



RAJKOT BRANCH

E-NEWSLETTER

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2025



THE INSTITUTE OF
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OF INDIA



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CA Jaydev Sagpariya	-

Chairman's Message



Greetings from the Rajkot Branch.

The end of November and the month of December have been extremely vibrant and enriching for the Rajkot Branch, marked by a series of landmark professional events.

We successfully organized the National Conference on Capital Market on 29th and 30th November, which proved to be a highly knowledge-enriching program. The conference provided members with deep insights into capital markets and offered an excellent learning platform through expert deliberations and practical discussions.

Carrying forward the same spirit of learning and innovation, the Rajkot Branch, jointly with the Vadodara Branch, hosted an AI Conference at Vadodara, organized by the Committee on Artificial Intelligence of ICAI. The conference was truly wonderful and received an encouraging response from members, highlighting the growing importance of technology in the profession.

Further, on 19th and 20th December, WIRC organized the 39th Regional Conference at Mumbai, which was a grand and exceptionally well-planned event. It was a proud moment to witness such a large-scale and impactful conference that added immense value to the professional knowledge of members.

At the Branch level, we also organized a Mock Tribunal, wherein Hon'ble Tribunal Members were invited to preside as Judges. This program emerged as one of the signature events of the Rajkot Branch, offering members valuable practical exposure to tribunal procedures and real-life litigation scenarios.

Additionally, on 28th December, we hosted the WIRC visit at Rajkot, during which a full-day Conference on Artificial Intelligence was organized at Rajkot ICAI. The program was highly appreciated and further strengthened members' understanding of emerging technologies and their application in professional practice.

Overall, December truly turned out to be a technology-driven and learning-focused month, enabling members to gain maximum benefit, practical exposure, and future-ready insights.

Warm regards,
CA Raj Marvaniya
Chairman
Rajkot Branch of ICAI

“Data Is the New Audit Evidence: Are Traditional Audit Techniques Becoming Obsolete?”



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When Audit Judgement Meets Algorithms and Dashboards

Introduction

For decades, audit evidence was built patiently vouching invoices, ticking ledgers, performing test checks, and documenting explanations. These techniques formed the backbone of statutory audits and shaped professional judgement. Yet, in today's digital business environment, a quiet but irreversible shift is underway.

Enterprises now operate on ERP systems, cloud platforms, automated workflows, and real-time dashboards. Transactions are no longer isolated entries but part of integrated data ecosystems. Regulators, too, are adapting. Audit quality reviews are increasingly data-driven, with expectations of deeper analytics and broader coverage.

This evolution has raised an uncomfortable but necessary question for the profession: is traditional audit methodology becoming inadequate in a world dominated by data?

From Sampling to Population Testing

Traditional audits rely heavily on sampling. Given volume constraints, auditors select representative transactions and draw conclusions. While this approach remains conceptually valid, its limitations are becoming evident in high-volume, automated environments.

Data analytics enables examination of entire populations rather than samples. Instead of checking a few invoices, auditors can now analyse all transactions for anomalies duplicate payments, unusual timing, round-number entries, or override patterns.

This does not eliminate judgement; it shifts judgement upstream. The focus moves from “which voucher to check” to “which risks to interrogate”.

What Regulators Are Quietly Expecting

Although auditing standards have not been rewritten overnight, regulatory signals are clear. Inspection reports increasingly refer to inadequate understanding of IT systems, over-reliance on management reports, and insufficient use of data analytics where data was readily available.

Audit documentation is expected to demonstrate how auditors gained comfort over large datasets, automated controls, and system-generated reports. Merely stating “management confirmed” is no longer sufficient where independent data validation is possible.

In effect, data literacy is fast becoming a proxy for audit quality.

Redefining Audit Evidence

Audit evidence today is less about paper trails and more about digital footprints. System logs, user access reports, exception reports, and configuration settings are gaining importance alongside traditional documents.

The shift can be summarised as follows:

Traditional Evidence	Data-Driven Evidence
Sample invoices	100% transaction analysis
Manual reconciliations	System-based exception reports
Physical vouchers	ERP logs and audit trails
Post-facto explanations	Predictive risk indicators
Substantive testing focus	Combined controls + analytics

This does not mean vouchers are irrelevant. It means vouchers alone are no longer enough.

The Myth of “Tools Will Replace Auditors”

A common fear among practitioners is that advanced analytics and AI tools will replace professional judgement. In reality, the opposite is true. Tools generate patterns; auditors interpret them.

For example, a data tool may flag unusual revenue recognition at month-end. Determining whether this reflects aggressive accounting, seasonal trends, or system configuration still requires professional scepticism and business understanding.

Data amplifies judgement; it does not substitute it.

Challenges for Small and Mid-Sized Firms

While large firms have invested heavily in audit technology, smaller practices often worry about cost, training, and complexity. However, the entry barrier is lower than perceived.

Many ERP systems already generate reports that can be used effectively with minimal additional tools. Even spreadsheet-based analytics, if thoughtfully designed, can significantly enhance audit coverage.

The real challenge is not technology, but mindset. Treating data as an ally rather than a threat is the first step.

Risk of Over-Reliance on Management Reports

One emerging risk is blind reliance on system-generated reports without understanding how they are created. Auditors are expected to evaluate report logic, parameters, and completeness.

A sales report extracted from an ERP is only as reliable as the configuration behind it. If controls over master data, user access, or system changes are weak, the report's reliability diminishes. Therefore, data-driven audits demand stronger IT control awareness, even for non-IT auditors.

Audit Documentation Is Under Transformation

Documentation standards are evolving silently. Working papers now need to explain not just conclusions, but the analytical journey. Why was a particular dataset chosen? What exceptions were identified? How were thresholds determined?

Screenshots, data extracts, and analytical summaries are becoming standard components of audit files. Regulators increasingly expect to see how auditors interacted with data, not just the final opinion. This shift also improves audit defensibility in peer reviews and disciplinary proceedings.

Training the Next Generation of Auditors

For audit teams, especially articled assistants, the skill set required is changing. Understanding business processes, data flows, and basic analytics is becoming as important as knowing accounting standards.

Firms that invest early in training their teams on data interpretation, rather than mere data extraction, will gain a long-term advantage in audit quality and efficiency.

Conclusion: Evolution, Not Obsolescence

Traditional audit techniques are not obsolete but they are no longer sufficient on their own. The future of auditing lies in integration: combining time-tested professional judgement with data-driven insights.

For Chartered Accountants, this transition is not a threat but an opportunity. Those who adapt will deliver more robust audits, manage regulatory expectations better, and strengthen client trust. Those who resist risk being left behind not by technology, but by evolving professional standards.

In the modern audit landscape, data is not just evidence. It is the lens through which evidence must now be viewed.



MCA Compliance Requirements for Private Limited Companies in India



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Private Limited Companies registered under the Companies Act, 2013 must comply with various annual and event-based compliances prescribed by the Ministry of Corporate Affairs (MCA). These statutory filings ensure transparency, corporate governance, and legal continuity of the company.

This article covers all major MCA compliance requirements including:

- 20A
- ADT-1
- ADT-3
- DIR-3 KYC / Web
- DPT-3
- AOC-4
- MGT-7
- AGM Due Dates, Audit Completion Timelines, UDIN Requirements, and AGM Notice Provisions.

1. Declaration of Commencement of Business – Form 20A

Purpose:

To declare that the company has received the subscription amount and initiated business operations.

Applicability:

All companies incorporated on or after 2nd November 2018.

Due Date:

Within 180 days of incorporation.

Attachments:

Bank statement showing receipt of subscription money.
Declaration by a director with DSC.

Penalty for Non-Compliance:

Upto 6 Times the form fees depending on delay tenure
Penalty on company and officers.
ROC may strike off the company.

2. Appointment of Auditor – Form ADT-1

Purpose:

To notify ROC regarding the appointment of the statutory auditor.

Due Date:

Within 15 days of the Appointment*.

*Appointment In case of First Auditor – Appointment to be made on the First Board Meeting which is to be held within 30 Days of Incorporation

*Appointment In case of Subsequent Auditor – Appointment to be made in the AGM

* Appointment In case of Casual Vacancy to be made after filing ADT 3 (Resignation of the Earlier Auditor)

Details Included:

Auditor information
Tenure
Resolutions passed
Consent & eligibility certificate

Penalty:

Audit Ineligibility
Upto 6 Times the form fees depending on delay tenure

3. Auditor Resignation – Form ADT-3

Purpose:

Filed by the auditor to intimate ROC about resignation.

Due Date:

Within 30 days of resignation.

Penalty:

Audit Ineligibility
Upto 6 Times the form fees depending on delay tenure

4. Director KYC – DIR-3 KYC / DIR-3 KYC WEB

Purpose:

Mandatory annual identity verification for DIN holders.

Due Date:

30th September every financial year.

Modes:

DIR-3 KYC (Form) – if any change in email/mobile/address.

DIR-3 KYC WEB – if no change; OTP verification only.

Penalty:

DIN deactivation and ₹5,000 late fee for reactivation.

5. Return of Deposits – DPT-3

Purpose:

To report deposits, loans, and non-deposit transactions.

Due Date:

On or before 30th June every year.

Covers:

Secured & unsecured loans

Money received but not treated as deposits

Outstanding balances

6. Filing of Financial Statements – AOC-4

Purpose:

Annual filing of audited financial statements.

Contains:

Balance Sheet, P&L, Directors' Report, Auditor's Report, Notes, Cash Flow (if applicable).

Due Date:

Within 30 days of the AGM.

Penalty:

₹100 per day of delay.

7. Annual Return – MGT-7 / MGT-7A

Purpose:

To report shareholding patterns, management details, meetings, and statutory disclosures.

Applicability:

MGT-7A → OPC & Small Companies

MGT-7 → Other companies

Due Date:

Within 60 days of the AGM.

Penalty:

₹100 per day of delay.

8. AGM Due Date, Audit Timelines & AGM Notice Requirements**8.1 Due Date of Annual General Meeting (AGM)****First AGM**

Must be held within 9 months from the end of the first financial year.

For companies incorporated between 1 Jan – 31 Mar, the first FY can extend to 15 months, and AGM is due within 9 months of that period.

Subsequent AGM

Must be held within 6 months from the end of every financial year.

Gap between two AGMs cannot exceed 15 months.

8.2 Understanding “21 Days’ Clear Notice” Rule

As per Section 101 of the Companies Act, 2013:

A company must send 21 days’ clear notice before conducting an AGM.

“Clear days” means:

Excluding the day of sending the notice

Excluding the day of the meeting

Example:

If AGM is on 30th September, notice must be sent on or before: 8th September (because 9th–29th = 21 clear days).

Mode of Sending Notice

Registered post, Email, Hand delivery or Courier (Proof of delivery is recommended.)

8.3 Shorter Notice – Allowed with Special Majority

AGM can be held with shorter notice if:

95% of members entitled to vote consent in writing or electronically.

Consent must be obtained before the meeting.

This is commonly used when deadlines are tight due to audit delays or last-minute issues.

8.4 Due Date for Statutory Audit Completion

For AGM to be held on time, the audit must be completed before the AGM date.

In practice:

Audit should ideally be completed 15–20 days before AGM to allow:

Finalization of AOC-4

Board approval of financials
 Printing and signing of statements
 Issuance of AGM notice (21 clear days)

8.5 UDIN Requirements for Audit Reports

Under ICAI UDIN guidelines:

UDIN must be generated for every audit report and certification issued by a Chartered Accountant.

UDIN must be generated:

- At the time of signing, or
- Within 15 days of signing the report or any extended timeline as allowed by UDIN Portal.

For AGM-linked filings:

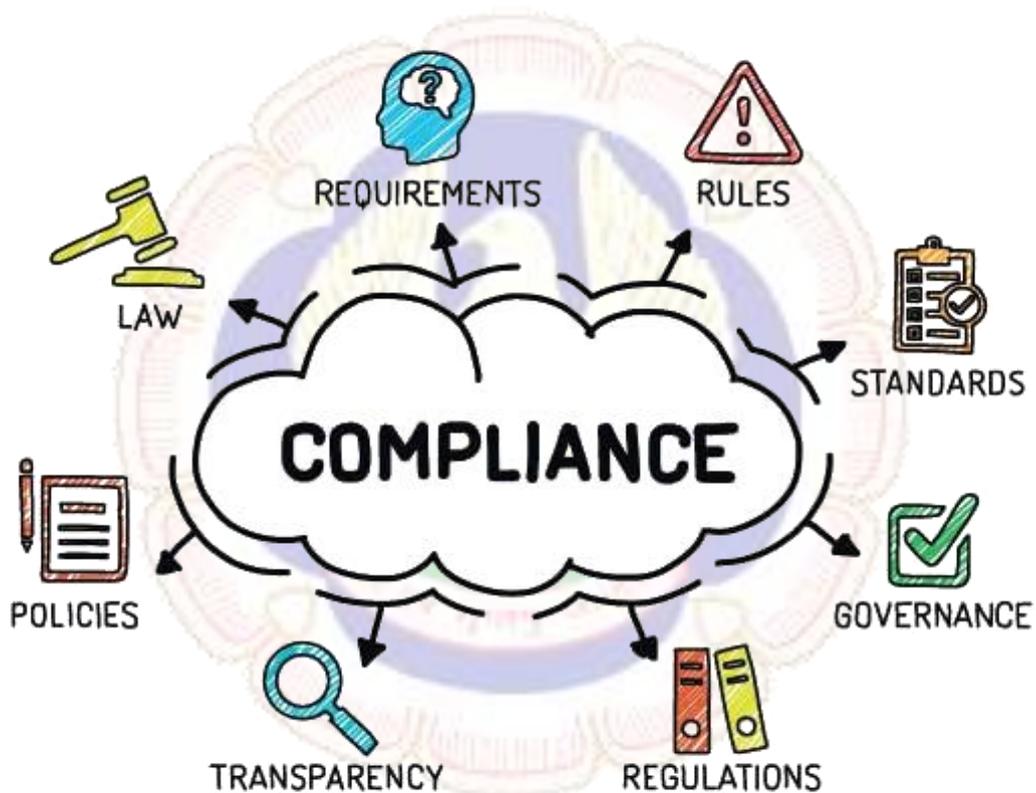
- Auditor's Report must have a valid UDIN before uploading AOC-4.
- MCA cross-verifies UDIN with ICAI.

Summary Table of Key MCA Compliances

Compliance	Form	Due Date
Commencement of Business	20A	180 days from incorporation
Auditor Appointment	ADT-1	15 days from AGM / 15 Days from 1 st BM / 15 Days after Appointment in case of Casual Vacancy
Auditor Resignation	ADT-3	30 days from Resignation
Director KYC	DIR-3 KYC / WEB	30 September
Return of Deposits	DPT-3	30 June
Financial Statements	AOC-4	30 days from AGM
Annual Return	MGT-7 / MGT-7A	60 days from AGM
AGM	—	30 Sept (normal), 9 months (first AGM), 15-month gap rule
AGM Notice	—	21 clear days (or shorter notice with 95% consent)
UDIN	—	At the time of signing / within 15 days

Conclusion

MCA compliance is essential for maintaining the legal standing of a Private Limited Company. Ensuring timely completion of audits, AGM proceedings, UDIN generation, and statutory filings helps avoid penalties and smoothens corporate operations.



What is Business Intelligence?



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Business Intelligence (BI) is the process of turning raw data (from inside and outside the company) into actionable insights. It helps leaders and teams make smarter, faster, and more informed business decisions.



Live Integration: BI tools connect directly with operational systems (ERP, CRM, HR, Finance, etc.) and external data sources so dashboards update in real time.

Data Sources:

Internal: Sales, HR, Finance, CRM, Operations

External: Market trends, competitor info, customer feedback, government data

Visualization : Insights are presented through dashboards, reports, and interactive charts (e.g., Sales Dashboard, HR performance, CRM analytics, Accounts summary)

Uses of BI in Business

Production Planning → Decide what to produce using available stock.

Inventory Management → Avoid excess blockage, set smart reorder levels.

Supply Chain Optimisation → Improve efficiency and reduce delays.

Customer Insights → Identify buying patterns, forecast competition.

Performance Tracking → Compare year-over-year, month-on-month, client growth.

Financial Control → Expense analysis, budgeting, and profitability tracking.

In short:

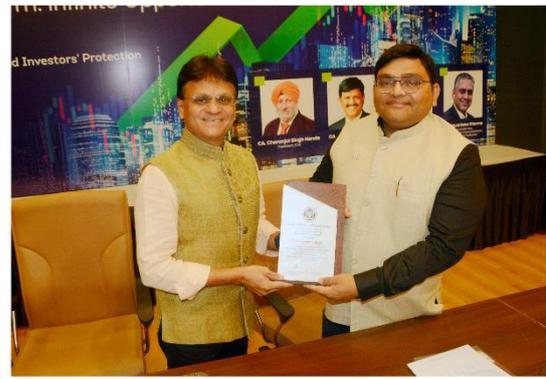
BI = Data (internal + external) → Live Integration → Visualization → Business Insights & Smarter Decisions

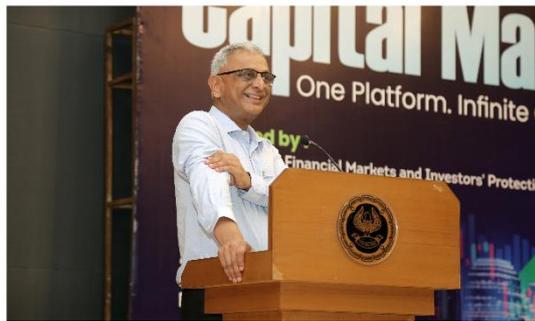
GLIMPSES OF PAST EVENT

Interactive Meet with Newly Qualified CAs



National Conference on Capital Market







Seminar on Opportunities in and around AIFs



Residential Refresher Course



UPCOMING EVENTS



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
Western India Regional Council

Jointly with
The Institute of Internal Auditors, India Bombay Chapter




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CA. Piyush Chandak
Vice Chairman, WIRC of ICAI



CA. Jeenal Savia
Secretary, WIRC of ICAI



CA. (Dr.) Feroz Shah
Treasurer, WIRC of ICAI

Program structure

JAN 2026	16th	→ Procurement to Payable (P2P) CA. Chintan Nisar
		← Order to Cash (O2C) CA. Ankan Gupta Rastogi
JAN 2026	23rd	JAN 2026
		→ Hire to Retire CA. Deven Parekh
		← Fixed Assets Management CA. Amit Trivedi
JAN 2026	30th	6th FEB 2026
		→ Expense Management Eminent Faculty
		← Report Writing Skills - Communication & Soft Skills CA. Rahul Singla
		20th FEB 2026



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Developing AI-Powered Productivity for CA Professionals

- Rethinking Your Workday with AI
- The CA's AI Skillset - What You Must Learn
- Everyday CA Use Cases to Build AI Muscle
- AI for Accounting & Audit Execution
- Turning Raw Data into Insights Instantly
- Practice Management with AI
- Personal Productivity Habits Enhanced by AI

 Speaker :
CA. Rashmi Lonikar

 **07th-08th**
Jan, 2026

 **5.00 PM to**
7.30 PM

 **Members & Non**
Members Fees
200/- +GST



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INVITATIONS

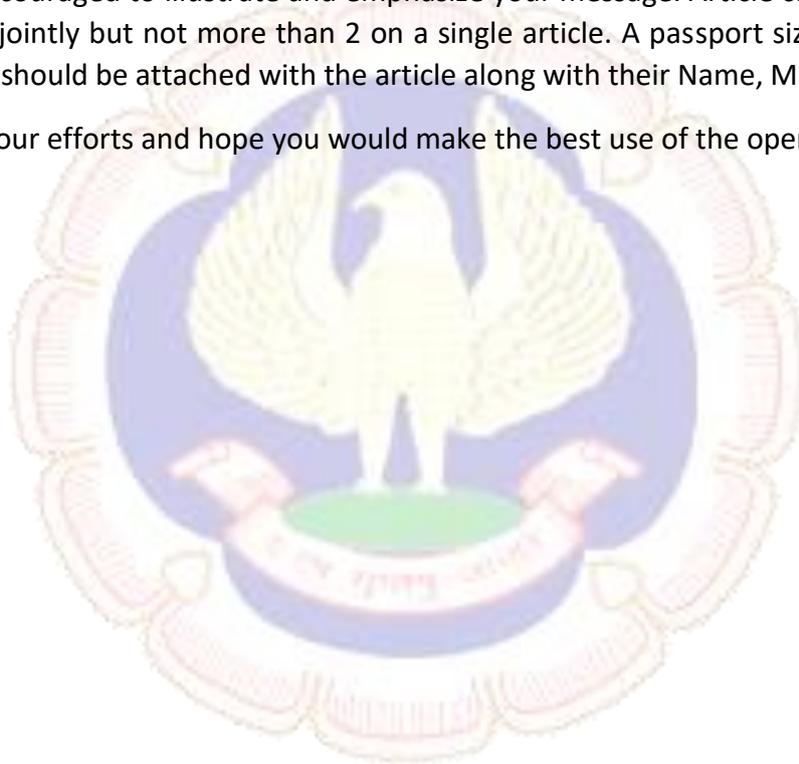
INVITATION FOR ARTICLES FOR NEWSLETTER

“If you have Knowledge, let others light their candles in it”

The Newsletter Committee of Rajkot Branch of WIRC of ICAI is inviting articles for its Newsletter.

Submission Guidelines: The articles have to be submitted by the 30th of the month to the following email-id : [rajkot@icai.org]. There is a strict plagiarism check and the articles which are not adhering to the prescribed standards are not published in the newsletter. Illustrations are strongly encouraged to illustrate and emphasize your message. Article can be written by one person or jointly but not more than 2 on a single article. A passport size picture of the writer/ writers should be attached with the article along with their Name, MRN and Email.

We welcome your efforts and hope you would make the best use of the open platform.



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