

Bengaluru Branch of SIRC of ICAI

Institute of Chartered Accountants of India

(Set up by an act of Parliament)



BENGALURU BRANCH OF SICASA

(SOUTHERN INDIA CHARTERED ACCOUNTANTS STUDENTS ASSOCIATION)

SICASA News Letter

ARTICLESHIP DOMAINS

December
2022

FROM THE TEAM OF
SICASA BENGALURU

KSHITHIJA
BEYOND THE HORIZON



ARTICLESHIP



<https://bangaloreicai.org/>



sicasabengaluru



sicasabangalore



Bangalore Branch of SIRC of ICAI

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**“Barriers are those
things we see when we
take our eyes off the
goal. Stay Focused”**

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CHAIRMAN's MESSAGE||



Dear Friends

Wish you all very Happy, Successful & Joyful New Year 2023.

This New Year you make health is a prime focused area of your New Year resolution.

Be focused on your health, I mean physically and mentally. It doesn't matter whatever way/style you choose to be fit, but make sure that next one year you have to practice without fail, then you can see all round development in your life. Hope you will follow, dedicate & disciplined yourself.

"Discipline is the primary step of any achievement"

Endeavour to Evolve

Engage to Excel

Best Regards

CA Srinivasa.T

Chairman

Bangalore Branch of SIRC of ICAI

CHAIRPERSON's MESSAGE ||

Dear students

Wishing you all a Wondrous Year ahead! I hope the new year is treating you well.

January is also the month we celebrate Sankranti. This marks the arrival of fresh harvest, and for the CA students, Sankranti is when results are announced. Let this Sankranti be a successful one and bring you all good results.



As you know, December was the month of Kshithija, the National Conference of CA Students. It was a grand event, and I am grateful to every person who directly and indirectly contributed to the conference's success. The Conference is a memorable one as it had a few unique initiatives, such as:

1. **Shark Tank Competition**- A unique competition was conducted for the CA students, probably for the first time.

2. **E - Souvenir** - The conference souvenir is an e-book, not a simple pdf. It is a professionally designed flip book with videos and photos embedded and can be played. See the link below <http://ebook.bangaloreicai.org/> The Souvenir has three videos embedded on pages 4,9 and 124

3. **YODA - A Robot** hosted the conference as MC and also moderated the panel discussion

4. Guests were welcomed with **Book-A** and not Bouquet. We greeted the guests and speakers with books to spread knowledge and encourage the habit of reading books among students.

5. Real-life heroes such as Capt Naveen Nagappa and Arjun Gowda were invited as guests. Capt. Naveen Nagappa is a Kargil war hero who suffered injuries during the war, fought for life in hospital for 21 months and is now back on his foot only due to his willpower and determination.

Movie Actor Arjun Gowda's journey is no less than a movie. He drove ambulances during the second wave of the pandemic and has cremated 100+ bodies. He also immersed the ashes of orphaned dead bodies' ashes in Ganga.

6. **Blood Donation Camp** - Students were encouraged to donate blood, and students actively participated in the camp organised at the conference venue

In toto, Kshithija was a knowledge fest sharing knowledge on varied topics and a good platform for the students to network.

A Debate and Chess competition was conducted on the 30th of December, and two winners from each of these competitions have been sent to the regional level. My best wishes to them, and I hope and wish that they qualify to the national level.

We are planning some exciting events for January, and details of the same will be announced soon. Please participate actively, as always.

With loads of Good wishes,

Kavitha Paramesh
SICASA Chairperson
Bengaluru Branch of SIRC of ICAI

DECODING THE LEGAL JARGONS ||

De novo

- (A new)



***D**e novo is a **Latin term** that means "**anew**," "**from the beginning**," or "**afresh**." When a court hears a case "de novo," it is deciding the issues without reference to any legal conclusion or assumption made by the previous court to hear the case. An appellate court hearing a case "de novo" may refer to the lower court's record to determine the facts, but will rule on the evidence and matters of law without deferring to that court's findings. A trial court may also hear a case "de novo" following the appeal of an arbitration decision*

*De novo review occurs when a court decides an issue **without deference** to a previous court's decision. Trial de novo occurs when a court decides all issues in a case, as if the case was being heard for the first time.*

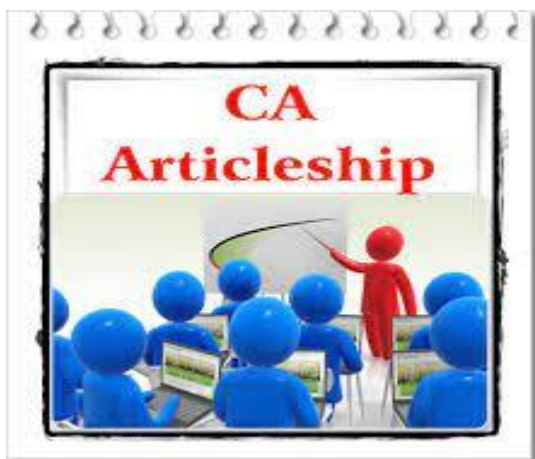
***Trials de novo** are **not common** due to the time and **judicial resources** required to try the facts of a case more than once. However, de novo review of legal matters on appeal is quite common.*

ARTICLESHIP DOMAINS ||

- *Nalam Chanukya Krishna*
(SRO0760367)

Introduction

Every CA intermediate student has a dilemma whether to join in which domain during the articleship and some students even don't know what are the domains we can work in during articleship. So now I will cover some good stuff about the articleship domains in big4s and good mid size firms.



1. Statutory Audit

Statutory audit is one domain where most of the students join. During the tenure of articleship you can learn about statutory audit of various companies along with Tax audits, stock audits, limited reviews etc. You can study the financial statements of various companies and understand the businesses of various sectors. While joining for articleship in this domain in any firm, do look after the client base of the firm.

2. Internal Audit

Also known as Risk advisory is one of the domain which lets you know about the internal controls of the companies. The auditor's role is to check whether all the internal controls are in place. You can even join management consultancy firms through internal audit.

3. Direct Taxation

This is the domain where you learn various tax filings. One can get exposure of the tax computation, tax filing, tax advisory, tax structure, tax planning and tax litigation go for taxation. You can also choose transfer pricing or international taxation domains which are some of the evolving domains in recent times.

4. Indirect Taxation

With the introduction of GST, the domain got importance and this is one of the evolving domains in present scenario. We can get exposure regarding GST filings, GST audit, advisory and litigations in this field. We also get knowledge of customs duty related stuff.

5. Mergers and acquisition

In the present corporate world, companies are expanding through mergers and acquisitions. During the tenure of articleship we can learn some good stuff for restructuring, mergers, demergers and will learn tax due diligences. This gives an exposure to international way of working.

6. Transfer Pricing

With the globalization and increase in international transactions by MNCS, the scope of transfer Pricing is increasing. It deals with international transactions and taxation for such transactions.

7. Forensic Audit

Forensic audit is like an investigation to analyze and identify the evidences of frauds in a company. It is one of the niche field which is growing in the recent times.

TESLA – How Green is the Future ||

- *Bijay Chhetri*
- (SRO0722600)

Background

Whose year was 2020–2022 on Wall Street? It wouldn't be inappropriate to assume that it belonged to Tesla, managed by Elon Musk.

During that time, Musk and Tesla enjoyed a global run of success that made them the center of attention in every newspaper. Tesla Models X, 3, S, and Y have caught everyone's attention, have people hankering to get their hands on them.

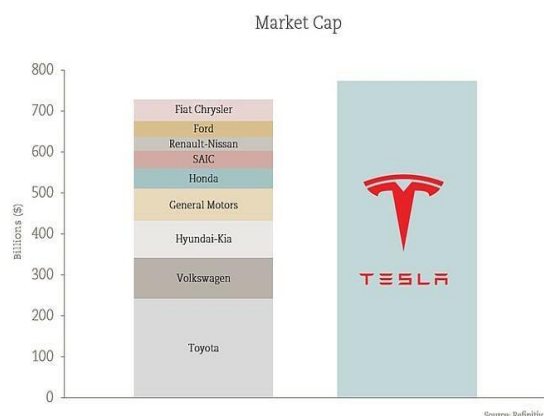


Tesla with its headquarters in Austin, Texas, aims to build a world where all transportation is powered by electric vehicles, batteries, and solar energy, and it has made progressive steps in that direction.

Along with all the media attention it received, its stock movement from a paltry \$29.53 on January 3, 2020 to an astounding \$407.36 on November 5, 2021 attracted everyone's attention. Very few firms throughout the world had experienced that amount of rise in their share price.

Just as everything was going perfectly for Tesla, its shares plunged by a staggering 72% from its peak in 2021 to \$123.51 on December 30, 2022. Tesla's market cap was \$ 1.1 trillion by the end of March 2022, up from just \$96 billion in March 2020, making it greater than the total market cap of all automakers in the USA combined. Even though its market value has decreased by 72% from its peak in 2021, as of

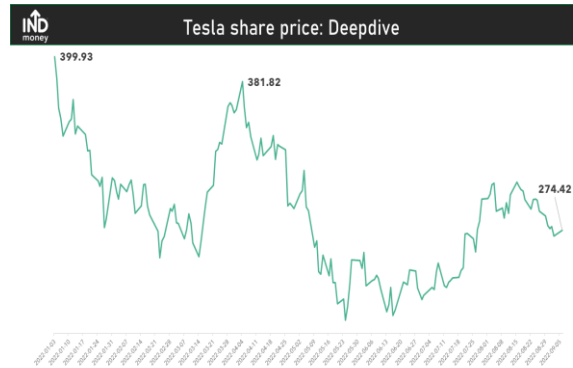
30 December 2022, it still has a market capitalization of \$388.97 billion, making it more valuable than Toyota, GM, and Ford put together, which have respective market capitalizations of \$220.45 billion, \$47.79 billion, and \$46.76 billion. During the period Musk became the first person in history to lose over \$200 billion in one year.



The failing economy, rising inflation, a new pandemic in China, and the ongoing conflict between Russia and Ukraine have all been blamed for the shares' sharp decline. According to press sources, manufacturing has been halted at Tesla's Shanghai factory as a result of problems with Covid. Investors believe that Musk's recent entrance into Twitter, where he is directly involved in day-to-day operations, has diverted his attention away from Tesla and is a poor indication for the company. Many naysayers were harsh in their criticism, claiming that the Tesla stock was in a bubble that would eventually burst and that this was only the beginning.

When the industry average PE was 25, Tesla used to trade at an astounding PE of 1401. It is currently trading at a PE of 38.06 as of late December 2022, which is still very expensive when compared to the industry average PE of around 8 in this bear market. The days of Tesla being the only participant in the EV market are long gone, as luxury automobile manufacturers like Mercedes-Benz, BMW, Audi, and others are moving quickly to seize this market, posing stiff competition to Tesla. Tesla's market share, which was 60 percent in 2022, will drop to barely 20 percent by 2025, according to S&P Global analysts. It will be interesting to see how Tesla differentiates itself from its competition given that it is anticipated that all businesses will do all in their power to dominate the EV market.

Looking at Tesla's financials, it generated \$21.45 billion in sales, an increase of +55.95% YoY, and EBIDTA of \$4.64 billion, an increase of +64.91% YoY in Q3'22. Tesla's liquidity ratios, solvency ratios, and profitability ratios don't paint a murky picture with a rising free cash flow each quarter from a \$2.77 billion in Q4'21 to \$3.30 billion in Q3'22, demonstrating a YoY growth of +149.39%. As per the latest study published by Astute Analytica, the EV market is expected to increase from a value of \$229.8 billion in 2021 to \$72,798 billion in 2050 at a CAGR of 21.99% leaving everyone with a plenty of headroom to grow.



As far as Tesla's presence in India is concerned, with the government pushing for the make in India initiative or pay the exorbitant tariffs and taxes, seeing a Tesla driving on our Indian roads in autopilot mode seems like a distant dream but their presence can be felt in Lavelle Road, Ashok Nagar, Bengaluru wherein they have registered its subsidiary.

It will be interesting to see what the future holds for Tesla's investors-green or red in their DMAT accounts, but if you are the car's owner, please keep your hands on the steering wheel even when the autopilot mode is driving you safely to your destination.



Disclaimer: The information above should not be construed as investment advice and is just meant for educational purposes.

National Update

IDBI Bank up 5% on SEBI Nod to reclassify Govt. post Sale-Stake as 'public'

Shares of IDBI Bank was up 5 per cent at Rs 57.25 on the BSE in Friday's intra-day trades in an otherwise subdued market after capital market regulator Securities and Exchange Board of India (Sebi) acceded to the central government's request to reclassify its shareholding in the Bank after its disinvestment as "public holding". At 09:22 AM, the stock traded 3 per cent higher at Rs 56.35, as compared to 0.08 per cent decline in the S&P BSE Sensex. The stock hit a 52-week high of Rs 61.05 on December 15, 2022.

https://www.business-standard.com/article/markets/idbi-bank-up-5-on-sebi-nod-to-reclassify-govt-post-sale-stake-as-public-123010600166_1.html

Low-value payment in digital rupee may be made anonymous

The government may have to frame a law allowing retail users making low-value payments in the recently launched digital rupee to delete the transaction footprint as the central bank digital currency (CBDC) is equivalent to cash that must offer the same degree of anonymity to the bearer, a person with direct knowledge of the matter said.

About 16,000 users have so far made payments worth ₹64 lakh in 160,000 transactions since the launch of the pilot for the digital rupee.

<https://www.hindustantimes.com/india-news/low-value-payment-in-digital-rupee-may-bemadeanonymous-101673200173755.html>

Piyush Goyal to attend India-US Trade Policy Forum on January-11

Commerce and industry minister Piyush Goyal will be on a three-day visit to the US, where he will meet the heads of top multinational companies.

The minister will also attend the 13th Trade Policy Forum (TPF) that aims to expand economic ties between the two nations.

"He (Goyal) will attend the 13th Trade Policy Forum in Washington DC on January 11. Before delegation-level talks, he will also hold a one-to-one meeting with USTR (US Trade Representative) Ambassador Katherine Tai," an official statement said on Sunday.

https://www.business-standard.com/article/economy-policy/goyal-to-attend-india-us-trade-policy-forum-meet-in-washington-on-jan-11-123010800443_1.html

The economy has come a long way since the 90s

On January 4, the Supreme Court (SC) heard an important case regarding the imminent eviction of 4,000 families from a place called Gaffur Basti, in Uttarakhand's Haldwani town. Relying upon a government memorandum from 1907, the Uttarakhand high court (HC) had held that the families in Haldwani had no legal right to the land on which they were residing, notwithstanding the fact that many of these families had been living there for decades, and had title and transfer deeds, and other documentation issued by the government authorities.

<https://www.hindustantimes.com/opinion/haldwani-case-sc-ruling-is-laudable-101673187141147.html>

TCS Q3 results: Ease in supply-side pressure may lift margins.

All eyes are set on IT-giant Tata Consultancy Services (TCS) which is set to announce its financial performance for the quarter ending December 31, 2022 (Q3FY23) period on January 9. TCS stock will also be in focus during this week's session. TCS which is the largest IT company in terms of market share will be the first to present its Q3FY23 earnings in the sector. In Q3, the company is expected to see improvement in operating margin as supply-side disruption eases. Among key things to watch out for will also be TCS' third interim dividend announcement.

<https://www.livemint.com/companies/news/tcs-q3-results-ease-in-supply-side-pressure-may-lift-margins-key-factors-to-look-out-11673184029574.html>

Company FD's offer more return than banks

In comparison to bank fixed deposits, company/corporate fixed deposits provide higher interest rates but also involve a higher level of risk. The Deposit Insurance and Credit Guarantee Corporation (DICGC) covers bank fixed deposits up to ₹5 lakhs, but not corporate fixed deposits; as a result, in the event of defaults, company FDs are impacted. Financial organisations such as non-banking financial companies (NBFCs) and others provide corporate FDs.

Before investing their money, investors should look up the credit rating of these company fixed deposits to determine the legitimacy of the institution.

<https://www.livemint.com/money/personal-finance/company-fds-offer-more-returns-than-banks-what-should-investors-do-11673156188626.html>

INTERNATIONAL UPDATE

Ukraine shelling damages two power plants in Russia

Two thermal power plants were damaged by Ukrainian shelling in Russian-controlled parts of the country's Donetsk region, Moscow-installed officials said on Sunday.

Preliminary information indicated injuries in the shelling in Zuhres and Novyi Svit, the officials said on their Telegram monitoring channel.

<https://www.hindustantimes.com/world-news>

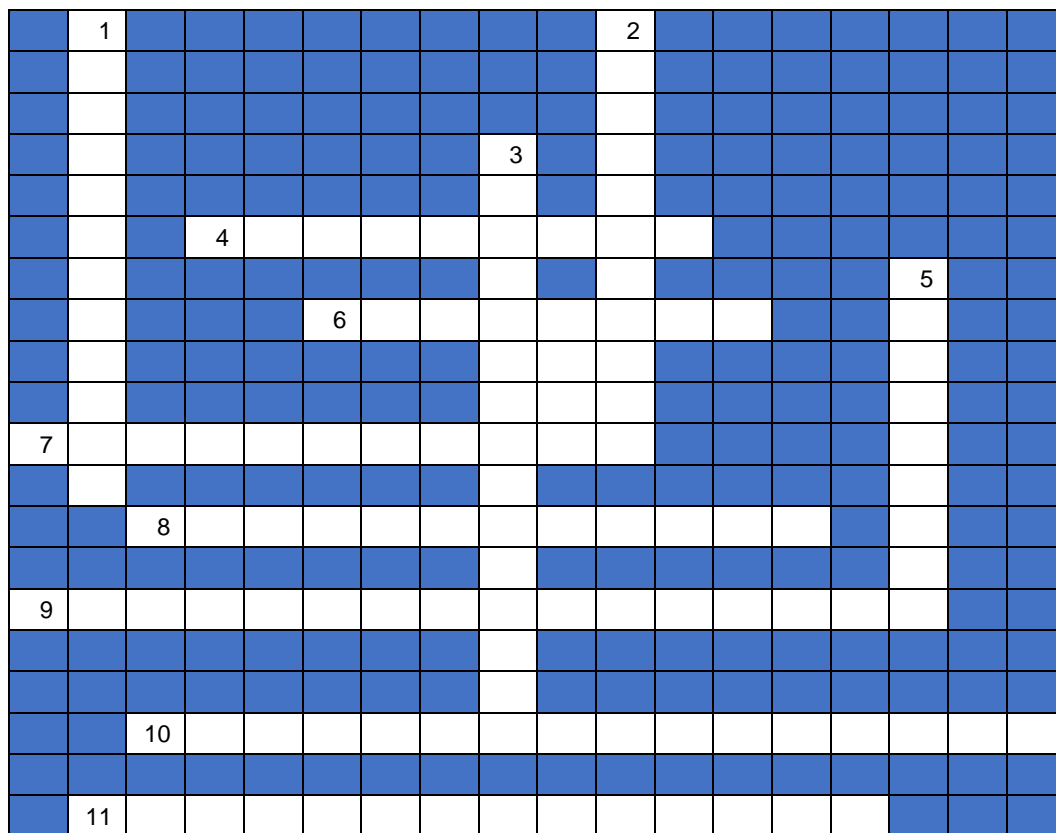
Jack Ma to give up control of fintech giant Ant Group

The billionaire founder of Ant Group, Jack Ma, is to give up control of the Chinese fintech giant after a regulatory crackdown.

Ant Group said that after the change no-one would have overall control. The formerly flamboyant Mr Ma has seldom been seen in public since criticizing China's financial sector in 2020.

<https://www.bbc.com/news/business-64192382>

CROSSWORD ||



Across

4. The purpose of the accounting cycle is to prepare _____ statements like the balance sheet, income statement, statement of retained earnings, and statement of cash flows.
6. A trial balance that lists of all company accounts that will appear on the financial statements after year-end adjusting journal entries have been made.
7. Financial statement _____ is the purpose of the accounting cycle.
8. An entry made at the end of an accounting period to zero out all temporary accounts and transfer their balances to permanent accounts.
9. An income statement account that is used to track accounting activity during an accounting period.
10. A balance sheet account that tracks the activities that last longer than an accounting period.
11. A record or document that contains account summaries for accounts used by a company.

Down

1. A business transaction is recorded as a _____ in the general journal to show how the event changed in the accounting equation.
2. An exchange of value between two different groups with financial or accounting significance.
3. The financial process starting with recording business transactions and leading up to the preparation of financial statements.
5. The accounting _____ is a tool used to help bookkeepers and accountants complete the accounting cycle and prepare year-end reports like unadjusted trial balances, adjusting journal entries, adjusted trial balances, and financial statements.

GALLERY

CA Student National Conference – 2022 KSHITHIJA (Beyond the Horizon) Day -1

