 Dated 17/06/2025)



Amendment in Import Policy for Precious Metal Alloys:

The corrigendum relates to notification 18/2025 dated 17th June 2025. The amendment relates to the import policy conditions for specific items classified under Chapter 71 of the ITC. The updated policy now uniformly restricts imports of iridium, osmium, and ruthenium alloys containing over 1% gold by weight, under both ITC (HS) codes 71104100 and 71104900.

(DGFT Corrigendum Dated 25/06/2025 to Notification 18/2025)

Pharma Grade Sugar export for 25000 MT allowed annually with authorization:

Presently, all types of sugar, including raw, white, refined, and organic, were restricted for export, requiring specific permission from the Directorate of Sugar. Exports to the EU, USA, and UK under CXL Quota and Tariff Rate Quotas (TRQ) were permitted under specific conditions and quantitative ceilings. The revised policy introduces a new provision allowing the export of Pharma Grade Sugar up to a limit of 25,000 metric tons per financial year. This is subject to obtaining a Restricted Export Authorization.

(Link: DGFT Notification 17/2025 Dated 17/06/2025)

Import of Yellow Peas Free without MIP & port restriction till March 2026:

The notification has extended the import policy for yellow peas (ITC HS Code 07131010) until March 31, 2026, thus continuing the "Free" import status for yellow peas, and imports are allowed without Minimum Import Price (MIP) conditions or port restrictions.

(Link: DGFT Notification 16/2025 Dated 31/05/2025)



Fixation of one new Standard Input Output Norms (SIONs) for export of Sodium Citrate:

It introduces new SION A-3686 under the 'Chemical and Allied Product' group (Product Code 'A'), for the export product "Sodium Citrate." As per the newly fixed norms, for every 1 kg of Sodium Citrate exported, up to 0.740 kg of Citric Acid Monohydrate is allowed to be imported duty free.

(Link: DGFT Public Notice 09/2025 Dated 10/06/2025)

Silk & Rayon Textiles Export Promotion Council renamed as MATEXIL (Appendix 2T):

The Public Notice amend Appendix 2T of the Foreign Trade Policy (FTP) 2023. "The Silk & Rayon Textiles Export Promotion Council" has been renamed to "Manmade and Technical Textiles Export Promotion Council (MATEXIL)", for issuing Registration cum Membership Certificates (RCMC) for specified items related to textiles.

(DGFT Public Notice 13/2025 Dated 25/06/2025)

Silk & Rayon Textiles Export Promotion Council renamed as MATEXIL (Appendix 2E):

The Public Notice amend Appendix 2E of the Foreign Trade Policy (FTP) 2023. "The Silk & Rayon Textiles Export Promotion Council" has been renamed to "Manmade and Technical Textiles Export Promotion Council (MATEXIL)", for issuing non-preferential certificates of origin, used for trade purposes when tariff preferences do not apply.

(DGFT Public Notice 12/2025 Dated 25/06/2025)

Sports Goods Export Promotion Council' renamed for issuance of RCMC:

It amends Appendix 2T of the Foreign Trade Policy (FTP). 'The Sports Goods Export Promotion Council' has been renamed to 'Sports Goods & Toys Export Promotion Council'. This pertains to its role in issuing Registration-cum-Membership Certificates (RCMC) for specified export items.

([Link: DGFT Public Notice 11/2025 Dated 12/06/2025](#)).



Sports Goods Export Promotion Council renamed for issuing Non-Preferential Certificates:

It amends Appendix 2E of the Foreign Trade Policy (FTP). 'The Sports Goods Export Promotion Council' has been renamed to 'Sports Goods & Toys Export Promotion Council'. This pertains to its role for issuing Non-Preferential Certificates of Origin.

([Link: DGFT Public Notice 10/2025 Dated 12/06/2025](#)).

Seeking application for allocation of Pharma Grade Sugar under restricted category:

DGFT has announced the opening of applications for the export of Pharma Grade Sugar under a restricted category. The Government has permitted exports up to 25,000 MT for the current sugar season, ending 30th September 2025. Exporters must possess a valid drug manufacturing license from the relevant State Licensing Authority and provide NABL-accredited lab reports confirming compliance with Pharma Grade Sugar specifications at the time of export.

([Link: DGFT Trade Notice 06/2025 Dated 16/06/2025](#)).

Rollout of 'Source from India' on Trade Connect ePlatform for all Status Holders:

It informs all exporters, trade associations, and stakeholders that the 'Source from India' micro-page hosting service, initially piloted with Three, Four, and Five star Manufacturer exporters, is now available to all Status Holder exporters holding valid Importer Exporter Codes (IECs) that are not on the Denied Entities List (DEL). Exporters can create individual micro-pages to detail their products and entity credentials, which become publicly visible on the 'Source from India' page upon approval.

([Link: DGFT Trade Notice 05/2025 Dated 13/06/2025](#)).

F. Securities and Exchange Board of India (SEBI)

SEBI revises Certification Rules for AIF Key Staff:

As per the revised norms, at least one key personnel in the investment team of Alternative Investment Funds (AIF) managers must obtain specific certifications from the National Institute of Securities Market (NISM). For Category I and II AIFs, the required certification can be either NISM Series-XIX-C or the newly introduced Series-XIX-D. For Category III AIFs, the requirement can be fulfilled by passing either Series-XIX-C or the new Series-XIX-E.

([Link: SEBI Notification Dated 25/06/2025](#)).

Amendments to SEBI Alternative Investment Funds Regulations:

As per the amended regulation 17, Category II AIFs are now permitted to invest in investee companies or in the units of Category I or other Category II AIFs, as long as these investments are disclosed in their Placement Memorandum. The explanation further clarifies that Category II AIFs are expected to invest primarily in unlisted securities and/or listed debt securities with a credit rating of 'A' or below from a SEBI-registered credit rating agency. This can be done either directly or through investments in units of other Alternative Investment Funds, in a manner specified by SEBI.

([Link: SEBI Notification Dated 21/05/2025](#)).

Master Circular for Investment Advisers (IAs):

The updated circular consolidates all applicable directions and guidelines, providing a single reference document for ease of compliance, and supersedes the previous Master Circular dated 21st May 2024. However, any actions, applications, rights, obligations, or penalties arising from the rescinded circulars before this rescission will remain valid and enforceable under the current Master Circular.

([Link: SEBI Master Circular Dated 27/06/2025](#)).

Master Circular for Research Analysts (RAs):

The updated circular consolidate all applicable guidelines and directions issued by SEBI to RAs into a single document, enhancing accessibility for users, and supersedes the previous Master Circular dated 21st May 2024. However, any actions, applications, rights, obligations, or penalties arising from the rescinded circulars before this rescission will remain valid and enforceable under the current Master Circular.

([Link: SEBI Master Circular Dated 27/06/2025](#)).



Master Circular for Registrars to an Issue and Share Transfer Agents:

The updated circular aims to provide a single, consolidated resource for all applicable guidelines and directions previously issued by SEBI to RTAs. It supersedes the prior Master Circular along with all subsequent circulars on the subject. However, any actions taken, approvals granted, fees collected, or ongoing investigations under the superseded circulars remain valid and are deemed to be conducted under the corresponding provisions of this new Master Circular. Similarly, any rights, privileges, obligations, or penalties incurred under the rescinded circulars will remain unaffected.

([Link: SEBI Master Circular Dated 23/06/2025](#)).

Master Circular for Stock Brokers:

The updated consolidated Master Circular incorporates all directions and guidelines issued to stock brokers up to 10th June 2025. It aims to streamline regulatory references by centralising applicable instructions and to protect investor interests and ensure effective market regulation.

([Link: SEBI Master Circular Dated 17/06/2025](#)).

Timelines for rebalancing of portfolios of mutual fund schemes in cases of all passive breaches:

Passive breaches occur when deviations from mandated asset allocation, or prudential limits (like issuer, group, or sector limits), happen due to factors not attributable to the Asset Management Company's (AMC) omission or commission. These factors can include corporate actions, significant price fluctuations of underlying securities, maturity of holdings, or large redemptions. SEBI has now explicitly stated that the provisions outlined in paragraph 2.9 of the 'Master Circular for Mutual Funds' which outlines a 30-business-day window for portfolio rebalancing, will apply to all types of such passive breaches.

([Link: SEBI Circular Dated 26/06/2025](#)).

Revision in Standards for Audit Committee & Shareholder Disclosures on Related Party Transactions:

The circular details revised Industry Standards for the Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions (RPTs), and aims to standardize the information presented for RPT approvals, as mandated by LODR Regulations. The listed entities must adhere to these RPT Industry Standards for all RPT proposals submitted to audit committees and in notices sent to shareholders.

([Link: SEBI Circular Dated 26/06/2025](#)).

Review of provisions relating to Commodity Derivatives Product Advisory Committee (PAC):

It revises the provisions concerning the Product Advisory Committee (PAC), which stock exchanges are mandated to constitute for various commodity groups. It state that while PACs for non- agricultural commodities shall continue to meet at least twice a year, PACs for agricultural commodities are now required to meet at least once a year.

(Link: [SEBI Circular Dated 12/06/2025](#)).

Investor Charter for Real Estate Investment Trusts (REITs):

SEBI has introduced an Investor Charter for REITs, with aim to bolster financial consumer protection, inclusion, and literacy, aligning with recent market developments such as the Online Dispute Resolution (ODR) platform and SCORES 2.0. It outlines the vision, mission, activities, services, investor rights, and responsibilities concerning REITs.

(Link: [SEBI Circular Dated 12/06/2025](#)).

Investor Charter for Infrastructure Investment Trusts (InvITs):

SEBI introduced an Investor Charter for InvITs, building upon earlier regulations. It outlines the vision and mission of the InvIT Investor Charter, detailing activities, services for unitholders, and timelines for various financial transactions, complaint resolutions, and periodic disclosures like financial reports, valuation reports, and unitholding patterns. In order to ensure transparency in grievance redressal, all registered InvITs must now disclose data on complaints, on their respective websites by the 7th of the succeeding month.

(Link: [SEBI Circular Dated 12/06/2025](#)).

SEBI to Introduce 'Validated UPI Handles' and 'SEBI Check' for secured payments by investors:

The initiative introduces "Validated UPI Handles" for SEBI-registered intermediaries, featuring a mandatory '@valid' handle and a visual "Thumbs-Up inside a green triangle" icon for easy identification of legitimate transactions. Intermediaries will also be required to generate QR codes with this logo. Also, SEBI is developing a 'SEBI Check' tool, enabling investors to verify UPI IDs and bank details of registered intermediaries.

(Link: [SEBI Press Release Dated 11/06/2025](#)).

Adoption of Standardised, Validated and Exclusive UPI IDs for payment collection by SEBI Registered Intermediaries from Investors:

SEBI has mandated a structured Unified Payment Interface (UPI) address mechanism for its registered investor-intermediaries. While investors retain the option to use this new UPI mechanism, it is compulsory for all SEBI-registered intermediaries to obtain and offer these standardized UPI IDs. The core of this new framework is a dedicated UPI address structure.

(Link: [SEBI Circular Dated 11/06/2025](#)).



Framework for Environment, Social and Governance (ESG)

Debt Securities: The circular provides a framework for the issuance and listing of Environment, Social, and Governance (ESG) debt securities (excluding green debt securities). This includes social bonds, sustainability bonds, and sustainability-linked bonds. The framework mandates that funds raised be used for projects aligned with internationally recognized standards such as the ICMA Principles, Climate Bonds Standard, ASEAN Standards, or EU Standards. Issuers must also comply with SEBI's NCS and LODR Regulations. For sustainability-linked bonds, target setting must rely on a combination of benchmarking approaches including historical issuer performance (with a recommended minimum of 3 years of data), comparison with industry peers or sectoral standards, and alignment with science-based targets like the Paris Agreement or Sustainable Development Goals.

(Link: [SEBI Circular Dated 06/06/2025](#)).



Extension of timeline of additional liquidation period for VCFs migrating to AIF Regulations:

The circular extends the additional liquidation period granted to VCFs that are in the process of migrating to the SEBI (Alternative Investment Funds) Regulations, 2012. A prior SEBI circular, dated 19th August 2024, established the framework for such migration, particularly for VCF schemes that had not yet been wound up post their original liquidation period. That circular had initially provided an additional liquidation period until 19th July 2025, now extended to 19th July 2026.

(Link: [SEBI Circular Dated 06/06/2025](#)).

Relaxation from compliance for Non-Convertible Debts with certain provisions of LODR Regulations:

Previously, the regulation 58(1)(b) of LODR Regulations, mandated sending physical copies of financial statements and related documents to holders of non-convertible securities who had not registered their email addresses. MCA had extended relaxations till 5th June 2025, for sending physical copies of financial statements to shareholders, now extended till 30th September 2025. The issuers who did not send hard copies of these documents will not face penalties. However, the entities must disclose a web-link to the statement containing the salient features of all documents, as specified in Section 136 of the Companies Act, within their advertisement as per regulation 52(8) of the LODR Regulations.

(Link: [SEBI Circular Dated 05/06/2025](#)).



Margin obligations to be given by way of Pledge/Re-pledge in the Depository System:

SEBI has issued a circular to streamline the process of handling client securities pledged as margin by brokers. Previously, the brokers were required to accept collateral from clients only through margin pledges. However, issues arose with unsold invoked shares accumulating in brokers' demat accounts, and operational difficulties occurred when clients sold pledged securities. To address these concerns, while protecting investor interests, SEBI has automated the invocation and sale process.

-- New provisions allow for a single instruction, "Pledge release for early pay in," when clients sell pledged securities, enabling immediate pledge release and early pay-in blocking. For invoked margin-pledged securities, including funded stock, they will be blocked for early pay-in in the client's demat account, with a trail maintained in the broker's margin pledge account. For invoked mutual fund units not traded on exchanges, a single "invocation cum redemption" functionality will be provided. If a client's trading account is frozen, invoked securities will go to the broker's demat account for sale under their proprietary code, with a mandate for same-day pay-in to prevent accumulation.

(Link: [SEBI Circular Dated 03/06/2025](#)).



Investor Charter for Research Analysts (RAs) updated:

The updated charter outlines the vision and mission for investors, detailing the business transactions and services provided by (RAs). It mandates RAs to offer independent, unbiased research reports with transparent disclosure of financial interests and conflicts. RAs are also required to conduct annual audits, adhere to advertisement codes, maintain records of client interactions, and respect client data privacy. It specifies a grievance redressal mechanism, allowing investors to complain directly to the RA, via SCORES 2.0, or through the RA Administration and Supervisory Body (RAASB), with an option for online conciliation or arbitration if dissatisfaction persists.

(Link: [SEBI Circular Dated 02/06/2025](#)).

Investor Charter for Investment Advisers (IAs) updated:

The updated Investor Charter outlines IAs responsibilities, including unbiased risk profiling, annual audits, and clear disclosures on fees, conflicts of interest, and the use of AI tools. It details investor rights, such as privacy, fair treatment, and access to suitable financial products. For grievance redressal, investors can now approach the IA directly (21-day resolution), use SCORES 2.0 for a two-level review (IAASB and SEBI), email the IAASB, or utilize the SMARTODR platform for online conciliation/arbitration. Additionally, IAs must prominently display the charter on their websites and mobile apps, provide it during client onboarding, and monthly disclose complaint data.

(Link: [SEBI Circular Dated 02/06/2025](#)).

(Link: [SEBI Circular Dated 05/06/2025](#)).



SEBI Board approves market reforms for Ease of Business:

The key decisions include relaxing public issue requirements for equity shares from converted compulsory convertible securities and founder ESOPs, and mandating dematerialization of securities for a broader range of shareholders, including promoter groups and key managerial personnel, prior to filing a Draft Red Herring Prospectus (DRHP). The Board also simplified placement documents for Qualified Institutional Placements (QIPs) and introduced special measures for voluntary delisting of certain Public Sector Undertakings (PSUs) with high government/PSU shareholding, allowing for a fixed-price delisting process.

-- The amendments were approved for the Social Stock Exchange framework to facilitate access for various social enterprises, rationalized regulations for Merchant Bankers and Debenture Trustees to permit other financial services within the same legal entity, and measures to ease operations for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). It also streamlined certification requirements for associated persons in securities markets and allowed Category I & II Alternative Investment Funds (AIFs) to offer co-investment opportunities within their existing structure.

(Link: [SEBI Press Release 33/2025 Dated 18/06/2025](#)).

(Link: [SEBI Circular Dated 03/06/2025](#)).

SEBI warns against Fake Notices and Communications:

SEBI has issued a public caution regarding fraudulent communications falsely claiming to be from SEBI. These messages, sometimes shared through social media, use forged SEBI letterheads, logos, and seals to mislead individuals. Incidents include fake notices demanding fines to avoid alleged SEBI action, counterfeit sale certificates of PACL properties, and fabricated certificates authorizing the use of third-party vendor accounts.

-- SEBI advises the public to verify the authenticity of such communications using the SEBI website. All official SEBI communications, including notices and summons, contain a unique Document Identification Number (UDIN) that can be authenticated under the "Authenticate Document Number Issued by SEBI" section. SEBI urges the public and investors to remain vigilant, verify any suspicious communication through its official channels, and refrain from responding to fraudulent demands for payments or information.

(Link: [SEBI 30/2025 Press Release Dated 04/06/2025](#)).

G.Ministry of Corporate Affairs (MCA)

MCA designates Special Courts for Corporate Offenses:

The designated courts include the Court of Chief Judicial Magistrate or Additional Chief Judicial Magistrate, SAS Nagar, for the State of Punjab; the Court of Chief Judicial Magistrate or Additional Chief Judicial Magistrate, Gurugram, for the State of Haryana; and the Court of Chief Judicial Magistrate, Chandigarh, for the Union Territory of Chandigarh. It aims to facilitate the speedy trial of offenses as outlined in Section 435(2)(b) of the Act.

(Link: [MCA Notification Dated 18/06/2025](#)).

MCA Amends XBRL Filing Rules from 14th July 2025:

MCA has amended Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules. As per the amended provisions, companies that file their financial statements in XBRL format, are now required to additionally attach a signed copy of the financial statements in PDF format. This attachment must include the Board's Report, Auditor's Report, and any other related documents duly authenticated in accordance with Section 134 of the Companies Act, 2013. Also, changes have also been made to Annexure-I, which relates to the format of e-Form AOC-4 XBRL.

(Link: [MCA Notification Dated 06/06/2025](#)).

Waiver of Late Fees for 13 Forms during V3 upgrade:

MCA has granted a one-time relaxation in additional fees for filing 13 specific e-forms due to the transition of the MCA21 portal from Version 2 (V2) to Version 3 (V3). During the system migration period, from 18th June 2025, to 13th July 2025, these forms will be temporarily unavailable for submission. To ease the transition and avoid penalising stakeholders, filings where the due date or resubmission date falls between this period, will be permitted without additional fees if submitted by 15th August 2025. ([Link: MCA Circular 01/2025 Dated 16/06/2025](#)).

Separate filing of e-form CSR-2 post the period of transition from MCA21 V2 to V3:

With effect from 18th June 2025, the V2 system will be decommissioned to facilitate the smooth rollout of annual filing and related e-forms in V3. The stakeholders can now independently file the e-Form CSR-2, as amended in the 4th proviso to Rule 12(1B) of the Companies (Accounts) Rules, 2014. Following the transition, stakeholders intending to file CSR-2 using the V2 SRN of Form AOC-4, AOC-4(XBRL), or AOC-4(NBFC) can do so on the V3 portal during a designated period, from 14th July to 15th August 2025. The MCA emphasizes that these changes aim to streamline the filing process and ensure the seamless adoption of the new portal version.

([Link: MCA Circular 02/2025 Dated 16/06/2025](#)).

Draft Notification for relaxations to 'Finance Companies' registered with IFSCA under rule 11(2) of Meeting of Board and its Powers: As per the request made by International Financial Services Centres Authority (IFSCA) to the Ministry of Corporate Affairs (MCA), it is proposed to amend Rule 11(2) of Companies (Meetings of Board and its Powers) Rules, 2014 to include 'Finance Companies' registered with IFSCA within the scope of such rule 11(2), so that relaxation available with NBFCs registered with RBI is available to such Finance Companies also. The comments/ suggestions are invited from stakeholders. ([Link: MCA Public Notice Dated 26/06/2025, Draft Notification](#)).



H.Insolvency and Bankruptcy Board of India (IBBI)

NCLAT, Funds use by suspended Management Post-Moratorium needs IRP nod: Case of Sunil Gutte vs Avil Menezes, NCLAT Delhi Judgement Dated 30th May 2025. The appellant authority held that once moratorium is declared, suspended management is also strictly prohibited from directly or indirectly deploying the funds of the Corporate Debtor unilaterally, without the authorisation of IRP, to clear any dues of any Financial Creditor or Operational Creditor. ([Link: NCLAT Delhi Judgement Dated 30/05/2025](#)).



NCLAT, CoC's arbitrary rejection of just settlement offer can be overruled: Case of Jayshree Agnihotri vs Nirmal Kumar Jain, NCLAT Delhi Judgement Dated 20th May 2025. The appellant authority held that if the CoC arbitrarily rejects a just settlement offer, the Adjudicating Authority as well as the Appellate Authority can always set aside such a decision. ([Link: NCLAT Delhi Judgement Dated 20/05/2025](#)).

NCLAT, No right to possession after hotel lease expiry during CIRP moratorium: Case of Nazru S Basheer vs Pancard Clubs Limited, NCLAT Delhi Judgement Dated 30th May 2025. The appellant authority has affirmed NCLT order directing a hotel operator, to vacate the hotel property belonging to Pancard Clubs, the corporate debtor currently undergoing CIRP. ([Link: NCLAT Delhi Judgement Dated 20/05/2025](#)).

NCLAT, Resolution plan rejection on valuation grounds unjustified without stakeholder objection: Case of Vashisth Builders and Engineers vs Trishul Dream Homes, NCLAT Delhi Judgement Dated 20th May 2025. The appellant authority held that rejection of resolution plan on the ground of valuation of assets of Corporate Debtor not sustainable since no objection to the valuation conducted of the Corporate Debtor was raised by any stakeholders. ([Link: NCLAT Delhi Judgement Dated 20/05/2025](#)).



NCLAT, State Tax Department is secured creditor under section 53 of IBC: Case of State Tax Officer vs Premraj Ramratan Laddha, NCLAT Judgement Dated 16th May 2025. The appellate tribunal held that State Tax Department is secured creditor under section 53 of the Insolvency and Bankruptcy Code [IBC] hence resolution plan approved without considering the same is in violation of statutory provision. ([Link: NCLAT Delhi Judgement Dated 16/05/2025](#)).



NCLAT, CIRP terminated as Corporate Debtor funds cover CoC claims: Case of Rajputana Constructions Pvt Ltd vs Rajasthan Land Holdings Limited, NCLAT Delhi Judgement Dated 16th May 2025. The appellant authority held that continuing Corporate Insolvency Resolution Process [CIRP] not justified as Corporate Debtor has sufficient funds to discharge the admitted claims of CoC. Thus, adjudicating authority rightly terminated CIRP of Corporate Debtor. ([Link: NCLAT Delhi Judgement Dated 16/05/2025](#)).

NCLAT upholds multiple challenge rounds in Insolvency Process: Case of Anuj Goyal vs Amit Chandrakant Shah, NCLAT Delhi Judgement Dated 16th May 2025. The appellate tribunal has affirmed the Adjudicating Authority's decision to allow the Resolution Professional (RP) to conduct a second and even third challenge mechanism in the Corporate Insolvency Resolution Process (CIRP). It reinforces the Committee of Creditors' (CoC) broad discretion in maximizing the value of the corporate debtor, even if it means allowing new bidders or additional rounds of bidding. ([Link: NCLAT Delhi Judgement Dated 16/05/2025](#)).

NCLAT, Notice under section 13(2) of SARFAESI to be treated as notice for invocation of personal guarantee: Case of Asha Basantilal Surana vs State Bank of India, NCLAT Delhi Judgement Dated 15th May 2025. The appellant authority held that where Notice under Section 13(2) of SARFAESI Act, makes a demand as per the Guarantee Agreement between the parties, the Notice has to be treated as notice for invocation of Personal Guarantee. Thus, order rejecting application for initiation of personal insolvency against personal guarantor not sustainable. ([Link: NCLAT Delhi Judgement Dated 15/05/2025](#)).

NCLAT, Majority consent on restructuring doesn't bar IBC section 7 filing by lender:

Case of Apresh Garg vs Indian Bank, NCLAT Delhi Judgement Dated 15th May 2025. The appellant authority held that filing of application by lender under section 7 of the IBC even after agreeing on restructuring of loan by majority of lenders is justifiable since all Lenders have their independent rights to take such measures as per their Bank's policy. Accordingly, order admitting application under section 7 is upheld.

([Link: NCLAT Delhi Judgement Dated 15/05/2025](#)).

NCLAT, Threshold under IBC section 4 must be met at CIRP filing/admission:

Case of Devika Resources Pvt Ltd vs MAA Manasha Devi Alloys Pvt Ltd, NCLAT Delhi Judgement Dated 14th May 2025. According to appellant, Section 5(11) of the IBC stipulates that the date of application submission by the financial or operational creditor is the date of CIRP initiation, and the date of application admission is regarded as the insolvency commencement date under Section 5(12) of the IBC. Appellant had relied upon the decisions of the Hon'ble Supreme Court that the threshold had to be considered at the time of filing of the application and not at the time of the admission.

The bench allowed the appeal and restored the Section 9 application back to the tribunal to decide the application in accordance with the law.

([Link: NCLAT Delhi Judgement Dated 14/05/2025](#)).



NCLAT, Pre-existing employment disputes not adjudicable under IBC:

Case of Akhilesh Kulshrestha vs SAAB India Technologies Pvt Ltd, NCLAT Delhi Judgement Dated 07th May 2025. The appellant tribunal held pre-existing disputes arising from employment contracts, particularly concerning emoluments and salaries, cannot be resolved under the Insolvency and Bankruptcy Code (IBC), 2016. It held that such matters are contractual in nature and fall outside the purview of the NCLT.

([Link: NCLAT Delhi Judgement Dated 07/05/2025](#)).

NCLAT, Claim of gratuity with interest included within meaning of operational debt:

Case of Sashi Kanta Jha vs Devi Prasad, NCLAT Delhi Judgement Dated 30th April 2025. The appellant authority held that claim of gratuity with interest was fully included within the meaning of operational debt under section 5(21) of the Insolvency and Bankruptcy Code, and accordingly, application under Section 9 of IBC was maintainable.

([Link: NCLAT Delhi Judgement Dated 30/04/2025](#)).

IBBI penalises Resolution Professional (RP) Mr Pankaj Ramandas Majithia for asset negligence, approval failure and auction without proper process:

Considering the fact that he has already attained the age of 70 years, the DC imposed a penalty of 30% of the total fees payable (both paid and pending for payment).

([Link: IBBI DC Order Dated 24/06/2025](#)).



IBBI suspends Mr Arvind Kumar, IP over non-cooperation and contraventions in CIRP: The Disciplinary Committee concluded his contraventions regarding admission of excessive amount of claims, delegating authority to suspended director without CoC prior approval, and non-cooperation with investigating authority, and suspended him for a period of two years.

([Link: IBBI DC Order Dated 11/06/2025](#)).

IBBI Cancels Valuer Registration for suppressing pending criminal charges: IBBI has cancelled the registration of Mr. Shreegopal Govindram Mundhra as a valuer for the asset class of Land and Building, following a complaint that he had suppressed information regarding a chargesheet filed against him in the CBI Special Court in 2013. The charges included serious offenses under the Indian Penal Code and the Prevention of Corruption Act, which were pending at the time of his application for valuer registration. The IBBI determined that Mr. Mundhra intentionally concealed material information, violating rules pertaining to eligibility, conditions of registration, and the code of conduct for registered valuers.

([Link: IBBI DC Order Dated 02/06/2025](#)).



IBBI not obligated for Non-Disclosure of Chairperson visitor information under RTI: The appellant had sought the procedure to secure an appointment with the IBBI Chairperson and details of appointments given to others. The CPIO provided a phone number, which was incorrect, and stated that appointment details were unavailable. The First Appellate Authority noted the incorrect phone number and advised the CPIO to be more careful, while also affirming that the IBBI is not obligated to create information not already held, and that personal appointment details are exempt under Section 8(1)(j) of the RTI Act.

([Link: IBBI FAA Order Dated 02/06/2025](#)).

I. Reserve Bank of India (RBI)

Guidelines for Aadhaar Enabled Payment System(AePS) Due Diligence:

These directions focus on due diligence and risk oversight of AePS Touchpoint Operators (ATOs), individuals who facilitate transactions using Aadhaar authentication at designated points. Banks onboarding ATOs are now required to follow the Customer Due Diligence (CDD) procedure as per RBI's KYC guidelines. If the ATO has already undergone CDD as a Business Correspondent or sub-agent, that record may be used. Inactive ATOs, with no transactions for three consecutive months, must undergo a fresh KYC process before resuming operations.

([Link: RBI Notification 63/2025 Dated 27/06/2025, Press Release](#)).



Review of Priority Sector Lending norms- Small Finance Banks:

Presently, SFBs are required to allocate 75% of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposures (CEOBE) to priority sectors. This included a mandatory 40% to specific PSL sub-sectors and a flexible 35% to sub-sectors where the bank had a competitive advantage. The new directive reduces the overall PSL target to 60% of ANBC or CEOBE, whichever is higher. Under this revised structure, SFBs will continue to allocate 40% to the mandated PSL sub-sectors, but the flexible component, which can be directed to one or more preferred sub-sectors, will now be reduced to 20%.

(Link: RBI Notification 61/2025 Dated 20/06/2025)

Updates on UNSC Sanctions List Under UAPA Compliance:

MEA has informed about the UNSC amendments on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities, which are subject to the assets freeze, travel ban and arms embargo. Regulated Entities (REs) are advised to take note for necessary compliance in terms of Master Directions on KYC.

(Link: RBI Notification 60/2025 Dated 19/06/2025)

RBI Project Finance Directions effective 1st October 2025:

These aim to standardize the framework for financing infrastructure and non-infrastructure projects, including commercial real estate (CRE) and commercial real estate-residential housing (CRE-RH) sectors, by all Regulated Entities (REs). The key aspects of the new guidelines include stringent prudential conditions for project sanction, ensuring financial closure and clear Date of Commencement of Commercial Operations (DCCO) documentation prior to disbursement. Minimum land/right of way requirements have been set for various project types (e.g., 50% for PPP infrastructure, 75% for others). Disbursements must be proportionate to project completion stages and equity infusion, certified by an Independent Engineer/Architect.



-- The directions introduce a structured approach to stress resolution. A 'credit event', defined to include default, DCCO extension needs, or financial difficulty, triggers a collective resolution process during the construction phase. A prima facie review must occur within 30 days of a credit event. Resolution plans involving DCCO extension are permitted to retain 'Standard' asset classification under specific conditions, including time limits (up to 3 years for infrastructure, 2 years for non-infrastructure), limits on cost overruns (up to 10% of original project cost), and strict adherence to financial parameters. Additional specific provisions (0.375% for infrastructure, 0.5625% for non-infrastructure) are mandated for each quarter of permitted DCCO deferment for 'standard' assets.

(Link: RBI Notification 59/2025 Dated 19/06/2025)

Updates on UNSC Sanctions List Under UAPA Compliance:

MEA has informed about the UNSC amendments on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities, which are subject to the assets freeze, travel ban and arms embargo. Regulated Entities (REs) are advised to take note for necessary compliance in terms of Master Directions on KYC.

(Link: RBI Notification 58/2025 Dated 16/06/2025)

Revision of Agency Commission rates for banks:

Under the revised structure, agency banks will receive Rs 40 per transaction for government receipts handled in physical mode and Rs 12 per transaction for receipts in electronic mode. Pension payments will be compensated at Rs 80 per transaction, while other payment transactions (excluding pensions) will earn 7 paise per Rs 100 of turnover. RBI has also clarified that agency commission will be applicable on all payment transactions, except those that are pre-funded or where the government already provides compensation.

[\(Link: RBI Notification 57/2025 Dated 16/06/2025\)](#)

Master Circular on credit facilities to SC/ST beneficiaries:

The circular outlines measures to improve access to finance, employment opportunities, and economic inclusion of SC/ST communities. Banks are required to integrate SC/ST- focused schemes into their district credit plans, coordinate with District Industries Centres, and provide tailored financial products. It emphasizes adherence to centrally sponsored schemes like DAY- NRLM, which reserves 50% of its benefits for SC/ST beneficiaries, and mandates that at least 40% of Differential Rate of Interest (DRI) loans be extended to these communities.

It also includes details on the Credit Enhancement Guarantee Scheme for SCs, with guarantees from IFCI ranging between ₹15 lakh to ₹5 crore.

[\(Link: RBI Notification 56/2025 Dated 16/06/2025\)](#)

Import of Shipping Vessel-

Relaxation: It permits Authorised Dealer Category-I banks to allow importers to make advance remittances for shipping vessel imports. The key change is that these remittances, up to a limit of USD 50 million, can now be made without requiring a bank guarantee or an unconditional, irrevocable standby Letter of Credit.

[\(Link: RBI Notification 55/2025 Dated 13/06/2025\)](#)

Stripping/Reconstitution in State Government Securities:

RBI has introduced a facility for the Separate Trading of Registered Interest and Principal of Securities (STRIPS) for State Government Securities (SGS). Eligible SGS for stripping or reconstitution must have a residual maturity of up to 14 years, a minimum outstanding value of ₹1,000 crore as of the stripping date, be eligible for Statutory Liquidity Ratio (SLR) requirements, and be transferable. Market participants holding SGL accounts with the RBI can submit requests directly through the e-Kuber system, while Gilt Account Holders will process requests via their custodians.

[\(Link: RBI Notification 54/2025 Dated 12/06/2025\)](#)

Update/ Periodic Update of KYC– Revised Instructions: The instructions are aimed at simplifying and expediting the process of Know Your Customer (KYC) updation, particularly in accounts linked to government benefit transfers and the Pradhan Mantri Jan-Dhan Yojana (PMJDY). The key amendments, now permit Business Correspondents (BCs) to assist in the KYC updation process. It outlines simplified procedures for both initial customer onboarding, including Aadhaar biometric e-KYC, Digital KYC, Video-based Customer Identification Process (V-CIP), and subsequent periodic updates, allowing self-declarations for minor changes and leveraging digital channels.

[\(Link: RBI Notification 53/2025 Dated 12/06/2025\)](#)

Inoperative Accounts/ Unclaimed Deposits in Banks - Revised Instructions:

It clarifies and updates the procedures for managing funds that have remained unoperated or unclaimed for ten years or more, which are ultimately transferred to the Depositor Education and Awareness (DEA) Fund. Banks are now required to offer KYC updation services at all branches, including non-home branches. Also, banks are encouraged to utilize the Video-Customer Identification Process (V-CIP) for KYC updates. The banks are also to use their authorized Business Correspondents to facilitate the activation of these inoperative accounts and unclaimed deposits.

[\(Link: RBI Notification 52/2025 Dated 12/06/2025\)](#)

RBI (Know Your Customer (KYC)) Directions:

For low-risk individual customers, the deadline for KYC updation has been extended, they are now permitted to complete this within one year of its due date or by 30th June 2026, whichever is later, though their accounts will remain under regular monitoring. RBI has authorized banks to utilize their Business Correspondents (BCs) for the periodic updation of KYC. Also, all Regulated Entities (REs) are now mandated to issue at least three advance intimations (including one by letter) to customers before their KYC is due for updation, and three reminders (including one by letter) if non-compliant after the due date.

[\(Link: RBI Notification 51/2025 Dated 12/06/2025\)](#)

Basel III Capital Regulations- External Credit Assessment Institution (ECAI):

Upon review, the RBI has decided to remove the restrictions and limits on the use of Brickwork Ratings India Private Limited (BRIPL) ratings. All other provisions related to external credit ratings, as stipulated in the Master Circular on Basel III Capital Regulations, remain unchanged.

[\(Link: RBI Notification 50/2025 Dated 09/06/2025\)](#)

Non-achievement of PSL targets- Prudential treatment of contribution towards eligible funds with NABARD, NHB, SIDBI and MUDRA:

It relates to Primary (Urban) Co- operative Banks (excluding Salary Earners' Banks) regarding their contributions to eligible funds due to shortfalls in Priority Sector Lending (PSL) targets. The contributions to entities like NABARD, NHB, SIDBI, and MUDRA Ltd will no longer be counted when calculating a UCB's aggregate exposure to these counterparties. It means that these contributions will not impact the prudential exposure limits, which are set at 15% of Tier-I capital for a single borrower and 25% for a group of connected borrowers.

[\(Link: RBI Notification 49/2025 Dated 09/06/2025\)](#)

Large Exposures Framework (LEF)- Amendment in the list of exempted exposures:

Previously, the LEF circular exempted "deposits maintained with NABARD on account of shortfall in achievement of targets for priority sector lending" from being considered for exposure limits. The new amendment extends this exemption to include contributions made by scheduled commercial banks to funds with NHB (National Housing Bank), SIDBI (Small Industries Development Bank of India), MUDRA Ltd., or any other entity specified by the RBI,

when these contributions are made due to a shortfall in meeting priority sector lending targets.

[\(Link: RBI Notification 48/2025 Dated 09/06/2025\)](#)

RBI Lending Against Gold and Silver Collateral Directions, 2025:

RBI has issued comprehensive directions for lending against gold and silver collateral, to establish a harmonized regulatory framework across all regulated entities (REs) such as commercial banks, co-operative banks, and NBFCs. The key provisions include detailed credit assessment for loans above Rs 2.5 lakh, guidelines for loan renewals and top-ups, and strict restrictions on lending against primary gold/silver or re-pledging collateral. The policy outlines maximum loan- to-value (LTV) ratios, varying from 85% for loans up to Rs 2.5 lakh to 75% for loans exceeding Rs 5 lakh, which must be maintained throughout the loan tenor. Other important aspects covered are the standardization of assaying and valuation procedures, transparency in auction processes, and compensation mechanisms for borrowers in cases of collateral loss or damage.

[\(Link: RBI Notification 47/2025 Dated 06/06/2025\)](#)

Maintenance of Cash Reserve Ratio (CRR):

It has been decided to reduce the Cash Reserve Ratio (CRR) of all banks by 100 basis points in four equal tranches of 25 basis points each to 3.0 per cent of net demand and time Liabilities (NDTL). Accordingly, banks are required to maintain the CRR at 3.75 per cent, 3.5 per cent, 3.25 per cent and 3.0 per cent of their NDTL effective from the reporting fortnight beginning September 6, October 4, November 1 and November 29, 2025, respectively.

(Link: [RBI Notification 46/2025 Dated 06/06/2025](#)).

Penal Interest on shortfall in CRR and SLR requirements-Change in Bank Rate:

All penal interest rates on shortfall in CRR and SLR requirements, which are specifically linked to the Bank Rate, stands revised. The existing rates (depending on duration of shortfall) Bank Rate plus 3.0 percentage points (9.25 per cent) or Bank Rate plus 5.0 percentage points (11.25 per cent) are revised to Bank Rate plus 3.0 percentage points (8.75 per cent) or Bank Rate plus 5.0 percentage points (10.75 per cent).

(Link: [RBI Notification 45/2025 Dated 06/06/2025](#)).

Review of Qualifying Assets Criteria:

Paragraph 8.1 of the Master Direction on Regulatory Framework for Microfinance Loans prescribes Qualifying Assets Criteria for Non-Banking Financial Companies- Microfinance

Institutions. It has been decided to revise the qualifying asset criteria. The definition of 'qualifying assets' of NBFC-MFIs has been aligned with the definition of 'microfinance loans' given at paragraph 3 above. Qualifying assets of NBFC-MFIs shall constitute a minimum of 60 percent of the total assets (netted off by intangible assets), on an ongoing basis. If an NBFC-MFI fails to maintain the qualifying assets as aforesaid for four consecutive quarters, it shall approach the Reserve Bank with a remediation plan for taking a view in the matter. (Link: [RBI Notification 44/2025 Dated 06/06/2025](#)).

Standing Liquidity Facility for Primary Dealers:

The Standing Liquidity Facility provided to Primary Dealers (PDs) (collateralised liquidity support) from the Reserve Bank would be available at the revised repo rate of 5.50 per cent with immediate effect.

(Link: [RBI Notification 43/2025 Dated 06/06/2025](#)).

Liquidity Adjustment Facility-Change in rates:

It has been decided by the Monetary Policy Committee (MPC) to reduce the policy repo rate under the Liquidity Adjustment Facility (LAF) by 50 basis points from 6.00 per cent to 5.50 per cent with immediate effect. Consequently, the standing deposit facility (SDF) rate and marginal standing facility (MSF) rate stand adjusted to 5.25 per cent and 5.75 per cent respectively, with immediate effect.

(Link: [RBI Notification 42/2025 Dated 06/06/2025](#)).



Amendment to FEMA Non-debt Instruments Rules:

The amendment particularly focus on foreign direct investment (FDI) in prohibited sectors. A new sub rule 7(2) has been added, permitting Indian companies operating in sectors where FDI is prohibited to issue bonus shares to their existing non-resident shareholders. This is subject to the condition that the issuance does not alter the existing shareholding pattern.

(Link: [Fin Min FEMA Notification Dated 11/06/2025](#)).

RBI Amends Government Securities STRIPS Regulations:

The guidelines for Separate Trading of Registered Interest and Principal of Securities (STRIPS) of government securities has been amended. The key changes include the substitution of 'PDO-NDS (Negotiated Dealing System)' with 'RBI Core Banking Solution (e-Kuber System)' in section II, clause (1) for operational purposes. Now, all fixed coupon securities issued by the Government of India are eligible, regardless of maturity year. For State Government/Union Territory fixed coupon securities, eligibility is granted if they have a residual maturity of up to 14 years and a minimum outstanding value of ₹1,000 crore on the day of stripping. A condition for all eligible government securities is that they must qualify as eligible investments for Statutory Liquidity Ratio (SLR) and be transferable.

(Link: [RBI Notification Dated 29/05/2025](#)).



Master Direction, RBI Electronic Trading Platforms Directions:

These establish a revised regulatory framework for Electronic Trading Platforms (ETPs) where eligible instruments are traded. It focuses on enhancing the operational resilience, risk management, and transparency of ETPs. The key aspects include comprehensive eligibility criteria for authorization, encompassing general, financial, and technological requirements. ETP operators must be Indian companies with a minimum net worth of Rs 5 crore and demonstrate experience in financial market trading infrastructure.

(Link: [RBI Notification Master Direction 137/2025 Dated 16/06/2025](#)).

J. Miscellaneous

Gratuity benefits extended to Central Govt employees under NPS: The government has extended Retirement Gratuity and Death Gratuity benefits to Central Government employees covered by the Unified Pension Scheme. This clarification follows the Ministry of Finance notification of 24th January 2025, introducing the Unified Pension Scheme as an option for new Central Government employees. Employees opting into this scheme, which provides a one-time option for those initially under

the National Pension System (NPS), will now be eligible for the gratuity benefits under the existing Central Civil Service (Payment of Gratuity under National Pension System) Rules.

(Deptt of Pension Office Memo Dated 18/06/2025).



Options for Old Pension benefits on Death/Disability under NPS:

The newly introduced Unified Pension Scheme (UPS), provides a one-time option for existing National Pension System (NPS) members to transition to UPS. It has been clarified that employees opting for UPS will now have the choice to avail benefits either under the UPS itself or under the Central Civil Services (Pension) Rules, 2021 (OPS), or the Central Civil Services (Extraordinary Pension) Rules, 2023, in scenarios of death during service or discharge due to invalidation or disablement. Employees are required to exercise this option in Form 1 at the time of joining or as soon as possible for existing employees, and they can revise their choice multiple times before retirement.

(Deptt of Pension Office Memo Dated 18/06/2025).

SC, Director's role need not be detailed in cheque dishonour complaint, clarifies Vicarious Liability:

Case of HDFC Bank Limited vs State of Maharashtra, SC Judgement Dated 22nd May 2025. In a landmark clarification of the legal requirements under Section 141 of the Negotiable Instruments Act, 1881, the apex court ruled that a complaint need not set out detailed roles of company directors verbatim from the statute to attract vicarious liability for dishonour of cheques. It held that substantive compliance, wherein a complaint indicates the director was in charge of and responsible for the conduct of the business, is sufficient for process to be issued. This decision reinforces the principle that directors cannot avoid liability merely on the ground of technical omissions at the pre-summons stage.

(Supreme Court Judgement Dated 22/05/2025)



SC, Plea to treat Heart as 'Plant' for tax deduction rejected by SC as Infructuous:

Case of Shanti Bhushan vs CIT, SC Judgement Dated 8th May 2025. A prolonged legal battle initiated by eminent late lawyer Shanti Bhushan, who sought to claim the expenses for his coronary bypass surgery as a tax deductible business expenditure, concluded in the apex court after his demise. His legal heirs communicated their decision not to pursue the litigation further, leading the apex court to declare the appeal as having become infructuous.

(Link: SC Judgement Dated 08/05/2025)

SC, Unregistered sale agreement can't confer title via subsequent registration:

Case of Mahnoor Fatima Imran vs Visweswara Infrastructure Pvt Ltd, SC Judgement Dated 7th May 2025. The apex court held that if Original Sale Agreement is Unregistered, Registration of Subsequent Instrument Won't Confer Title. It held that the registration of a document gives notice to the world about its execution but does not confer an unimpeachable validity.

(Link: SC Judgement Dated 07/05/2025)



HC, Mere occurrence of breach doesn't entitle claim for Liquidated Damages, Actual loss to be proved:

Case of J&K Economic Reconstruction Agency vs Simples Projects Limited, HC Delhi Judgement dated 19th May 2025. High Court held that the Liquidated Damages clause does not entitle a party to claim the whole Liquidated Damages sum automatically upon the occurrence of breach. Liquidated Damages can be claimed subject to proving the actual loss suffered. The court observed that it may be noted that as per law of damages evolved by courts in India, unlike UK, the Indian law does not recognise penalties as a measure of damages. The courts have therefore held that LD stipulated in contracts must not be in the nature of penalty but must be in the nature of a genuine pre-estimate of damages made by the parties.

(Link: HC Delhi Judgement Dated 19/05/2025)

Disclaimer:

The contents of this article are for informational purposes only. The user may refer to the relevant notification/ circular/ decisions issued by the respective authorities for specific interpretation and compliances related to a particular subject matter)

**CMA Yash Paul Bhola**

Ex-Director
(Finance), NFL.

IS SELLING OF OLD GOLD TAXABLE?

Introduction

Gold has always been more than just a shiny asset in India it's a cultural symbol, a family heirloom, and a popular investment choice. But when you sell gold whether as jewellery, bars, coins, or even loose gemstones the profit you make is taxed under "capital gains." To figure out if your gold sale is taxable, the first question is simple: does the item count as a "capital asset"?



Most everyday belongings like furniture or clothing are treated as "personal effects" and escape capital gains tax. Yet jewellery is the notable exception. Anything made of gold, silver, platinum, or similar metals (even if just a thread in a garment), as well as loose precious stones or those set into utensils and decor, is always considered jewellery and therefore a capital asset. By contrast, plain silverware used at home remains exempt so long as it has no embedded stones and isn't being held purely for investment.

Once it's clear you're dealing with a capital asset, the next factor is how long you've held it. Until mid-2024, gold held for three years or less was treated as short-term; anything longer was long-term. But since July 23, 2024, that holding period for short-term has been shortened to two years. Why does this matter? Short-term gains are added to your regular income and taxed at your slab rate, whereas long-term gains enjoy a lower, flat rate (which dropped from 20% with inflation adjustments to 12.5% without them for sales on or after July 23, 2024).

In this article, we'll quickly unpack what counts as taxable gold, show real-life examples of items that qualify (and those that don't), and explain how your holding period determines whether you owe tax at a higher slab rate or a concessional rate for long-term gains. By the end, you'll have a clear, practical roadmap to navigate gold taxation so you can focus on what really matters: choosing the right time to buy, hold, or sell.

Basic Provision of Taxability of Gold

As per **Section 45(1)** of the Income Tax Act, 1961("the Act"), Any profit and gain arising from **transfer** of a **capital asset** shall be chargeable under the **head capital gain** in the P.Y in which transfer took place.

The taxability of gold is primarily governed by the provisions relating to capital gains under the Income Tax Act, 1961. For any income to be taxed under the head "Capital Gains," the underlying item must qualify as a **capital asset** as defined under Section 2(14) of the Act. However, if a particular form of gold does not qualify as a capital asset under the law, any gain arising from its transfer would not be taxable under the head capital gains. **Thus, the first step in determining taxability is to assess whether the gold in question is treated as a capital asset under the Income Tax provisions.**



Whether the Gold is treated as Capital Asset?

As per Section 2(14) of the Act, capital assets means property of any kind held by an assessee, whether or not connected with his business or profession **but does not include the personal effects**, that is to say, movable property (including wearing apparel and furniture) held for personal use by the assessee or any member of his family dependent on him, **but excludes jewellery**.

In other words, personal effects are excluded from the definition of capital assets under the Income Tax Act. However, **this exclusion specifically does not apply to jewellery**. As per the provisions, jewellery is expressly excluded from the definition of "personal effects" and is therefore treated as a **capital asset**. This means that any gain arising from the sale or transfer of jewellery is taxable under the head "Capital Gains."

Clarifying the Legal Definition of Jewellery in Taxation

JEWELLERY INCLUDES:-

- ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn into any wearing apparel;
- precious or semi-precious stones, whether or not set in any furniture, utensil or other article or worked or sewn into any wearing apparel;

Analysis of above definition with some practical examples:-

Legal Definition	Analysis with practical examples
Ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn into any wearing apparel;	<p><u>Ornaments made of Precious Metals</u></p> <p>These are items made from gold, silver, platinum, or any other precious metal – either in pure form or as part of an alloy (a metal mixture). It includes even if they contain precious or semi-precious stones or they are stitched or attached to clothes (like a saree border or sherwani embroidery)</p> <p><u>Examples</u></p> <ul style="list-style-type: none"> • Gold Ring or Necklace A simple 22k gold ring or a manga sutra is considered jewellery. • Diamond Earrings in Platinum Setting Earrings made with diamonds and platinum are included under jewellery. • Silver Payal (Anklets) Even plain or designed silver anklets used for wearing count as ornaments.

Analysis of above definition with some practical examples:-

Legal Definition	Analysis with practical examples
	<ul style="list-style-type: none"> • Gold Buttons on a Wedding Sherwani If your sherwani has real gold buttons, they are part of jewellery. • Gold-thread Work on Saree (Zari) Heavy zari work on a saree made from real gold thread will be treated as jewellery, even if it's stitched to the cloth. • Platinum Bracelet with Gemstones A stylish bracelet with embedded stones and platinum base is also jewellery. • Silver Chain with a Ruby Pendant Even if only the pendant has the gemstone, the whole chain-pendant set is considered jewellery.
<p>Precious or semi-precious stones, whether or not set in any furniture, utensil or other article or worked or sewn into any wearing apparel;</p>	<p><u>Precious or Semi-Precious Stones (in any form)</u></p> <p>Even if they are not part of ornaments, stones like diamonds, rubies, emeralds, etc. are considered jewellery when:</p> <ul style="list-style-type: none"> • Kept loose, • Set into furniture, utensils, decorative items, or • Stitched into clothing.

Analysis of above definition with some practical examples:-

Legal Definition	Analysis with practical examples
	<p><u>Examples</u></p> <ul style="list-style-type: none"> • Loose Stones <ol style="list-style-type: none"> 1.You bought a loose diamond to gift later – still counted as jewellery. 2.A ruby kept in your locker as an investment – it's taxable as jewellery. • Stones Fixed in Items (Furniture/Utensils/Decor) <ol style="list-style-type: none"> 1.A dining table with embedded emerald stones – considered jewellery. 2.A silver bowl with diamond chips stuck around the edges – it's jewellery. 3.A wooden photo frame with a design using real sapphires – also treated as jewellery. 4.A decorative sword or showpiece with rubies and pearls inlaid – taxable as jewellery. • Stitched or Woven into Clothing <ol style="list-style-type: none"> 1.A bridal lehenga with real semi-precious stones stitched on the blouse – its jewellery. 2.A turban (pagdi) with an emerald brooch sewn into it – taxable. 3.A designer dupatta with small real stone work – still considered jewellery

Are silver (chandi) utensils used at home considered "jewellery" under the Income Tax Act?

No, they are not treated as jewellery if they are used for personal or household use.

The Following are the reasons:

The Income Tax Act defines jewellery to include:

"Precious or semi-precious stones, whether or not set in any furniture, utensil, or other article, or worked or sewn into any wearing apparel."

But this applies only to stones (like diamonds, rubies, etc.) set in utensils or articles.

Silver utensils by themselves, without any precious or semi-precious stones, are not included in the definition of jewellery, and can qualify as personal effects which are not considered capital assets, and thus not taxable on sale.



Period of holding of Gold- Important to classify the Short Term and Long Term Capital Asset

Date of Transfer	Period of holding	Type of Capital Asset Definition
Before 23rd July 2024	Up to 36 months	Short-Term Capital Asset
	More than 36 months	Long-Term Capital Asset
On or After 23rd July 2024	Up to 24 months	Short-Term Capital Asset
	More than 24 months	Long-Term Capital Asset

Why important to classify the Gold into Short Term Capital Asset and Long Term Capital Asset?

It is important to classify the Gold into Short Term and Long Term Capital Assets because applicable tax rates are different on both short term and long term capital assets which are as follows-:

Types of Capital Gain	Date of Transfer	Tax Rate	Indexation Allowed
Short Term Capital Assets	Any date	Taxed at slab rates	Not Applicable
Long Term Capital Assets	Before 23.07.2024	20%	yes
	On or after 23.07.2024	12.5%	No

How to Calculate the Tax on Sale of Gold?

Particular	Short Term Capital Gain (STCG)	Long Term Capital Gain (LTCG)
Sale Consideration	xxxx	xxxx
Less: Cost of Acquisition/Indexed Cost of Acquisition	(xxxx)	(xxxx)
Taxable Capital Gain Income	xxxx	xxxx
Tax on Capital Gain @ 12.5%/20%/slab rates	xxxx	xxxx

What should be cost of acquisition if Gold is purchased before 01.04.2001

If the Gold is purchased before 01.04.2001 then cost of acquisition shall be calculated as follows-:

- Cost of Purchase of Gold before 01.04.2001
 - FMV as on 01.04.2001
- Whichever is higher

Conclusion

Gold's dual role as a cherished heirloom and a financial asset means that selling it carries more than just sentimental value. Because jewellery (and even loose precious stones in décor or clothing) is always treated as a capital asset, any gain is taxable, whereas plain silverware without stones and used at home remains exempt. Understanding these definitions is the first step: if your gold item counts as jewellery, it automatically falls under capital gains rules.

Next, the holding period determines your tax burden. Until July 22, 2024, gold held for up to three years was short-term; anything beyond was long-term. Since July 23, 2024, the short-term threshold dropped to two years. Short-term gains simply get added to your income and taxed at your slab rate; long-term gains enjoy a concessional rate (20% with indexation for sales before July 23, 2024, and 12.5% without indexation thereafter).



By keeping these points in mind what qualifies as a capital-gain asset, which items are exempt, and how long you've held them you can plan the timing of your gold purchases and sales to minimize tax. In the end, a little awareness of definitions, holding periods, and rates helps you hold onto more of your hard-earned returns



CA. Sangam Aggarwal

Regional Council
Member, NIRC of
ICAI

DECODING COST AUDIT: RULES, RELEVANCE, AND REPORTING

Introduction

In today's highly competitive and cost-conscious business environment, effective cost management is essential for sustainable growth and profitability. One of the key tools that enable organizations to monitor, analyze, and control their costs is Cost Audit. Unlike financial audits, which focus on the accuracy of financial statements, cost audits delve into the efficiency and propriety of cost records and cost accounting systems.

Cost audit plays a vital role in ensuring that resources are utilized optimally and that pricing decisions are based on accurate cost data. It enhances transparency, promotes accountability, and helps organizations comply with regulatory requirements under the Companies Act, 2013 and the rules prescribed by the Institute of Cost Accountants of India (ICAI-CMA). This article explores the concept, objectives, legal framework, scope, and benefits of cost audit, along with its relevance in improving organizational performance and strategic decision-making.

Applicability of Cost Accounts and Cost Audit

CG has notified only 39 industries as follows:-

1. Table A-: Regulated Sector (6 Industries)

S.No	Regulated Sector
1	Telecommunication services made available to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature and regulated by the Telecom Regulatory Authority of India under the Telecom Regulatory Authority of India Act, 1997 (24 of 1997); including activities that requires authorisation or license issued by the Department of Telecommunications, Government of India under Indian Telegraph Act, 1885 (13 of 1885);
2	Generation, transmission, distribution and supply of electricity regulated by the relevant regulatory body or authority under the Electricity Act, 2003 (36 of 2003);
3	Petroleum products; including activities regulated by the Petroleum and Natural Gas Regulatory Board under the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 of 2006);
4	Drugs and pharmaceuticals;
5	Fertilisers;
6	Sugar and industrial alcohol;

1. Table B-: Non- Regulated Sector (33 Industries)

S.No	Non-Regulated Sector
1	Machinery and mechanical appliances used in defence, space and atomic energy sectors excluding any ancillary item or items; Explanation. - For the purposes of this sub-clause, any company which is engaged in any item or items supplied exclusively for use under this clause, shall be deemed to be covered under these rules.
2	Turbo jets and turbo propellers;
3	Arms and ammunitions and Explosives;
4	Propellant powders; prepared explosives (other than propellant powders); safety fuses detonating fuses; percussion or detonating caps; igniters; electric detonators ;
5	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus
6	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons and parts of such vehicles, that are funded (investment made in the company) to the extent of ninety per cent, or more by the Government or Government agencies;
7	Port services of stevedoring, pilotage, hauling, mooring, re-mooring, hooking, measuring, loading and unloading 4[services rendered for a Port in relation to a vessel or goods regulated by the Tariff Authority for Major Ports under the Major Port Trusts Act, 1963 (38 of 1963)];
8	Aeronautical services of air traffic management, aircraft operations, ground safety services, ground handling, cargo facilities and supplying fuel rendered 5[at the airports] and regulated by the Airports Economic Regulatory Authority under the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008);

1. Table B-: Non- Regulated Sector (33 Industries)

S.No	Non-Regulated Sector
9	Iron and Steel;
10	Roads and other infrastructure projects corresponding to para No. (1) (a) as specified in Schedule VI of <u>the Companies Act, 2013</u> (18 of 2013);
11	Rubber and allied products; including products regulated by the Rubber Board constituted under the Rubber Act, 1947 (XXIV of 1947);
12	Coffee and tea;
13	Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signalling equipment's of all kind;
14	Cement;
15	Ores and Mineral products;
16	Mineral fuels (other than Petroleum), mineral oils etc.;
17	Base metals;
18	Inorganic chemicals, organic or inorganic compounds of precious metals, rare-earth metals of radioactive elements or isotopes, and Organic Chemicals;

1. Table B-: Non- Regulated Sector (33 Industries)

S.No	Non-Regulated Sector
19	Jute and Jute Products;
20	Edible Oil;
21	Construction Industry as per para No. (5) (a) as specified in Schedule VI of the Companies Act 2013 (18 of 2013);
22	Health services, namely functioning as or running hospitals, diagnostic centres, clinical centres or test laboratories;
23	Education services, other than such similar services falling under philanthropy or as part of social spend which do not <u>form</u> part of any business.
24	Milk powder;
25	Insecticides;
26	Plastics and polymers;
27	Tyres and tubes;
28	<u>Z</u> [Pulp and Paper];

1. Table B:- Non- Regulated Sector (33 Industries)

S.No	Non-Regulated Sector
29	Textiles;
30	Glass;
31	Other machinery and Mechanical Appliances;
32	Electricals or electronic machinery;
32	<p>Production, import and supply or trading of following medical devices, namely:-</p> <ul style="list-style-type: none"> • Cardiac stents; • Drug eluting stents; • Catheters; • Intra ocular lenses; • Bone cements; • Heart valves; • Orthopaedic implants; • Internal prosthetic replacements; • Scalp vein set; • Deep brain stimulator; • Ventricular peripheral shud; • Spinal implants; • Automatic palpable cardiac g[defibrillators], • Pacemaker (temporary and permanent); • Patent ductus arteriosus, atrial septal defect and ventricular septal defect closure device; • Cardiac re-synchronize therapy ; • Urethra spincture devices; • Sling male or female; • Prostate occlusion device; and • Urethral stents:

Cost Accounts and Cost Audit

(A) OTO= Overall Turnover

(B) CTO= Covered Turnover = Add Turnover of Products in 39 industries

Cost Accounts	Cost Audit	
	Table A (6 Industries)	Table B (33 industries)
<p>A Company that satisfies BOTH conditions must prepare Cost Accounts</p> <ol style="list-style-type: none"> 1. They belong to 39 industries AND 2. OTO> 35 crore 	<p>Cost Audit of only Table –A products if:-</p> <ol style="list-style-type: none"> 1. OTO> 50 crore AND 2. CTO> 25 crore 	<p>Cost Audit of BOTH Table-A and Table-B products if</p> <ol style="list-style-type: none"> 1. OTO> 100 crore AND 2. CTO> 35 crore

The requirements for cost audit shall not applicable to a company

- Whose revenue from Exports, in foreign currency exceeds 75% of its total revenue
- Which is operating from Special Economic Zone
- Which is engaged in generation of electricity for captive consumption through Captive Generating Plant

Appointment, Eligibility, Tenure and Filing Requirements of Cost Auditor

1. Appointment of Cost Auditor

- The Company is required to appoint a Cost Auditor within 180 days from the beginning of financial year
- The Board of Director shall appoint a Cost Auditor who must be Cost Accountant in practice
- The appointment must be filed with the Central Government (MCA) using form CRA-2 within 30 days of the board resolutions or within 180 days of the start of the financial year, whichever is earlier



2 Eligibility of Cost Auditor

- Must be a Cost Accountant as defined under the Cost and Works Accountants Act, 1959
- Should not be disqualified under Section 141 of the Companies Act, 2013 (similar to statutory auditor disqualifications).
- The auditor must be independent and not in conflict of interest.

3. Tenure and Rotation

- No specific tenure is prescribed, but companies typically appoint cost auditors annually.
- Rotation provisions under Section 139(2) do not apply to cost auditors.

4. Filing Requirements

- After conducting the audit, the cost auditor shall submit the Cost Audit Report in Form CRA-3 to the Board of Directors.
- The company must file the report with the Central Government in Form CRA-4 within 30 days from the date of receipt of the report.



Procedures for Conducting Cost Audit

Collection and verification of Cost Records

The cost auditor initiates the audit by collecting relevant cost records from the company. These may include records related to materials, labor, overheads, utilities, production, inventory, and sales. The auditor verifies whether the company is maintaining cost records as prescribed under the Companies (Cost Records and Audit) Rules, 2014 and checks compliance with the Cost Accounting Standards (CAS) issued by the Institute of Cost Accountants of India.

Analysis Audit Working Papers and Queries

After obtaining and verifying cost records, the auditor performs a detailed analysis of cost structures, operational efficiencies, and variances. Audit working papers are prepared to document findings, calculations, and justifications. During the course of the audit, the auditor may raise queries or seek clarifications from relevant departments to ensure the accuracy, completeness, and fairness of the cost data. This step helps in identifying inefficiencies, wastage, or any non-compliance with cost accounting standards.

Reporting and Submission to the Board and MCA

Once the audit is completed, the auditor prepares the Cost Audit Report in Form CRA-3. This report includes observations, qualifications (if any), cost data analysis, and the auditor's opinion. The report is first submitted to the Board of Directors for their review and comments. Subsequently, the company is required to file the final Cost Audit Report with the Central Government (MCA) in Form CRA-4 within 30 days from the date of receipt of the report from the cost auditor.

Conclusion

In an era where operational efficiency, regulatory compliance, and cost competitiveness are paramount, Cost Audit emerges as a strategic tool for modern enterprises. By offering deep insights into cost structures, wastage, and inefficiencies, cost audit goes beyond mere compliance it facilitates informed decision-making, enhances transparency, and strengthens internal controls.

With statutory backing under the Companies Act, 2013, and detailed rules laid down by the Ministry of Corporate Affairs, cost audit ensures that companies not only maintain proper cost records but also align their cost strategies with broader financial and operational goals. For stakeholders including management, regulators, and investors a robust cost audit framework builds confidence in the company's resource utilization and long-term sustainability.



As Indian businesses continue to expand and globalize, the role of cost audit will only grow in relevance. Organizations that embrace it proactively stand to gain a competitive advantage through better pricing, improved profitability, and enhanced governance.



CMA Madhuri Kashyap

Treasurer, NIRC of
ICMAI

THE IMPORTANCE OF FINANCIAL INDEPENDENCE & EARLY RETIREMENT IN CONTEMPORARY SOCIETY!

In this modern era, where financial literacy is crucial, understanding how to manage your wealth effectively can unlock new opportunities. The journey to financial independence is a personal triumph and a significant commitment in a world that often prioritizes material success over well-being.



Financial independence empowers you with the freedom to live life on your own terms. Imagine waking up each day without the pressure of a 9-to-5 job, knowing that your finances are secure & stable and your passions can take center stage. Early retirement isn't just about stopping work; it's about starting a new chapter filled with adventure and personal fulfillment.

In this context, recently, a survey was conducted by Grant Thornton Bharat from private sector employees aged 25-54, focusing on retirement planning, pension expectations, and financial awareness, to be taken as an example and find out the pros and cons of the subject. According to the Indian Pension Landscape survey by Grant Thornton, 43% of Indians aged 25 or below want to retire between 45 and 55. Around 74 percent of all survey participants said they contribute 1 percent to 15 percent of their monthly salary as retirement savings. Over half expected a monthly pension of ₹1,00,000 or more.

While these goals may sound lovely and desirable, they need comprehensive retirement planning to build the required retirement corpus, popularly known as the golden pot. On the other hand, for financial independence, retiring early requires much financial discipline; they must follow decades of discipline, savings, and a solid financial plan because they expect to retire between 45 and 55 years, much earlier than the conventional retirement age of 60.

Now, the question arises whether all young professionals have assessed their retirement corpus and adequately saved to make that dream into reality.

Considering the above survey, if young generations plan to live ₹100,000 a month at the start of retirement, say i.e., at the age of 55, a 6 % inflation rate will cost monthly expenses of ₹ 3,20,713 after 20 years. Hence, comprehensive retirement planning has to be made if they want early retirement.



Stages of Retirement Planning:

Retirement planning is a distinctive and critical process that requires individuals to strategically set aside a substantial portion of their income to create a robust retirement corpus. This endeavor fundamentally differs from other financial planning because it relies exclusively on personal savings; loans or borrowed funds cannot be utilized to cover retirement expenses. As such, the planning process is inherently long-term, aiming to secure financial independence and fulfill your anticipated financial needs later in life.

If individuals fail to initiate their retirement investments on time, they may find themselves ill-equipped to handle their retirement expenses, particularly in the face of rising inflation. The purchasing power of money diminishes over time, meaning that the cost of living could overtake fixed income sources. Furthermore, not taking advantage of investment opportunities can result in lost wealth accumulation and growth potential. Therefore, it becomes vital to actively manage your retirement savings, diversifying investments across various asset classes to mitigate risks and enhance potential returns. By taking this step, you can build greater financial stability and security during your transition into retirement.



1. Accumulation Stage:

Investment in this stage should be growth-oriented since the retirement corpus must be created in the long term. The investor generally takes a high risk, and the portfolio should be invested to earn a higher return.

Individuals in the accumulation stage of retirement planning should consider a mix of growth-oriented investment products to maximize their returns over time. Some specific options include:

1. Equity Mutual Funds
2. Index funds/ ETFs
3. Direct Stocks
4. Real Estate Investment Trusts (REITs)
5. Debt Funds: PPF & Bonds
6. National Pension System (NPS)
7. Gold, Gold ETFs, Gold Bonds, Gold/Silver mutual funds

Individuals must assess their risk tolerance, investment horizon, and financial goals before selecting specific products for retirement savings. Diversification across various asset classes can also help manage risks effectively.

All these investments must adjust the asset allocation as the target retirement date approaches, gradually shifting from growth to more conservative investments.

2. Distribution stage:

In this retirement stage, the corpus created in the accumulation stage is employed to generate the income required to meet retirement expenses. The investment made in this stage should be primarily income-oriented but not growth-oriented. In fact, at this stage, the ability to take risks is lower since any erosion in the capital cannot be replaced. The primary income at this stage will be a pension or the income drawn from the retirement corpus created during the earning period of the individual's life or a combination of the two.

Calculation of Retirement Corpus:

Retirement planning involves estimating the expenses in retirement and the income required to meet them, calculating the corpus needed to generate the income, assessing the current financial situation to determine the savings that can be made for retirement, and identifying the investment products in which the period savings made will be invested so that required corpus is created, and the products in which will be invested at the accumulated stage of retirement to generate the required income in the distribution stage.



Two questions arise in our minds while planning retirement:

1. How much is the income required in retirement to maintain a given standard of living?
2. What is the corpus that should be built to generate this income?

When planning for your retirement corpus, it's essential to consider several factors, including your current monthly expenses, the inflation rate, expected investment returns, the income you desire during retirement, your lifestyle, and life expectancy.

For instance, imagine a 35-year-old individual planning to retire at 55 with a life expectancy of 85. If his current monthly expenses are ₹ 17,500, these expenses will increase to ₹ 100,511 by retirement, assuming a 6% annual inflation rate. By building a retirement fund that provides a steady income, the individual can confidently cover expenses for a fulfilling life until age 85.

Estimating Retirement Corpus		
1	Monthly Income required at the time of Retirement ₹	100,500
2	Time- Years	30
3	Return on Investment (ROI)	8%
4	Assumed Inflation rate	6%
5	Real rate return/Inflation adjusted return	1.89%
6	Corpus required at the time of Retirement ₹	27,654,523

To ensure a stable monthly income of ₹ 100,500 at retirement, a retirement corpus of ₹276,54,523 is required. This assumption is based on an inflation rate of 6% and an investment return rate of 8%. While calculating the monthly income, it's essential to account for an inflation-adjusted return of 1.89%. After 30 years, this corpus will be completely exhausted.

Individuals should consider diverse investment options to build this retirement fund, including bonds, debt instruments, equity mutual funds, debt mutual funds, and hybrid mutual funds.

Furthermore, analyzing the monthly SIP amounts needed to build a retirement corpus of ₹276,54,500, the individual may invest in various investment products, having return rates ranging between 8% to 12% over 20 years. The required monthly SIP amount is as follows:

It is shown that when the rate of return of the products is less, the monthly SIP amount will be higher. Assuming the product will generate a 12% return, the saving amount will be ₹ 27,678. That means if ₹ 27,678 is invested monthly at an annual rate of 12% for 20 years, the savings will compound to ₹ 276,54,500, the required retirement corpus.

Monthly Savings: Retirement Corpus			
Time Period-Years	20	20	20
Annual Rate of Return	8%	10%	12%
Future Value ₹	27,654,500	27,654,500	27,654,500
Monthly SIP Amount ₹	46,639	36,117	27,678

As per the example, a monthly income of ₹ 100,500 is estimated to sustain the desired lifestyle after retirement, which has been calculated after considering inflation of 6% on the current expenses of ₹17,500 per month for 20 years. This figure, however, is not set in stone; it can fluctuate based on various unforeseen costs that may arise as one transitions into retirement. Additionally, key factors such as the anticipated rate of returns from the investment corpus and the prevailing inflation rate can substantially alter the income needed during retirement. Therefore, carefully considering these variables is crucial for a secure financial future.

Challenges to Achieving Financial Freedom and Early Retirement:

- 1.High Savings:** In today's world, managing daily expenses while saving for investment can be challenging for many individuals. Achieving a high savings rate is particularly difficult for those with limited income or substantial expenses. This reality highlights the importance of financial planning and the need for effective budgeting strategies to enhance savings potential.
- 2. Investment risk:** Investing in equities, mutual funds, and equity-related financial instruments involves several risks that investors should be aware of. These include market risk, interest rate risk, credit risk, liquidity risk, and inflation risk. These risks can significantly affect your financial independence and overall investment outcomes. Therefore, it is essential to understand and manage these risks effectively to make informed decisions and work towards achieving your financial goals.

3. Lifestyle adjustments: Living today can be challenging, but everyone can adopt a frugal lifestyle. With some planning and commitment, you can make it possible.

Key Features for Retirement Income and Portfolio Building:

The income in working years has to be thus apportioned to meet current living expenses as well as to create a corpus for future living expenses. A retiree can examine multiple features while calculating the retirement income and building the retirement portfolio. Primary features among them are:

- Estimate expenses during retirement.
- Expenses before retirement are different from expenses after retirement.
- Pre-retirement and post-retirement expenses need to be calculated and provided for.
- The risk of overspending exists in retirement since income is reduced.
- Income and Expense management has to be well managed.
- Adequacy to meet expenses in retirement with inflation protection.
- Income security and protection from longevity.
- Stability and certainty of the quantum of income.



- Tax advantages.
- Flexibility: Draw additional funds/change investments/change options
- Access to Capital and review the retirement corpus periodically.

Many of these features are inherently in conflict with each other. For example, the higher return that would make it comfortable to meet expenses in retirement will not come with stability and certainty. Similarly, protection from inflation will mean higher volatility risks in the portfolio. Simple products may be inflexible and have lower returns. The importance of any of these features while structuring the retirement income portfolio will depend upon individual circumstances. Adequacy and sustainability through retirement, however, will rank right at the top for all retirees.

Tax implications of retirement corpus:

The investments made, and returns earned in the retirement portfolio of investments created to accumulate the retirement corpus in the accumulation stages and subsequently generate retirement income in the distribution stage are subject to taxation. Some investment products provide tax benefits during the accumulation stage. However, they are taxable when redeemed or mature at the distribution stage. The tax impact should be considered while calculating the retirement corpus, and the return from the investment should be maximized.

Some investment products, such as PPF, NPS, mutual funds, and tax-free bonds, earn returns that are not charged to tax when they are earned. All the above products return compound faster than other investment products' returns, which are taxable.

Conclusion:

Many young Indian professionals aspire to retire early, and shifting their perspective on retirement and financial independence can significantly influence our country's growth and overall quality of life. Imagine retiring at 45; they must build an adequate retirement corpus to sustain their lifestyle for the next 40 years. With the increasing life expectancy of Indian people, improved living standards & healthcare, it's more important than ever to plan wisely. By working for just 20 years, they could enjoy 40 fulfilling years of post-retirement life, potentially living well into their 80s.

In our fast-paced, ever-changing society, achieving financial independence and pursuing early retirement have become more than just dreams; they are essential goals for many. The desire to break free from the constraints of traditional work life and enjoy greater control over our time is increasingly resonating with people of all ages.

Achieving financial independence is a vital goal that we should actively strive for in today's society. This goal represents the freedom to make personal choices without the constraints of financial pressure and the ability to build a secure and fulfilling future. In an ever-changing

economic landscape, achieving such independence empowers us to live on our terms, opening doors to new opportunities and experiences.

Retirement is the stage in a person's life marked by an abundance of time to pursue all those hobbies and dreams for which they had no time in their working years.

In retirement, the absence of a regular income can create challenges, but you still need to cover living and leisure expenses. Your income after retirement largely depends on the savings you accumulated during your working years. It is essential to ensure that your monthly income in terms of pension, interest, and other income is sustainable and to take proactive steps to adjust for inflation throughout your life.

Disclaimer:

The information contained in this document is for general purposes only and should not be considered investment advice. It is compiled from reliable sources, including publicly available data from various websites, newspapers, and internally developed data. The views expressed are opinions and should not be considered guidelines, recommendations, or professional advice.



CMA (Dr.) R K Mohapatra

CMA (Dr.) R K Mohapatra is a Consultant GM/Finance in IRCON, an Editorial Board Member of "The Worldonomics Times," and an "Eminent Author" awardee. He has 34 years of experience in finance and accounts, portfolio management, cash and wealth management, and tax planning.

MODELS OF ARTIFICIAL INTELLIGENCE

Artificial Intelligence (AI) is revolutionizing the way we process information, make decisions, and innovate across diverse fields. Artificial Intelligence (AI) has evolved significantly over the past decade, resulting in the emergence of distinct AI models, each representing critical advancements and applications in technology. This chapter explores these AI models in detail, highlighting their unique characteristics, historical context, and practical examples in modern life.

4.1 DIFFERENT MODELS OF AI

Model of AI	Year/Period	Terminology	Description	Examples (from image+ additional)
AlexNet	2012	Deep Neural Network, CNN Model	A landmark deep-learning neural network designed for image classification, revolutionizing computer vision.	ImageNet classification, Facial recognition, object detection, Image tagging apps
Perception AI	2013 - 2018 (approx.)	Sensory AI, Cognitive Perception AI	AI capable of interpreting sensory inputs like images, audio, or video to understand its surroundings or context.	Speech recognition (Siri, Alexa), Medical diagnostics from images, Face ID, Google Lens, Real-time language translation
Generative AI	2018 - Present (mainstream from 2022)	Creative AI, Content-generation AI, Foundation Models	AI models designed to create new content autonomously, including text, images, audio, and code.	ChatGPT, DALL-E, Stable Diffusion, AI Music generators, Midjourney, Bard, GitHub Copilot
Agentic AI	2023 - Present (emerging mainstream)	Autonomous AI, Intelligent Agents, Autonomous Agents	AI systems capable of independently performing tasks, planning, making informed decisions, and interacting dynamically based on given objectives.	Autonomous virtual assistants, AutoGPT, BabyAGI, Personal AI Assistants, Intelligent customer support chatbots

Model of AI	Year/Period	Terminology	Description	Examples (from image+ additional)
Physical AI	2023 - Present (emerging mainstream)	Embodied AI, Robotics, Real-world AI	AI models that directly interact with the physical world through hardware, performing real-world actions and tasks.	Autonomous vehicles (Tesla, Waymo), Industrial Robots, Surgical Robots, Autonomous drones, Boston Dynamics robots

Two fundamental paradigms of AI—generative and predictive models—have emerged as key players in this transformation. Each serves distinct yet complementary purposes in helping AI systems analyse data, solve complex problems, and deliver value in industries such as healthcare, finance, marketing, and technology.

Generative models focus on creating new data by understanding the underlying patterns and structures within datasets. They excel in producing realistic content like images, text, and audio, paving the way for applications in creative industries, content generation, and simulation.

On the other hand, predictive models specialize in forecasting outcomes by analysing historical data to identify patterns and trends. These models are critical for decision-making tasks, such as predicting customer behaviour, disease progression, or market trends.

While both paradigms rely on sophisticated machine learning algorithms, they differ fundamentally in their goals: generative models aim to create, while predictive models aim to anticipate. Together, they enable a holistic approach to problem-solving and innovation.

4.2 Key Differences Between Generative and Predictive Models

Aspect	Generative AI	Predictive AI
Objective	Create new data	Forecast outcomes
Data Use	Learns data distribution	Analyses historical trends
Output	Original content	Predictions or classifications
Examples	GPT, GANs	Regression, decision trees

Generative Models: Creating New Data

Generative AI focuses on creating new data that mimics the patterns of existing data. These models learn the underlying distribution of a dataset and use that understanding to generate new content. For instance, a generative model trained on a dataset of images can produce entirely new images that resemble the originals.

Key Features of Generative Models:

1. **Data Creation:** They produce new outputs, such as text, images, or music, that have not existed before.
2. **Versatility:** Generative models are used for tasks like image synthesis, text generation, and audio creation.
3. **Deep Learning Frameworks:** Technologies like Generative Adversarial Networks (GANs), Variational Autoencoders (VAEs), and transformer models (e.g., GPT) power generative AI.

Applications:

1.Content Creation: Tools like ChatGPT generate human-like text for applications in customer service, marketing, and education.

2.Design and Creativity: Generative models assist in product design, fashion, and art by suggesting innovative ideas.

3.Healthcare: AI generates synthetic medical data to aid in research without compromising patient privacy.

4.Gaming and Virtual Reality: Generative models create realistic characters, environments, and interactions.

Strengths and Challenges:

Generative AI excels in creativity, enabling machines to "imagine" new possibilities. However, it requires significant computational power and may struggle to ensure the quality or relevance of generated content.

Predictive Models: Anticipating Outcomes

Predictive AI, by contrast, is designed to forecast outcomes based on historical data. These models use machine learning algorithms to identify patterns and trends, enabling accurate predictions. For example, a predictive model can analyse past sales data to forecast future demand.

Key Features of Predictive Models:

1.Outcome Forecasting: Predictive models estimate future events or behaviours.

2.Data-Driven Decision Making: They help organizations make informed choices by analysing trends and probabilities.

3.Algorithms: Linear regression, decision trees, and neural networks are commonly used in predictive modelling.

Applications:

- **Business Forecasting:** Models predict customer demand, market trends, and sales growth.
- **Healthcare:** Predictive analytics identifies high-risk patients and forecasts disease progression.
- **Finance:** Banks use predictive models for credit scoring, fraud detection, and risk assessment.
- **Supply Chain:** AI forecasts inventory requirements and optimizes logistics.

Predictive AI provides actionable insights and improves decision-making. However, it depends heavily on the quality and quantity of historical data and may falter in highly dynamic environments.

4.3 Generative and Predictive AI in Harmony

Generative and predictive AI models, though distinct in their objectives, complement each other in powerful ways. When combined, these paradigms create robust AI systems capable of addressing complex challenges by leveraging their respective strengths. Generative AI focuses on creating new content or simulating scenarios, while predictive AI analyses historical and real-time data to forecast outcomes. Together, they enable more dynamic, adaptive, and innovative solutions.

One compelling example of this synergy is autonomous driving. Generative models simulate potential scenarios, such as various weather conditions, road environments, or unexpected obstacles, allowing vehicles to prepare for situations they may not have encountered before. Meanwhile, predictive models analyse real-time sensor data to anticipate risks, such as predicting the movement of pedestrians or other vehicles, ensuring safer navigation. The collaboration of these two paradigms enhances the reliability and safety of self-driving systems.

In healthcare, generative and predictive AI work together to improve patient outcomes. Generative models can simulate synthetic patient data to augment datasets for training purposes, while predictive models analyse patient histories to forecast disease progression or treatment efficacy. This combined approach leads to personalized and effective healthcare interventions.

Similarly, in finance, generative models simulate market behaviours to test investment strategies, while predictive models forecast market trends or credit risks based on historical data, helping institutions make more informed decisions.

By combining the creative capabilities of generative AI with the analytical precision of predictive AI, organizations can achieve a balance of innovation and reliability. This harmony ensures that AI systems are not only equipped to anticipate real-world challenges but also adapt to unforeseen circumstances. Together, generative and predictive AI unlock new possibilities, making them indispensable for industries seeking to optimize efficiency, reduce risks, and foster innovation.

Generative Artificial Intelligence

Generative Artificial Intelligence (AI) is like having a highly creative and intelligent assistant capable of producing new and original content based on what it has learned. Unlike traditional AI, which focuses on analyzing data or making predictions, generative AI creates entirely new data—be it images, music, text, or videos—that mimics the real world. It learns patterns, structures, and relationships in the data and uses that understanding to generate something fresh and innovative.

Imagine typing a few words into an app and receiving a stunning piece of art that perfectly matches your description. That's the magic of generative AI. For instance, tools like **DALL·E** can generate realistic images of anything you describe, such as "a futuristic city floating in space" or "a dog wearing a superhero cape." These creations aren't copied from existing images; they're entirely new, crafted by the AI.

Another compelling example is deepfake technology, where AI can create videos of famous personalities saying or doing things they never actually did. For example, a deepfake might show a celebrity delivering a birthday greeting that looks and sounds incredibly real but was never recorded by them.

4.3.3 Generative Adversarial Networks (GANs)

Generative AI is also responsible for tools like ChatGPT, which can write essays, poetry, or even jokes, and music composition software that creates original melodies. Its ability to replicate creativity is transforming industries, from entertainment and marketing to education and design, unlocking endless possibilities for innovation and personalization.



4.3.2 How Does Generative AI Work?

Generative AI leverages advanced machine learning techniques to create new and original data by learning patterns from existing data. Unlike traditional AI, which typically analyzes data or predicts outcomes, generative AI focuses on producing creative outputs—whether it's an image, text, music, or video. Two foundational technologies underpin generative AI: **Generative Adversarial Networks (GANs)** and **Transformer Models**.

GANs are like two rival artists trying to outsmart each other. They consist of two components:

1. **The Generator:** Think of this as the artist trying to create something new, such as a painting, a song, or a realistic image. Its goal is to produce outputs that look as real as possible.

2. **The Discriminator:** This is the critic or judge that evaluates the generator's work. It compares the generated content with real data and decides whether it's real or fake.

These two programs work together in a process called an **adversarial training loop**:

1. The generator creates something fake, like an image of a cat.
2. The discriminator evaluates it and provides feedback, pointing out areas that look unrealistic
3. The generator uses this feedback to improve its creation, trying again and again until the discriminator can no longer distinguish between the real and fake content

This iterative process allows GANs to generate highly realistic outputs. For instance, GANs are used in creating lifelike portraits, synthesizing human voices, and even generating virtual environments for video games.

Transformer Models

While GANs excel at creating visual and audio content, **transformer models** are the brains behind language-based generative AI. Transformer models, like OpenAI's **GPT (Generative Pre-trained Transformer)**, are designed to understand and generate text. Here's how they work:

Another compelling example is deepfake technology, where AI can create videos of famous personalities saying or doing things they never actually did. For example, a deepfake might show a celebrity delivering a birthday greeting that looks and sounds incredibly real but was never recorded by them.



How These Technologies Work Together

1. Training on Massive Datasets:

A transformer model like GPT is trained on massive amounts of text data, such as books, articles, and websites. This helps the model learn grammar, sentence structure, and the relationships between words.

2. Understanding Context:

Transformers use an advanced mechanism called attention to understand the context of words in a sentence. For example, in the sentence "The dog chased the ball, and it ran into the bushes," the model can infer that "it" refers to the dog.

3. Generating Text: After learning patterns, the transformer can generate coherent and meaningful sentences. For example, if you ask GPT to write a poem about the ocean, it uses its training data to construct sentences that make sense and follow the requested theme.

Transformers are not limited to text generation. They're also used in tasks like language translation, summarization, and answering questions, making them versatile tools for many applications.

GANs and transformer models often complement each other in generative AI systems. For instance:

- 1.1. In a **deepfake video**, GANs might generate realistic visuals, while a transformer model generates believable dialogue to match the lips of the character.
2. In creative tools, transformers like GPT might write a story, and GANs might create illustrations for it

Which type of Generative AI to use?



Generative AI encompasses various types of models, each designed to create unique outputs like images, text, music, or videos. Here are the key types of generative AI models:

1. Generative Adversarial Networks (GANs)

GANs are composed of two neural networks—the generator, which creates new data, and the discriminator, which evaluates its authenticity. This adversarial process enables GANs to produce realistic outputs like lifelike portraits, deepfake videos, or synthetic audio. GANs are widely used in art, virtual environments, and visual effects.

2. Variational Autoencoders (VAEs)

VAEs generate outputs by learning the underlying patterns of input data. Unlike GANs, which focus on realism, VAEs prioritize smooth data representation, making them ideal for applications like anomaly detection, data compression, and image or audio synthesis.

3. Transformer Models

Transformers, such as GPT (Generative Pre-trained Transformer), excel in generating coherent and contextually relevant text. They are widely used in chatbots, text summarization, storytelling, and language translation. Transformers are also being adapted for music composition and image generation.

4. Diffusion Models

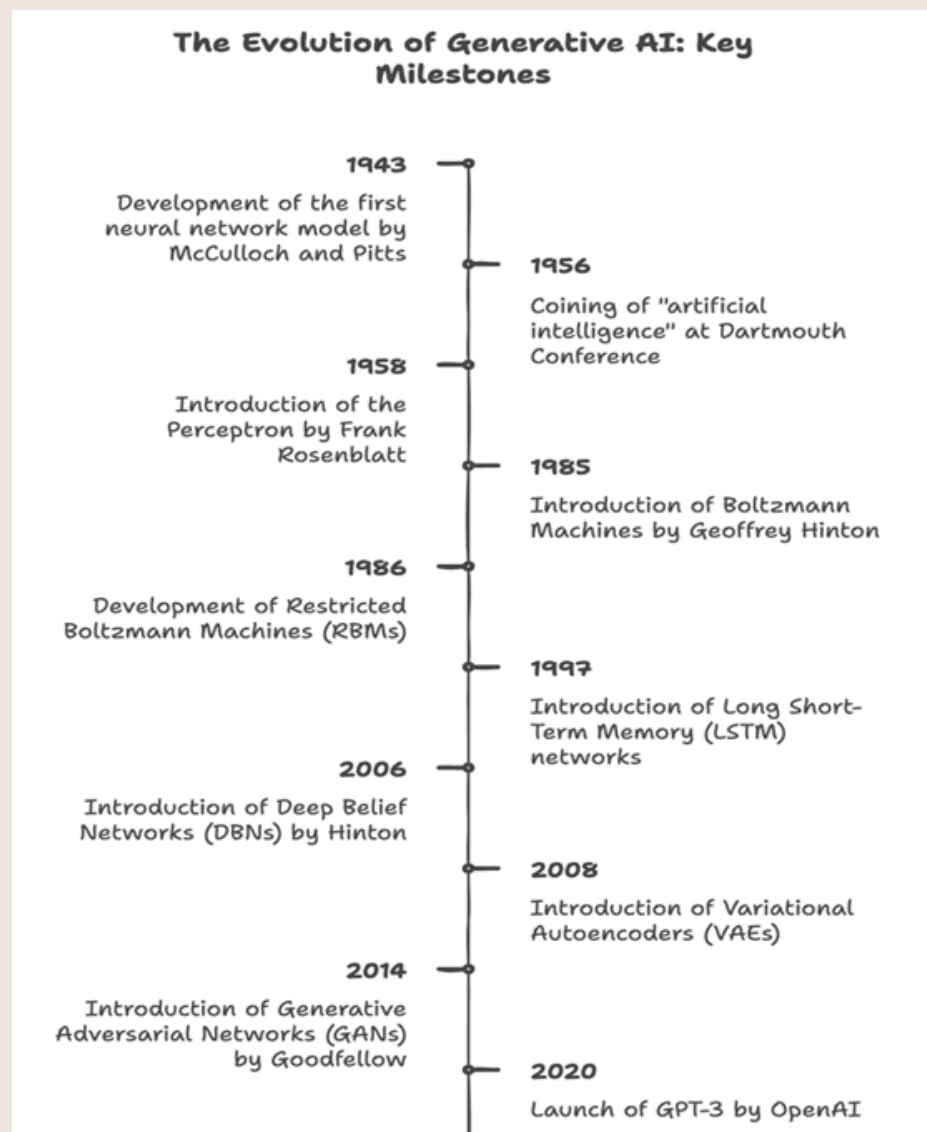
These models generate images or other outputs by progressively refining noisy data until it resembles the desired content. They are increasingly used in image generation and restoration tasks, producing stunningly realistic visuals.

5. Autoregressive Models

Autoregressive models, like OpenAI's Codex, generate outputs sequentially, predicting the next element based on previous ones. They are particularly effective in text generation and code completion.

4.3.5 A Brief History of Generative AI

Generative Artificial Intelligence (AI) has evolved significantly since its inception, emerging as one of the most transformative technologies in AI. Its development spans decades, with key milestones rooted in advancements in machine learning and neural networks. Let's explore its journey from early concepts to the sophisticated systems we see today.



1940s–1950s: The Early Foundations

- **1943:** Warren McCulloch and Walter Pitts developed the first mathematical model of a neural network, inspired by the human brain.
- **1956:** The term "artificial intelligence" was coined at the Dartmouth Conference, marking the beginning of AI as a formal field of study.
- **1958:** Frank Rosenblatt introduced the Perceptron, an early neural network model capable of binary classification.

1980s–1990s: Emergence of Generative Models

- **1985:** Geoffrey Hinton and colleagues introduced Boltzmann Machines, an early type of generative model.
- **1986:** Restricted Boltzmann Machines (RBMs) were developed, improving the efficiency of generative modeling.
- **1997:** Long Short-Term Memory (LSTM) networks were introduced, enhancing sequence modeling capabilities, laying groundwork for text generation in future AI models.

2000s: Revival of Neural Networks and Generative AI

- **2006:** Geoffrey Hinton introduced Deep Belief Networks (DBNs), revitalizing interest in deep learning and generative AI. These models could learn hierarchical data representations, enabling better generative tasks.
- **2008:** Variational Autoencoders (VAEs) were introduced, providing an efficient way to compress and generate data like images and audio.

2014: The GAN Revolution

- **2014:** Ian Goodfellow introduced Generative Adversarial Networks (GANs), revolutionizing generative AI. GANs used two competing neural networks—a generator and a discriminator—to create highly realistic images, videos, and audio.

2017: The Rise of Transformers

- **2017:** The Transformer architecture was introduced by Vaswani et al. in the paper "Attention Is All You Need." It became a cornerstone of modern generative AI, particularly for natural language processing tasks.

2018–2020: Generative AI Goes Mainstream

- **2018:** The Portrait of Edmond de Belamy, created by a GAN, was auctioned for \$432,500, showcasing generative AI's artistic potential.
- **2019:** OpenAI released GPT-2, a generative language model capable of creating coherent and contextually relevant text.
- **2020:** OpenAI launched GPT-3, a groundbreaking transformer model with 175 billion parameters, enabling human-like text generation, creative writing, and even basic coding.

2021–2022: Multimodal and Diffusion Models

- **2021:** OpenAI introduced DALL·E, a multimodal generative model capable of creating images from textual descriptions. This expanded generative AI's application beyond text to visual content.
- **2022:** Diffusion Models, like those powering Stable Diffusion and MidJourney, emerged as a new paradigm for creating photorealistic images. These models gradually refined noisy data into high-quality visuals.

2023 Beyond: The Future of Generative AI

- **2023:** Generative AI continued to dominate, with tools like ChatGPT becoming widely adopted for conversational AI, and Neural Radiance Fields (NeRFs) enabling realistic 3D scene generation.
- **Future Directions:** Research is focusing on ethical generative AI, improved interpretability, and advanced applications in fields like healthcare, education, and climate science.

Present and Future

Today, generative AI continues to evolve, with innovations like Diffusion Models enabling photorealistic image generation and Neural Radiance Fields (NeRFs) creating 3D representations. Generative AI is transforming fields such as healthcare, entertainment, and education, with tools that personalize experiences and enhance creativity.

The history of generative AI reflects the collaborative efforts of researchers and advancements in computational power, algorithms, and data availability. Its ongoing evolution promises even greater capabilities, reshaping how humans interact with technology and express creativity.



4.3.6 What Can Generative AI Create?

Generative Artificial Intelligence (AI) has unlocked new dimensions of creativity, enabling machines to produce original content across various domains. From realistic images to immersive virtual environments, generative AI can create data that looks, sounds, and feels authentic, often indistinguishable from human-made content. Let's explore the incredible range of creations that generative AI can produce, transforming industries and redefining how we interact with technology.

1. Images and Visual Art

One of the most well-known capabilities of generative AI is its ability to create stunning visual content. Models like DALL-E, MidJourney, and Stable Diffusion are trained on vast datasets of images, allowing them to generate visuals based on textual descriptions or existing examples.

Examples of Image Creation:

- **Art Generation:** Generative AI can create paintings, digital art, or illustrations in any style, from classical to abstract. For instance, DALL-E can generate images based on prompts like "a futuristic city under a glowing sunset."
- **Photo Realism:** AI models produce lifelike portraits of people who don't exist, often used in gaming, advertising, and entertainment.
- **Image Editing:** Tools like GANs allow users to edit photos by changing backgrounds, altering facial expressions, or enhancing resolution.

This ability is transforming industries like fashion, advertising, and digital media, where customized visuals can now be generated on demand.

2. Text and Writing

Generative AI models like ChatGPT and Jasper AI have revolutionized content creation, enabling machines to generate coherent and meaningful text. These tools understand context, grammar, and style, making them versatile for a wide range of applications.

Examples of Text Creation:

- **Story Writing:** AI can generate short stories, novels, or screenplays based on a user's input. Writers use AI as a brainstorming partner to craft compelling narratives.
- **Article and Blog Writing:** Businesses use AI to create informative articles, saving time while maintaining quality.
- **Poetry and Lyrics:** AI can write poems or song lyrics in specific styles or themes, offering inspiration for artists.
- **Chatbots and Conversations:** Virtual assistants like ChatGPT simulate human-like conversations, answering questions, solving problems, or even engaging in casual chats.

The ability to generate high-quality text is reshaping industries like publishing, marketing, and education.



3. Music and Sound

Generative AI has expanded into the world of music, enabling the creation of melodies, harmonies, and soundscapes. Models like Amper Music and AIVA (Artificial Intelligence Virtual Artist) are helping musicians, game developers, and content creators produce unique audio experiences.

Examples of Music Creation:

1. **Custom Soundtracks:** AI can generate music tailored to a specific mood or genre, often used in movies, games, or advertisements.
2. **Remixes and Mashups:** AI tools remix existing songs or combine elements from different genres to create new compositions.
3. **Voice Synthesis:** Generative AI can mimic voices, enabling voiceovers, dubbing, or virtual assistants with human-like tones.

Generative AI's impact on music production democratizes creativity, making professional-grade audio accessible to everyone.

4. Videos and Animations

Generative AI excels at creating videos and animations, using advanced techniques like deepfake technology or GAN-based video synthesis. This capability is transforming entertainment, marketing, and even education.

Examples of Video Creation:

1.**Deepfakes:** AI can create videos of public figures or celebrities speaking words they never said, often used in entertainment or education (with ethical considerations).

2.**Virtual Characters:** AI generates lifelike animations for video games, movies, or virtual reality experiences.

3.**Video Editing:** Generative AI automates tasks like color correction, background replacement, or adding special effects.

By generating realistic visuals and seamless animations, AI is enhancing storytelling and immersive experiences.

5. Code and Software

Generative AI is also making waves in software development. Tools like OpenAI's Codex (which powers GitHub Copilot) assist programmers by generating code snippets or even entire programs based on descriptions.

Examples of Code Creation:

1.**Code Suggestions:** AI recommends snippets of code to speed up development.

2.**Automated Debugging:** AI identifies errors and provides solutions, saving developers time.

3.Low-Code/No-Code

Platforms: AI generates functional software applications with minimal input from the user.



This revolution in coding is making software development more accessible and efficient.

6. 3D Models and Virtual Environments

Generative AI is a game-changer for industries like gaming, architecture, and virtual reality, where 3D models and environments are essential.

Examples of 3D Creation:

1.**Character Design:** AI generates unique 3D characters with distinct features and animations.

2.**Virtual Worlds:** AI creates expansive, dynamic landscapes for video games or virtual reality experiences.

3.**Product Design:** AI generates prototypes for architecture, fashion, or industrial design.

Generative AI accelerates design processes, enabling creators to focus on refining ideas rather than starting from scratch.

7. Synthetic Data

Generative AI can create synthetic data, which mimics real-world data but doesn't compromise privacy or security. This is especially useful in training machine learning models.

Examples of Synthetic Data:

- **Medical Research:** AI generates synthetic patient records to test algorithms without exposing real patient data.
- **Autonomous Vehicles:** AI creates simulated driving scenarios to train self-driving cars.
- **Business Analytics:** Synthetic data is used to predict trends or test strategies without relying on sensitive customer information.

Synthetic data enables innovation in areas where real data is scarce or restricted.

8. Games and Interactive Media

Generative AI powers procedural content generation, creating dynamic and unique game levels, characters, and storylines.



Examples of Game Content Creation:

- **Dynamic Levels:** Games like Minecraft and No Man's Sky use AI to generate infinite landscapes and environments.
- **Interactive Storylines:** AI adjusts game narratives based on player choices, creating personalized experiences.

This level of interactivity enhances immersion and keeps players engaged.

Generative AI is redefining creativity across industries, enabling the creation of images, text, music, videos, code, and more. By automating content generation, it empowers individuals and businesses to innovate faster and more efficiently.

As generative AI continues to advance, its potential to revolutionize art, communication, entertainment, and technology seems limitless. However, with its incredible power comes the responsibility to use it ethically, ensuring that the creations serve society positively and responsibly.



Inderjeet Kaur Bamrah

CA, CS, AI Experts

एच.ई.सी.



ISO 9001:2008 Company

Rajesh Kumar Dwivedi
Director (Finance)



Heavy Engineering Corporation Ltd.

(A Govt. of India Enterprise)

P.O.- Dhurwa, Ranchi - 834 004 Jharkhand (India)

Phone : 0651-2401372, 2400575 (O)

Fax : 0651-2400574 (O)

Mob. : 9650572233

E-mail : dir_fin@hecltd.com

MESSAGE

Dear Shri Sandeep Kumar,

I take this opportunity to heartily congratulate you on publishing "The Worldonomics Times", which I really feel is a hands-on treasure of useful information.

Today's world is rapidly changing and inter-woven with diverse complexities. In such a global environment, authentic and timely information is a powerful tool which I am sure will be always provided by "The worldonomics Times". I am sure, the adage that "*The Pen is mightier than the Sword*" will be once again be proven right with your magazine.

Congratulations, once again and my Best wishes for this wonderful knowledge endeavour!

(CMA Rajesh Kumar Dwivedi)



एम नागराज
निदेशक (कॉरपोरेट प्लानिंग)
M. NAGARAJ
Director (Corporate Planning)



MESSAGE

Dear Shri Sandeep Kumar,

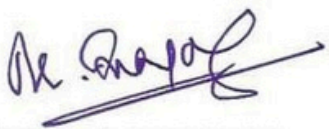
I extend my warmest congratulations to you on the impending launch of Global Finance and Economics Magazine: The Worldonomics Times on May 5th! This milestone marks the beginning of what promises to be an exciting journey in the realm of global finance and economics journalism.

As our world becomes increasingly interconnected, the need for a comprehensive and insightful resource in the field of finance and economics has never been greater. Your magazine's dedication to providing a platform for experts to share their insights is commendable and much needed in today's complex economic landscape.

I have no doubt that The Worldonomics Times will quickly establish itself as a key resource for policymakers, industry professionals, academics, and anyone with a keen interest in understanding the intricacies of global finance and economics. Your commitment to delivering high-quality, well-researched content will undoubtedly set a new standard in the industry.

I eagerly anticipate the inaugural issue and look forward to the valuable contributions and perspectives that The Worldonomics Times will bring to the forefront of economic discourse.

Once again, congratulations on this significant achievement, and I wish you all the best for a successful launch and a prosperous future ahead.


(CMA - M. NAGARAJ)

Blessing Support



CMA Hrishikesh Kumar

Executive Director(Finance)
NBCC (India) Limited

Dear Shri Sandeep Kumar, At the outset I would like to congratulate you for taking the initiative for publishing this magazine "The Worldnomics Times". In this era of rapid changing economic environment vis-à-vis the pressure on business to sustain, the importance of seamless transfer of information and knowledge cannot be underestimated which I hope would be fulfilled by your magazine in future. I must say this is a great initiative by you and your team in this regard. All the best for your endeavor



CMA Sanjay Jindal

Director Finance, Engineers India Limited

Dear Mr. Sandeep Kumar, With the launch of The Worldnomics Times, professionals worldwide are poised to embark on a journey of enlightenment and empowerment. In today's fast-paced economic landscape, the need for up-to-date insights and innovative strategies is more crucial than ever. As Director (Finance), I recognize the significance of continuous learning and informed decision-making. This magazine promises to be a comprehensive resource, offering valuable insights and actionable strategies to navigate the challenges and opportunities ahead. The Worldnomics Times is not just a publication; it's a beacon of innovation in economic discourse. Through cutting-edge analysis, thought-provoking articles, and expert commentary, it will serve as a trusted companion for professionals across various sectors. Leveraging the latest technologies, the magazine ensures accessibility and engagement for all readers, regardless of background or expertise. Beyond economics, The Worldnomics Times will explore intersections of finance with technology, sustainability, and social responsibility. By fostering dialogue and collaboration across diverse fields, it will inspire innovative solutions to global challenges. I am proud to be associated with this initiative, and I extend my deepest gratitude to the editorial team, contributors, partners, and supporters who have worked tirelessly to bring this vision to life. I offer my sincerest blessings to all those who will embark on this journey of enlightenment and empowerment, fueling innovation and success in the ever-evolving world of economics. Impressive Initiative! Best Wishes to you and your team for resounding success on this fantastic effort.

Blessing Support



CMA Yogendra Prasad Shukla

Director Finance HOCL - Hindustan Organic Chemicals Limited

Dear CMA Sandeep Kumar Ji, I extend my heartfelt congratulations on the launch of "The Worldonomics Times." Your dedication to providing a platform for insightful economic knowledge is truly commendable. In today's-paced economic, the significance of facilitating the smooth flow of information and wisdom cannot be overstated, and I am confident that your magazine will excel in meeting this crucial need. Your initiative, alongside your team, is truly praiseworthy, and I foresee great success for "The Worldonomics Times" in the days ahead. Your commitment to empowering minds through economic understanding is inspiring. Best regards



CMA Gaurang Dixit

Former Chairman-cum-Managing Director NSIC - National Small Industries Corporation

Dear Shri Sandeep Kumar, At the onset, I applaud the initiative of the 'International Navodaya Chamber of Commerce' to come out with a magazine 'The Worldonomics Times', which will provide the relevant information and knowledge to the all in this diverse global market. In the present complex business / economic scenario, the whole world market is like a field open for all players to play thereon. This global market is having abundant opportunities and to become a successful entrepreneur in such complex economic environment, the need for having relevant information and knowledge is of paramount significance. Your endeavour to come out with the magazine 'The Worldonomics Times' will certainly help to suffice this requirement. I must congratulate to you and your team for this endeavour. With best wishes.



CMA Vijay Kumar Agarwal
GM (Finance) ONGC Videsh

Dear Shri Sandeep Ji, It's my great pleasure to note "The Worldonomics Times" monthly magazine launching by "International Navodaya Chamber of Commerce (INCOC). The various Global Perspectives with relevant data have been covered which are relevant from our local perspective. The contents of magazine in coming days will be way forward in knowledge enhancement as well as for better understanding in correlating the global economics with local need. Congratulations CMA Sandeep ji & Team for such an initiative which will surely provide the tailored world economic information.



Shri BK Sabharwal
Chairman, Capital and Commodity Market Committee, PHDCCI Ex-President CPAI, Ex-chairman FISE, Ex-Director, Delhi Stock Exchange

Dear Sandeep Kumar, Congratulations on the launch of The Worldonomics Times! Your dedication to global finance journalism is commendable. This milestone marks the beginning of an insightful journey. In our interconnected world, timely updates on regulatory changes are vital, and your magazine promises to fulfill this need. Dedicated to providing expert insights and periodic updates, it aims to become a key resource for policymakers, industry professionals, and academics. Your leadership in this initiative is inspiring. Here's to a successful launch and a prosperous future ahead. Best regards

**Shri Jyoti Prakash Gadia****Managing Director Resurgent India Limited**

Dear Sandeep Ji Congratulations on the launch of The Worldnomics Times! This new publication promises to be a vital resource in financial journalism and stands to reshape our grasp of global financial landscapes. The Worldnomics Times will undoubtedly be an indispensable source for thorough analyses, covering the nuanced intersections of global economics and market dynamics. Your magazine is uniquely positioned to serve the needs of business leaders, policymakers, and those with a keen interest in the complexities of global finance. We eagerly await the fresh perspectives and insights that The Worldnomics Times will bring to the complex world of global finance. Best wishes for your journey ahead!

**CMA Yash Paul Bhola****Ex-Director (Finance), NFL. President (Hon.) INCOC**

Dear INCOC Team Members, I congratulate and appreciate the efforts by one and all in bringing out Global Finance and Economics Magazine, "The Worldnomics Times". This milestone marks the beginning of an exciting journey in the realm of global finance and economics journalism. As our world becomes increasingly interconnected, and regulatory framework is fast getting changed and updated, the need for a comprehensive magazine in finance field cannot be over emphasised. This magazine is dedicated to providing a platform for periodical up-dation of the developments across the globe and experts to share their insights. It is intended to establish itself as a key resource for policymakers, industry professionals, academics, and anyone with a keen interest in understanding global finance and economics. Once again, I congratulate and wish you all the best for a successful launch of the magazine and a prosperous future ahead.



CMA Ramesh Kumar
Chief General Manager POWERGRID
Corporation of India Ltd.

Dear Shri Sandeep Kumar, With great pleasure we extend our good wishes on the launch of The Worldnomics Times. This publication is poised to become a cornerstone in the landscape of global finance and economics, offering deep insights and valuable perspectives. Your commitment to excellence in disseminating knowledge is not only commendable but vital in these complex economic times. We eagerly anticipate the success and influence your magazine will undoubtedly achieve. Warm regards



CMA R C Gupta
EX Executive Director (Finance & Accounts)
GAIL (India) Ltd.

Dear Shri Sandeep Ji, I have gone through the May 2024 issue of The Worldnomics Times and found it very informative. My heartfelt congratulations on the launch of a world class magazine in the area of Cost Management, Financial Management, Financial Planning, Taxation and World Economic Affairs. The coverage in the magazine is very wide & excellent and is based on the theme of Global Perspective with Local Relevance, in-depth data driven journalism and accessibility of the magazine in print as well as digital formats. It will empower the readers with well researched articles for ready reference, decision making & knowledge enhancement. I wish all the best to you and your team of International Navodaya Chamber of Commerce (INCOC) for bringing the magazine on regular basis with full of information of world economic affairs for use by all professionals. With Best regards,

INCOC

Head Office

Alankrit Society A 31, Plot A1,
Vishwas Nagar Delhi 110032

Tel: +9111 69268366

Email Us

We'll respond to your inquiry
as soon as possible.
info@incoc.in

Website

www.incoc.in

National President

CMA Sandeep Kumar
ceo@incoc.in

National Vice President

CA Sangam Aggarwal
sangam@incoc.in

Connect With Us

Ms Neha Sharma
support@incoc.in

International Navodaya Chamber of Commerce (INCOC)

Welcome to the International Navodaya Chamber of Commerce (INCOC), a dedicated catalyst for positive change, empowerment, and community development. We are committed to enhancing brand value, nurturing essential skills, and facilitating societal growth through a collaborative and community-centric approach.

Our Mission

At INCOC, our mission is to harness the collective potential of individuals and businesses to create a lasting impact. We believe in the power of collaboration, empowerment through knowledge, and a community-centric approach to address local needs and promote inclusivity. Our initiatives are designed to inspire actionable impact, foster continuous learning and adaptation, and contribute to building a brighter future.

How We Operate

- **Collaborative Synergy:** We thrive on collaboration, bringing together diverse minds, expertise, and resources to foster an environment where ideas flourish and innovation thrives.
- **Empowerment through Knowledge:** Knowledge is the cornerstone of growth. At INCOC, we provide access to valuable insights, expert advice, and resources that empower individuals and businesses to make informed decisions and drive positive change.
- **Community-Centric Approach:** Communities are at the heart of change. Our initiatives are designed to address local needs, promote inclusivity, and create a sense of belonging, tailoring our efforts to have a meaningful impact where it's needed most.
- **Actionable Impact:** Our programs inspire action and create tangible results, from skill development workshops to societal initiatives that drive positive change, focusing on making a real difference.
- **Continuous Learning and Adaptation:** We embrace continuous learning and adaptation to stay relevant in a rapidly changing landscape, ensuring that our strategies remain effective and aligned with the needs of the times.

