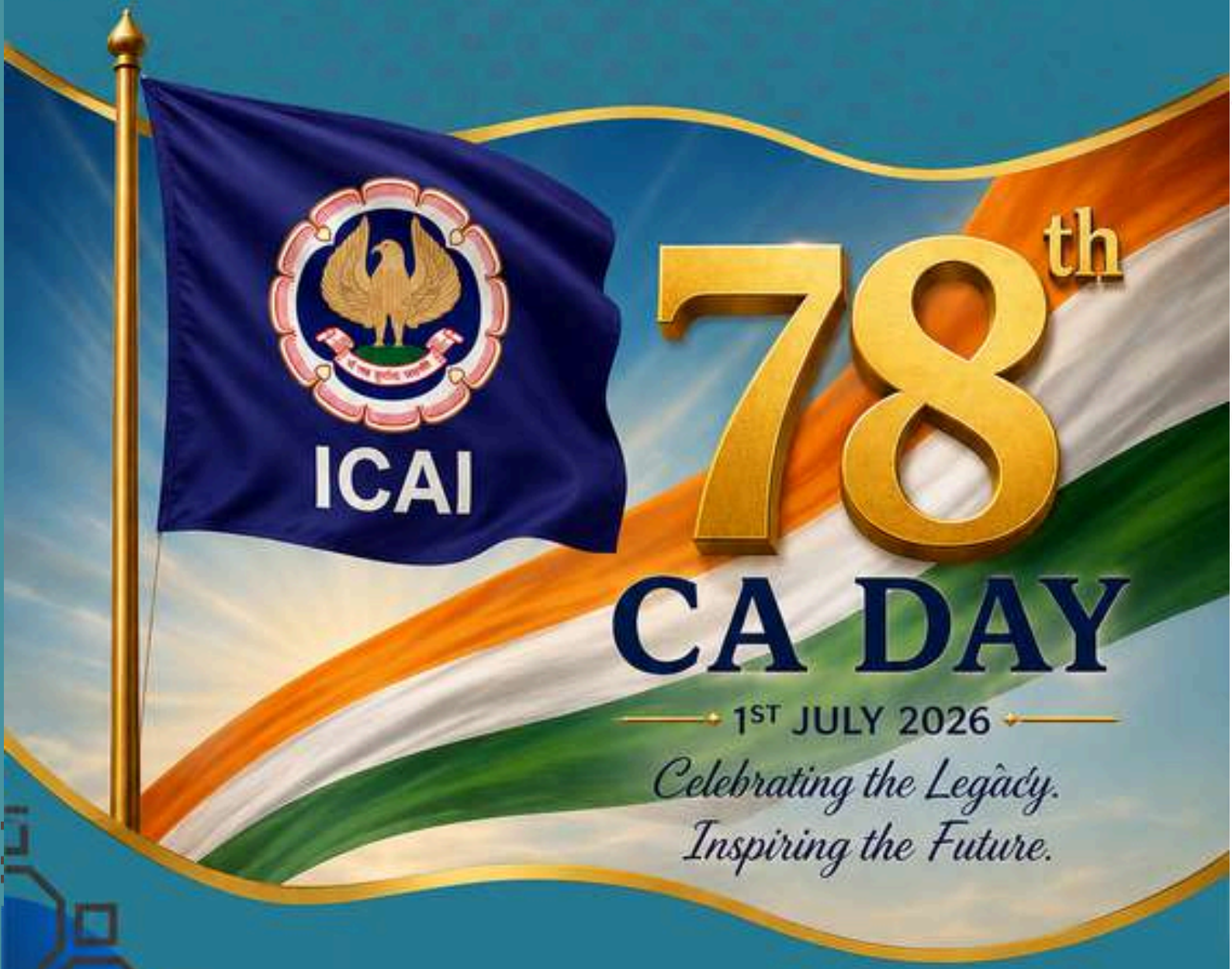
The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Kumbakonam Branch (SIRC)



NEWSLETTER

JULY 2026

From The Chairman's Desk



Esteemed Members:

Greetings from Kumbakonam Branch (SIRC)

The month of June 2026 was indeed a vibrant and eventful one for our Branch, marked by a series of academic, professional and student-oriented programmes.

During 2nd, 3rd and 4th June 2026, we successfully conducted the AICA Level 2 Certificate Course, which provided a valuable learning opportunity for participants. This was followed by the Workshop on the Income-tax Act, 2025 held on 13th and 14th June 2026, which was attended by around 100 participants and served as an important platform for understanding the new legal framework in direct taxation.

The Branch also gave due importance to student engagement and development. On 20th and 21st June 2026, we conducted Sports Events for Students, in which nearly 45 students enthusiastically participated. The events included cricket, shuttle, carrom, chess, musical chair and connections, making the programme both enjoyable and memorable. On the morning of 21st June 2026, we also celebrated International Yoga Day, which witnessed participation from around 75 participants, highlighting the importance of health, discipline and mental well-being.

Towards the close of the month, on 26th and 27th June 2026, we organised the Excel Workshop for Members, aimed at strengthening practical skills and improving professional efficiency. Further, on 27th June 2026, the Branch celebrated MSME Mahotsav jointly with StartupTN and Periyar TBI, Vallam. The programme was attended by nearly 150 participants and was very well received. It was also a matter of immense pleasure for the Branch to release a Complete Guide for MSMEs, which we hope will serve as a useful reference for the MSME community and professionals alike.

As we enter the month of July 2026, we look forward to yet another important and meaningful phase for the Branch. We will be celebrating Chartered Accountants' Day on 1st July, followed by our Family Day programme on 4th July, and the Annual General Meeting on 10th July 2026. I extend my advance greetings to all members on CA Day. As members of this noble profession, we continue to foster independence, integrity and excellence in the field of finance, taxation, audit and accounts. This day reminds us of the responsibilities we shoulder and the trust that society places upon us.

The month of July also marks the beginning of one of the most significant professional seasons for our fraternity, namely the individual return filing season. This is a time that demands diligence, care and a strong commitment to ethical professional standards. While assisting clients in filing their returns, it is important that we maintain proper documentation, obtain appropriate confirmations and ensure that returns are filed based on complete and verified particulars. Professional prudence and ethical compliance must continue to guide our actions at every stage.

Let us therefore approach this season with dedication, discipline and a sense of responsibility, so that we may continue to uphold the dignity and credibility of our profession.

I am confident that with the continued support of members, the Kumbakonam Branch will keep moving forward with strength, unity and purpose.

Jai ICAI, Jai Hind.

With Warm Regards



CA. H. Vijay Sarathi

Chairman, ICAI Kumbakonam Branch (SIRC)

SNIPPETS FROM JUNE 2026 PROGRAMMES

Certificate Course on AI for CA's - Level 2
2nd to 4th June 2026



AICA Level 2 Inaguration: **CA H Vijay Sarathi,** Chairman, Kumbakonam Branch giving welcome address



CA Boara Kumar Venkatesh Empowering the Members with AI Knowledge



Group Photo with **CA Shubham Patel,** 2nd Day AI Faculty



Group Photo with **CA Anmol Lohia,** 3rd Day Faculty

Two Day Workshop on Income Tax Act 2025
13th to 14th June 2026



During Inaugural of Two Day Workshop
From left to right: **CA MSK Prasanna Kumar** (Vice Chairman), **CA Sashank Srivatsan S** (Speaker), **CA H Vijay Sarathi** (Chairman), **CA V A Sitharasan** (Secretary)



Welcome Address by **CA H Vijay Sarathi**, Chairman, Kumbakonam Branch



Knowledge Sharing Session by **CA Sashank Srivatsan S**



Honouring the Speaker by **CA THAMIZHIAH M & CA S Ramadoss**, Past Chairmen, Kumbakonam.



Session By **CA. Abhinaya M A**



Honouring the Session Speaker by
CA. Mohanraj Perumal, Chairman, Puducherry Branch



An Informattive session by **CA T G Suresh**



Honouring the Speaker by **CA.Sadagopan J &**
CA R Ganesh, Past Chairmen, Kumbakonam Branch



An Interactive session by
CA. Prasanth Srinivas



Honoruing the Speaker by **CA S Rajesh &**
CA S Venkatesan Past Chairman,
Kunbakonam Branch, CA



CA R Venkatesh, Treasurer, Kumbakonam
branch introducing the Speaker
CA L Muthukala



Knowledge Sharing session by
CA. Ashwin Pathak



Honouring the Speaker by **CA Venkatesan B & CA Rangarajan S**

International Yoga Day
21st June 2026



During International Yoga Day Inaugural Ceremony, **CA Vijay Sarathi H,** addressing the participants



Yoga Guru **Sri Gopalakrishnan Ji** is explaining the importance of Yoga



While participants are doing some warmup exercises



Honoring the Yoga Guru by **Members of the Branch** and Vote of Thanks by Treasurer **CA R Venkatesh**

Excel Workshop
27th June 2026



Excel Workshop Session-2 by **CA Rathinagiri**



While members eagerly attending the workshop

MSME Mahotsav 2026
27th June 2026



Welcome Address by **CA Vijay Sarathi H**, Chairman, Kumbakonam Branch



An Informative session by **Mr. Mahesh kumar S**, Project Associate, **StartupTN**



A Highly Informative Session by **Mr. Sathyamoorthy** AE, District Industries Centre



A session on Financial Support to MSMEs by **Mr. Venkata Subramanian**, Senior Regional Manager, IOB



Session by **Mr. S. Mohan**, Senior General Manager,CUB on What the bank is expecting from MSMEs to Sanction Loan



Session by **Dr. A. P. Aruna,** CEO, PTBI on supports provided by PTBI for startups



Session by **CA Deepa D** on Compliance for MSMEs



Honouring **Mr. S Mohan**, Senior General Manager,CUB by **CA R Ganesh**, Past Chairman, Kumbakonam Branch



Honouring **Mr. Venkata Subramanian,** Senior Regional Manager, IOB by **CA Rajkumar**, Past Chairman, Kumbakonam Branch



Honouring **Dr. A.P. Aruna,** CEO, PTBI by **CA R Swaminathan**



Honouring **CA Deepa D** by Branch Chairman and Project Associate of StarupTN



Honouring **Mr. Mahesh Kumar S**, Project Associate, StartupTN by **CA G G Praburaman**

Kumbakonam Branch (SIRC)

FORTH COMING PROGRAMMES, July- 2026

Date	Day	Timing	Place	Mode	Topic	Resource Person	Fee (Inc. GST)	CPE
1st July 2026	Wed	08:30 am to 01:30 pm	ICAI Bhawan, Kumbakonam	Physical	CA Day Celebrations	-	-	NA
04th July 2026	Sat	04:30pm to 07:30 pm	RAS Residency	Physical	Family Day	Mr. Rajesh, Tirupur	₹1,500	NA
10th & 11th July 2026	Fri & Sat	10:00 am to 05:45 pm	Excel Workshop - 2nd Session	Physical	Excel Workshop- Session 2	CA Rathinagiri	₹1,770	12 Hrs
10th July 2026	Fri	04:30 pm to 06:00 pm	46th Annual General Meeting	Physical	-	-	-	NA

ARTICLE 1

ADVANCED PROMPTING FOR CHARTERED ACCOUNTANTS

FROM SIMPLE QUESTIONS TO BETTER PROFESSIONAL THINKING

A CONTINUING NEWSLETTER SERIES ON PRACTICAL AI USE FOR CAS

Contributed by: CA.S.Santhanakrishnan, B.com., FCA



About the Author

CA. S. Santhanakrishnan, is a Chartered Accountant with over 20 years of experience across finance, governance, internal controls, compliance, ERP-enabled business processes and advisory, with industry exposure in IT/ITES, FinTech and Healthcare & Diagnostics. He is certified in Forensic Accounting & Fraud Detection, Internal Audit, and AI for Chartered Accountants, and actively works on responsible AI adoption for professional, business and academic use cases. Currently he is consulting in SME sector and board led, growth driven organisation. He can be reached through email ca.sankrish@gmail.com, Mobile +91 99406 88977.

Why Prompting Style Matters for Chartered Accountants

For professionals like Chartered Accountants, using AI is not merely about asking questions and receiving answers. Our work involves facts, law, standards, evidence, assumptions, documentation and professional judgement. Therefore, the way we frame the prompt directly affects the quality of AI's response.

A normal prompt may ask: "Explain deferred tax."

An advanced professional prompt would ask:

"Explain deferred tax for a company having depreciation timing differences and disallowed provisions. Classify each difference, compute the deferred tax impact, state assumptions, identify documentation required, and mention areas requiring professional verification."

The second prompt is different because it does not ask for general information. It gives context, asks for classification, requires working, demands assumptions, and preserves the need for human review.

For CAs, advanced prompting techniques are useful because they help convert AI from a general answering tool into a structured professional assistant. These techniques do not replace judgement. They help organise the thinking before judgement is applied.

In this series, we will look at three practical advanced prompting styles:

1. Chain-of-Thought style prompting — asking AI to show the working.
2. Tree-of-Thought style prompting — asking AI to compare options.
3. Socratic prompting — asking AI to raise better questions.

Part 1: Chain-of-Thought Style Prompting

Asking AI to Show the Working

Artificial Intelligence tools are now being used by professionals for drafting, summarising, research support, analysis and learning. For Chartered Accountants, these tools can be useful, but only when they are used with professional care.

The quality of the AI response depends substantially on the quality of the prompt given by the user.
A prompt is the question or instruction given to an AI tool. Prompt engineering simply means giving that instruction in a clear, structured and useful manner.

For example, asking AI:

"Explain depreciation." may produce a general answer.

But asking: "Explain depreciation under Ind AS 16 for a manufacturing company. Include recognition, measurement, useful life, residual value, change in estimate and audit documentation points."

will usually produce a more relevant and structured response.

This is the practical value of prompt engineering. It is not about using complicated language. It is about drafting better instructions.

For Chartered Accountants, this is important because our work often involves calculation, classification, interpretation, documentation and judgement. A casual question may produce a casual answer. A structured question can produce a more useful professional response.

In this first part of the series, we will look at one useful prompting method: **Chain-of-Thought style prompting.**

What is Chain-of-Thought Style Prompting?

Chain-of-Thought style prompting means asking AI to show the working or explain the steps before giving the answer.

In professional use, it is better to use simple instructions such as:

"Show the step-by-step calculation."
"Explain the working."
"Classify each item."
"State the assumptions, challenge it wherever possible."
"Give the reasoning summary before the conclusion."

This does not mean that the AI answer becomes automatically correct. It only means that the answer becomes easier to review.

Simple Example

Instead of asking: "What is the cost of machinery under Ind AS 16?"

A better prompt would be: "A company purchased machinery for ₹10,00,000. Transportation cost is ₹50,000. Installation cost is ₹1,00,000. Testing materials consumed are ₹30,000. Administrative overheads during installation are ₹20,000. Show the step-by-step calculation of the initial cost of the asset under Ind AS 16. Also state which costs should be included, which costs should be excluded and why."

The second prompt is better because it asks AI not merely to give a number, but to analyse each component.

This may help the professional identify: what is capitalised, what is excluded, what assumption is made and where further verification is required.

For a CA, this is useful because the working can be reviewed. If the answer is incorrect, the error can be identified more easily.

Another Example

A CA may ask:

"Walk me through the deferred tax calculation where the company has ₹25 lakh depreciation difference between books and tax, ₹10 lakh warranty provision not allowed for tax, and ₹5 lakh bonus provision allowed only on payment. Tax rate is 25%. Show each step and classify whether it results in deferred tax asset or deferred tax liability."

This type of prompt helps in organising the computation. However, the CA must still verify whether the differences are temporary or permanent and whether the recognition criteria are satisfied.

AI can prepare a working. The CA must verify the working.

Where CAs Can Use This Prompting Style

Chain-of-Thought style prompting is useful in tax computations, deferred tax workings, depreciation schedules, lease calculations, GST reconciliation, audit working papers, valuation workings, financial analysis.

The practical benefit is simple: it makes the AI output reviewable.

Professional Caution

Response from AI should not be treated as the final authority. It may misunderstand facts, apply an incorrect standard, miss an exception or produce a confident but wrong answer.

Therefore, the safe professional approach is:

Use AI to prepare the working. Use professional judgement to verify the working.Under No circumstances Chartered Accountant cannot delegate professional responsibility to an AI.

Prompts for Practice

1. Ind AS Practice Prompt

"Act as an accounting research assistant. A company has incurred expenditure on purchase of machinery, freight, installation, trial run materials, staff training, administrative supervision and abnormal wastage during installation. Prepare a step-by-step analysis under Ind AS 16. Classify each item as capitalizable or not capitalizable, state the reason, identify assumptions, and list documents required for audit verification. Do not give a final opinion; provide a working note for professional review."

2. Income-tax Litigation Practice Prompt

"Act as a tax litigation research assistant. The Assessing Officer has proposed disallowance of a business expenditure on the ground that it is not wholly and exclusively for business. Prepare a step-by-step issue analysis covering facts to be collected, legal tests to be applied, possible assessee arguments, possible revenue arguments, evidence required, and risks in appeal. Do not draft the final reply; prepare a structured litigation preparation note."

3. GST Practice Prompt

"Act as an indirect tax compliance assistant. A company has claimed GST input tax credit on vendor invoices, but some invoices are not appearing in GSTR-2B and some vendors have delayed filing. Prepare a step-by-step reconciliation approach covering invoice matching, eligibility check, vendor follow-up, documentation, reversal risk, interest exposure and management reporting. Clearly state what requires professional verification."

Conclusion

Chain-of-Thought style prompting helps CAs move from answer-seeking to working-review. It is particularly useful where calculations, classifications and step-wise analysis are involved.
The professional advantage is not that AI gives the final answer. The advantage is that AI can help organise the steps, so that the CA can review them with better clarity.
In the next part of this series, we will look at **Tree-of-Thought style prompting**, where AI can be asked to compare different options before arriving at a recommendation.

To be continued in the next issue...

ARTICLE 2

EXCEL TIPS

FORMULA AUDITING



Contributed by: CA. Dungar Chand U Jain, Past Chairman, SIRC of ICAI

Formula auditing is an essential tool in Excel helps us show the relationship between formulas and cells. This feature is instrumental in identifying errors, tracing dependencies, and ensuring the accuracy and reliability of data.

Formula Auditing in MS Excel contains a set of tools that allow users to inspect formulas, trace precedents and dependents, monitor cell relationships, and detect errors. These tools are accessible through the "Formulas" tab under the "Formula Auditing" group.

Following are the different ways using which you can audit a formula:

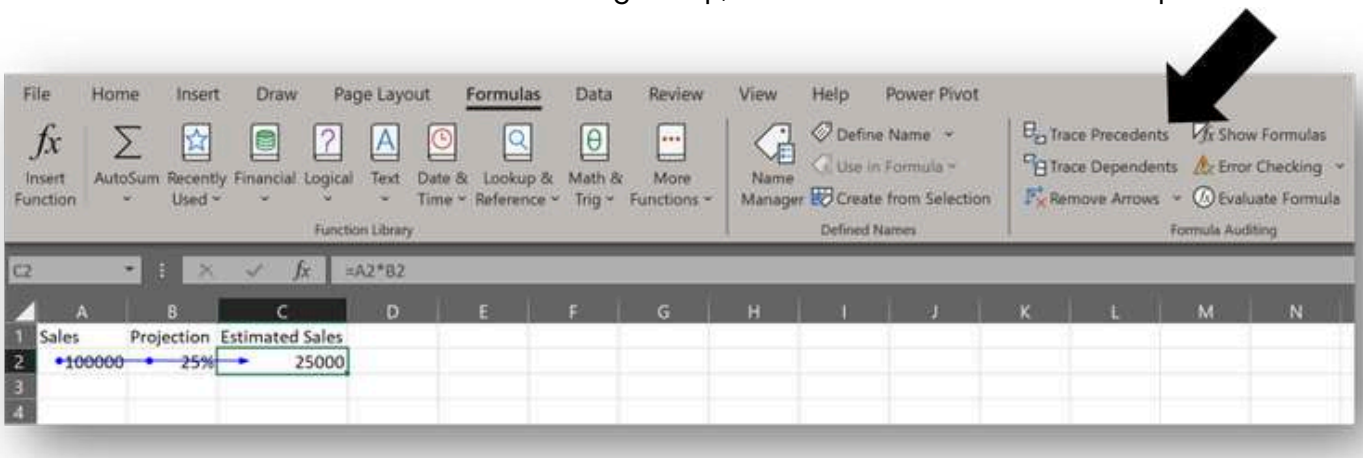
1. Trace Precedents
2. Trace Dependents
3. Remove Arrows
4. Show Formulas
5. Error Checking

1. Trace Precedents

Trace Precedents displays tracer arrows from the cells showing the direction of information flow. You see a blue box around the cells when this method is active. However, one can press this button multiple times to catch additional levels.

Following are the steps to use Trace Precedents in your Excel worksheet:

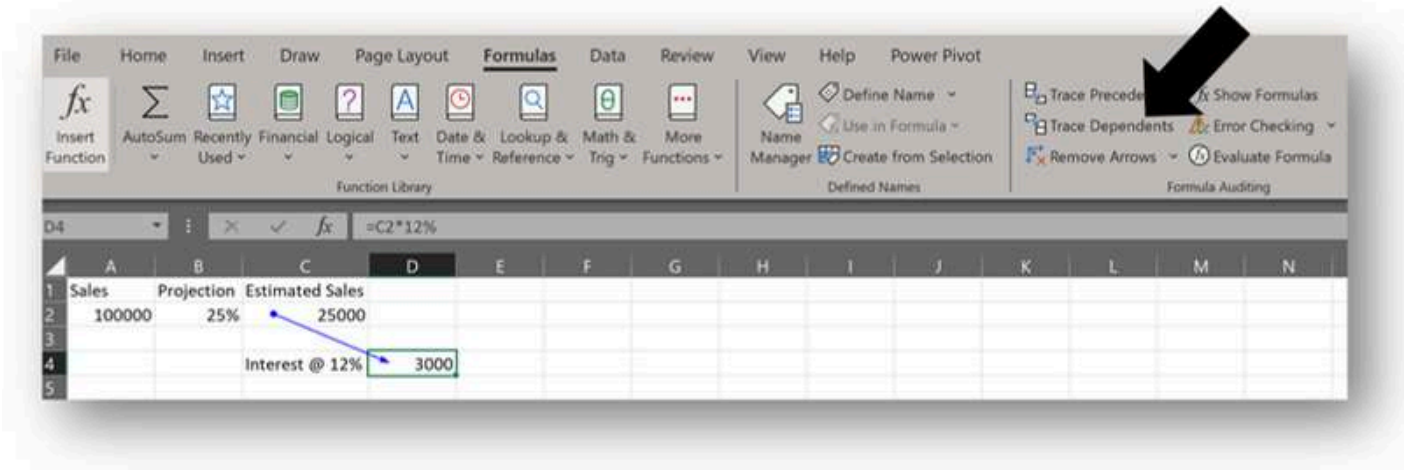
Select the formula Tab. Under Formula Auditing Group, click on the Trace Precedents option.



The precedent cells will be shown with blue dots.

2. Trace Dependents

Select the formula Tab. Under Formula Auditing Group, click on the Trace Dependents option

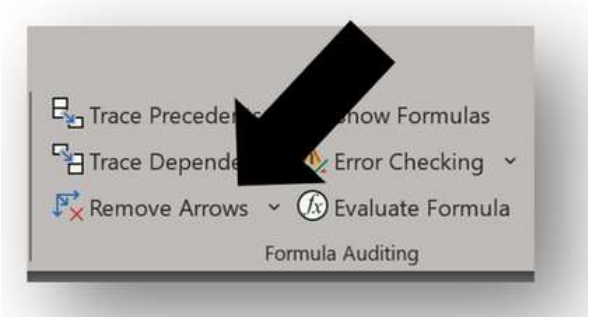


The dependent cells will be shown with blue dots.

Tracing precedents and dependents is crucial for understanding cell relationships. Precedents are cells that influence the active cell's value, while dependents are cells affected by the active cell.

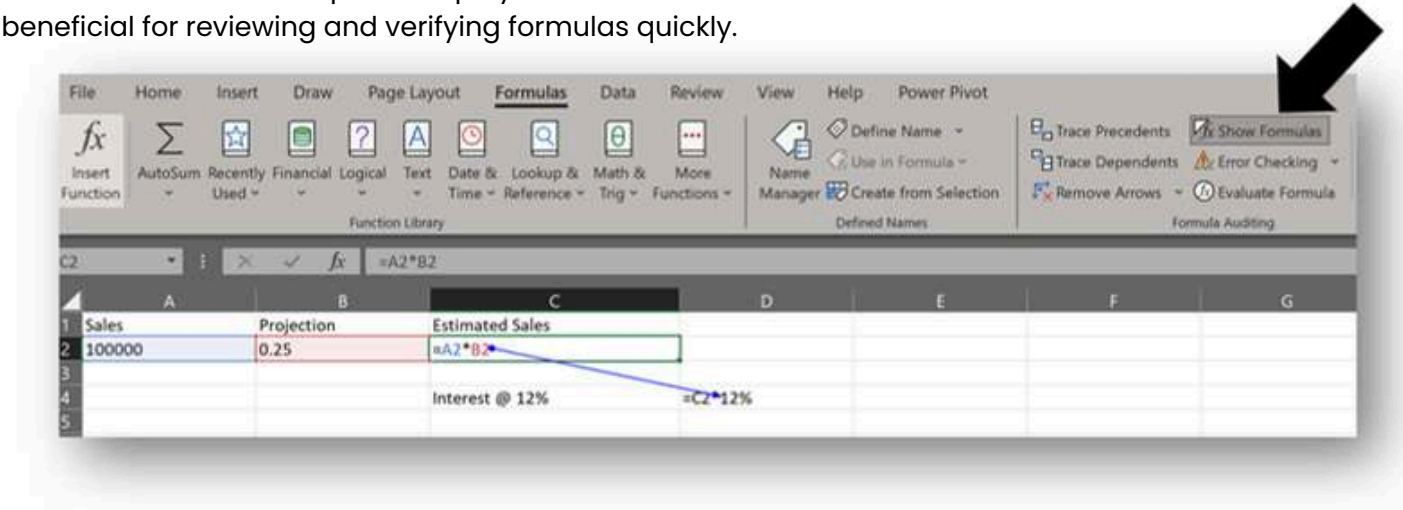
3. Remove Arrows

After tracing precedents and dependents, users can remove the arrows by selecting "Remove Arrows" in the Formula Auditing group. This option clears the visual indicators, maintaining a clutter-free spreadsheet.



4. Show Formulas

The "Show Formulas" option displays all formulas in the cells instead of their results. This view is beneficial for reviewing and verifying formulas quickly.

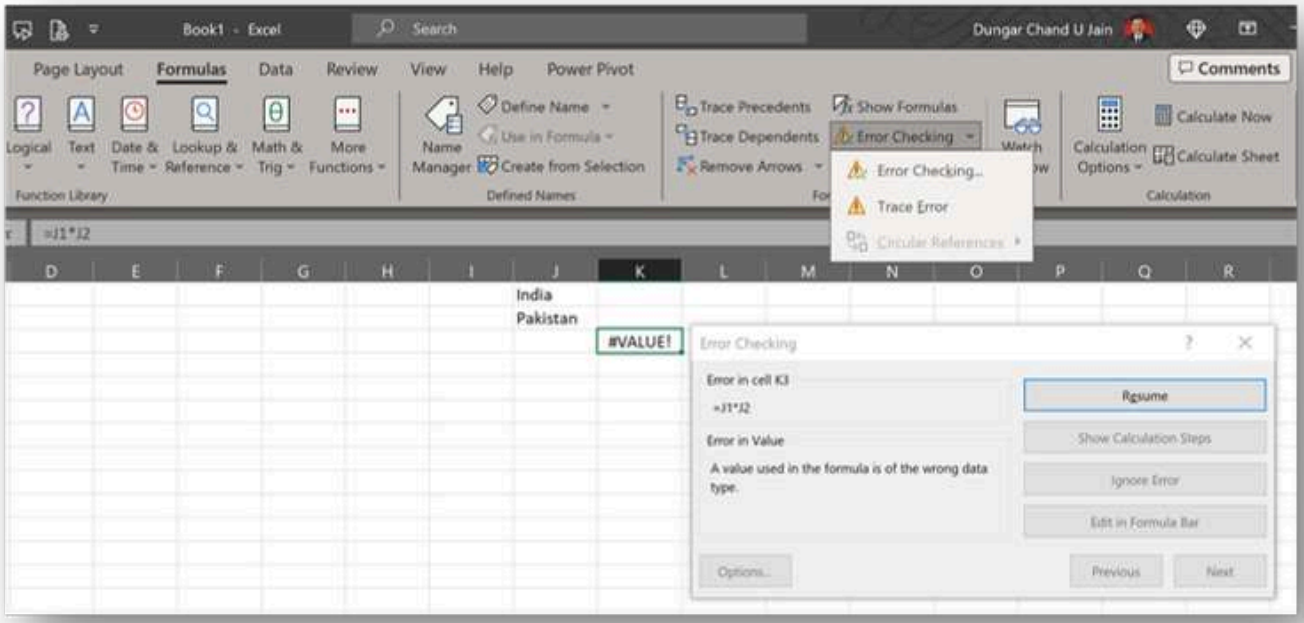


5. Error Checking

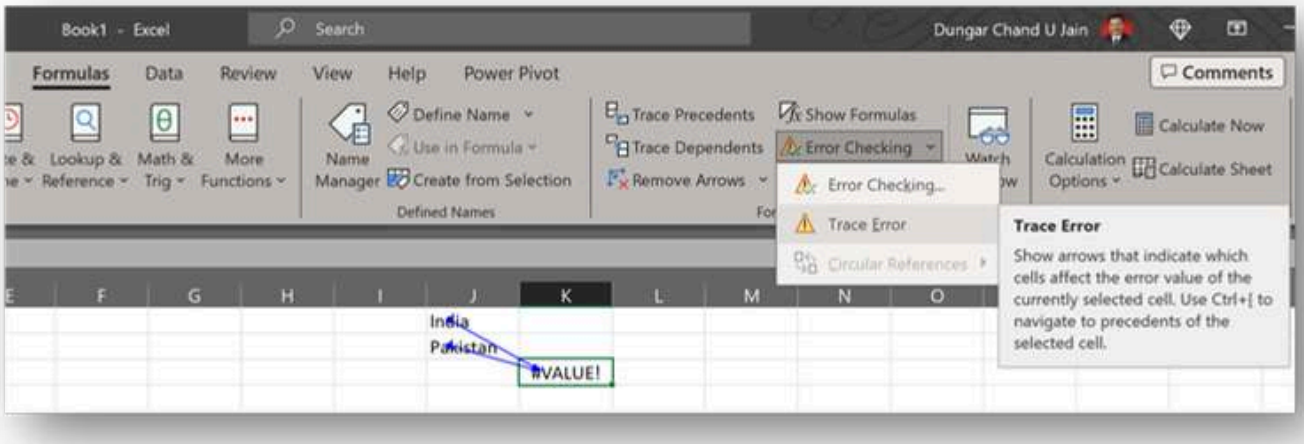
Error Checking is a fundamental aspect of Formula Auditing. Excel automatically flags potential errors in formulas with a small triangle in the cell's top-left corner. Clicking on the error icon reveals a dropdown menu with options to correct or ignore the error. Additionally, users can initiate a manual error check by selecting "Error Checking" in the Formula Auditing group.

Example:

Consider a cell with the formula =J1*J2. If cells J1 and J2 contain text instead of numbers, Excel will flag this as an error, allowing the user to rectify it promptly.



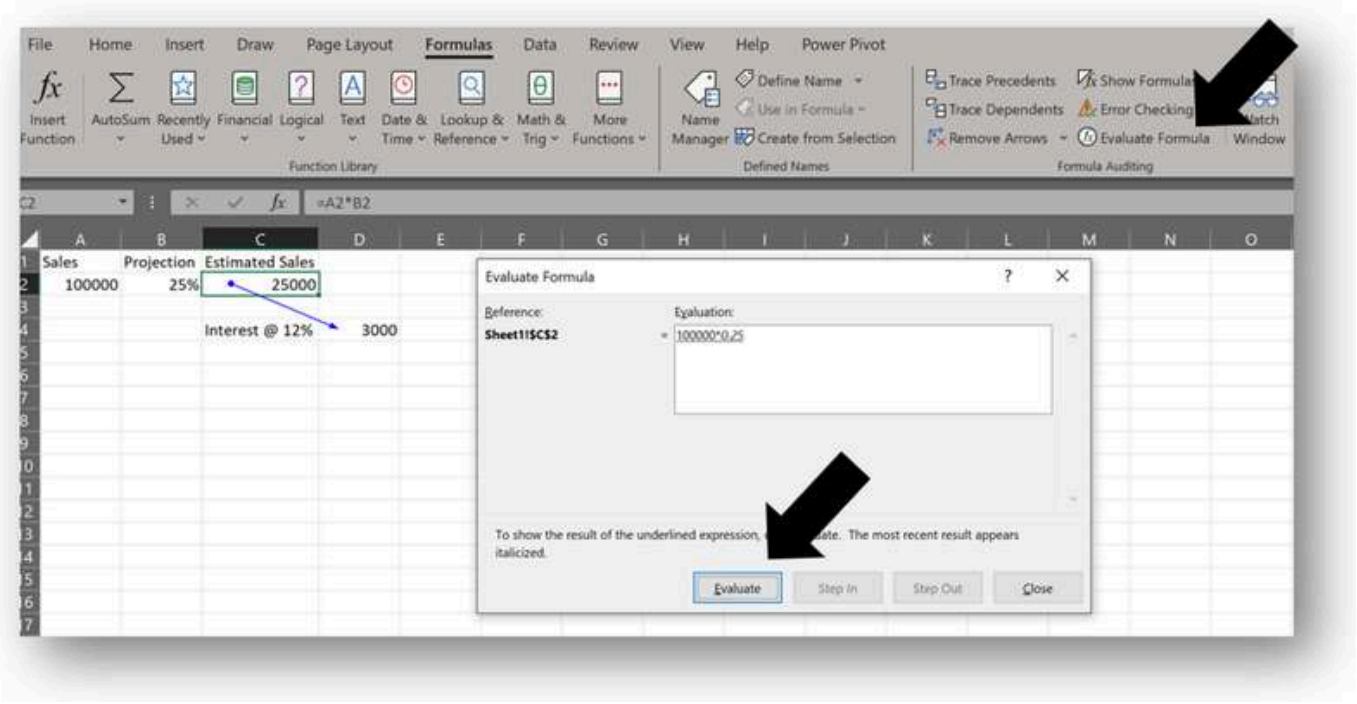
Trace Error



5. Evaluate Formula

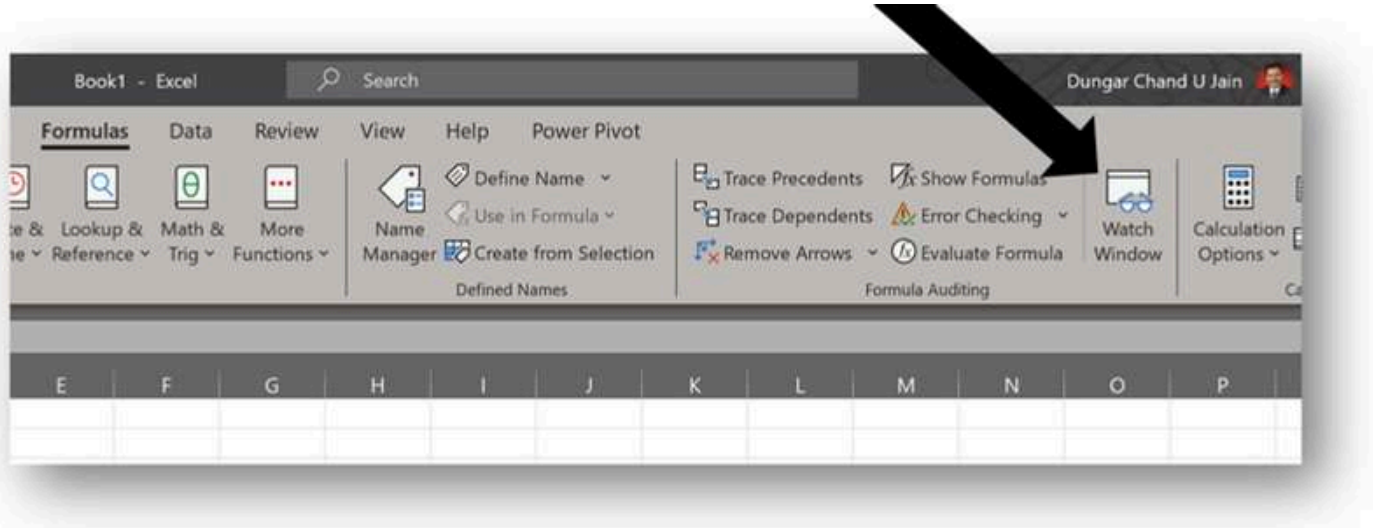
The "Evaluate Formula" tool allows users to step through a formula's calculation, observing how Excel evaluates each part of the formula. This step-by-step approach is particularly useful for debugging complex formulas.

Click Evaluate in the dialog box and Excel will take through the series of steps involved in a formula one-by-one and show how the result was obtained in the window.



6. Watch Window

The Watch Window is a floating dialog box that monitors the values and formulas of specified cells, even when the cells are not visible on the screen. This tool is especially useful for tracking crucial cells in large spreadsheets.



Example:

Adding cell D1, which contains the total sales figure, to the Watch Window allows users to monitor sales while working on different parts of the spreadsheet.

Conclusion:

Formula Auditing in MS Excel is an excellent feature for users seeking to optimise the accuracy and reliability of their spreadsheets. By taking benefits of techniques such as Error Checking, Trace Precedents, Trace Dependents, Show Formulas, Evaluate Formula, and Watch Window, one can effectively audit, debug, and monitor formulas, thereby enhancing the data analysis.

ARTICLE 3

TAXATION OF RETURNING NRIS WORKING AS INDEPENDENT CONTRACTORS FOR FOREIGN COMPANIES – INCOME TAX AND GST IMPLICATIONS



Contributed by: CA H Gayathri, Kumbakonam

Introduction

In recent years, a significant number of professionals who were employed abroad have returned to India and continue to work for their overseas employers. However, instead of remaining on the payroll of the foreign company, they enter into consultancy or independent contractor agreements and render services from India.

This arrangement is common in the IT, engineering, finance, design, digital marketing, legal, and consulting sectors. The tax treatment of such arrangements differs substantially from that of employment income and requires careful examination under both the Income-tax Act, 1961 and the GST laws.

Determining the Nature of Relationship

1. The first step is to determine whether the individual is:
2. An employee of the foreign company; or

An independent contractor providing professional or consultancy services.

Where the individual:

- Raises invoices,
- Exercises independence in performing services,
- Is not entitled to employee benefits,
- Bears professional risks, and
- Is governed by a consultancy agreement,

the income would generally be taxable as Profits and Gains of Business or Profession (PGBP) and not as salary.

Income-tax Implications

Residential Status

The taxability depends primarily on the residential status under Section 6 of the Income-tax Act.

A returning professional who becomes a Resident and Ordinarily Resident (ROR) in India is taxable on his global income. Therefore, consultancy fees received from foreign companies become taxable in India irrespective of the place from which payment is made.

Head of Income

Where services are rendered as an independent contractor, the receipts are generally taxable under: *Profits and Gains of Business or Profession* and not under: *Income from Salaries.*

Deduction of Expenses

The professional may claim legitimate business expenses such as:

- Office rent
- Internet charges
- Telephone expenses
- Professional subscriptions
- Software licences
- Laptop and computer depreciation
- Travel expenses
- Staff salary
- Bank charges

subject to the provisions of the Income-tax Act.

Presumptive Taxation under Section 44ADA

Many returning professionals belong to specified professions such as:

- Chartered Accountants
- Engineers
- Architects
- Technical Consultants
- Interior Decorators
- IT Professionals and Consultants

where Section 44ADA may be applicable.

For eligible assessees:

- 50% of gross receipts may be deemed as income.
- No separate deduction of expenses is required.
- Books of account and audit requirements are simplified subject to statutory limits.

This scheme is often beneficial for consultants working exclusively for overseas clients.

Foreign Tax Credit (FTC)

Sometimes the foreign company may deduct tax in its country before remitting payment. In such cases:

- The income remains taxable in India.
- Credit of foreign taxes paid may be claimed under Sections 90 or 91.
- Form 67 must be filed within the prescribed timelines.
- DTAA provisions should be examined wherever applicable.

Advance Tax

Since the foreign company does not deduct TDS, the consultant is generally responsible for:

- Estimating annual income,
- Paying advance tax, and
- Filing the return of income.

Failure may attract interest under Sections 234B and 234C.

GST Implications

Whether GST Applies?

The consultancy services rendered by the individual constitute a supply of services under GST. The critical question is whether such services qualify as *Export of Services.*

Export of Services

Under Section 2(6) of the IGST Act, services are treated as export of services when:

1. Supplier is located in India;
2. Recipient is located outside India;
3. Place of supply is outside India;
4. Payment is received in convertible foreign exchange (or permitted INR);
5. Supplier and recipient are not merely establishments of the same person.

Where these conditions are satisfied, the transaction qualifies as an *Export of Services.*
Zero-Rated Supply

Exports are treated as *Zero-Rated Supplie*s under GST.

Consequently:

- No GST is required to be charged to the foreign customer when services are supplied under LUT.
- Input Tax Credit may still be availed.
- Refund of unutilised ITC may be claimed, wherever eligible.

Letter of Undertaking (LUT)

The consultant should:

- Obtain GST registration where required,
- File LUT annually,
- Raise export invoices, and
- Maintain evidence of foreign remittances such as FIRC/FIRA.

GST Registration

The issue of GST registration for export service providers has witnessed differing interpretations over the years due to amendments in GST law.

As a matter of prudence, professionals regularly exporting services should obtain GST registration and operate through LUT, particularly where turnover is substantial or ITC refunds are expected.

Practical Illustration

Mr. A worked in the United States till December 2024 and returned to India.
From January 2025 onwards:

- He renders software consulting services from Chennai.
- He enters into an independent contractor agreement with the same US company.
- He receives USD 8,000 per month directly into his Indian bank account.

Income Tax

- Consultancy income taxable under PGBP.
- Eligible business expenses deductible.
- Alternatively, Section 44ADA may be explored if conditions are satisfied.

GST

- Services qualify as export of services if statutory conditions are fulfilled.
- Supply can be made under LUT without charging GST.
- ITC benefits may continue to be available.

Conclusion

The increasing acceptance of remote working has enabled many returning NRIs to continue servicing foreign companies from India. While the arrangement appears simple commercially, the tax implications differ significantly from employment income.

Professionals should carefully evaluate:

- Residential status,
- Nature of contractual relationship,
- Eligibility under Section 44ADA,
- Foreign Tax Credit availability,
- Export of service conditions under GST, and
- LUT and FEMA compliance requirements.

A properly structured contractor arrangement can provide significant compliance and tax efficiencies while remaining fully compliant with Indian tax laws.

Employee vs Independent Contractor – Key Tax Differences

Particulars	Employee	Independent Contractor
Nature of Relationship	Employer–Employee	Principal–Independent Professional
Governing Agreement	Employment Contract	Consultancy / Service Agreement
Head of Income	Salary	Profits and Gains of Business or Profession
Business Expense Deduction	Not generally available	Eligible business expenses deductible
Presumptive Taxation	Not applicable	May be eligible under Section 44ADA
TDS Applicability	Foreign employer may or may not deduct tax depending upon jurisdiction	Generally no Indian TDS by foreign client
Advance Tax Liability	Usually minimal where tax is deducted by employer	Consultant responsible for advance tax payments
Employee Benefits	Provident Fund, Gratuity, Leave, Insurance, Bonus etc.	Generally not available
GST Applicability	Not applicable on services rendered as employee	Applicable; may qualify as Export of Services
Export Benefits	Not available	LUT facility and refund of eligible ITC available
Professional Risk	Limited	Borne by consultant
Flexibility to Serve Multiple Clients	Usually restricted	Generally permitted

Practical Indicators of an Independent Contractor

The following factors generally indicate an independent contractor relationship:

✓ Services are rendered under a consultancy agreement.
✓ Professional invoices are raised periodically.
✓ Payment is linked to deliverables or milestones.
✓ The individual determines the manner of performing work.
✓ No entitlement to PF, gratuity, leave salary or other employee benefits.
✓ The consultant may simultaneously provide services to multiple clients.
✓ Professional and commercial risks are borne by the consultant.

However, the nomenclature used in the agreement is not conclusive. The actual substance of the relationship should be examined to determine whether the arrangement is one of employment or independent consultancy.

Compliance Checklist for Returning Professionals

☐ Determine residential status under Section 6.
☐ Review the consultancy agreement carefully.
☐ Evaluate eligibility under Section 44ADA.
☐ Obtain GST registration, wherever required.
☐ Furnish LUT before exporting services.
☐ Maintain FIRC/FIRA and foreign remittance records.
☐ Pay advance tax on time.
☐ Examine DTAA benefits and foreign tax credit eligibility.
☐ File Form 67 where foreign taxes have been paid.
☐ Maintain proper books of account and supporting documents.

Updates From News Papers

CA firms eligible to offer PM internship

Rule change to benefit thousands; interns to get Rs 9,000/m stipend with 90% support from Centre

In a major relief for chartered accountancy firms, the Centre has amended the Pradhan Mantri Internship Scheme (PMIS) to allow CA firms to participate despite not having Corporate Social Responsibility (CSR) budgets.

Earlier, only companies with CSR funds could effectively engage interns under the scheme, leaving out most CA firms that operate as partnership or proprietorship entities. With the rule change, thousands of CA firms across India can now offer internships and practical training in areas such as tax audit, GST compliance, income tax filing, accounting and statutory audit.

Under the scheme, interns will receive a monthly stipend of Rs 9,000, of which Rs 8,100 will be paid by the Government of India through Direct Benefit Transfer (DBT) and Rs 900 by the CA firm from its own business funds. According to CA Dr. Jainik Vakil, Past Chairman of ICAI Ahmedabad Branch, the move will help students gain hands-on professional experience while providing firms with skilled manpower. **AM**

AhmedabadMirror Wed, 17 June 2026
https://epaper.ahmedabadmirror.com/c/801430

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Economy

ICAI to onboard 25 CA firms under PM Internship Scheme, targets 2,000 interns by year-end

UDIT BUBNA 17 June 2026 05:55pm IST



'We are starting with 25 firms because we need to first understand process & address any operational issues', says ICAI President CA Prasanna Kumar D. | Instagram/@icaiorg

New Delhi: The Institute of Chartered Accountants of India (ICAI) is set to onboard 25 medium to large sized chartered accountancy firms under the Prime Minister Internship Scheme (PMIS), opening up internship opportunities in accounting, taxation, audit and compliance for candidates applying under the scheme.

!CAI President CA Prasanna Kumar D told ThePrint that these firms will have at least 10 partners and will be registered under the scheme by next week. The first batch of interns are likely to begin joining from next month.

"We are starting with 25 firms because we need to first understand the process and address any operational issues. Once the methodologies and systems are in place, we can open it up for everyone," Kumar said.

!CAI, the accounting regulator, is targeting around 2,000 interns under the scheme by the end of this year.

Launched in 2024, the PMIS aims to provide internship opportunities to one crore youth over five years. Under the scheme, the interns receive a monthly stipend of Rs 9,000, out of which Rs 8,100 is paid by the government and Rs 900 is contributed by the participating employers.

However, chartered accountancy firms were initially unableto participate becausethe scheme required the employer contribution to come from Corporate Social Responsibility (CSR) funds,a provision that does not apply to professional firms.

But, !CAI and the Ministry of Corporate Affairs (MCA) have workedtogether to resolvethe issue, thereby paving the way for the participation of CA firms in PMIS.

"Bringing CA firms into PMIS will create internship opportunities in accounting, auditing, taxation, and finance,while supporting the government's broader skilling and workforce development objectives," Kumar said.

According to !CAI, the initial focus is on firms that have adequate professional infrastructure and supervision capacity.Based on the learnings from the pilot phase, the scheme would be rolled out to a large networkof CA firms across the country.

The inclusion of professional firms in the scheme would also help address one of the biggest challenges faced by the government's flagship internship scheme:low participation and high attrition.

Launched in October 2024, the first round of the schemesaw participating companies making more than82,000 internship offers to over 60,000 candidates. However, only 8,760 candidates joined and nearly 54 percent dropped out before completing the programme.

As of March 2026, only 3,605 interns had completed the full 12-monthinternship.

The secondround, launched in April2025, followed a similar trend.More than 83,000 internship offers were made to over 71,000 candidates, but only around 7,300 candidates joined. overall, more than 7,200 interns exitedthe programme midway across the first two rounds.

In its reply to parliament, the MCA has attributed the weak conversion rates partly to geographical constraints, as many candidates are required to relocate far from their homes for these internships.

Kumar believes the widespread presence of CA firms, particularly outside of metropolitan cities, could help improve participation levels in the scheme.

The ICAI also hopes to address concerns that interns maybe assigned routine clerical work Theinstitute plans to put in place a structured training and monitoring framework to ensure that internships provide meaningful professional exposure.

"PMIS interns in CA firmswill not be left to perform routine clerical tasks. The scheme is designed to offer meaningful practicalexposure and real-world professional experience, enabling interns to develop industry-relevant skills in a structured environment," Kumar said.

The ICAI president said the scheme could also help addressthe growing demandfor trained personnel in finance and compliance functions.

However, PMIS interns will not receive any assurance or commitment of full-time employment in CA firms after the internship. According to Kumar, the practical experience gained during the programme could improve their employability and make them stronger candidates for future opportunities in the profession.

(Edited by Ajeet Tiwari)

Also Read: FJ.oundering PM Internship Scheme used Jess than1% of Rs10,831 croresetaside for it in FY25-26

ANNOUNCEMENT

📢 *MCA Extends Validity – Name Reservation & Resubmission*

🏛️ MCA | OM No. EGov-04/2/2021-e-Gov-MCA | 📅 20.06.2026
Due to MCA21 Data Centre restoration post fire incident (05.06.2026):

✅ Name Reservation: Validity expiring 21.06.2026–30.06.2026 → extended to 10.07.2026. Expired between 05.06.2026–20.06.2026? Raise MCA Helpdesk ticket by 30.06.2026 for extension.

✅ e-Form Resubmission: Last date 21.06.2026–30.06.2026 → extended to 10.07.2026. Fell between 05.06.2026–20.06.2026? Seek extension via Helpdesk ticket by 30.06.2026. Cancelled forms can be reopened on request.

General Circular no.02/2026

F.NO. Policy-02/2/2020-CL-V-MCA
Government of India
Ministry of Corporate Affairs

3rd Floor, Room No. 13020,
Wing-D, Kartavya Bhavan-1,
Dr. R.P. Road, New Delhi, 110001
Dated: June 2026

To,
DGCOA,
All Registrar of Companies,
All Regional Directors,
All Stakeholders.

Subject: Relaxation in paying additional fees in case of delay in filing DPT-3 for Financial Year ended on 31 March 2026 up to 31st July 2026-reg.

The due date for filing Form DPT-3 (Return of deposits) is 30th of June 2026 for the Financial Year 2025-2026. In view of the capacity enhancement/restoration activities being done at Data Center consequent to a fire incident on 05/06/2026, it has been decided to allow companies to file Form DPT -3 for the financial year 2025-2026 without paying additional fees up to 31st July 2026.

2. This issues with the approval of the competent authority.

Yours faithfully,

Indrajit Vania
Joint Director
(Policy)

Copy forwarded to: -

i. E-Governance section and web contents officer to place the circular on MCA website.
ii. Guard file.

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Kumbakonam Branch (SIRC)