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FORTNIGHTLY PROFESSIONAL DIGEST

# DC ProPulse

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01

COMPANY LAW · AUDIT

## Auditor's AGM Attendance — Not Just a Formality

Section 146 of the Companies Act, 2013 requires the auditor, unless exempted by the company, to attend the general meeting in person or through an authorised representative who is also qualified to be an auditor. Secretarial Standard SS-2 also calls for the auditor's attendance and gives the auditor the right to be heard on audit matters.

In an adjudication order dated 13 October 2025 (PO/ADJ/10-2025/KN/00762), ROC Kanpur found that the statutory auditor had not attended the AGMs held on 31 December 2020 and 30 November 2021. The default surfaced in an inquiry under Section 206(4).

- The company did not respond to the show-cause notice or seek a hearing.
- Penalty under Section 118(11): **Rs. 25,000** on the company and **Rs. 5,000** on each officer in default, Rs. 40,000 in all.
- Sending the AGM notice to the auditor is not enough; actual attendance is required.
- The default must be rectified and the penalty paid on the MCA e-Adjudication portal.

**PRACTICE POINTER**

Auditors: attend, depute a qualified representative, or obtain the company's written exemption. Companies: record the auditor's presence in the AGM minutes and attendance register.

Read full article @ cadcjain.in

> Ask not what your country can do for you — ask what you can do for your country.
>
> JOHN F. KENNEDY · INAUGURAL ADDRESS, 1961

02

INCOME TAX · CAPITAL GAINS

## Cost Inflation Index for FY 2026-27 Notified at 384

By Notification No. 85/2026 (S.O. 3889(E)) dated 15 July 2026, issued under Section 72(8)(a) of the Income-tax Act, 2025, the CBDT has notified the Cost Inflation Index for FY 2026-27 at **384**, up from 376 for FY 2025-26, an increase of about 2.3%.

It applies to tax year 2026-27 from 1 April 2026 and to later tax years. The base year remains 2001-02, with an index of 100.

- **Formula:** Indexed cost = Cost × (CII of the year of transfer ÷ CII of the year of acquisition, or of 2001-02 if the asset was acquired earlier).
- **Recent values:** 2019-20: 289 · 2020-21: 301 · 2021-22: 317 · 2022-23: 331 · 2023-24: 348 · 2024-25: 363 · 2025-26: 376 · **2026-27: 384**.
- **Example:** a house bought in 2020-21 for Rs. 80 lakh and sold in 2026-27 has an indexed cost of 80 × 384 ÷ 301 = **Rs. 102.06 lakh**.
- For assets acquired before 1 April 2001, the fair market value on that date may be taken as the cost, and improvements made before that date are ignored.
- Indexation still matters for resident individuals and HUFs selling land or buildings acquired before 23 July 2024, who may choose the lower of 12.5% without indexation or 20% with it.

**PRACTICE POINTER**

For eligible property sales, compute the tax both ways before advising the client, and keep dated records of the cost of acquisition and every improvement.

Read full article @ cadcjain.in

> The best way to predict the future is to invent it.
>
> ALAN KAY · 1971

**DATES TO WATCH**

| | |
|---|---|
| **31 Dec 2026** | AOC-4 (all variants) for FY 2025-26 without additional fees |
| **31 Jan 2027** | MGT-7 / MGT-7A for FY 2025-26 without additional fees |
| **FY 2026-27** | Cost Inflation Index of 384 applies (FY 2025-26: 376) |

03

MCA · MSME

## Corporate Mitra Scheme — Trained Support for MSME Compliance

Announced in the Union Budget 2026-27, the Corporate Mitra Scheme aims to build a pool of trained, certified paraprofessionals to help MSMEs with regulatory, GST, accounting, cost accounting, secretarial and governance compliance. The Ministry of Corporate Affairs issued its guidelines on 24 June 2026.

ICAI, ICSI and ICMAI run the programme with IIT Madras, IITM Pravartak and the SWAYAM Plus portal. 2,879 learners registered for the first batch.

- **12 months:** six months of online, self-paced study (150 hours), then six months of on-the-job training.
- Firms of members in practice recognised by the three institutes provide the training and pay a minimum stipend.
- Candidates scoring at least 50% and completing the training receive the Corporate Mitra Certificate.
- Registration: **SWAYAM Plus — Corporate Mitra**.

**PRACTICE POINTER**

Firms with MSME clients can host Corporate Mitra trainees, which builds support capacity and a ready talent pipeline for routine compliance work.

Read full article @ cadcjain.in

04

ICAI · ARTIFICIAL INTELLIGENCE

## ICAI and Sarvam AI to Develop an LLM for Chartered Accountants

ICAI signed a Memorandum of Understanding with Sarvam AI, an Indian AI company, on 26 June 2026 at its AI Innovation Summit at Bharat Mandapam, New Delhi. The partnership covers AI training, capacity building, AI-centric learning material, joint research, seminars and workshops.

A key goal is a large language model built for chartered accountants: a domain-specific, sovereign AI platform where sensitive information is not shared with public platforms.

- At the same summit ICAI launched **AICA Level 3**, an advanced AI certification for members who have completed Level 2.
- It also released AI Essentials for Chartered Accountants, its seventh publication on AI.

**PRACTICE POINTER**

Until a secure, profession-specific tool is available, keep client-identifiable data out of public AI tools, and use the AICA levels to build your team's AI skills.

Read full article @ cadcjain.in

05

TECHNOLOGY · CYBER RISK

## AI Agents: Growing Adoption Raises Privacy and Security Concerns

AI agents that can act on their own are spreading fast, and controls are not keeping pace. In a Rubrik survey of over 1,600 global IT and security leaders released in April 2026:

- **82%** of Indian enterprises expect AI agents to outpace their security guardrails within a year.
- Only **26%** have full visibility into the agents running in their environment.
- **81%** cannot roll back an agent's actions without disrupting systems.
- Michael Page's Candidate Pulse Report 2026 adds that **61%** of Indian professionals flag privacy and data security as a concern with AI at work.

**PRACTICE POINTER**

Before any AI tool touches client data, record what it can access, give it the least access it needs, and keep backups that can undo its actions. CERT-In's October advisory on AI agents is a good checklist.

Read full article @ cadcjain.in

06

FINANCE LEADERSHIP · AI

## How CFOs Can Make AI Deliver Real Business Value

Adoption is no longer the hurdle; value is. In a McKinsey survey of 102 CFOs, 44% used generative AI for more than five use cases in 2025, up from 7% a year earlier, yet nearly two-thirds of organisations have not begun scaling AI across the enterprise. The post shares a practical guide for finance leaders on closing that gap.

- Pick a very small number of high-impact use cases rather than AI everywhere at once.
- Rank investments by value created, whether or not they involve AI.
- Budget the full cost: Gartner notes initial AI cost estimates have been off by 500% to 1,000% in some organisations.
- Measure outcomes such as close time, forecast accuracy and working capital, not the number of pilots.

**PRACTICE POINTER**

Advisors can help clients build AI business cases with full costs and measurable outcomes. The finance close and reconciliations are good places to start.

Read full article @ cadcjain.in

EXCEL CORNER

## Excel A–Z — the words every beginner should know

Excel stays the working tool of our profession. This fortnight's corner covers 26 everyday terms, one for each letter, so new staff and articled assistants can learn the language of the spreadsheet quickly.

### PART 1 · A TO Z AT A GLANCE

| | | | |
|---|---|---|---|
| **A** | AutoFill — extend a series by dragging | **N** | Named Range — a readable name for cells |
| **B** | Workbook — the file holding sheets | **O** | Outline — group and collapse rows |
| **C** | Cell — where a row meets a column | **P** | Pivot Table — summarise large data |
| **D** | Data Validation — limit entries, e.g. dropdowns | **Q** | Quick Access Toolbar — one-click commands |
| **E** | Excel Table — auto-expanding range | **R** | Relative Reference — shifts when copied |
| **F** | Formula — a calculation after '=' | **S** | Sort — order data up or down |
| **G** | Goal Seek — find the input for a target | **T** | Text to Columns — split by delimiter |
| **H** | Hyperlink — jump to a web page, file or cell | **U** | UNIQUE — distinct values only |
| **I** | IF — one result or another on a condition | **V** | VLOOKUP — the classic column lookup |
| **J** | Join — TEXTJOIN or CONCAT text | **W** | Worksheet — one sheet in a workbook |
| **K** | Keyboard shortcuts — Ctrl+C, Ctrl+V | **X** | XLOOKUP — the modern lookup |
| **L** | Lookup — XLOOKUP, INDEX+MATCH | **Y** | YEAR — extract the year from a date |
| **M** | Macro — recorded steps that repeat | **Z** | Zoom — resize the on-screen view |

Ready for more? **5 Advanced Excel Functions** is a quick visual guide to functions that save real time in day-to-day work.

A–Z Terms | 5 Advanced Functions

FROM THE EDITOR'S DESK

## AI is arriving — judgement stays ours

Half of this issue is about artificial intelligence, and rightly so. ICAI's work with Sarvam AI on a secure model for our profession is encouraging, but the surveys on AI agents are a timely caution: tools that act on their own need the same controls we expect of any team member. Alongside, the ROC order on an auditor's AGM attendance is a reminder that small statutory duties carry real consequences. Kindly also look at the Corporate Mitra programme — our firms can help train the support MSMEs need.

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CONNECT WITH DC PROPULSE

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**Save DC's contact**
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> We are what we repeatedly do. Excellence, then, is not an act, but a habit.
>
> WILL DURANT, ON ARISTOTLE · THE STORY OF PHILOSOPHY, 1926

CONTRIBUTE

## Connect. Contribute. Change. — starting with you

Have a judgment, circular, practice tip or tool idea that colleagues should know about? Share it on WhatsApp. Useful contributions may be featured in future issues of DC ProPulse, so that what helps one practice can help many.

- Recent judgments, circulars and notifications
- Practice tips and checklists that save time
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- Feedback on this issue

Share on WhatsApp

> Knowledge itself is power.
>
> FRANCIS BACON · MEDITATIONES SACRAE, 1597

Summaries are for quick reference only. Kindly refer to the full article and the official notification or circular before acting.