The Navi Mumbai Chartered Accountant

A Monthly newsletter by The Navi Mumbai Branch (WIRC)

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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Chairman Desk

CA Amit Tenani
Chairman,
ICAI - Navi Mumbai (WIRC)

Dear Esteemed Members,

It is my privilege to connect with you through this edition of our newsletter. At the outset, I extend my warmest greetings and trust that this message finds you in good health and high spirits.

As professionals committed to upholding ethical standards and national integrity, we are reminded of our responsibilities not just within the financial domain, but also in matters that impact society at large. In this context, Operation Sindoor, a significant initiative by our defence and security forces, demonstrates exemplary commitment to national service. It also serves as a clarion call for us as Chartered Accountants to continue our unwavering dedication to accountability, transparency, and the public interest.

The Institute of Chartered Accountants of India (ICAI) has consistently championed the cause of national service through robust financial reporting, advisory roles, and fostering integrity in business practices. Our collective efforts contribute to the economic stability and growth that are vital for the nation's resilience.

The core principles of our profession integrity, objectivity, and independence remain our guiding light as we support the government's initiatives by ensuring compliance, upholding financial discipline, and advising clients towards sustainable growth.

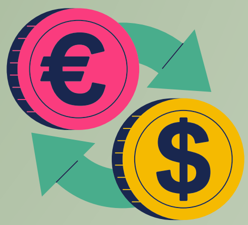
Let us be inspired by the spirit of selfless service embodied by Operation Sindoor, and reaffirm our own mission: to be torchbearers of professional excellence and integrity. As we move forward, let us also remember that our contributions, though often behind the scenes, are crucial in shaping a stronger and more vibrant India.

I encourage all members to stay engaged with the branch's initiatives, participate in upcoming knowledge sessions, and share your insights. Together, let us continue to elevate our profession and serve our nation with pride and purpose.

With Warm Regards,
CA Amit Tenani
Chairman,
Navi Mumbai Branch of WIRC of ICAI

Forthcoming Events

- Seminar on FEMA



- Seminar on Networking Guidelines

- Yoga Day Celebration

- Residential Refresher Course (RRC)

- Outreach program for GST registration

GST & Income Tax Update
Cryptocurrency Gains Clarified in Tribunal Ruling

In a significant ruling, the Income Tax Appellate Tribunal, Jodhpur has brought clarity to the tax treatment of cryptocurrency gains prior to April 1, 2022. In the case of **Raunaq Prakash Jain v. Income Tax Officer (2025)**, the Tribunal held that gains from the sale of bitcoins held for more than 36 months qualify as **long-term capital gains (LTCG)** and not as "income from other sources."

Case Highlights:

- The taxpayer had invested in **bitcoins** in FY 2015-16 and sold them in FY 2020-21.
- He claimed the gains as LTCG and sought **Section 54F** exemption, applicable to LTCG reinvested in residential property.
- The Assessing Officer (AO) disagreed, treating bitcoins as not qualifying as "capital asset" under **Section 2(14)** and thus, taxed the gains as **income from other sources.**

Tribunal's Observations:

- **Section 2(14)** defines capital asset broadly as "property of any kind," including virtual rights.
- The Tribunal recognised that cryptocurrency, despite being virtual, represents a **right or interest**, thus a capital asset.
- The taxpayer was a salaried employee, not engaged in crypto trading. His long-term holding intention supported the LTCG treatment.

Outcome:

✓ The Tribunal ruled that the gains be taxed as **capital gains.**

✓ The taxpayer was entitled to **Section 54F** exemption.

Why This Matters:

This ruling provides crucial **clarity** for taxpayers holding cryptocurrency before the **April 1, 2022** introduction of the new VDA tax regime (which taxes VDAs at a flat 30% with no deductions). It also highlights the broader interpretation of **"capital asset"** under Indian tax laws, extending to virtual assets like cryptocurrencies.

Key Takeaway:

For crypto transactions prior to April 1, 2022, gains may still be **capital gains** if investments were made with a long-term, non-trading mindset. This decision bridges an important gap in the evolving taxation of digital assets.

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Article on Section 194T

Contributed By: CA. J. D. Adhyapak

Dear Professional Colleagues,

It gives me immense pleasure to communicate with you, as a Past Chairman of our Navi Mumbai Branch. It's a welcome activity by the Branch to publish Newsletter which communicates with members the Branch Activity of the recent month and some material to provide professional update in the current scenario.

From my point of view, it's need of an hour to study the TDS provisions introduced by Finance Act (No.2) of 2024 u/s 194 T of the Income Tax Act (the Act) applicable to the Partnership Firms and Limited Liability Partnerships (LLP) with effect from 01/04/2025.

Since there is a paucity of space, I am giving only the bullet points which would be self - explanatory.

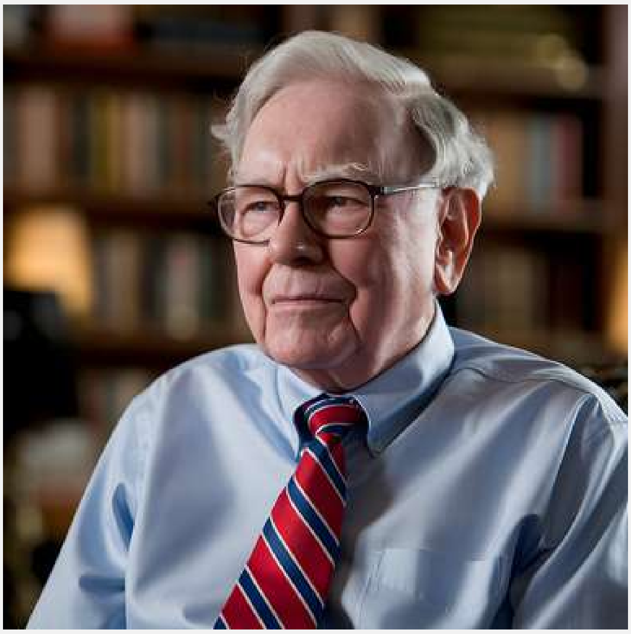
- **Applicability** - Partnership Firms and LLPs
- **Date of effect** – 01/04/2025
- **Section 194 T details** – An amount paid in excess of Rs. 20,000/- per year to any partner in the nature of Salary, Commission, Bonus, and Interest is subject to TDS at the rate of 10%.

Liability to deduct tax is on the firm either on payment or on credit of the said sum to partner whichever is earlier. Due dates of payment of TDS and filing of TDS returns are the same as per other TDS sections.

- **Exclusions** – Share of Profit credited to the Capital A/C of a partner exempt u/s 10(2A) is not subject to TDS u/s 194T. Withdrawal of Capital by partners in regular course of business, on their retirement or on dissolution of the Firm is not subject to TDS u/s 194 T. Amounts paid to partners on dissolution or on reconstitution of the Firm governed by Section 45(4) and section 9B of the Act are not covered under the purview of Section 194T.
- **Non-resident Partners** - It would be more apt to deduct tax at source from the said payment to NRI partners at the rate stated in Section 195 +Surcharge + Education Cess and not u/s 194 T of the Act.
- **TDS at Lower Rates u/s 197 of the Act** - Section does not provide for obtaining Certificate u/s 197 of the Act from the ITO by the partner for deduction of tax at source at a lower rate.

- **Partner's Income as per Form 26 AS and that as per Financial Accounts** - If TDS u/s 194 T is deducted on every payment made to partner, Form 26 AS will reflect more income paid or credited to partner than what is reflected in financial accounts of the Firm. Ideally, Remuneration/ Interest / Commission payable to partner shall be planned at the beginning of the year on conservative basis and the TDS be deducted accordingly.
- **Use of facility of Revised Return** – If as per the finalized accounts, the remuneration payable to a partner is more than the one on which TDS u/s 194 T is deducted, the Firm may deduct and pay tax at 10% on the enhanced remuneration + Interest on late payment of TDS and file a revised TDS Return.
- **Consequences of Non deduction / short deduction of tax u/s 194 T** – 30% of the Remuneration paid to partners will be disallowed u/s 40(a)(1a) of the Act which will increase the tax liability of the firm.
- **Issue of GST** – GST authorities, now a days refer to Form 26 AS / Income Tax Returns of the GST registered dealers and if they find expenses on Commission, Technical Fees to Partner etc. coupled with the deduction of tax u/s 194 T, they may issue notice for GST demand on the said amounts paid to partners.

All are requested to kindly advice clients considering the above points and also on gathering some more and detailed information on the said issues.



IN LOOKING FOR PEOPLE TO HIRE, YOU LOOK FOR THREE QUALITIES: INTEGRITY, INTELLIGENCE, AND ENERGY. AND IF YOU DON'T HAVE THE FIRST, THE OTHER TWO WILL KILL YOU.

- Warren Buffett

Building Unicorns: The CA's Role in Startup Strategy and Valuation

Contributed By: CA Tanushri Patil

India's startup economy is experiencing exponential growth, reaching 100+ unicorns and drawing global venture capital. However, startups suffer high mortality—largely because of financial mismanagement, issues of compliance, and poor valuation stories. Chartered Accountants (CAs) have a special role to play in filling these gaps—not merely as auditors, but as strategic growth facilitators.

1. Building Foundations: Structuring & Governance

CAs assist founders transition from loose structures to scalable organizations by:

- Taking appropriate business form (Pvt Ltd, LLP, etc.)
- Adopting clean cap tables and ESOP structures
- Creating systems of financial discipline

<u>Case in Point: Zepto</u>

Zepto, the 10-minute delivery startup, scaled fast by taking advantage of good internal controls and real-time MIS, facilitating data-driven fundraising and inventory planning. Early CA involvement ensured structured equity and audit-readiness.

2. Valuation Support: Science Behind the Numbers

For high-growth startups, valuation is a bargain—but CAs make it justifiable by:

- Developing strong DCF models with strategic assumptions
- Performing scenario planning and sensitivity analysis
- Ensuring FEMA, Income Tax & Companies Act compliances

<u>Case in Point: Mamaearth</u>

Mamaearth had intense questioning during their IPO process regarding valuation multiples. Their finance team—headed by CA professionals—made growth justifiable with unit economics, gross margin expansion, and influencer-driven cost optimization.

3. CAs as Fractional CFOs: Strategic Drivers

Startups usually cannot hire a full-time CFO in the initial stages. CAs fill in to:

- Develop milestone budgets
- Assess burn rates, gross margins, and CAC:LTV ratios [Customer Acquisition Cost (CAC) by the Customer Lifetime Value (LTV)].
- Advise on bridge rounds, venture debt, and fund utilisation

Case in Point: Razorpay

Razorpay evolved from a payment gateway to a fintech ecosystem, partly due to disciplined cash-flow planning and tax structuring. CA-driven financial planning facilitated hassle-free investor onboarding and debt management.

4. Exit Strategy & M&A Support

CAs navigate founders through:

- Exit planning and capital restructuring
- Valuation fairness reports
- Due diligence and tax optimization in M&A or IPOs

Case in Point: CarDekho

CarDekho's string of acquisitions and international foray were supported by strategic due diligence and valuation advisory—largely driven by seasoned CAs managing financial consolidation and post-deal compliance.

Conclusion

Startups today don't merely require compliance —they require clarity, capital strategy, and valuation integrity. Chartered Accountants are not mere number crunchers anymore. They are venture catalysts, valuation architects, and strategic CFOs in India's startup revolution.

IF YOU DON'T UNDERSTAND THE DETAILS OF YOUR BUSINESS, YOU ARE GOING TO FAIL.

- Jeff Bezos

What a CFO should NOT DO

Contributed By: CA Amit Parmar
(Group CFO of a Mid-sized Indian MNC)

There are numerous articles / write-ups available on what existing or aspiring CFO's should be doing to be effective in their roles. However, I would like to share few avoidable pitfalls - which create a challenging situation for the CFO and the Company as a whole.

1. "Yes Man" to the CEO

CEO's are expected to be highly passionate about the organisation. They are supposed to drive growth and take the organisation to greater heights. Naturally, growth comes at a price. It could be a wrong strategy, incorrect planning etc. The CFO, being part of all key strategic decisions, will face situations when they can see through the proposal as being highly risky / jeopardising the Company's future. In such situation, it is the responsibility of the CFO to say NO and confidently so. Learning to say NO - convincingly and with authority, duly backed by numbers is a quality a CFO must develop. The relationship with a CEO is that of "pull & push". You have to "pull" back once a while, when the push is too much for the Organisation to absorb. The Board and CEO eventually develop significant respect for the CFO who has a spine to say NO.

2. Excess Leverage

If the Company is incurring losses or going through a down cycle, it is possible that the Company has toincrease its Debt to ride through the cycle. However, it is equally important to not let it go out of control. The CFO needs to closely assess the Debt repayment ability from future cash flows, and where required suggest strict cost control/reduction measures. Increasing Debt with no corresponding overhead / excess cost reduction is a recipe for disaster. As a rule of thumb, Debt Equity Ratio of less than 1 is considered acceptable by Banks, while less than 0.5 is a comfortable situation (depending upon Industry).

3. Capex without ROI assessment

The Company will always be in a hurry to grow, and in that process, will try to skip basic processes. Capex will be pushed without sufficient analysis of its payback period. The analysis could also be flawed / aggressive from Business side. It is the Duty of the CFO to not allow any Capex without a detailed analysis of its Payback period. Questioning each number is an easy way to decipher any proposal.

4. Delay Statutory Compliance for Business Needs

A CFO will be faced with a situation where the Senior Management will push to delay Statutory Compliance to make funds available for urgent business needs. The CFO should strongly disallow the Management from doing so. Cost of Non-Compliance is significant for any business, and at the same time takes a back seat during challenging times. However, upholding it during difficult times is the best way to come out strong. Eg. Delay in payment of Income tax results in exorbitant interest, which is further disallowed, resulting in significant costs. It is the duty of the CFO to explain it to the Management with authority.

5. Use of aggressive accounting practises

In every industry, there will be competitors who would apply innovative and aggressive accounting to show numbers better than they really are, within the realm of accounting standards and policies. In a world of competition, it would be difficult to the Management to not be lured by such practises, however, the CFO must uphold the use of the principle of Conservatism and avoid use of aggressive accounting practises. Eventually, good Investors/Bankers read through the charade and respect CFOs who apply best practises.

6. Free Hand to Procurement Department

The efficiency of the procurement department has significant implications on the overall profitability of the Organisation.

Over time, the department can become lax, repeat orders with existing vendors without comparatives. While things will look good from the outside, over time it will eat up into profits and there will be a point of no return. The CFO should keep the procurement department on their toes and push for multiple comparatives, new vendor development, credit from vendors, avoiding unregistered vendors, buying from transparent marketplaces etc.

These are few examples of things that should be consciously avoided over time by the CFO to effectively perform in the coveted position.

Active and transparent communication with the Board / Management goes a long way for the CFO. It helps build trust and strengthen the focus on a common goal, without any compromise. It is only through such practices that a resilient, all weather organisation is built.

Highlights of Events

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WICASA Chairperson Desk

CA Pragya Jain
Chairperson,
WICASA - Navi Mumbai (WIRC)

Dear Students,

"Progress is not just measured by milestones, but by the enthusiasm and unity with which we move forward together."

The month of May has been a vibrant one for Navi Mumbai WICASA, filled with enriching activities that reflect our commitment to holistic development—both professionally and personally.

We began with a Seminar on Ethics, which reinforced the foundation of integrity in our profession. Our Beach Cleaning Drive brought students together for a meaningful environmental initiative. Then, we hosted a double-feature day: an insightful AI Bootcamp equipping students with future-ready skills, and an English Communication Workshop aimed at building the confidence and clarity essential in today's world.

A heartfelt thank you to all the participants who made these events successful with their presence, energy, and enthusiasm.

Dear future CA —your journey is unique, and while it may seem challenging at times, it is shaping you into a future professional with unmatched strength and discipline. Trust the process, take pride in the small wins, and never hesitate to seek support. You're not alone—we're all in this together.

As we look forward to the coming month, we're excited to bring more valuable programs your way:

- A Half-Day Seminar on Tax Literacy and the Format of Non-Corporate Entities (LLPs)
- A National Talent Search Program: - Quiz, Easy and Elocution Competition
- A refreshing and fun-filled Indoor Games Day
- A focused Career Counselling Sessions

We encourage you to continue engaging, learning, and growing with us. WICASA is your platform—make the most of it!

Let's move forward with purpose and passion, lifting each other as we grow—because the journey is always better when we walk it together.

With Warm Regards,
CA Pragya Jain
Chairperson, WICASA - Navi Mumbai Branch

Beating loneliness as a CA Student

Contributed By: Yadni Dongargaonkar

The Chartered Accountancy (CA) journey is often portrayed as a road paved with ambition, relentless study hours, and unmatched dedication. While this may be true, there's another, quieter emotion that shadows many CA students—**loneliness**. It is a feeling I know all too well, and I believe it deserves to be spoken about more openly and honestly.

From the very beginning—be it Foundation, Intermediate, or even during Articleship—it often felt like it was just me and my books, sitting in a room with dim lighting, piles of stationery scattered around, and an overwhelming sense of isolation. It was as though I was on the edge of the world, looking in on a life that continued for everyone else, while I was left to navigate this journey all alone.

During my **Intermediate** preparation, my days would be consumed by lectures, revisions, and notes. Conversations became limited to basic interactions with family members, and social contact with peers was almost non-existent. Every day felt like a repeat of the previous one, and this monotony began to take a toll on my emotional well-being. Despite being surrounded by content—lectures, classes, modules, felt mentally drained and emotionally disconnected.

Things didn't change much when I started my Articleship. In fact, a new kind of loneliness crept in. I vividly remember feeling completely out of place, especially when I realized that others were already familiar with tasks I was just learning. Simple Excel formulas felt like advanced programming to me. I began to feel "less than," doubting my own capabilities and questioning whether I truly belonged in the profession. Although I was physically surrounded by colleagues and seniors, mentally I felt like I was navigating a storm all by myself.

It was only after I began **reaching out and talking to others** that I discovered this feeling of isolation wasn't unique to me. So many CA students go through the exact same cycle: weekday work, weekend lectures, and studying in whatever time is left. The time crunch becomes so real that informal social interactions take a backseat, if not disappear altogether. We all want to connect, but the alignment of schedules rarely works out. I would finally get some time to hang out, only to realize that my friends were busy. It's a cruel cycle that feeds into that persistent feeling of being left out.

Eventually, I came to a profound realization: **waiting for someone else to pull you out of your loneliness isn't the solution**. I had to take responsibility for my own mental and emotional well-being. I decided to work more on myself, to nourish my inner world, and reconnect with my hobbies and passions.

If you're someone currently struggling with this same feeling of loneliness, I want to offer you a few tips that helped me cope:

1. Reconnect with Your Hobbies and Interests

Pick something you enjoy and can do alone—painting, singing, dancing, playing an instrument, reading, writing, journaling, or even watching quality movies or series. When you immerse yourself in a creative outlet or something that brings you peace, it becomes easier to bear the quiet. Let your hobbies become your therapy. When we engage with our passions, we reconnect with a part of ourselves we often overlook during our academic grind.

2. Attend WICASA Events and Network

WICASA provides a great platform for CA students to meet like-minded individuals, share their journeys, and most importantly, form lasting friendships. Personally, I met some of my closest friends at WICASA conferences and seminars. These events offer more than just academic value—they give us a space to express ourselves, discover our talents, and feel seen. Participating in such events can break the monotony and help you realize that your struggles are shared by many.

You're not alone in this. Whether it's a talent show, a quiz competition, or a panel discussion—put yourself out there. It can be daunting at first, but these small steps lead to meaningful connections.

3. Redefine Your Relationship with Solitude

One of the most powerful lessons I've learned is that <u>solitude doesn't always equate to loneliness</u>. In today's overstimulated world, silence can feel uncomfortable, even scary. But it can also be incredibly healing. Take some time to sit quietly, reflect, and just be with your thoughts. Solitude gives you space to understand yourself better, process your emotions, and strengthen your inner voice.

As I often remind myself, *"Enjoy your own company."* It's a simple yet profound mantra that reminds us that being alone isn't a weakness—it's an opportunity to rediscover who we are.

4. Stop Relying on Others for Your Happiness

One of the hard truths I had to accept is that sometimes, no matter how much effort you put in, the other person just won't make time for you. And that's okay. People have their own battles, and we cannot hinge our joy and self-worth on their availability. Instead of waiting for someone to accompany you, take yourself out. Go on a solo coffee date, explore a nearby art gallery, go for a trek, or simply stroll through your neighborhood park.

There's a certain joy in doing things for yourself, by yourself. It fosters independence, resilience, and self-confidence.

5. Take Care of Your Mental Health

Exhaustion—both mental and physical—is a real concern in our line of study and work. If the pressure ever becomes overwhelming, **seek help**. Talk to a mentor, reach out to a counselor, or confide in a trusted friend. There's no shame in acknowledging that you're struggling. In fact, it's the first step towards healing.

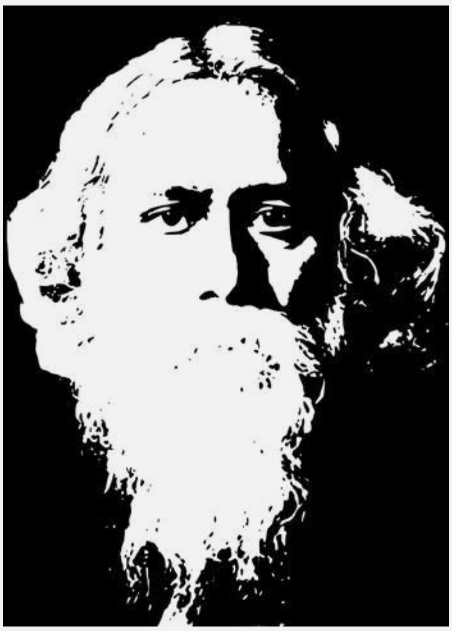
One of the major steps in taking care of your mental health is staying away from social media, what anyone else is doing, whether they are partying, going out, having fun, is none of our business. Focus on yourself.

In conclusion, the CA journey is undeniably rigorous, but it doesn't have to feel lonely.

There is light at the end of the tunnel, and sometimes, that light is within us. It's okay to feel overwhelmed. It's okay to crave connection. But what's most important is learning to be your own source of strength. This journey, while tough, also teaches us endurance, independence, and introspection.

To anyone reading this—**you are not alone**. Your feelings are valid, and there's a whole community out here that gets it. Take small steps. Breathe. Create. Connect. And most importantly, **believe in yourself.**

Thank you for reading. I hope this helps you feel just a little more seen.



"THE CURE FOR ALL THE ILLNESS OF LIFE IS STORED IN THE INNER DEPTH OF LIFE ITSELF, THE ACCESS TO WHICH BECOMES POSSIBLE WHEN WE ARE ALONE. THIS SOLITUDE IS A WORLD IN ITSELF, FULL OF WONDERS AND RESOURCES UNTHOUGHT OF."

- Rabindranath Tagore

My Articleship Experience in RERA

Contributed By: Mohammed Tauheed Shah | Faisal Siddiquee

I'm thrilled to have this opportunity to share my journey and thoughts with you through this article. I'm Mohammed Tauheed Siddiquee, currently pursuing my article-ship as part of the Chartered Accountancy Course. After clearing my CA Intermediate exams, I began exploring areas that would excite me and that's when I found my calling in the domain of RERA Law.

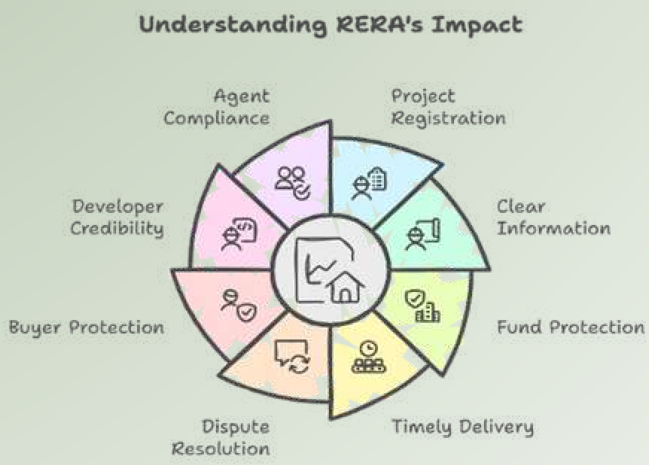
It all started during one of the ICAI seminars I attended while waiting for my exam results. Those sessions opened my eyes to the vast scope and responsibilities involved in the real estate sector under the RERA Act. Inspired by the potential to contribute meaningfully in this space, I decided to focus my practical training in this domain.

For me, being a CA student isn't just about understanding basic reporting and legal clauses, it's about using that knowledge to bring structure, compliance, and trust into industries that shape our nation. In this article, I'll be taking you through my experience working in the RERA domain and how it has enriched both my perspective and professional growth; simultaneously discussing the promising future this domain holds.

What is RERA and Why It Matters?

The Real Estate (Regulation and Development) Act, 2016 (RERA) was enacted to bring transparency, accountability, and discipline to India's real estate sector. Before RERA, homebuyers often faced issues such as:

- Delayed possession
- Unclear property titles
- Unexpected cost escalations
- Misleading advertisements



Key Functions of RERA:

- Project Registration: Builders must register projects before marketing or selling.
- Clear Information: Complete project details must be disclosed on public platforms.
- Fund Protection: 70% of buyer funds must be kept in a dedicated project account.

- Timely Delivery: Developers are liable for compensation in case of delays.
- Dispute Resolution: Buyers can directly approach RERA for quick redressal.

Why RERA Matters:

- Buyers gain protection, transparency, and timely updates.
- Developers build credibility by following ethical practices.
- Agents must register and comply with defined guidelines.

Role of a Chartered Accountant (CA) Under RERA:

CAs play a crucial role in ensuring that real estate projects align with the Real Estate (Regulation and Development) Act (RERA). Their involvement ensures compliance across various areas, adding value at each stage of the project. Here are the key responsibilities:

- Project Registration: CAs help developers by preparing and verifying the required documents for project registration, ensuring the accuracy of project details such as timelines and disclosures.
- Fund Certification & Audits: CAs are responsible for certifying fund withdrawals from the mandatory 70% account set aside for the project. They conduct audits to ensure funds are used for the intended purpose and in compliance with the regulations.
- Legal & Financial Vetting: CAs assess the financial feasibility of projects, review agreements, and ensure tax compliance, reducing potential risks for both developers and buyers.
- Strategic Advisory: CAs provide tax planning, business structuring advice, and legal representation before RERA authorities, helping clients navigate the complexities of the real estate industry.

CAs are vital not only as auditors but as compliance partners within the RERA ecosystem. Their role ensures financial discipline, transparency, and legal security, ultimately building trust in the real estate sector.

Embarking on my article-ship has been a unique opportunity to blend core Chartered Accountancy skills with the ever-evolving real estate sector. My role primarily revolves around supporting builders and developers, offering a broad spectrum of services—from accounting and taxation to auditing and specialized RERA advisory under the Maharashtra Real Estate (Regulation and Development) Act, 2016.

What makes this experience truly distinct is that it’s far more than just about compliance.

For instance, a significant aspect of my work involves providing critical certifications that ensure the smooth flow of funds—a vital step, especially in the capital-intensive world of real estate construction. These certifications go beyond paperwork; they are symbols of trust, accountability, and financial integrity in action.

This exposure has allowed me to dive deep into the operational side of real estate, understanding project structuring, funding strategies, and regulatory frameworks. From interacting with seasoned industry professionals to learning from innovative new-age entrepreneurs, I've gained invaluable insights into the heartbeat of the real estate business.

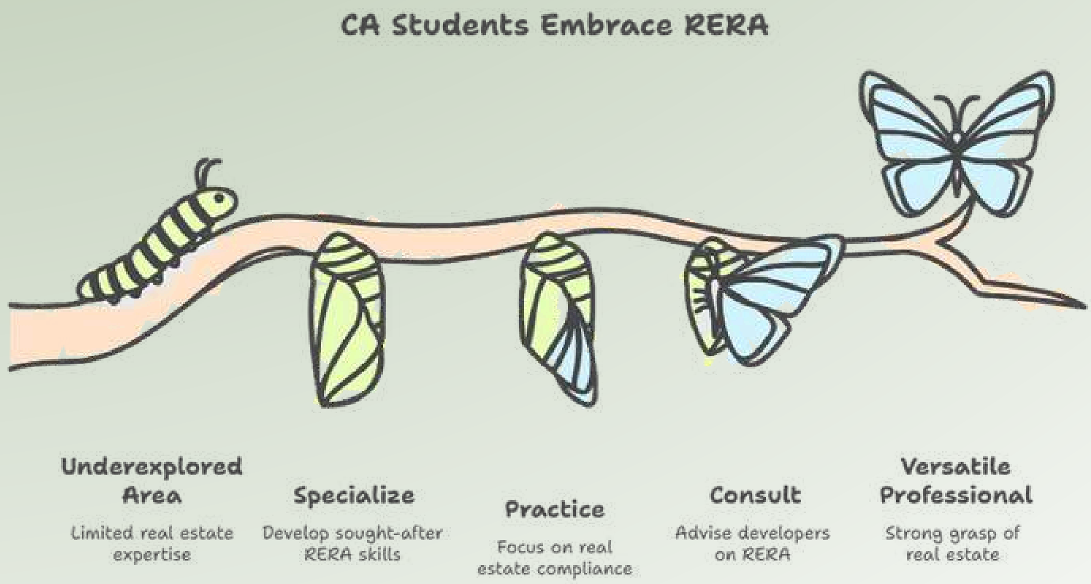
Perhaps most excitingly, this journey has sparked a burgeoning entrepreneurial interest in me. Working at the intersection of construction and finance, I'm now envisioning the possibility of someday launching my own real estate venture—a path that my article-ship is gradually shaping.

Why Students Should Consider RERA

While traditional domains like audit and taxation remain crucial in the Chartered Accountancy profession, RERA is a rapidly growing and high-impact area that remains underexplored by many students. As India's real estate sector becomes more regulated, RERA is emerging as a key player in shaping the future of real estate practices. For CA students, this field offers the unique advantage of gaining cross-functional exposure early on, providing invaluable practical experience that integrates finance, law, and compliance.

Future Potential in RERA:

- Specialization: RERA audits, registrations, and financial vetting will become highly sought-after skills, allowing you to establish yourself as a go-to professional in this niche.
- Practice: With RERA compliance and certification being mandatory, there's immense potential for those interested in starting their own CA practice, focused specifically on real estate.



- Consulting: Many real estate developers, especially smaller ones, lack in-house compliance teams. This opens up opportunities for independent RERA consultants or working within law and infrastructure consultancies.

Skills It Builds:

- Real Estate Finance: Understand complex project funding, cost allocation, and fund control mechanisms.
- Legal and Regulatory Understanding: Gain expertise in contracts, RERA rules, and state-specific regulations.
- Documentation and Compliance: Develop hands-on experience in preparing declarations, certifications, and audit reports.
- Client Interaction: Learn how to engage directly with project promoters, legal advisors, and government entities.

RERA work isn't just about ticking the boxes for your article-ship—it's an opportunity to build a specialized career path. By gaining expertise in RERA, CA students position themselves as highly versatile professionals with a strong grasp on finance, compliance, law, and client relations. It's a chance to diversify your skillset and carve out a distinctive niche in the growing real estate sector.

Winding Up

The world of Chartered Accountancy is evolving, and so should the mindset of its students. While traditional fields like tax and audit remain important, the real edge lies in exploring emerging, high-growth niches like RERA.

By stepping into this space, students not only diversify their skill set but also position themselves as future-ready professionals who understand compliance, law, finance, and client servicing—all in one package.

"Don't just do your article-ship—design it. Those who innovate within the rules shape the future."

Your article-ship is your first client. Invest in it, and the rewards will resonate throughout your career. In a profession that celebrates curiosity and courage, let your article-ship be more than a routine—let it be your launchpad.

Thank You for Reading!

I truly appreciate you taking the time to read my article. If my journey and insights into the world of RERA sparked your interest, I'd love to continue the conversation.

How Indian Startups Manage Finance: Zomato, Paytm & Beyond

Contributed By: Divyanshu Kumar

Introduction

India has rapidly become one of the most dynamic startup ecosystems in the world. As of 2025, the country is home to over 100 unicorns, with thousands of startups disrupting traditional industries like fintech, food delivery, education, and health tech. Companies like Zomato and Paytm have not only captured market share but also fundamentally changed how businesses and consumers interact.

But behind these disruptions lies a complex web of financial decisions. Startups have to navigate high burn rates, uncertain revenues, aggressive growth targets, and evolving regulations. Unlike traditional enterprises, where financial management revolves around stability, startups operate in chaos — and it is precisely this chaos that skilled financial management helps tame.

Understanding the Unique Nature of Startup Finance

Startups differ significantly from traditional businesses in their financial DNA. Some key aspects include:

- High Burn Rate: Startups often operate at a loss in the early years, investing heavily in customer acquisition, technology, and operations.
- Unpredictable Revenue Streams: Many operate in nascent markets or introduce disruptive products that don't follow standard revenue cycles.
- Reliance on External Funding: Most startups survive through equity funding rather than internal cash flows.
- Focus on Metrics Beyond Profits: Metrics like Monthly Active Users (MAU), Customer Acquisition Cost (CAC), and Customer Lifetime Value (CLTV) take precedence over net profits initially.
- Evolving Compliance Requirements: As they grow, startups must transition from informal structures to well-audited, compliant entities — especially when preparing for IPOs.

<u>Case Study 1: Zomato – From Rapid Growth to Fiscal Discipline</u>

Zomato started as a restaurant discovery platform and evolved into a full-scale food delivery business. Financially, its journey has gone through three distinct phases:

1. Aggressive Growth & High Burn: Zomato expanded rapidly across India and abroad.

The company spent heavily on marketing, deep discounts, and logistics to acquire customers.

2. Shift to Unit Economics: With investor focus shifting toward sustainability, Zomato started tracking delivery margins, cost-per-order, and improving per-customer profitability.

3. IPO & Governance: Going public in 2021 forced Zomato to streamline its financial reporting. Quarterly disclosures, adherence to Ind AS, and corporate governance norms became priorities.

Financial Lessons:

- Growth at all costs isn't sustainable.
- Post-IPO, the spotlight on financial discipline intensifies.
- Understanding unit economics is key to long-term viability.

Case Study 2: Paytm – Navigating the Fintech Labyrinth

Paytm's evolution from a simple mobile wallet to a fintech super app required intricate financial architecture.

1. Multiple Business Lines: Payments, lending, insurance, wealth management — each vertical has its revenue model, cost structure, and compliance requirements.

2. Regulatory Compliance: RBI regulations influence nearly every aspect of Paytm's operations. Managing financial compliance — from KYC norms to digital lending guidelines — is crucial.

3. IPO and Market Scrutiny: Paytm's IPO received criticism for overvaluation and unclear monetization strategies. The company had to rework its financial communication, emphasizing transparency and segment-level profitability.

Financial Lessons:

- Compliance is not optional in fintech.
- Revenue diversity requires internal financial segmentation.
- Transparency with investors builds long-term trust.

Financial Strategies Used by Indian Startups

1. Burn Rate and Runway Management

Formula: Runway = Cash on Hand / Monthly Burn Rate

2. Dynamic Budgeting and Forecasting

Traditional annual budgets are replaced by rolling forecasts updated quarterly or monthly. This allows startups to adapt quickly to market feedback and performance.

3. Cap Table and Dilution Management

Equity dilution is a major concern during funding rounds. Startups carefully structure their cap tables to ensure founders and key employees retain adequate control.

4. Financial Modelling and Scenario Analysis

Startups build robust models with best-case, worst-case, and realistic scenarios to help make strategic decisions — whether it's hiring, expanding, or pricing a product.

Emerging Trends in Startup Finance

1. Profitability over Vanity Metrics
Investors today are focusing more on actual profits than just GMV or user growth. Startups are adjusting by streamlining operations and monetization strategies.

2. IPO Readiness
Startups preparing for public listings are building robust audit trails, adopting Ind AS/IFRS, and investing in internal controls and reporting systems.

3. Cross-Border Finance
Startups expanding abroad face challenges in taxation, currency fluctuation, transfer pricing, and regulatory reporting in multiple jurisdictions.

4. Tech-Enabled Finance Teams
Finance functions are increasingly using AI for many purposes like Real-time dashboards, Forecasting, Fraud detection & Automated reconciliation.

Before vs After IPO: Financial Management Comparison

FEATURE	PRE-IPO	POST-IPO
Reporting	Internal, ad hoc	Quarterly, SEBI compliant
Audit scope	Limited or optional	Full statutory audits
Financial KPIs	GMV, user growth	EBITDA, net margin, CLTV
Governance	Founder-led decisions	Board & shareholder oversight

What CA Students Can Learn

1. Broaden Your Perspective: Go beyond accounting and taxation. Learn about startup metrics, valuation, and cap table management.

2. Be Agile: The ability to adapt financial processes quickly is a valued skill in startups.

3. Build Tech Fluency: Tools like Excel, Power BI, and even Python are becoming essential in data-heavy finance teams.
4.Understand the Business: Finance professionals must understand product, user behaviour, and market dynamics to contribute meaningfully.

5. Governance and Ethics: Many startups face scrutiny for poor governance. A CA with integrity and systems knowledge can make a huge impact.

Conclusion
Startups may operate in uncertainty, but their financial foundations must be rock solid. Whether it's Zomato navigating public scrutiny, or Paytm balancing multiple business lines with regulatory oversight, smart financial management is key to their survival and success.

As CA students and future finance professionals, understanding startup finance opens doors to a world of opportunity. You're not just crunching numbers — you could be helping shape the next unicorn.
So the next time you hear about a billion-dollar startup, remember: behind that flashy headline is a finance team, working tirelessly to keep the dream alive.

Like the Seasons, We Change

Contributed By: Tanaya Kate

Have you ever looked back and realized how much everything has changed? We go through drastic changes every three months a year when the weather goes from melting heat to pouring rain to freezing cold. No matter what, we end the cycle with a pleasant spring.

Change is inevitable. They say change is the only constant, it is like the seasons of life, each one arriving on its own, gently transforming everything without asking permission. The universal constant, if so inevitable, what makes it scary?

When something becomes a habit, it becomes very difficult to imagine life without it. We get comfortable in the status-quo and prefer sticking to it. Comfort gives a sense of safety. Change makes us unable to control our own lives. A shift from the "normal" seems unimaginable and hence becomes scary.

However, change will occur, with or without its need. That is what makes life so unpredictable. Today, tomorrow and the days after that are all going to be different. Constantly adapting to new and newer things is exhausting and it being the only solution to all problems, frustrating.

The most common advice we get from the people around us is "don't worry about the things you cannot control," which is practically correct but easier said than done. What you cannot control, you cannot be sure of. We can only avoid getting drenched in the pouring rains of July, but the unexpected downpour in the month of April will get us sullied. We cannot prepare ourselves for unexpected changes. All we can do is, get home, clean ourselves up and hope for a sunny and brighter day tomorrow.

Change, like the passing of seasons, feels uncomfortable in the moment - cold like winter - but it is often the first step towards something new, like the quiet return of the spring. Even though intimidating, a variance in our daily lives brings a sense of freshness and excitement. A "whatever happens, happens for the better" attitude makes it easier to adapt and come around the shift. It helps us get out of our comfort zones and try new and different things. It opens a newer world and helps us develop different approaches to life.

So, the question arises, Is change good?

Our bodies, our mind, how we think, How we react, are the only things that are under our control. By making ourselves well-equipped to handle situations with the right mindset, focus and a positive attitude, tackling and acclimatizing to any distortion can become comparatively easy.

Change, in itself, holds no promise of good or bad - it is the lens of our mindset and the tools of our skillset that shape its meaning. Even amidst hardship, it is we who decide whether change becomes a burden or the turning point of our lives.

CHANGE IS THE LAW OF LIFE. AND THOSE WHO LOOK ONLY TO THE PAST OR PRESENT ARE CERTAIN TO MISS THE FUTURE.

- John F. Kennedy

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WICASA Events

Credits & Acknowledgments

We extend our heartfelt thanks to all contributors, writers, and volunteers who made this edition possible. The success of this newsletter lies in the collective efforts of dedicated professionals who shared their insights, time, and creativity.

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