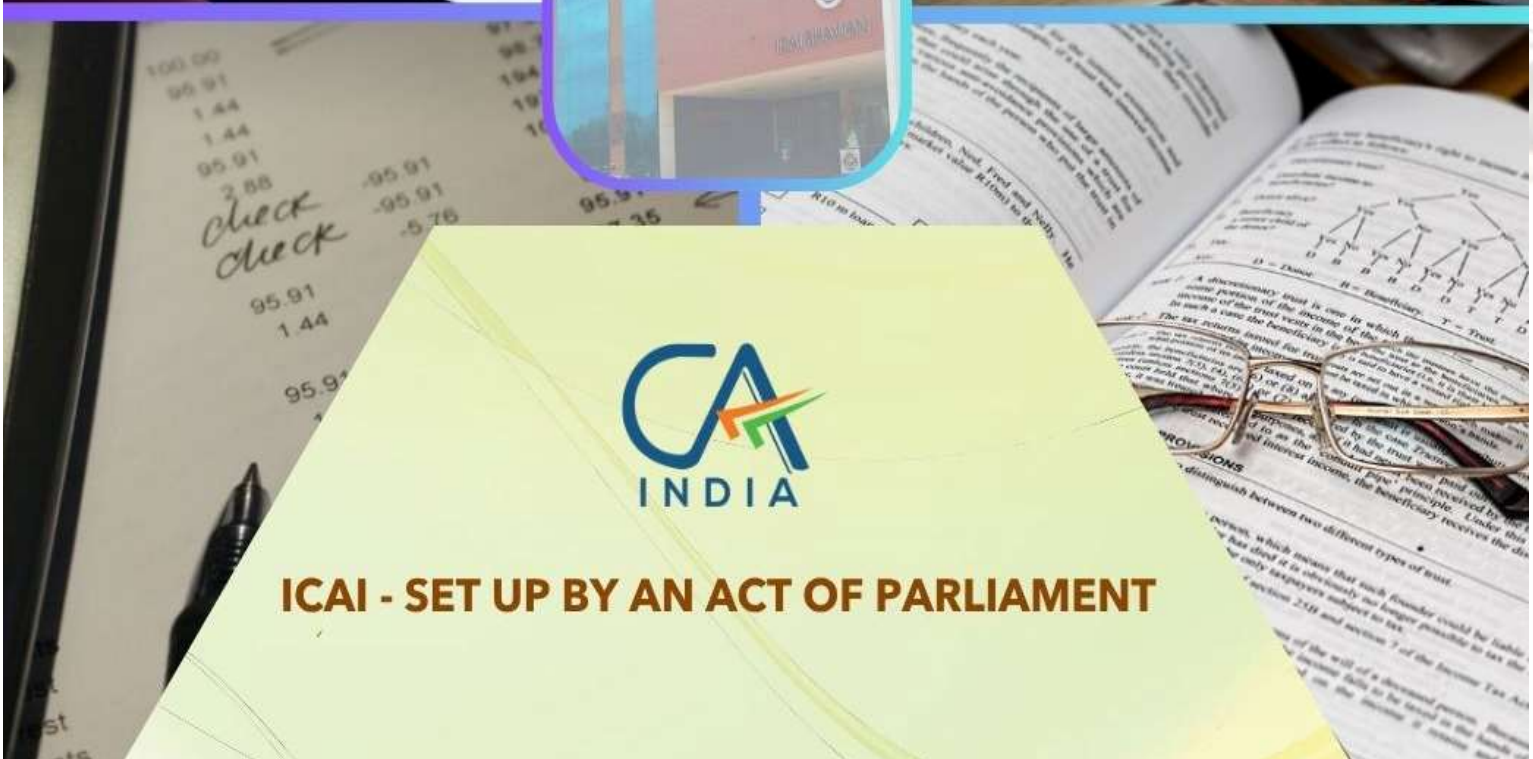




# INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

## CHHATRAPATI SAMBHAJINAGAR BRANCH OF ICAI, WIRC

### NEWS LETTER FOR NOVEMBER 2025



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## Chairman's Message

Dear Professional Colleagues,

The month of October was marked by purposeful learning and extensive outreach by our CSN Branch. We conducted focused workshops and seminars covering emerging business opportunities, AI tools for day-to-day office work, and valuation and HUF-related aspects, equipping members with practical and forward-looking insights. Our career counseling initiatives across colleges and institutes during the month helped guide students toward informed career decisions and reinforced the relevance and scope of the Chartered Accountancy profession.

As we step into November, we look forward to an equally dynamic and impactful month with a wide range of professional, student-centric, and social initiatives planned. A key upcoming highlight is the felicitation of the **WIRC Leadership Team 2025**, along with an interaction program with newly qualified Chartered Accountants—an event aimed at inspiration, mentorship, and experience sharing.

Several technical and practice-oriented seminars are planned during the month, focusing on important areas such as **estate planning and succession laws, wealth management, GSTR 9 & 9C,**

**peer learning, and firm aggregation,** ensuring members stay updated with evolving professional requirements.



November will also see an extensive series of **mega career counseling programs** across schools and colleges in Chhatrapati Sambhajnagar, Jalgaon, Dhamangaon, and nearby regions, reflecting our strong commitment to student outreach and career guidance. Activities like the **National Talent Hunt** and a **Blood Donation Camp** further underline our focus on holistic development and social responsibility.

I encourage all members and students to actively participate in these upcoming programs and make the most of the learning and engagement opportunities offered by the branch. Together, let us continue to strengthen our profession, nurture future talent, and contribute meaningfully to society.

Warm

**CA**

**Mahesh**

regards,

**Indani**

Chairman, CSN Branch of ICAI (WIRC)



## Photos and Activities for the Month October 2025



1. Dated 4 Oct 2025, One day Workshop on New and Emerging business opportunities, Presentation of Memento to Speaker CA. Bhavesh Jain by Branch Chairman CA. Mahesh Indani

2. Dated 6 Oct 2025, Career Counseling Program at Sardar Dalip Singh Commerce and Science College by CA. Komal Mantri



3. Dated 7 Oct 2025, Career Counseling Program at Institute of management studies and information technology by CA. Komal Mantri

4. Dated 8 Oct 2025, Career Counseling Program at Late pandharinath patil institute of management studies and information technology by CA. Komal Mantri



5. Dated 11 Oct 2025, One day Seminar on AI TOOLS FOR DAY TO DAY Office Work , Presentation of Memento to Speaker CA. Kedar Pande.

6. Dated 16 Oct 2025, One day Workshop on Valuation & HUF , Presentation of Memento to Speaker CA. Yash Nagar by Branch Sercretary CA. Anand Totla.





# Aggregation of CA Firms: Building Scale, Strength, and Sustainability through Alliances and Networks

- by CA Abhijit Kelkar

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## Executive Overview

The Chartered Accountancy profession in India is standing at a decisive crossroads. Rapid changes in regulation, technology, client expectations, and competition from multidisciplinary and global firms are redefining what it means to be a successful professional practice. While technical competence remains the foundation, **scale, specialization, visibility, and resilience** have become equally critical.

In this environment, **aggregation of CA firms** has emerged as a strategic necessity rather than a mere option. Aggregation allows firms to collaborate under structured frameworks recognized by the Institute of Chartered Accountants of India (ICAI), enabling them to compete for larger opportunities while preserving professional independence and ethical standards.

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## 1. The New Reality of the CA Profession

### 1.1 From Individual Excellence to Collective Capability

Traditionally, CA firms in India were built around individual partners, local reputations, and long-standing client relationships. While this model served the profession well for decades, the operating environment has changed fundamentally:

- Audits are becoming more complex and risk-driven
- Clients demand integrated solutions, not siloed advice
- Regulatory scrutiny has increased significantly
- Technology has raised expectations of speed, accuracy, and analytics

In such a scenario, **no single firm—especially small and mid-sized practices—can excel in all domains alone.**

## 1.2 Challenges Faced by Standalone Firms

Some of the most common challenges include:

- Limited eligibility for large audits and PSU empanelments
- Difficulty in building niche expertise internally
- Partner dependency and succession risks
- Inability to invest heavily in technology and training
- Geographic limitations

Aggregation directly addresses these challenges by enabling firms to **combine strengths without merging identities**.

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## 2. ICAI's Vision Behind Aggregation and Networking

The ICAI has proactively encouraged collaboration among firms through well-defined guidelines on **alliances and networks**. The intent is clear:

- Strengthen the CA profession globally
- Enable Indian firms to compete with international practices

- Improve quality, consistency, and risk management
- Promote ethical collaboration rather than informal arrangements

Aggregation under ICAI-recognized structures ensures:

- Transparency
- Accountability
- Professional discipline
- Regulatory comfort

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## 3. Broad Classification of Aggregation Models

ICAI-recognized aggregation broadly falls into two categories:

### 1. Alliance Model

### 2. Network of Firms (Approach B)

- B1 Model: Network of Firms (Non-Lead Firm Model)
- B2 Model: Lead Firm Network

Each model represents a different level of integration, control, and strategic intent.

## 4. Alliance Model: Collaboration without Compromise

### 4.1 Conceptual Foundation

The **Alliance Model** is the most flexible and least intrusive form of aggregation. It is best described as a **loose federation of independent CA firms** that come together under a common alliance name to showcase collective capability.

The guiding philosophy is simple:

*"Collaborate for strength, operate independently for autonomy."*

### 4.2 Structural Characteristics

- Multiple firms associate under a common alliance name
- Firms typically use a suffix such as "& Alliance"
- Each firm continues to practice in its **own firm name**
- There is no sharing of firm registration, PAN, or statutory identity

### 4.3 ICAI Registration

- ICAI allots a unique **Alliance Registration Number (ARN)**
- Registration provides formal recognition without altering firm structures

### 4.4 Empanelment and Eligibility

- All firms in the alliance can apply for empanelment **separately**
- Eligibility, experience, and turnover are assessed individually
- Alliance membership enhances credibility but does not restrict independence

### 4.5 Exit and Continuity

- Any firm may exit the alliance without affecting others
- Remaining firms continue seamlessly
- No disruption to clients or assignments

### 4.6 Strategic Advantages

- Minimal legal and compliance burden
- Ideal for first-time collaboration
- Quick to form and easy to dissolve
- Encourages trust-building among firms

### 4.7 Limitations

- Limited centralized branding
- No collective empanelment advantage



- Impact depends on mutual cooperation

#### **Best suited for:**

- Small and mid-sized firms
- Firms exploring collaboration cautiously
- Practices wanting flexibility above all else

- Firms adopt a common network name

- Common suffixes include:

- "& Affiliates"
- "Network"

#### **Examples:**

- ABC & Affiliates
- XYZ Network

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### **5. Network of Firms (Approach B): Structured Growth Platform**

Unlike alliances, **Networks of Firms** involve deeper collaboration and formal governance. ICAI recognizes these networks under **Approach B**.

Two distinct sub-models exist:

- B1: Network of Firms (Non-Lead Firm)
- B2: Lead Firm Network

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### **6. B1 Model: Network of Firms (Non-Lead Firm Model)**

#### **6.1 Core Philosophy**

The B1 model is built on **equality among participating firms**. There is no dominant firm; instead, all members contribute and benefit collectively.

#### **6.2 Naming and Branding**

### **6.3 Operational Structure**

- Each firm continues to practice in its own name
- Shared branding is used for marketing and representation
- Internal governance is typically governed by a written agreement

### **6.4 ICAI Registration**

- ICAI allots a **Network Registration Number (NRN)**
- The network gains formal recognition as a professional grouping

### **6.5 Empanelment Rules**

- Each firm can apply for empanelment **independently**
- Network membership does not restrict individual opportunities
- Experience and credentials remain firm-specific

## 6.6 Exit and Continuity

- Firms may exit without dissolving the network
- Existing assignments remain valid for continuing firms

## 6.7 Advantages

- Balanced collaboration
- Equal status for all firms
- Enhanced brand recall
- Suitable for firms of similar size and vision

## 6.8 Challenges

- Requires strong coordination
- Decision-making can be slower
- Brand consistency needs active management

### Best suited for:

- Peer firms with mutual respect
- Regional or multi-city collaborations
- Firms wanting structure without domination

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## 7. B2 Model: Lead Firm Network (High-Integration Model)

### 7.1 Strategic Intent

The **Lead Firm Model (B2)** represents the highest level of integration permitted under ICAI norms. One firm acts as the **face, leader, and representative** of the entire network.

### 7.2 Structural Design

- One firm is designated as the **Lead Firm**
- Lead Firm uses suffix “& Affiliates” or “Network”
- Other firms act as constituent members

### 7.3 ICAI Registration

- ICAI allots a **Network Registration Number (NRN)**
- The Lead Firm is recognized as the applicant and representative

### 7.4 Empanelment and Representation

- Only the **Lead Firm** applies for empanelment
- Applications are made on behalf of the entire network
- Constituent firms cannot apply independently

### 7.5 Fee Sharing and Exit Provisions

- Internal agreements govern fee sharing

- If the Lead Firm exits after securing work, it must share fees
- Clear documentation is critical to avoid disputes

## 7.6 Advantages

- Strong centralized branding
- Higher success in large empanelments
- Clear leadership and accountability
- Ideal for PSU, bank, and large corporate audits

## 7.7 Risks and Responsibilities

- High dependency on Lead Firm
- Requires deep trust and alignment
- Strong governance mechanisms essential

### Best suited for:

- Large or fast-growing firms
- Networks targeting national or global clients
- Firms comfortable with centralized leadership

### Key considerations include:

- Firm size and maturity
- Growth ambitions
- Risk tolerance
- Desired level of control
- Long-term vision

### Comparative Perspective

- **Alliance:** Maximum independence
- **B1 Network:** Balanced collaboration
- **B2 Network:** Maximum integration

## 9. Governance, Trust, and Culture: The Real Success Factors

No aggregation structure can succeed without:

- Mutual trust
- Ethical alignment
- Transparent communication
- Clearly documented agreements

Aggregation is not just structural—it is **cultural**.

## 8. Choosing the Right Model: Strategic Decision Framework

## 10. Frequently Asked Questions (FAQs)



**Q1. Does aggregation mean merger?**

No. ICAI-recognised aggregation models explicitly allow firms to retain independent identities.

**Q2. Can small firms benefit from aggregation?**

Yes. In fact, small firms benefit the most through visibility, referrals, and capability enhancement.

**Q3. Is ICAI registration mandatory?**

Yes, for formal recognition and regulatory comfort.

collaborative, and visionary. Aggregation—through alliances or networks—offers a powerful, ICAI-approved pathway to scale, specialization, and sustainability.

As emphasized in this presentation by **CA Abhijit Kelkar**, aggregation is not about surrendering independence; it is about **multiplying impact**.

Inaction carries the greatest risk. Collaboration carries the greatest promise.

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## **11. Conclusion: From Individual Practices to Future-Ready Firms**

The future of the CA profession belongs to firms that are proactive,

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*This article is designed for direct newsletter publication, PPT narration, and professional circulation.*

# GSTR-9 and GSTR-9C for FY 2024-25: A Comprehensive Practical Guide for GST Professionals

- by CA Anand R. Nahar, ARNK and Associates LLP

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## Executive Summary

Annual GST compliance has evolved from a routine filing obligation into a **high-risk, high-impact compliance exercise**. With enhanced data analytics, tighter portal controls, introduction of GSTR-1A, and deeper integration between returns and financial statements, **GSTR-9 and GSTR-9C for FY 2024-25** demand far greater professional judgement, planning, and reconciliation discipline than ever before.

For FY 2024-25, the importance of these forms has increased significantly due to:

- Introduction of GSTR-1A and tighter linkage with GSTR-3B
- Auto-population and system-driven validations
- New reporting tables and amended instructions
- Explicit disclosure of late fees, interest, and additional liabilities
- Strengthened reconciliation expectations between books and returns

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## 1. Introduction: Why GSTR-9 & 9C Matter More Than Ever

GSTR-9 and GSTR-9C are not merely annual returns—they represent a **final declaration of tax position** for the financial year. Once filed, the scope for correction is extremely limited, and errors often surface only during audits, departmental scrutiny, or investigations.

The message for professionals is clear: **annual returns can no longer be treated as clerical compliance**.

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## 2. Applicability of GSTR-9 and GSTR-9C for FY 2024-25

### 2.1 Who is Required to File?

As per **Section 44 of the CGST Act read with Rule 80**, all registered

**persons** are required to file an annual return in Form GSTR-9.

However, the law also empowers the Government to grant exemptions.

## 2.2 Power to Grant Exemptions

The Commissioner may, on the recommendations of the GST Council, notify **specific classes of registered persons** who are exempted from filing GSTR-9.

Such exemptions are typically granted to:

- Input Service Distributors (ISD)
- Casual taxable persons
- Non-resident taxable persons
- Persons deducting or collecting TDS/TCS (in specific years)

Professionals must always verify **year-specific notifications** before concluding applicability.

## 2.3 Due Date for FY 2024-25

The due date for filing GSTR-9 and GSTR-9C is:

**31st December of the subsequent financial year**  
i.e., **31st December 2025** (unless extended)

## 3. Time Limit to Furnish Annual Return – A Critical Change

From **1st October 2023**, a significant restriction has been introduced.

### 3.1 Three-Year Time Bar

As per **Section 44(2) of the CGST Act**:

A registered person shall not be allowed to furnish an annual return after the expiry of **three years from the due date** of furnishing such return.

This provision makes **non-filing irreversible** beyond the time limit.

### 3.2 Practical Implication

- Missed annual returns cannot be regularised indefinitely
- Exposure to best-judgement assessment increases
- Future refunds, litigation defence, and reconciliations become difficult

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## 4. Determination of Aggregate Turnover – Practical Case Study Analysis

One of the most litigated areas is **what constitutes “aggregate turnover”** for determining the



applicability of GSTR-9C (₹2 crore / ₹5 crore thresholds as applicable).

#### 4.1 Incomes Commonly Creating Confusion

The following items often raise questions:

- Franchise fees
- Capital subsidies
- Dividend income
- Share of profit from partnership firms
- Profit on sale of securities
- Sale of immovable property (completed and under-construction)
- Foreign exchange trading income
- Notice pay recovery
- Bad debts recovery
- Interest on income-tax refund
- Rental income from residential and commercial properties
- Sale of old motor vehicles
- Reimbursements as pure agent
- Advances received for future supplies

#### 4.2 Key Principle

Aggregate turnover includes:

- All taxable supplies
- Exempt supplies
- Zero-rated supplies
- Inter-State supplies

But **excludes**:

- Taxes (CGST, SGST, IGST, Cess)
- Certain non-GST incomes

Each income stream must be analysed through the lens of “**supply**” under **GST law**, not accounting treatment.

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#### 5. Consequences of Non-Filing or Delayed Filing of GSTR-9

##### 5.1 Late Fees for GSTR-9 (FY 2022-23 onwards)

Late fees are computed per day of delay, subject to a maximum cap linked to turnover.

Non-filing leads to:

- System-generated liability
- Blocking of future compliance
- Increased scrutiny risk

##### 5.2 Late Fees for GSTR-9C

Although GSTR-9C is technically a **statement and not a return**, late fees can still apply in a limited manner.

## Why No Separate Late Fee?

- No specific late fee prescribed for GSTR-9C under Section 47
- GSTR-9C is an integral part of annual return
- Double levy of late fee is not permissible

However, **difference in filing dates** between GSTR-9 and GSTR-9C can still attract late fee exposure.

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## 6. Penalty Exposure - Section 125

Where no specific penalty is prescribed, **Section 125** applies.

Penalty may extend up to:

**₹25,000**

This provision is often invoked for:

- Incomplete disclosures
- Incorrect reconciliation
- Procedural non-compliance

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## 7. Filing Preconditions and Auto-Population Logic

### 7.1 Mandatory Prior Compliance

GSTR-9 and 9C filing is enabled only if:

- All GSTR-1 / IFF returns are filed
- All GSTR-3B returns for FY 2024-25 are filed

Any pending return **blocks annual return filing.**

### 7.2 Auto-Populated Tables

Key tables auto-populate from portal data:

- Tables 4, 5, 6, 8, and 9
- Sources include GSTR-1, GSTR-1A, GSTR-2B, and GSTR-3B

Auto-population reduces effort but **does not eliminate responsibility.**

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## 8. Major Amendments Applicable from FY 2024-25

Notification No. 13/2025-CT has reshaped annual return reporting.

### Key Themes:

- Granular ITC disclosure
- Explicit reporting of reclaimed credits
- Stronger reconciliation framework
- Standardisation of interest and late fee reporting

## 9. Detailed Analysis of Amendments in GSTR-9 (Tables 6, 7, 8)

### 9.1 Table 6 - ITC Aailed

- Introduction of **Table 6A1 and 6A2** for prior-period ITC
- **Table 6H** now exclusively captures Rule 37 / 37A reclaims
- **Table 6J** ideally becomes NIL
- **Table 6M** aligned with revised instructions

### 9.2 Table 7 - ITC Reversals

- Newly inserted **Tables 7A1 and 7A2**
- Mandatory disclosure for banking companies
- Residual reversals reported in Table 7H

### 9.3 Table 8 - ITC Reconciliation

- Table 8B excludes Table 6H to avoid duplication
- Table 8C excludes certain reclaimed ITC
- Introduction of **Table 8H1** for import-related disclosures

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## 10. Amendments in GSTR-9C for FY 2024-25

### 10.1 Nature of GSTR-9C

GSTR-9C is a **reconciliation statement** aligning:

- Financial statements
- Annual return figures

### 10.2 Key Changes

- New tables for late fee disclosure
- Optional reporting for certain expense tables
- E-commerce disclosures
- Permission to discharge additional liability using ITC via DRC-03

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## 11. Principles Governing Reporting under GSTR-9 & 9C

- No new ITC can be claimed
- Additional liability can be declared
- Liability reduction via credit notes not permitted
- Refunds allowed for excess payments
- Amendments permitted for exempt / nil / zero-rated supplies



## 12. Common Reconciliation Issues and Root Causes

### 12.1 Turnover Mismatches

- Timing differences
- Advance accounting
- Deemed supplies
- Place of supply changes
- GSTR-1A amendments

### 12.2 Tax Paid vs Payable Differences

- Wrong set-off order
- Cash vs ITC utilisation mismatch
- RCM accounting differences

### 12.3 ITC Mismatches

- Blocked credits (Section 17(5))
- Rule 42/43 reversals
- Rule 37 / 37A timing issues
- GSTR-2B lag

## 13. Practical Precautions While Filing GSTR-9 & 9C

- Proper reporting of exempt supplies
- Verification of related-party valuation (Rule 28)
- Review of fixed asset sales

- Verification of gifts to employees
- Reconciliation of e-invoices and e-way bills
- LUT verification for exports

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## 14. Professional Checklist for Tables 4 and 5

- Invoice-wise FIRC reconciliation
- Transfer pricing adjustments
- Time-barred credit notes
- Annual HSN review
- Corporate guarantee disclosures
- RCM reconciliation with financials

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## 15. Conclusion: From Compliance to Confidence

GSTR-9 and GSTR-9C for FY 2024-25 are no longer procedural filings—they are **strategic compliance documents** that define a taxpayer's GST posture.

Professionals who approach these filings with preparation, reconciliation discipline, and legal clarity will not only reduce litigation risk but also add significant value to clients.

As demonstrated in this presentation by **CA Anand R. Nahar**, success in

annual GST compliance lies in understanding the law, respecting the data, and anticipating scrutiny.

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*Prepared as a detailed newsletter and professional knowledge article based on the PPT on GSTR-9 and GSTR-9C for FY 2024-25.*

## Upcoming events

1. 11<sup>th</sup> Nov 2025 - Felicitation of WIRC Team 2025 & Interaction with Newly Qualified CA's.



2. 11<sup>th</sup> Nov 2025 - One day Seminar on Estate planning and succession related aspects & Wealth Management.

3. 22<sup>nd</sup> Nov 2025 - Half day Seminar on GSTR 9 & 9C.



4. 29<sup>th</sup> Nov 2025 - One day Seminar on GSTR 9 & 9C and Aggregation of CA Firms.

5. 27<sup>th</sup> and 28<sup>th</sup> Nov 2025 - Many Careers Counselling programs

