

# The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



## Bengaluru Branch of SIRC e-Newsletter

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International  
**Yoga Day**

21<sup>st</sup> June, 2023

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2023**

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PRAGJNANA PRAYATHNA

Conscious Attempts

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## Dear Professional Colleagues,

ICAI enters into its 75<sup>th</sup> year of spearheading professional excellence on 1<sup>st</sup> July 2023. ICAI has been expanding globally to build the future ready profession to navigate the new economic order and its competitiveness. Today, the world is looking at India as the Accounting and Finance hub of the world to enhance our professional opportunities worldwide.

Globalization is another trend and the technology which plays an important role in the profession with more and more tasks being automated. Hence, CA's are able to adapt to these changes. Chartered Accountants will continue to advice and support companies of all sizes as the business world becomes increasingly complex. As economies globalize and organizations become more sophisticated, the need for expert financial advice will only grow. Chartered Accountants are uniquely positioned to provide this advice, with deep understanding of financial systems and regulations as well as create a greater demand for our profession around the world.

## A brief about May 2023 programs :

Breakfast Meeting on Adoption of Technology in Small and Medium size CA Firms by

**CS. Nisha Raman** was conducted on 13<sup>th</sup> May. 52 members were participated.

Every Wednesday's regular Study Circle Meeting's were conducted on various topics of professional interest. I thank **CA. Narasimhan E, CA. Bimal Jain, Mr. Ram K Navratna, CA. Saurabh Goenka & CA. Gella Praveen Kumar** for sharing their expertise in enriching the members in these said meetings.

Apart from the above regular Study Circle Meetings, Bengaluru Branch of SIRC of ICAI organized session on Sec 115BAC – the new default tax regime and Issues in Sec 43B(h) – dues to micro and small enterprise on 23<sup>rd</sup> May. I thank **CA. Deepak Chopra** for sharing his expertise in this session.

There were lot of changes made by the Finance Act, 2023 pertaining to the issues in scrutiny assessment, Reporting requirements, Trust deed bye-laws of society relating to accounting and compliance aspects under sec.8 companies as well as GST applicability. Hence, One Day Seminar on Charitable Trust or Religious Trust or Institution was organized on 20<sup>th</sup> May 2023. I thank the **Chief Guest CA. Dr. N. Suresh**, a phenomenon in the field of charitable trust compliances and nuances inaugurated this Seminar as well as covered sessions. I also thank Speakers **CA. Annapurna D Kabra and Advocate G. Venkatesh**. 134 members got benefitted through the same.

To facilitate smoother and faster redressal on E-Verification Scheme & Compliance thereto, Bengaluru Branch of SIRC of ICAI organized a Joint program with Director of Income Tax (Intelligence and Criminal Investigation) Bengaluru on 18<sup>th</sup> May 2023. **Shri. Shashi Saklani, I.R.S, Director of Income Tax** & other officials from Income Tax Department discussed and interacted in member queries about various issues on E-Verification Scheme & its Compliance.

A One day **Workshop on Co-operative Audits** was organized on 27<sup>th</sup> May 2023 at our branch premises where Income tax & GST applicability to Co-operatives, recent changes, reporting requirements in case of Co-operatives were deliberated to 103 Members.

#### **The months ahead – June & July 2023**

**One Day Workshop on RERA** is being organized on Saturday, 3<sup>rd</sup> June 2023 wherein the key aspects & Interplay between RERA and IBC, legal aspects, important case laws / decisions and Professional opportunities. Expert and experienced Speakers will be sharing their knowledge in this workshop.

**One Day Program on Co-operative Societies** is being organized on 03<sup>rd</sup> June 2023 at TDCAA premises, Tumkur.

**Breakfast Meeting** is being organized on 10<sup>th</sup> June & 08<sup>th</sup> July 2023. Please refer the Calendar of Events section to know about the upcoming Breakfast Meetings.

**Two Day's Conference on Companies Act** is being organized on Friday & Saturday, 23<sup>rd</sup> & 24<sup>th</sup> June 2023. We have handpicked expert and eminent speakers in this field from many years to present their papers on various topics of professional interests assigned to them.

**Keeping pace in today's Changing with the Changing Time, Cricket Tournament** is being organized for our Chartered Accountant Members on 17<sup>th</sup> **June 2023** at Gopalan Sports Academy, Aavalahalli Veerenahalli, Avalahalli, Bengaluru – 560 049. Details of the same are presented elsewhere in this Newsletter.

Yoga is an ancient physical, mental and spiritual practice that gives people peace, the confidence

and courage to do many activities more effectively. At all levels of existence, it is a state of harmony a holistic approach to health and well-being. **The International Yoga Day** is being organized on 21<sup>st</sup> June 2023 for Members & Students at Vasanthnagar Branch Premises between 8.00 am & 10.00 am.

We are anxiously awaiting our **Foundation Day** i.e. **1st July**, which is celebrated as **CA Day**. To commemorate this day, we shall have the flag hoisting ceremony on 1<sup>st</sup> July 2023 at 9.00 am onwards at Bengaluru Branch Premises. I request all the Members to be present at the Institute to participate and celebrate the CA Day.

#### **ANNUAL GENERAL MEETING OF THE BRANCH**

This issue contains the audited financial statements and the audit report of the Branch for the year ended 31.03.2023. The Notice of the **61st Annual General Meeting** of the Members of the Bengaluru Branch of SIRC of ICAI is also included herein. The branch AGM will be on **07<sup>th</sup> July 2023 at 4.30 pm** at Branch premises. I invite all members of the branch to kindly participate.

**One Day Workshop on FEMA** is being organized on 22<sup>nd</sup> July 2023 at Branch premises. The details of all the upcoming programs are presented elsewhere in this Newsletter.

With warm regards,

**CA Divya S**

Chairperson

Bengaluru Branch of SIRC of ICAI



## CALENDAR OF EVENTS

### CPE MEETINGS FOR THE MONTH OF JUNE 2023

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE CREDIT
03.06.2023 Saturday	<b>One Day Workshop on RERA</b> <i>Organized by : Bengaluru Branch of SIRC of ICAI</i> Delegate Fees : <b>Members – Rs.850/-</b> Plus GST <i>Details at Pg. No.77</i>	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> <b>9.30 am to 6.00 pm</b>	<b>6 hrs</b>
07.06.2023 Wednesday	<b>Study Circle Meeting</b> <b>Corporate Social Responsibility – Interplay with Accounting Standards &amp; Auditor's Responsibility</b> <b>CA. Udupi Vikram</b> Delegate Fees : <b>Members – Rs.100/-</b> Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> <b>6.00 pm to 8.00 pm</b>	<b>2 hrs</b>
10.06.2023 Saturday	<b>Breakfast Meeting</b> <b>In-depth analysis of Recent Landmark Supreme Court Judgements in Income Tax</b> <b>CA. Narendra J Jain</b> Delegate Fees : <b>Members – Rs.250/-</b> Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar</b> <b>Breakfast : 7.30 am to 8.30 am</b> <b>Meeting : 8.30 am to 10.30 am</b>	<b>2 hrs</b>
14.06.2023 Wednesday	<b>Study Circle Meeting</b> <b>Supreme Court Ruling on ITC under Erstwhile law and Restrictions of Input tax Credit in GST law</b> <b>CA. Annapurna D Kabra</b> Delegate Fees : <b>Members – Rs.100/-</b> Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> <b>6.00 pm to 8.00 pm</b>	<b>2 hrs</b>
21.06.2023 Wednesday	<b>International Yoga Day</b> <b>Chief Guest:</b> <b>Dr. CA. Vishnu Bharath A S</b> <i>Past Chairman, Bengaluru Branch of SIRC of ICAI</i> <b>Mr. Shubham Pandey</b> <i>Certified Yoga Teacher by the Government of India</i> <i>Prenatal and Postnatal Yoga Teacher</i> & <b>Ms. Nikita Gupta</b> <i>Faculty, Art of Living</i>	<b>Branch Premises</b> <b>Vasanthnagar</b> <b>8.00 am to 10.00 am</b>	—

Please Note All Virtual CPE Meetings are Unstructured CPE Hours.

## CALENDAR OF EVENTS

### CPE MEETINGS FOR THE MONTH OF JUNE & JULY 2023

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE CREDIT
23.06.2023 Friday & 24.06.2023 Saturday	<b>Two Day's Conference on</b> <b>Recent Updates on Companies Act</b> <i>Organized by : Bengaluru Branch of SIRC of ICAI</i> Delegate Fees : <b>Members</b> – Rs.1,700/- Plus GST <b>Non Members</b> – Rs.3,400/- Plus GST <i>Details at Pg. No.78</i>	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> 9.30 am to 6.00 pm	 <b>12 hrs</b>
28.06.2023 Wednesday	<b>Study Circle Meeting</b> <b>New Foreign Trade Policy &amp;</b> <b>Recent GST Notification and Amnesty Scheme</b> <b>CA. Sowmya</b> Delegate Fees : <b>Members</b> – Rs.100/- Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> 6.00 pm to 8.00 pm	 <b>2 hrs</b>
01.07.2023 Saturday	<b>Chartered Accountants Day Celebration</b> <b>- 75<sup>th</sup> Year of its formation on 1<sup>st</sup> July 2023</b> Flag Hoist by the <b>Chief Guest</b> <b>CA. B.P. Rao</b> <i>Past President – ICAI</i>	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> 9.00 am Onwards	—
05.07.2023 Wednesday	<b>Study Circle Meeting</b> <b>Latest updates on ITR Filings</b> <b>CA. K. Kaushik Raj</b> Delegate Fees : <b>Members</b> – Rs.100/- Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> 6.00 pm to 8.00 pm	 <b>2 hrs</b>
08.07.2023 Saturday	<b>Breakfast Meeting</b> <b>1. MSME registration benefits</b> <b>2. Emerging trends in MSME funding</b> <b>CA. Venkatesh Bhat</b> Delegate Fees : <b>Members</b> – Rs.250/- Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar</b> Breakfast : 7.30 am to 8.30 am Meeting : 8.30 am to 10.30 am	 <b>2 hrs</b>

Please Note All Virtual CPE Meetings are Unstructured CPE Hours.



## CALENDAR OF EVENTS CPE MEETINGS FOR THE MONTH OF JULY 2023

DATE AND DAY	TOPIC / SPEAKER	TIME	VIRTUAL - UNSTRUCTURED / PHYSICAL - STRUCTURED CPE CREDIT
12.07.2023 Wednesday	<b>Study Circle Meeting</b> <b>One Person Company &amp; its Compliance</b> CS. Thirupal Gorige  Delegate Fees : <b>Members – Rs.100/-</b> Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> <b>6.00 pm to 8.00 pm</b>	<b>2 hrs</b>
19.07.2023 Wednesday	<b>Study Circle Meeting</b> <b>Voluntary Liquidation in IBC</b> CA. Thummala Gandhi  Delegate Fees : <b>Members – Rs.100/-</b> Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> <b>6.00 pm to 8.00 pm</b>	<b>2 hrs</b>
22.07.2023 Saturday	<b>One Day Workshop on FEMA</b> <i>Organized by : Bengaluru Branch of SIRC of ICAI</i>  Delegate Fees : <b>Members – Rs.850/-</b> Plus GST <i>Details will be uploaded on the website</i>	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> <b>9.30 am to 6.00 pm</b>	<b>6 hrs</b>
26.07.2023 Wednesday	<b>Study Circle Meeting</b> <b>Latest updates on NCLT</b> <i>Speaker to be finalized</i>  Delegate Fees : <b>Members – Rs.100/-</b> Plus GST	<b>S. Narayanan Auditorium</b> <b>Vasanthnagar Bengaluru</b> <b>6.00 pm to 8.00 pm</b>	<b>2 hrs</b>

Please Note All Virtual CPE Meetings are Unstructured CPE Hours.

### Advertisement Tariff for the Branch e-Newsletter

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Advt. material should reach us before 22nd of previous month.

EDITOR :  
**CA. DIVYA S**

SUB EDITOR :  
**CA. MANJUNATH M HALLUR**

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# AUDIT TRAIL UNDER THE COMPANIES ACT, 2013

CA. Kamal Garg, New Delhi



## 1. Introduction

The Ministry of Corporate Affairs ("MCA"), in its endeavour to fortify the integrity of financial reporting had amended the Companies (Accounts) Rules, 2014 ("Accounts Rules") requiring companies to ensure that the accounting software used to maintain books of accounts has the following features and attributes:

- recording audit trails for each & every transaction;
- logging the edits made to the book of accounts along with the date when such an edit was made; and
- ensuring that the audit trail cannot be disabled.

For this purpose, the following proviso had been inserted in Rule 3(1) of the Accounts Rules vide the Companies (Accounts) Amendment Rules, 2021, w.e.f. 1-4-2021:

*"Provided that for the financial year commencing on or after the '[1st day of April, 2023]', every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled."*

Further, the Companies (Audit and Auditors) Rules, 2014 ("Audit Rules") had also been correspondingly modified and clause (g) was inserted to Rule 11 of the aforesaid rules. The auditors herein are now required to report, as part of the auditor's report, as to whether, the accounting software used by the company being audited has the feature of recording audit trail (edit logs), the audit trail feature was operational throughout the financial year and had not been tampered with and such audit trails have been retained for the period as statutorily prescribed. Rule 11(g) as inserted by the Companies (Audit and Auditors) Amendment Rules, 2021, w.e.f. 1-4-2021, is reproduced below:

*"Whether the company, in respect of financial years commencing on or after the 1st April, 2022, has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention."*

### Applicability

Responsibility of	Relevant Provision	Applicability Date and Remarks
Management of the Company	Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014	<b>Applicability Date:</b> 1st day of April 2023 <b>Remarks:</b> This requirement was inserted by the Companies (Accounts) Amendment Rules 2021 vide notification G.S.R. 205(E) dated 24th March 2021 w.e.f. 1st April 2021. Then this was substituted for 1st day of April 2022 by the Companies (Account) Second Amendment Rules 2021 vide

<sup>1</sup> Substituted for "1st day of April, 2022" by the Companies (Accounts) Second Amendment Rules, 2022, w.e.f. 31-3-2022. Earlier said quoted words were amended by Companies (Accounts) Second Amendment Rules, 2021, w.e.f. 1-4-2021.



Responsibility of	Relevant Provision	Applicability Date and Remarks
		notification G.S.R. 247(E) dated 1st April 2021 and again substituted for "1st day of April 2023" by the Companies (Account) Second Amendment Rules, 2022 vide notification G.S.R. 235(E) dated 31st March 2022.  It may be noted that this new requirement for companies has been prescribed under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requiring companies, which use accounting software for maintaining their books of account, to use only such accounting software which has audit trail feature. This requirement for companies was initially made applicable for financial year commencing on or after April 1, 2021. However, its applicability has been deferred two times and this requirement is finally applicable from April 1, 2023.
<b>Statutory Auditor of the Company</b>	Rule 11(g) of Companies (Audit and Auditors) Rules, 2014	<b>Applicability Date:</b> 1st day of April 2022 <b>Remarks:</b> This requirement was initially made applicable for the financial year commencing on or after the 1st day of April 2021 vide notification G.S.R. 206(E) dated March 24, 2021. However, the applicability was deferred to financial year commencing on or after April 1, 2022, vide MCA notification G.S.R. 248(E) dated April 1, 2021.

### 1. On which entities audit trail requirements is applicable

The reporting requirements have been prescribed for audit of financial statements prepared under the Act. Accordingly, auditors of all class of companies including section 8 companies would be required to report on these matters. As per the Companies (Registration of Foreign Companies) Rules, 2014, the provisions of "Chapter X of the Act: Audit and Auditors" and Rules made there under apply, mutatis mutandis, to a foreign company as defined in the Act. Accordingly, the above reporting requirements would be applicable to the auditors of foreign companies as well. In simple words, as per the Companies Act 2013, these requirements shall be applicable to the following companies, including the companies that are managed by State and Central Government, NGOs who are receiving funds from various stakeholders:

- All Public and Private Limited Companies
- One Person Companies (OPCs)
- Companies owned by Government of India
- State Government Companies
- Not-for-Profit Companies/Organization [Section 8 companies]
- Nidhi Companies

The following entities hence don't fall under the purview of the audit trail rule:

- Individuals
- Proprietorship concerns
- Partnership firms
- Limited Liability Partnership
- HUFs/ AOPs/ BOI

- Cooperative Societies
- Societies registered under Societies Act, 1860
- Trusts

## 2. Manual book keeping and audit trail

The requirements of audit trail are applicable to the extent a company maintains its records in the electronic form by using an accounting software. Thus, where the books of account are entirely maintained manually – the assessment and reporting responsibility under Rule 11(g) will not be applicable and accordingly, same would need to be reported as statement of fact by the auditor against this clause.

## 3. Standards on Auditing w.r.t. audit-trail consideration

Various Standards on Auditing (SAs) may have to be contemplated by the auditors while reporting for the usage of audit-trail compliant software by the companies. Such as:

Relevant SAs		Audit Trail connection
SA 200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing	Rule 11(g) of casts responsibility on the auditor in terms of reporting on audit trail by making a specific assertion in the audit report under the section 'Report on Other Legal and Regulatory Requirements'.
SA 210	Agreeing the Terms of Audit Engagements	While formularising letter of engagement, the reporting about audit trail and access to various underlying electronic records thereto should be clearly specified
SA 220	Quality Control for an Audit of Financial Statements	Evaluating the integrity of the principal owners, key management and those charged with governance of the entity. This will assist in n deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client.
SA 230	Audit Documentation	Recording the identifying characteristics of the audit trail compliant software
SA 240	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	Audit Procedures Responsive to Assessed Risks of Material Misstatement Due to Fraud at the Assertion Level such as auditor may choose to use computer-assisted audit techniques to gather more evidence about data contained in significant accounts or electronic transaction files.
SA 250	Consideration of Laws and Regulations in an Audit of Financial Statements	Statutory requirements for record retention vis-à-vis audit trail
SA 260	Communication with Those Charged with Governance	The auditor may confirm that those charged with governance have the same understanding of the facts and circumstances relevant to specific transactions or events
SA 265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management	In determining whether the auditor has identified one or more deficiencies in internal control, the auditor may discuss the relevant facts and circumstances of the auditor's findings with the appropriate level of management. This discussion provides an opportunity for the auditor to alert management on a timely basis to the existence of deficiencies of which management may not have been previously aware. Certain identified significant deficiencies in internal control may call into question the integrity or competence of management.



Relevant SAs		Audit Trail connection
		For example, there may be evidence of fraud or intentional non-compliance with laws and regulations by management, or management may exhibit an inability to oversee the preparation of adequate financial statements that may raise doubt about management's competence. Accordingly, it may not be appropriate to communicate such deficiencies directly to management.
Revised SA 299	Joint Audit of Financial Statements	Identify division of audit areas and common audit areas amongst the joint auditors that define the scope of the work of each joint auditor
SA 300	Planning an Audit of Financial Statements	Ascertain the nature, timing and extent of resources necessary to perform the engagement.
SA 315	Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment	Evaluating the risks arising say due to inadequate access controls over automated records, including controls over and review of computer systems event logs
SA 320	Materiality in Planning and Performing an Audit	Materiality and audit risk are considered throughout the audit. The auditor obtains reasonable assurance by obtaining sufficient appropriate audit evidence to reduce audit risk to an acceptably low level. The risk of tampering audit trail or non operation of software throughout the year may impact assessment of materiality
SA 330	The Auditor's Responses to Assessed Risks	Dealing with the risks arising say due to inadequate access controls over automated records, including controls over and review of computer systems event logs
SA 402	Audit Considerations Relating to an Entity Using a Service Organisation	Many entities outsource aspects of their business to organisations that provide services ranging from performing a specific task under the direction of an entity to replacing an entity's entire business units or functions. This Standard on Auditing (SA) deals with the user auditor's responsibility to obtain sufficient appropriate audit evidence when a user entity uses the services of one or more service organisations
SA 450	Evaluation of Misstatements Identified During the Audit	Misstatements may result from an inaccuracy in gathering or processing data from which the financial statements are prepared.
SA 500	Audit Evidence	Audit evidence includes both information contained in the accounting records underlying the financial statements and information obtained from other sources.
SA 505	External Confirmations	Audit evidence obtained as a direct written response to the auditor from a third party (the confirming party), in paper form, or by electronic or other medium could be helpful in corroborating audit trail.
SA 510	Initial Audit Engagements – Opening Balances	This Standard on Auditing (SA) deals with the auditor's responsibilities relating to opening balances when conducting an initial audit engagement. In addition to financial statement amounts, opening balances include matters requiring disclosure that existed at the beginning of the period, such as contingencies and commitments.

Relevant SAs		Audit Trail connection
SA 520	Analytical Procedures	Analytical procedures also encompass such investigation as is necessary of identified fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount. This could be helpful in corroborating audit trail.
SA 530	Audit Sampling	The application of audit procedures to less than 100% of items within a population of audit relevance such that all sampling units have a chance of selection in order to provide the auditor with a reasonable basis on which to draw conclusions about the entire population.
SA 540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	The measurement objective of accounting estimates can vary depending on the applicable financial reporting framework and the financial item being reported. The degree of estimation uncertainty affects, in turn, the risks of material misstatement of accounting estimates, including their susceptibility to unintentional or intentional management bias.
SA 550	Related Parties	The auditor has a responsibility to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework. The accounting records may be modified to conceal RPTs and such modification is nothing but tampering of audit trail
SA 560	Subsequent Events	Respond appropriately to facts that become known to the auditor after the date of the auditor's report, that, had they been known to the auditor at that date, may have caused the auditor to amend the auditor's report.
SA 570	Going Concern	When performing risk assessment procedures as required by SA 315, the auditor shall consider whether events or conditions exist that may cast significant doubt on the entity's ability to continue as a going concern. In so doing, the auditor shall determine whether management has already performed a preliminary assessment of the entity's ability to continue as a going concern. The accounting records may be modified to substantiate the management's assessment about going concern and such modification is nothing but tampering of audit trail
SA 580	Written Representations	Take written representations as to the management's assertions. It is the management, who is primarily responsible for ensuring selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations (including those related to retention of audit logs).
SA 600	Using the Work of Another Auditor	Relevant for the main auditor while reporting on the consolidated financial statements after considering the audit report of subsidiaries, JVs and associates.



Relevant SAs		Audit Trail connection
SA 610	Using the Work of Internal Auditors	Relevant for the main auditor while evaluating the internal auditor's findings w.r.t. audit trail
SA 620	Using the Work of an Auditor's Expert	Relevant for the main auditor while evaluating say the system auditor's findings w.r.t. audit trail

#### 4. Meaning of expression 'all transactions recorded in the software'

The [Implementation Guide]<sup>2</sup> on Reporting under Rule 11(g) issued by Auditing and Assurance Standards Board of the Institute of Chartered Accountants of India, stipulates that:

- The expression 'all transactions recorded in the software' would refer to all transactions that result in change to the books of account. For example, creation of a user in the accounting software may be construed as a transaction in the software. However, creating a user account in the accounting software would not change the records of books of account as defined in Section 2(13) of the Act whereas adding a new journal entry or changing an existing journal entry will be construed as a change made in books of account.
- Giving due cognizance to the definition of "books of account" as envisaged under Section 2(13) of the Act and Rule 3 of the Account Rules which provides for the management responsibilities for maintenance of books of account and other relevant books and papers maintained in electronic mode, the auditor would be expected to check whether the audit trail is enabled for such transactions which result in a change to the books of account.

#### 5. Open Issues

Though the Implementation Guide (*supra*) has clarified many issues but the aforesaid guidance has still not provided comprehensive guidance on the following matters, namely:

- a) Difference in financial years for accounting (FY 2023-24) and auditing (FY 2022-23) – a conundrum
- b) Audit trail for books of accounts or accounting software
- c) Whether need to assess appropriateness of audit trail may arise retrospectively
- d) Accounting Software – one for books of accounts and another for financial statements
- e) Consolidated financial statements
- f) Using the accounting software which is supported by service providers
- g) Internal controls and audit approach for assessing the appropriateness of audit trail vis-à-vis Section 143(3)(i) of the Companies Act, 2013
- h) Retention of audit trail
- i) Audit trail operated throughout the year for all transactions recorded in the software
- j) Management's Responsibility and Directors' Report
- k) Risk assessment in IT environment

The extant and the forthcoming audit period is going to have glaring challenges both for the auditor as well the auditee. The 'audit trail' is going to be tested over the 'time trail'.

**P.S.:** For a detailed discussion on 'Audit Trail' as stipulated under the Companies Act, 2013, (including the open issues as above) the readers may refer the commentary written by the author of this article. This commentary is running in over 200 plus pages. To get the copy of the book, readers may visit [www.collectmybook.co.in](http://www.collectmybook.co.in)

<sup>2</sup> Source: <https://resource.cdn.icai.org/73438aasb59254.pdf?fm=pdf>



# Bengaluru Branch of SIRC of The Institute of Chartered Accountants of India (Set up by an Act of Parliament)



PRAGJNANA PRAYATHNA

Conscious Attempts



61<sup>st</sup>

# Annual Report 2023



## **BENGALURU BRANCH OF SOUTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

### **NOTICE OF 61<sup>ST</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 61<sup>st</sup> Annual General Meeting of the Members of the Bengaluru Branch of Southern India Regional Council of the Institute of Chartered Accountants of India will be held **on Friday, 7th July 2023 at 4.30 pm at S. Narayanan Auditorium, ICAI Bhawan, #16/0, Millers Tank Bed Area, Bengaluru – 560 052** to transact the following business:

1. To receive the Annual Report of the Bengaluru Branch for the year 2022 – 2023.
2. To receive the Auditor's Report along with the Audited Accounts of the Bengaluru Branch for the year ended 31<sup>st</sup> March 2023.
3. To transact any other business that may be brought out before the meeting with the permission of the “Chair”.

By order of the Managing Committee  
of Bengaluru Branch of SIRC of ICAI

Sd/-  
(CA. Hallur Manjunath Mahanthappa)  
Secretary

**Place: Bengaluru**

**Date: 09.06.2023**

#### **NOTE:**

1. Members are requested to send their queries, if any, on audited financial statements for the year ended 31<sup>st</sup> March 2023 and any other business i.e. intended to be brought out before the meeting with the permission of the “Chair”, within 30<sup>th</sup> June 2023 to the Branch by post or email: [bladmin@icai.org](mailto:bladmin@icai.org) and cc to [blraccounts@icai.org](mailto:blraccounts@icai.org).

## Managing Committee of **Bengaluru Branch of SIRC of ICAI** 2023 - 2024



**CA. Divya S**  
Chairperson



**CA. Pramod R. Hegde**  
Vice Chairman



**CA. Hallur Manjunath Mahanthappa**  
Secretary



**CA. Kavitha Paramesh**  
Treasurer



**CA. Tuppad Virupakshappa Muppanna**  
Chairman - SICASA



**CA. Srinivasa T**  
Immediate Past Chairman



**CA. Shripad Hulgol Narayan**  
Member



**CA. T. Chandra Prakash Jain**  
Member



**CA. Rejo J. Johnson**  
Member

### *Ex-Officio Members*



**CA. Cotha. S. Srinivas**  
Central Council Member  
ICAI



**CA. Geetha A. B**  
Vice Chairperson  
SIRC of ICAI



**Dear Members,**

We are pleased to present the 61<sup>st</sup> Annual Report of the Bengaluru Branch of SIRC of the Institute of Chartered Accountants of India, together with the audited accounts for the year ended 31<sup>st</sup> March 2023.

The Bengaluru Branch of the Institute of Chartered Accountants of India is one of the most vibrant and dynamic Branch in the Country. This is the largest Branch catering to the needs of around 17,000 Members and more than 35,000 Students out of which over 8000 are undergoing Articleship. The Branch conducts various programmes for the benefit of Members & Students like Live Webinars, Conferences, Seminars, Workshops, Tele-conferences, Study Circle Meetings and Coaching Classes, Orientation, ITT & Advanced ITT.

For the year 2023-24 following Office Bearers have been elected in the Managing Committee Meeting held on 24<sup>th</sup> February 2023.

### OFFICE BEARERS 2023-24



**CA. Divya S**  
Chairperson



**CA. Pramod R Hegde**  
Vice Chairman



**CA. Hallur Manjunath  
Mahanthappa**  
Secretary



**CA. Kavitha Paramesh**  
Treasurer

### OFFICE BEARERS 2022-23



**CA. Srinivasa T**  
Chairman



**CA. Divya S**  
Vice Chairperson



**CA. Pramod R Hegde**  
Secretary



**CA. Hallur Manjunath  
Mahanthappa**  
Treasurer

## Members Programmes Update:

The Branch has hosted a variety of programs and learning initiatives during the period 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023.

A series of workshops were organized on emerging areas of profession such as RERA, IND AS, Co-operative Societies, Trusts, Digitization and updates on conventional areas such as Auditing, Taxation, Company Law, GST, Financial Reporting Standards, Transfer Pricing, Code of Ethics etc.

## Conferences, Workshops and Seminars conducted by the Branch:

- Half Day Seminar on Faceless Assessments on 16th April 2022.
- New Provisions relating to Re-Constitution & Dissolution of Partnership Firms Conducted at City Central Library, West Zone, RPC Layout, Bengaluru on 22<sup>nd</sup> April 2022.
- One Day Seminar on Complications & Issues Related to Virtual Digital Assets on 23<sup>rd</sup> April 2022.
- One Day Workshop on Co-operative Society Audit on 4<sup>th</sup> May 2022
- 3 Day Residential Program Jointly organized with Bengaluru, Mangaluru and Udupi Branches of SIRC of ICAI from 6<sup>th</sup> to 8<sup>th</sup> May 2022 at Paddington Resort, Madikeri.



- Four Days Workshop on Addressing Notices / Audits / Scrutiny / Other Litigation matter under GST Law from 25<sup>th</sup> May to 28<sup>th</sup> May 2022.
- Basics of MCA V3 – LLP filings organized under the aegis of Corporate Laws & Corporate Governance Committee of ICAI, Hosted by Bengaluru Branch of SIRC of ICAI on 3rd June 2022.
- Seminar on Opportunities for CAs with Neo banking on 9th June 2022 at The Chancery Hotel, Lavelle Road, Bengaluru.





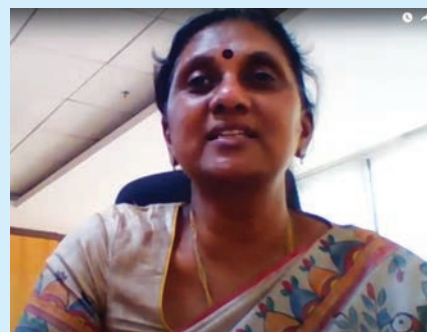
- Two Day's Conference on Updates on Companies Act: Organized under the aegis of Corporate Laws & Corporate Governance Committee, Hosted by: Bengaluru Branch of SIRC of ICAI on 17<sup>th</sup> & 18<sup>th</sup> June 2022.
- Taxation of Shares and Securities & Income Tax Issues of JDA on 24<sup>th</sup> June 2022 at City Central Library, West Zone, Hampinagar Branch, Near RPC Layout, Bengaluru.
- One Day Workshop on Practical Issues and Key Audit Aspects of Charitable or Religious Trusts of Institutions on 19<sup>th</sup> July 2022
- Jnana Sangama - 18<sup>th</sup> Karnataka State Level Two Day Chartered Accountants Conference. Bengaluru Branch hosted the Conference jointly with seven other branches of SIRC of ICAI on 19<sup>th</sup> & 20<sup>th</sup> August 2022. Our Honourable President Dr. CA Debasis Mitra had graced the occasion and addressed our Members at new, spacious, convenient venue at "Anantya" Jayamahal Palace, Bengaluru for the first time and well received by the members who made this conference a remarkable event of our tenure after a gap of three years, due to Pandemic.



- One Day Seminar on ICDS & Tax Audit on 3<sup>rd</sup> September 2022.
- One Day Seminar on important aspects on Transfer Pricing with case studies on 15<sup>th</sup> October 2022.
- One Day Seminar on Global Technology in Practice on 28<sup>th</sup> October 2022.
- One Day Mega Conference on Search, Survey and Investigation under Income Tax, GST and Companies Act on 26<sup>th</sup> November 2022.
- Half Day Seminar on Code of Ethics & Disciplinary mechanisms organized under the aegis of the Ethical Standards Board of ICAI on 30<sup>th</sup> November 2022.
- Two Days Seminar on Real Estate on 2<sup>nd</sup> & 3<sup>rd</sup> December 2022.
- One Day Training Programme for Peer Reviewers on 21st December 2022 organized under the aegis of Peer Review Board of ICAI.
- Two Days CPE Conference on 23<sup>rd</sup> & 24<sup>th</sup> December 2022 at Devraj Urs Bhawan, Vasanthnagar, Bengaluru.
- Two Days Residential Workshop on Addressing Notices /Audits/ Scrutiny/ Other Litigation matter under GST Law at Infosys Campus, Mysuru on 27<sup>th</sup> & 28<sup>th</sup> January 2023.
- Analysis of Union Budget 2023 on 2<sup>nd</sup> February 2023.



- Clause by Clause Discussion on Union Budget was conducted on 11<sup>th</sup> February 2023.
- Breakfast Meeting on Indirect Tax on Virtual Digital Assets (Crypto) conducted on 11<sup>th</sup> March 2023.
- Half Day Women Centric Program under the aegis of Women & Young Members Empowerment Committee of ICAI conducted on 24<sup>th</sup> March 2023. Expert and eminent Speakers Dr. B.R. Mamtha, Inspector General of Registration and Commissioner of Stamps, DPAR (Election), Government of Karnataka and CA. Sarita Agarwal, Kolkata shared their knowledge for empowering, inspiring and motivating women Members.





- One Day Seminar on Bank Branch Audit Organized under the aegis of Auditing & Assurance Standards Board of ICAI on 25<sup>th</sup> March 2023.



- Three Days Workshop on Bank Branch Audit conducted from 27<sup>th</sup> March to 29<sup>th</sup> March 2023.



### Special Programmes:

- **Celebrations of Yoga Day:** Yoga for all, for mental and physical health and to mark the International Yoga Day on 21<sup>st</sup> June 2022, Bengaluru Branch of SIRC of ICAI organized jointly with the Department of Ayush, Government of Karnataka celebrated the day at Bengaluru Palace, Vasanth Nagar, Bengaluru. Members, Students & Ayush Department officials were part of this successful practice session.



- **74th Chartered Accountants Day Celebration on 1st July 2022:** On this historic day, to mark this proud occasion of our noble Profession's entrance into its glorious 74<sup>th</sup> year on 1<sup>st</sup> July 2022, the Bengaluru Branch of SIRC of ICAI organized Blood Donation Camp at Vasanthnagar Branch. To create awareness about the CA Profession, Walkathon had been organized which started from Freedom Park to Vidhana Soudha in which more than 400 Members and Students were part of the celebration.



- **Cricket Tournament for Members on 9<sup>th</sup> July 2022:** To face the challenges in our day-to-day life and enable us to maintain good health and physical fitness and to induce the feeling of togetherness and belongingness, Bengaluru Branch organized Cricket Tournament for Members on 9<sup>th</sup> July 2022.



- **National Corporate Social Responsibility (CSR) Awards 2022:** To facilitate the Members on the introduction of the Scheme of National CSR Awards-2022 and Process involved, Bengaluru Branch of SIRC of ICAI organized Regional Awareness Workshop on 8<sup>th</sup> August 2022 at ICAI Bhawan, Vasanthnagar, Bengaluru.





- **Independence Day Celebration:** As part of the Country wide “Azadi ka Amrit Mahotsav” an initiative of the Government of India to commemorate 75 years of Independence of India and the glorious history of its people, culture and achievements, Bengaluru Branch of SIRC of ICAI celebrated its 75<sup>th</sup> Independence Day on 15<sup>th</sup> August 2022 at Vasanthnagar Branch. CA. K. Vishwanath, Past Chairman – SIRC of ICAI graced the occasion as the Chief Guest.



- **Karunada Habba:** Kannada Rajyotsava & Cultural Program on 27th November 2022.



- **Online Yoga Classes for Mental & Physical Health** conducted for the benefits of both the Members and the Students in the month of December 2022.

- **Republic Day Celebration on 26<sup>th</sup> January 2023:** CA. Ashok Raghavan, Past Chairman – Bengaluru Branch of SIRC of ICAI graced the occasion as the Chief Guest.



- **Unveiling of the sculpture of CA G P Kapadia:** The sculpture of the First President of ICAI CA. G P Kapadia was unveiled on 18th February 2023 at ICAI Bhawan, 16/O, Millers Tank Bed Area, Vasanth Nagar, Bengaluru 560052. Chief Guest Sri. CA S. Rangappa (IAS) MD and Executive Director of KSMCL, Government of Karnataka unveiled the sculpture and later the achievements of CA. G.P. Kapadia were addressed by our Senior Member CA. Nimesh Bhimani on this day.



- **S. Vaidyanath Aiyar Memorial Lecture on 21<sup>st</sup> February 2023:** To commemorate the name of Late S. Vaidyanath Aiyar, an illustrious Member of our profession and a former President of the Institute during 1957-59, Bengaluru Branch of SIRC of ICAI organized S. Vaidyanath Aiyar Memorial Lecture at S. Narayanan Auditorium, Vasanthnagar Branch.



### Corporate Social Responsibility:

- **ICAI MSME YATRA & SETU :** To assist MSMEs in growing and supporting them in terms of Capacity Building and to provide a platform for improving their access to public resources, credit and marketing competitiveness, Bengaluru Branch hosted jointly with Federation of Karnataka Chambers of Commerce and Industry(FKCCI) Organized ICAI MSME YATRA & SETU with the theme “CAs as Swift Responder



to **MSME Needs**” under the aegis of Committee on MSME & Startup of ICAI on 29th October 2022 at Sir M.V. Auditorium, FKCCI, KG Road, Bengaluru. FKCCI President, Sri. B.V. Gopal Reddy inaugurated this program. Two expert & eminent Speakers, CA. A.M. Chinmaya & CA. Mohan R Lavi shared their knowledge on Strategies for Growth of MSME - Virtual CFO's Contribution & Schemes of MSMEs and Role of Professionals. Members & Non-Members got benefitted through the same. The representatives from SIDBI, NSIC, SBI & District Industry Centre provided the guidance to Members & Non-Members.



### Faculty Development Programme :

- To standardize and ensure uniform delivery of the soft skill the Two Days Faculty Development Programme (FDP) was organized under the aegis of Student Skill Enrichment Board, Board of Studies – Operations hosted by the Bengaluru Branch of SIRC of ICAI **on 17th & 18th January 2023 at Vasanthnagar Branch, Bangalore. 62 GMCS & Orientation Faculties attended in this program.**



### Management Development Programmes:

- The Bengaluru Branch conducts Management Development Programmes wherein officials of various public and private companies including Govt. Organizations are trained in field of Finance and Accounting. XXIIInd Batch on Finance for Non-Finance Executives commenced on 31<sup>st</sup> July 2022 and concluded on 15<sup>th</sup> October 2022. The Branch has won many accolades from the participating Companies for the rich knowledge dissemination.

**Important Dignitaries who had visited and graced the various programmes (Both Physical & Virtual) organized by Bengaluru Branch during the year:**

1. Mr. M.P. Appachu Ranjan, Member, Karnataka Legislative Assembly, Madikeri
2. Mr. D.P. Nagendra Kumar, Former Member CBIC & Special Secretary, Government of India
3. CA. K. Raghu, Past President, ICAI
4. CA. Nilesh Vikamsey, Past President, ICAI
5. CA. (Dr.) Debashis Mitra, The then Hon'ble President – ICAI
6. CA. Aniket Talati, The then Hon'ble Vice President, ICAI
7. CA Chandrashekhar Vasant Chitale, Chairman, Peer Review Board of ICAI
8. CA. Mangesh P Kinare, Chairman, Ethical Standards Board of ICAI
9. CA. Sanjay Kumar Agarwal, Chairman, Committee on International Taxation of ICAI
10. CA. Sridhar Muppala, Vice Chairman, SSEB (BOS-O), ICAI
11. CA. T. V. Mohandas Pai, Chairman, Manipal Global Education Services Pvt. Ltd
12. CA. Cotha S. Srinivas Central Council Member – ICAI
13. CA. China Masthan Talakayala, Chairman, SIRC of ICAI
14. CA. Pannaraj S, Vice Chairman, SIRC of ICAI
15. CA. Geetha A. B, Regional Council Member – ICAI
16. CA. K. Vishwanath, Past Chairman, SIRC of ICAI
17. Dr. CA. Phalguna Kumar E, Past Chairman, SIRC of ICAI
18. CA. K.S. Madhava Murthy, Past Chairman, SIRC of ICAI
19. CA. Vinay Mruthyunjaya, Past Chairman, Bengaluru Branch of SIRC of ICAI
20. CA. Ashok Raghavan, Past Chairman – Bengaluru Branch of SIRC of ICAI
21. CA. H. Anil Kumar, Past Chairman, Bengaluru Branch of SIRC of ICAI
22. CA. Anurag Chaturvedi, Chairman, Dubai Chapter of ICAI
23. CA. H. Padamchand Khincha, A leading Direct Taxes Consultant, Bengaluru
24. Shri. B V Gopal Reddy, President – FKCCI
25. CA. Dr. I.S. Prasad, Immediate Past President, FKCCI
26. CA. Rateesh Nambiar, Co-Founder, Nambiar Builders
27. CA. Nimesh Bhimani, Senior Member
28. Dr. B.R. Mamtha, Inspector General of Registration and Commissioner of Stamps, DPAR (Election), Government of Karnataka
29. Sri. CA S. Rangappa (IAS) MD and Executive Director of KSMCL, Government of Karnataka
30. Mr. Gagandeep Ahuja, Senior Executive Vice President, Senior Regional Business Head, Kotak Mahindra Bank, Bengaluru
31. Shri. D.C. Patwari, Immediate Principal Chief Commissioner of Income Tax Karnataka & Goa
32. Shri. Prashant Bhushan, I.R.S. Chief Commissioner of Income Tax 2, Bengaluru
33. Mr. Adarsh Kumar N.R, Director of Co-operative Audit Department.
34. Mr. C.B. Chikkadi, Chairman and Joint Director of Co-operative Audit Department, Vijayapura District.
35. Ms. Sadhana D Gaonkar, Joint Director of Co-operative Audit Department, Bengaluru Urban Dist.
36. Mr. K.B. Veerapur, Deputy Director of Co-operative Audit Department, Bengaluru Rural Dist.
37. Mr. Pradeep S Wali, Assistant Director of Co-operative Audit Department, Gokak Taluk



38. Mr. Sunil Kumar M.P, Assistant Director of Co-operative Audit Department, Nagamangala Taluk
39. Shri. C.V. Sajeevan Registrar of Companies, Karnataka
40. Mr. Arif H. M, Senior Vice President, Peenya Industries Association
41. Shri Praveen Kumar, DG & CEO, Indian Institute of Corporate Affairs, Government of India
42. Shri. Kishore Chandra H.C, IPS (Retd.), Chairman, Karnataka Real Estate Regulatory Authority
43. Mr. Ullas Kamath, Chairman of FICCI Karnataka State Council and member of FICCI Start Up Committee, New Delhi
44. Prof. Pulak Ghosh, Professor of Decision Sciences and Center of Public Policy at the Indian Institute of Management, Bengaluru
45. Mr. S. S. Naganand, Senior Advocate and Vice President, Bar Association of India, Delhi
46. Mr. R.K. Misra, Co-Founder at YULU Co-Chair – ASSOCHAM South Bengaluru, Karnataka, India
47. Dr. N. Reguraj, Managing Director, NTTF
48. Capt. Naveen Nagappa, Kargil War Soldier
49. CA. (Dr.) R. Seetharaman, Former Chief Executive Officer, Doha Bank, Qatar
50. Mr. Arjun Gowda, Movie Actor
51. Mr. Kaivalya Smart, Surat
52. Ms. Malathi Holla, Padmashree Awardee

### Students Programmes:

For the benefit of the Students, the Branch conducted various webinars and virtual programmes covering the topics relevant to their academics, articleship, exams, personal growth, ethical values, technology updates.

### Unique or Innovative Initiatives of Bengaluru Branch of SICASA

1. **SICASA Speakers Forum** - Bengaluru Branch of SICASA has been enabling students and empowering them to be professionals of global standards. In this regard, many initiatives have been taken, and one such initiative is the “SICASA Speakers Forum” (SSF)

SSF is a platform which trains students on public speaking, English communication, and presentation skills. The forum meets weekly. Every meeting will have a theme or a rare English word. The students are required to make presentations on the theme. There will be impromptu speech sessions too. At the end of the meeting, an Evaluator, mostly a CA (trained public speakers), provides feedback on the students’ presentations, including grammar, filler words, sentence structuring, etc. On average, 50 students attend the meeting.

During the year, we had 47 SSF meetings, and more than 1500 students have been trained on English and public speaking skills. This has enabled the students to be more confident and able to succeed in their exams and careers.

2. **Moot Tribunal** - Bengaluru Branch of SICASA conducted a unique program for the students of the Bengaluru Branch to train them on their litigation and representation skills for the first time in the history. A Moot Tribunal competition was conducted for the students on Income Tax and Goods and

Service Tax. Students were trained by practising Chartered Accountants, experts on litigation, over a month on the preparation of appeal documents, representation, legal backing for appeals etc. The students were provided with actual cases in GST and Income Tax with all the supporting documents, such as orders of the Assessing Officer, Commissioner, financials, etc. Senior most Chartered Accountants of the city were invited to be the Bench Members of the Tribunal, and the students presented their cases before these Members. The Moot Tribunal competition was well received by the students and appreciated as they got an opportunity to experience the Tribunal practice.



3. **Shark Tank Competition** - A unique competition was conducted for the CA students, probably for the first time. 30 teams across India sent their application. They were screened at two levels by industry experts, and start-up entrepreneurs. Then, the final team presented their case at the National Conference of CA Students.
4. **E-Souvenir** – To be environment friendly, SICASA Bengaluru took an initiative to release “E-Souvenir” in the National CA Students Conference. E-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. The link below <http://ebook.bangaloreicai.org/> The Souvenir has three videos embedded on pages 4,9 and 124.
5. **ROBOT** – Yoda, a Robot, hosted the conference as MC and also moderated the panel discussion at the National Conference of CA Students held on 16th and 17th of December 2022. This displayed the advancement of technology and was a fun-filled event interaction for the students.





6. **Environment Conservation** - 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 the students.
7. **Instilling patriotism and compassion, human values** - Real-life heroes such as Capt Naveen Nagappa and Arjun Gowda were invited as guests at the National Conference of CA Students. 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 orphaned dead bodies’ ashes in Ganga.
8. **Walkathon** – A walkathon was conducted on CA Day, 1st July 2022 to create awareness on CA as a profession. The Walkathon was a 3 kms stretch from Freedom Park, Bengaluru to the ICAI Bhawan, Vasanth Nagar.
9. **Yoga Day** – Students participated in the YOGA day conducted by the Department of Ayush. This was an initiative to introduce the students to Indian culture YOGA and encourage them to adapt YOGA in their day-to-day life. A talk was conducted for the students on the importance of YOGA, which has been the honourable PM’s pet project.
10. **Meet with the Rankers** – to help the students to overcome their fear about exams, we had conducted an interactive session with the Rankers from Bengaluru and also CA Pattabhi Ram was invited to address and impress on the students that they can crack CA exams if they are confident.
11. **Elocution Contest on 22<sup>nd</sup> April 2022** – The contest was conducted to enhance Public speaking skills in the students. Students from SICASA Bengaluru passed the Regional level and were runners up at the National level competition.
12. **GST Workshop** - A workshop to help the students in day to day working and to deal with the GST matters was conducted on 24<sup>th</sup> June 2022.
13. **Games of Medals** – SICASA Bengaluru Outdoor Sports was conducted on 2nd July 2022. Nearly, 600 students participated in this.



14. **Workshop** on TDS under Income Tax was conducted on 15<sup>th</sup> July 2022.
15. **Industrial Visit to LM Wind Power**, Dabaspur Industrial area, Bengaluru – Students witnessed the manufacturing process of windmill blades on 16<sup>th</sup> July 2022.
16. **Cultural Fest 'Parvaah'** – The year was not meant only for academic activities but there was some fun too. A cultural fest 'Parvah' was conducted for the students to demonstrate their talents such as singing, dancing, skit and ramp walk too on 15<sup>th</sup> August 2022.
17. **Debate Competition** on 21<sup>st</sup> August 2022 – A debate competition on various general knowledge and contemporary topics held and the students from Bengaluru Branch came out with flying colours at the National level contest.
18. **Teachers Day** Celebration was organized on 5<sup>th</sup> September 2022.
19. **CA Student National Talent** 2022 Quiz Contest on 10<sup>th</sup> September 2022.
20. **A Chess competition** was conducted for the students on 30<sup>th</sup> December 2022. Again the students made upto National Level and won laurels for the Branch
21. **Poetry and Sketching Competition** was also conducted for the students.
22. **One Day Seminar on Bank Branch Audit** conducted on 30<sup>th</sup> March 2023.

### **Coaching Classes:**

Bengaluru Branch organized online / offline Coaching Classes for CA Foundation, CA Intermediate & Final Students for May & November 2022 exams.

The Branch is regularly organizing and conducting Coaching classes, Crash Courses, Mock Tests and Courses in Computer Training for the benefit of the students. The coaching classes conducted at the Branch are of high quality at affordable cost.

### **During the year, the Branch conducted the below mentioned number of training programmes.**

- a. 57 Batches of Course in Information Technology Training
- b. 30 Batches of Course in Advanced Information Technology Training
- c. 70 Batches of ICITSS Orientation Course
- d. 45 Batches of Advanced ICITSS MCS Course
- e. 2 Batches of Mock Tests each for Foundation, Intermediate & Final CA Students for May & Nov. 2022

### **Career Counselling Programmes**

In order to expand our reach and to focus on conducting the maximum possible number of Career Counselling Programs to introduce students to the profession, accordingly, Bengaluru Branch conducted **215** Career Counselling programmes in Government & Private Colleges and Schools in and around Bengaluru and other districts of Karnataka through Offline and Online mode covering **36,203** Students pursuing them to join the CA Course.



## Convocation Program for Newly Qualified Chartered Accountants - 2022-23

The Institute of Chartered Accountants of India (ICAI) organized Convocation 2022-23 at 12 Centres across India for newly enrolled Chartered Accountants. During the year 2022-23 two convocations were conducted on 6th October 2022 and on 24th January 2023. The inaugural function of the Convocation was organised centrally by ICAI HO, which was streamed live across various locations. The Convocations for Karnataka State was conducted at Dr. B. R. Ambedkar Bhawan, Bengaluru under the convenorship of CA. Cotha S Srinivas Central Council Member, ICAI.

The Convocation on 6th October 2022 was attended by around 1330 members. CA. Dr. I. S. Prasad – Immediate Past President, FKCCI was the Guest of Honour for the event on 6th October 2022 wherein he addressed the Members and awarded the Rank Certificates and the Certificate to Newly Qualified Chartered Accountants along with CA Cotha S Srinivas, CCM ICAI.

The Convocation on 24th January 2023 was attended by around 1000 Members. CA. D. L. Suresh Babu was the Guest of Honour for the event on 24th January 2023 wherein he addressed the Members and handed over the Certificates to newly qualified Chartered Accountants along with CCM CA. Cotha S Srinivas.

Management Committee Members of the Bengaluru Branch place on record the efforts of CA. Cotha S Srinivas, CCM ICAI for conducting the convocation at Bengaluru in a grand and befitting manner. The Management Committee Members and staff of Bengaluru Branch extended their wholehearted support for the conduct of Convocation ceremony at Bengaluru.



## Chartered Accountants Benevolent Fund (CABF)

The Chartered Accountants Benevolent Fund (CABF) is an important fund for our fraternity who find themselves in situations of distress, Branch created a link on our website [www.bangaloreicai.org](http://www.bangaloreicai.org) to make donations to the fund.

### Campus Placement Programme :

To promote the better employability among the CA fraternity, Bengaluru Branch organized the campus interview for the Newly Qualified Chartered Accountants. The details are as below:

Participants	55 <sup>th</sup> Campus Feb. – Mar. 2022	56 <sup>th</sup> Campus Aug. – Sept. 2022
Number of Candidates registered	10197	10369
Total No. of Organizations participated	173	135
Number of jobs offered by the participating Organizations	7360	5194
Number of jobs accepted by candidates	5538	3521
Highest salary (cost to company) offered for Domestic Posting	INR 30.30 LPA	INR 31.50 lakhs (per annum)
Highest salary (cost to company) paid for International Posting	-	INR 41 lakhs (per annum)
Average salary (cost to company)	INR 10.57 LPA	INR 12.48 LPA

### Membership:

As on 31.03.2023 the Membership of Bengaluru Branch is 16,979.

### Managing Committee Meetings:

During the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, **13** meetings were held. The attendance of the Managing Committee Members has been given below:

Designation	Name of the Managing Committee Member	No. of Meetings		Name of the Managing Committee Member	No. of Meetings	
		Present	LOA		Present	LOA
	April 2022 to February 2023				February 2023 to March 2023	
Chairman	CA. Srinivasa T	11	-	CA. Divya S	2	-
Vice Chairman	CA. Divya S	6	5	CA. Pramod R Hegde	2	-
Secretary	CA. Pramod R Hegde	11	-	CA. Hallur Manjunath Mahanthappa	2	-
Treasurer	CA. Hallur Manjunath Mahanthappa	11	-	CA. Kavitha Paramesh	2	-
Chairman – SICASA	CA. Kavitha Paramesh	11	-	CA. Tuppad Virupakshappa Muppanna	2	-
Member	CA. Tuppad Virupakshappa Muppanna	9	2	CA. Shripad Hulgol Narayan	2	-
Member	CA. Shripad Hulgol Narayan	10	1	CA. Chandra Prakash Jain T G T	2	-
Member	CA. Chandra Prakash Jain T G T	11	-	CA. Rejo J Johnson	2	-
Member	CA. Rejo J Johnson	11	-	-	-	-
Immediate Past Chairman	-	-	-	CA. Srinivasa T	2	-
Ex- Officio Central Council Member	CA. Cotha S Srinivas	8	3	CA. Cotha S Srinivas	1	1
Ex- Officio Regional Council Member	CA. Geetha A B	6	5	CA. Geetha A B	1	1



### Accounts:

The audited financial statement of the Branch has been published in June 2023 Newsletter and the Branch website: [www.bangaloreicai.org](http://www.bangaloreicai.org).

### Acknowledgements:

The Managing Committee wishes to place deep appreciation for the Guidance, Support and Services rendered by various Resource persons, Organizations and Institutions across the Country.

- President, Vice President, Past Presidents and Central & Regional Council Members of ICAI.
- Past Chairmen of Bengaluru Branch
- Course Directors, Speakers, Coordinators of the various programmes
- President and Executive Committee Members of KSCAA
- Members of the Faculty of Coaching Classes, Course on GMCS, IPCC Orientation Programme, Crash Courses and Management Development Programmes.
- Statutory Auditors M/s. Ramraj & Co.
- Internal Auditors M/s. Sundaresha & Associates.
- Accounts Outsourced team M/s Rao and Pradeep
- Advertisers of Newsletters and Sponsors of Programme Activities.
- Our Bankers Canara Bank and ICICI Bank.
- Our Printer M/s. Jwalamukhi Mudranalaya Pvt. Ltd.
- Officers of Bengaluru Branch for their sincere and dedicated efforts in the overall administration of the Branch affairs.
- Every Member and Student of the Branch for their unstinted support directly or indirectly in conducting various activities and programmes.

For and on behalf of Managing Committee  
of Bengaluru Branch of SIRC of ICAI

**CA. Hallur Manjunath Mahanthappa**  
Secretary



**RAMRAJ & CO.,**  
Chartered Accountants

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29<sup>th</sup> A Cross, Geetha Colony,  
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## INDEPENDENT AUDITOR'S REPORT

To

The Council of the Institute of Chartered Accountants of India

### Report on the Audit of Financial Statements

#### Opinion

We have audited the Financial Statements of Bengaluru Branch of SIRC of The Institute of Chartered Accountants of India ("the Branch"), which comprise the Balance Sheet as at 31st March, 2023, the Income and Expenditure Account and Cash Flow Statement for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Information (hereinafter together referred to as 'Financial Statements').

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying Financial Statements are prepared in all material respects in accordance with the Chartered Accountants Act, 1949, and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Branch as at 31st March, 2023, its Surplus and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Branch in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We invite attention to Note No 7 Financial Statements with regard to Interunit Balances, Capital Grants and Building Grant which remains unadjusted in the branch books.

Our opinion is not modified in respect of the above referred.



*also at Chennai, Tumkur, Madanapalle, Thirupati & Chittoor (AP)*



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### **Responsibilities of the Managing Committee of the Branch (hereinafter referred to as 'Management') for the Financial Statements**

Management is responsible for the preparation of these Financial Statements in accordance with the Chartered Accountants Act, 1949 that give a true and fair view of the state of affairs, financial performance and cash flows of the Branch in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Branch and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Branch's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.



*also at Chennai, Tumkur, Madanapalle, Thirupati & Chittoor (AP)*



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned Scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

As required by the Audit Committee of ICAI, we give in the **ANNEXURE**, our comments the additional details.

#### **Report on Other Legal and Regulatory Requirements**

Further, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account have been kept by the Branch so far as appears from our examination of those books;



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c) Balance Sheet, Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, Income and Expenditure Account and Cash Flow Statement comply with the relevant Accounting Standards.

**Place: Bangalore**  
**Date: 15.05.2023**

**for Ramraj & Co**  
**Chartered Accountants**  
**FRN: 002839S**



**(P Sreenivasulu Reddy)**  
**Mem. No. 023594**  
**Partner**  
**UDIN:23023594BGYTAE6500**

*also at Chennai, Tumkur, Madanapalle, Thirupati & Chittoor (AP)*

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in Paragraph under 'Other Matters' section of our Independent Auditor  
Report of even dated to The Council of the Institute of Chartered Accountants of India)

**ADDITIONAL INFORMATION TO BE SUBMITTED BY STATUTORY AUDITOR FOR THE  
YEAR ENDED 31st March, 2023**

- Whether books are being maintained in online Tally ERP Cloud on regular basis and financial statements are prepared from the books of accounts maintained in on-line Tally only.

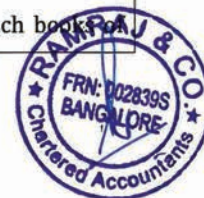
**Auditor's Observation:** Yes, The books are being maintained in online Tally ERP Cloud on a regular basis and the Financial Statements are prepared from the books of accounts maintained in such online tally.

- Whether inter unit balances with Head Office/ Regional Councils/ Decentralized Offices/ Branches are duly reconciled. Details of un-reconciled inter unit balances to be reported.

**Auditor's Observation:** All the Inter- Unit balances reconciliation statement are prepared.

However, we have the following observations on reconciliation statements of some accounts

Sl. No	Inter Unit Name	Amount as per books In Rs.	Amount as per inter unit Books In Rs	Reconciliation Status	Auditor's Comments
1	Current account - Bangalore of SIRC	66,70,245 - Cr Rs.5471/- Dr	7786429 - Dr Nil -	Reconciliation statement prepared	There are number of entries pertaining to earlier years appearing in reconciliation statement for which identification and adjustment in the books of accounts of either HO/branch are yet to be made which may have implications on financial statements.
2	Current account GMCS	-	79500 - Dr	Reconciliation statement prepared.	Entries dated 31.03.2021 appearing in the reconciliation statement for which necessary adjustment entries have not been effected in branch books.





					account reportedly for want of information which may impact on the financial statements.
3	Current account ITT & Adv ITT	-	1163075- Dr	Reconciliation statement prepared.	Entries dated 31.03.2021 appearing in the reconciliation statement for which necessary adjustment entries have not been effected in branch books of account reportedly for want of information which may impact on the financial statements.
4	Current account Orientation	-	487000- Cr	Reconciliation statement prepared.	Entries dated 31.03.2021 appearing in the reconciliation statement for which necessary adjustment entries have not been effected in branch books of account reportedly for want of information which may impact on the financial statements.
5	Current account Delhi DCO	6,49,373- Dr	207454- Cr	Reconciliation statement prepared.	There are number of entries appearing in reconciliation statement for which identification and adjustment in the books of accounts of either HO/branch are yet to be made which may have implications on financial statements.
6	Capital Grant	31594081- Cr	31594081- Dr	Reconciled	Grants received in earlier years from Head Office



					remain unadjusted reportedly for want of information which may have implications on financial statements.
7	Building Grant	3187347- Cr	3187347- Dr		Grants received in earlier years from Head Office remain unadjusted reportedly for want of information which may have implications on financial statements.

3. Compliance of statutory dues i.e.

- a. Whether TDS compliances under Income Tax Act, 1961 has been done regularly within due dates and accurately. Any delay or non-compliance or notice received w.r.t TDS has been attended and financial exposure, if any, has been adequately recorded in books of accounts.

**Auditor's Observation:**

a) TDS Deductions are done based on the applicability and remittances are made within the relevant due dates. However, as per Head Office instructions 12 employees of the branch have resigned from their posts during the year and appointed as consultants. Accordingly, the salary paid to employees from April 2022 to January 2023 is transferred from salary to consultant expenses and also remuneration for February and March 2023 is accounted under consultant expenses. Also retirement benefit in respect of these employees has been accounted at HO and paid by the branch. Consequently, TDS under section 194 C and 194 J has been reworked based on professional qualifications of consultants and deducted and deposited along with interest wherever applicable on 25<sup>th</sup> April 2023. However, revised returns are due for submission and we are informed that the filing is in process.

- b. Whether accounting at the respective unit is in compliance with CGST/SGST/IGST Act, 2017. Any delay or non-compliance in GST or notice received has been attended to and any financial exposure has been adequately recorded in books of accounts.

**Auditor's Observation:**

- Yes, the accounting is in compliance with CGST/SGST/IGST Act.
- The branch has received another notice dated 9.12.2022 from Deputy Commissioner of Central tax for conducting GST audit for the FY 2017-18 to 2020-21. We have been informed that the documents as required in the notice have been furnished.





- c. Whether provisions related to provident fund, employees' state insurance are duly complied with.

**Auditor's Observation:**

We have been informed that the provisions of PF Act and ESI are not applicable to the branch. However, the Branch is maintaining a voluntary post-employment Benefit Fund for the benefit of staff. During the year 12 out of 13 employees have resigned and reappointed as consultants and their retirement benefits have been settled.

- d. Whether provisions related to professional tax and related local labour law as applicable in concerned state are duly complied with.

**Auditor's Observation:**

The provisions related to Professional tax are generally complied with. PT dues are deposited well within the due dates.

4. Whether the concerned unit has complied with the requirements of Micro, Small and Medium Enterprises Development (MSMED), Act 2006.

**Auditor's Observation:** Yes, As informed the Branch has complied with the requirements of the Micro, small and Medium Enterprises Development (MSMED), Act 2006.

5. Whether the concerned unit is complying with the Standard Operating Procedures (SOP). Departure / noncompliance with SOP be reported.

**Auditor's observation:** The SOP Non compliances identified by us are also reported in the Internal Audit Report. We would like to draw your attention to the Annexure 1 of Internal Audit Report for the List of Non-Compliances in connection with SOP.

6. (a) Whether the concerned unit is maintaining Fixed Assets Register and assets purchased during the period are properly recorded in register.

**Auditor's Observation:** Yes, Fixed Asset Register is maintained by the branch, and the same has been updated properly

- (b) Whether Fixed Assets purchased during the year have been allotted unique identification code and same have been updated in Fixed Assets Register as well.

**Auditor's Observation:** Yes, all the Fixed Assets have unique identification number and were properly recorded in the Asset Register provided to us.



- (c) Whether fixed asset have been physically verified by management at reasonable interval and any material discrepancies noticed on such verification, if any, have been properly dealt with in the books of accounts.

**Auditor's Observation:** The fixed assets were verified by the Management in consultation with the Internal Audit team, and the no material discrepancies found in the books of accounts.

- (d) Whether the capital items purchased by concerned unit are out of the capital grant released by Head Office and only for the purpose it was sanctioned. Provide details of exception.

**Auditor's Observation:** No Capital Grants received from HO during the year.

- (e) Whether the title deeds of immovable properties are held in the name of the Institute. If not, provide the details thereof.

**Auditor's Observation:** As per the information given to us, the branch has constructed its building on the leasehold land obtained from BBMP. The lease was due for renewal in April 2021 and the branch has applied for renewal and as on the date of our report, the renewal of the same is still under process. During the financial year 2021-22 the branch has written off residual value of building. During the current financial year, the branch has written off Rs.19,15,348/- being the written down value of lease hold improvements as on 31<sup>st</sup> March 2022.

- (f) In case, the branch is not having its own premises and carrying on its activity from rented / leased premises, verify whether the Rental / Leased Expenses are within specified limit i.e.

Particulars	Maximum permissible limit	Actual Rent Paid
Branches having membership strength more than 1000	Rs.1,05,000/- per month	Rs.4,38,706/- Per Month excluding GST
Branches having membership strength 501 to 1000	Rs.75,000/- per month	
Branches having membership strength 201 to 500	Rs.52,500/- per month	
Branches having membership strength up to 200	Rs.37,500/- per month	

**Auditor's Observation:** The Branch has over 15,000 members as at the end of financial year. The monthly expenditure towards Rent & Lease is Rs. 4,38,706/- which is higher than the Maximum permissible limit of Rs. 1,05,000/- per month.





7. (a) Whether the expenditure towards Seminar & Conference are properly accounted for and met out of the source generated by way of participation fee and Seminar/CPE Grant released by Head Office.

**Auditor's Observation:**

- The expenditure towards Seminar & Conference /(Webinars) are properly accounted in Tally
- Generally, the expenses of Seminar & Conference (Webinars) are met out of the participation fee generated. The details pertaining to surplus/deficit seminar-wise has been provided in Annexure 1 and 2 of financial statements.

- (b) Whether separate ledger account is being maintained for each of the Seminar / Conference/ Workshop / any other program organized during the period.

**Auditor's Observation:** Yes, separate cost Centre is being maintained for each of the Seminar/Conference/Workshop/ any other program organized during the period in Online Tally ERP Cloud account.

- (c) Also, report whether such accounts are reconciled and not remained open for long and close within 60 days from the closure of such program.

**Auditors Observation:** Yes, as informed all program accounts are duly reconciled and generally closed before completion of 60 days from closure of such program.

- (d) Whether any non-educational program/ activity is organized by the concerned unit and expenses recorded in books of accounts. If yes, provide program wise deficit generated from non-educational program / activities and total deficit from non-self-supporting non educational program / activities.

**Auditor's Observation:**

Yes, non-educational program/activities were organized by the Branch during the period, details of which are as follows.

Sl.no	Details of the program	Total Income	Total Expenditure	Surplus/(Deficit)
		(Amt in Rs.)	(Amt in Rs.)	(Amt in Rs.)
1	Yoga Day	37,844	63,241	(25,397)
2	CA day	70,000	82,296	(12,296)
3	Teachers day	-	4,270	(4,270)
4	Student training at MLA College	93,300	81,016	12,284



5	CA Cricket Tournament	63,559	2,16,607	(1,53,048)
6	Shuttle Badminton Tournament	31,780	1,15,834	(84,055)
7	Independence Day	-	16,111	(16,111)
8	Online yoga class	19,800	14,500	5,300
9	Republic day	-	18,224	(18,224)
10	Sketching & Poetry Competition	-	9,533	(9,533)
11	Cultural Fest	-	48,285	(48,285)

(e) Whether the amount recoverable in respect of any seminars & programs (like Advertisements, Sponsorship etc.) have been recovered within reasonable time, if not, aging analysis of such recoverable be given.

**Auditor's Observation:** Yes, the amounts recoverable in respect of any Seminars & Programs (like Advertisements, Sponsorship etc.) have been recovered within reasonable time.

8. Whether the fund of the concerned unit is applied either directly or indirectly for making any payment to the members of the Managing Committee except to reimburse them any expenses incurred by them in connection with the business of the Managing Committee of concerned unit. If yes, provide details.

**Auditor's Observation:** No, the funds of the Branch have not been applied, either directly or indirectly for making any payment to the members of the Managing Committee except to the extent of reimbursement of any expenses incurred by them in connection with the business of the Managing Committee.

9. (a) Whether investments are earmarked corresponding to funds to be earmarked for specific purpose

and the same are in agreement. If not, mention reason for the same.

**Auditor's Observation:** Yes, investments are earmarked corresponding to funds to be earmarked for specific purposes and the same are in agreement.

- (b) In case, any amount is transferred from/to capital reserve, general reserve or/and earmarked funds, whether the appropriate resolution has been approved by the managing committee of the concerned unit.





**Auditor's Observation:** An amount of Rs. 31,41,994/- has been transferred from Post Employment Benefit fund towards the settlement of the retired/resigned employees and the same has been approved by the Managing Committee

(c) Whether such funds are utilized only specific purpose for which the same are appropriated.

**Auditor's Observation:** Yes, the Branch has utilized the funds only for the specific purposes for which the same are appropriated.

10. Whether concerned unit is printing and publishing newsletters except e-newsletter. The income and expenditure generated from newsletter publication during the year should be reported.

**Auditor's Observation:** The Branch continues printing and publishing of newsletters. The income generated from advertisements in publication of newsletters is Rs. 50,000/- and the expenditure of Rs. 5,282/- was incurred towards newsletter designing charges.

11. Whether all the revenue grants received and receivable as per the entitlement of the concerned unit duly accounted for in the books of accounts.

**Auditor's Observation:** Yes, all Revenue Grants received and receivable as per the entitlement of the Branch are duly accounted for in the books of accounts.

12. Whether Capital Grant is recognized only on receipt basis.

**Auditor's Observation:** The Branch has not received Capital Grants during the year. However, the grants received in earlier years remains unadjusted for want of information.



13. Whether material departure noticed while comparing the actual income and expenditure with the budget estimates approved by the Council. If yes, submit the report of the same.

**Auditor's Observation:** Based on the information provided to us, revised revenue estimates, corresponding expenses and variance is provided below.

(Amt in Rs. lakhs)


INC-EXP	Description	Revised revenue estimated 22-23	Actual revenue expenses 22-23	Variance
Contra	Commission on sale of publications-members	0	1.55	-1.55
Contra	Branch Support Service Income/Bill	40	47.12	-7.12
Contra	Revenue Grant	2	2.00	-
Contra	Member Fee Grant	14.5	14.82	-0.32
Contra	Audit fee	0.72	0.72	-
Contra	Special Grant	10	20.78	-10.78
Contra	Special Grant for Accountant	10	22.53	-12.53
Contra	Student Association Grant	5.5	5.50	-
Income	Interest on investments	50	50.40	-0.40
Income	Other Income	4	18.75	-14.75
Income	Seminar income – Members	150	155.68	-5.68
Income	Seminar Income - students	10	9.19	0.81
Income	Coaching income	50	44.89	5.11
Income	GMCS Income -1	115	112.88	2.13
Income	Orientation Income	135	186.73	-51.73
Income	ITT Income	80	93.45	-13.45
Income	Advanced ITT Income	75	51.27	23.73
Income	Members Newsletters – Branches and regions income	1	0.50	0.50
Contra	Branch Support service Expenses/Bill of supply	-40	-47.12	7.12
Expenses	Salaries	-65	-7.17	-57.83
Expenses	Rent	-57	-62.23	5.23
Expenses	AMC Charges	-2.5	-1.50	-1.00
Expenses	Professional fees	(14.00)	-70.10	56.10
Expenses	Electricity	-20	-21.42	1.42
Expenses	Diesel for generator and hiring charges	-1	-0.90	-0.10
Expenses	Water	-9	-5.77	-3.23
Expenses	Repairs and maintenance	-25	-2.78	-22.22





Expenses	Printing and stationery, Directory and Publications	-3.5	-3.75	0.25
Expenses	Travel and conveyance – all others	-1	-0.98	-0.02
Expenses	Rates and taxes	0	-2.72	2.72
Expenses	Hiring charges	-31	-35.24	4.24
Expenses	Security Charges	-41	-42.01	1.01
Expenses	Depreciation	-17	-18.57	1.57
Expenses	Mobile and Phones	-1.25	-1.20	-0.05
Expenses	Mass Mails and SMS	-1	-0.18	-0.82
Expenses	Catering expenses (not related to seminars)	-1.5	-	-1.50
Expenses	Bank Charges	-1.5	-2.05	0.55
Expenses	IT related	-5	-4.75	-0.25
Expenses	Courier Charges	0.5	-0.35	0.85
Expenses	Magazine and Periodicals	-0.25	-0.16	-0.09
Expenses	Seminar related Expenses – Members	-110	-106.18	-3.82
Expenses	Seminar related Expenses – Students	-20	-43.83	23.83
Expenses	Coaching Expenses	-50	-41.11	-8.89
Expenses	GMCS Expenses	-65	-57.17	-7.83
Expenses	Orientation Expenses	-90	-110.56	20.56
Expenses	ITT Expenses	-20	-30.20	10.20
Expenses	Advanced ITT Expenses	-19	-16.76	-2.24
Expenses	Members Newsletters – Branches and regions	-0.2	-0.05	-0.15




 <p style="text-align: center;"><b>BENGALURU BRANCH OF SIRC</b> <b>OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA</b> <b>Balance Sheet</b></p>			
(₹ in hundreds)			
Particulars	Note No.	As at March 31,	
		2023	2022
<b>I Sources of Funds</b>			
<b>i. Reserves and Earmarked Funds</b>			
General and Other Reserves	1	7,78,855	7,16,945
Earmarked Funds	2	14,74,311	14,29,867
<b>Total of Earmarked Funds</b>		<b>22,53,166</b>	<b>21,46,812</b>
<b>ii. Non-Current Liabilities</b>			
Trade Payables	3	80	22
Other Current Liabilities	4	24,557	12,505
Short Term Provisions	5	21,544	29,744
Inter-Unit Balances	6	3,81,526	3,82,908
<b>Total of Current Liabilities</b>		<b>4,27,707</b>	<b>4,25,179</b>
<b>Total</b>		<b>26,80,873</b>	<b>25,71,991</b>
<b>II Application of Funds</b>			
<b>i. Non-Current Assets</b>			
Property, Plant and Equipment	7	85,484	1,15,842
Long-Term Loans and Advances	8	26,150	26,150
<b>Total Non-Current Assets</b>		<b>1,11,634</b>	<b>1,41,992</b>
<b>ii. Current Assets</b>			
Current Investments	9	25,46,371	23,86,051
Inventories	10	645	1,143
Trade and Other Receivables	11	890	725
Cash and Cash Equivalents	12	12,479	27,596
Short-Term Loans and Advances	13	2,496	9,348
Inter-Unit Balances	14	6,358	5,136
<b>Total Current Assets</b>		<b>25,69,239</b>	<b>24,29,999</b>
<b>Total</b>		<b>26,80,873</b>	<b>25,71,991</b>
<b>Significant Accounting Policies and Notes Form Part of Financial Statements</b>	20		
<p>As per our report of even date</p> <p>For Ramraj &amp; Co Chartered Accountants FRN: 002839S</p> <p>For and on behalf of Managing Committee of Bengaluru Branch of SIRC of the Institute of Chartered Accountants of India</p> <p>CA. P Sreenivasulu Reddy Partner Membership No.: 02359</p> <p>CA. Divya S Chairperson</p> <p>CA. Manjunath M Hallur Secretary</p> <p>CA. Kavitha Paramesh Treasurer</p> <p>Date: 15-May-2023 Place: Bengaluru</p>			



**BENGALURU BRANCH OF SIRC**  
**OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
**Statement of Income and Expenditure**

		(₹ in hundreds)	
		For the year ended March 31,	
	Particulars	Note No.	
		2023	2022
I	<b>Income</b>		
	(a) Seminars and Training Programmes	15	6,55,369
	(b) Grants Received From the Head Office	16	3,58,488
	(c) Other Income	17	32,028
	<b>Total</b>		<b>71,199</b>
			<b>56,871</b>
			<b>7,88,448</b>
			<b>4,47,387</b>
II	<b>Expenditure</b>		
	(a) Seminars and Training Programmes	18	4,42,563
	(b) Depreciation and Amortisation	7	2,77,665
	(c) Other Operating Expenses	19	40,857
	<b>Total</b>		<b>2,65,400</b>
			<b>1,92,145</b>
			<b>7,26,538</b>
			<b>5,10,667</b>
	<b>Surplus/(Deficit)</b>		<b>61,910</b>
			<b>(63,280)</b>
	<b>Appropriations</b>		
	Transfer to Earmarked Funds	2	-
	<b>Balance transferred to General Reserve</b>		<b>61,910</b>
			<b>(63,280)</b>
	<b>Significant Accounting Policies and Notes Form Part of Financial Statements</b>	20	
<p>As per our report of even date</p> <p>For Ramraj &amp; Co Chartered Accountants FRN: 002839S</p> <p>CA. P Sreenivasulu Reddy Partner Membership No.: 023594</p> <p>Date: 15-May-2023 Place: Bengaluru</p> <p>For and on behalf of Managing Committee of Bengaluru Branch of SIRC of the Institute of Chartered Accountants of India</p> <p>CA. Divya S Chairperson</p> <p>CA. Manjunath M Hallur Secretary</p> <p>CA. Kavitha Paramesh Treasurer</p>			

 <b>BENGALURU BRANCH OF SIRC</b> <b>OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA</b> <b>Statement of Cash Flows</b>		
(₹ in hundreds)		
Particulars	As at March 31,	
	2023	2022
<b>A. Cash flow from operating activities</b>		
Net Surplus/(Deficit) after prior period adjustments	61,910	(63,280)
<b>Adjustments</b>		
Depreciation and Amortisation Expense	18,575	40,857
Interest income	(50,392)	(50,138)
Assets written off	2,694	14,002
<b>Operating surplus/(deficit) before working capital changes</b>	<b>32,787</b>	<b>(58,558)</b>
<b>Movements in working capital :</b>		
Increase / (decrease) in Trade payables	58	(531)
Increase / (decrease) in Other Current Liabilities	12,052	(27,530)
Increase / (decrease) in Short Term Provisions	(8,200)	557
Increase / (decrease) in Inter Unit Balances (Net)	(2,604)	32,246
(Increase) / decrease in Inventories	498	(168)
(Increase) / decrease in Trade Receivables	(163)	(325)
(Increase) / decrease in Short Term Loans & Advances	6,852	(5,409)
<b>Net surplus before tax &amp; extraordinary items</b>	<b>41,279</b>	<b>(59,719)</b>
Less: Direct taxes paid	-	-
<b>Net surplus before tax &amp; extraordinary items</b>	<b>41,279</b>	<b>(59,719)</b>
Add/less: extraordinary items	-	-
<b>Net cash generated from operating activities</b>	<b>41,279</b>	<b>(59,719)</b>
<b>B. Cash flows from investing activities</b>		
Addition of Property, Plant and Equipment	9,089	(10,432)
(Investments)/Maturity in Fixed Deposits for Earmarked funds (Net)	(44,444)	(74,604)
Interest received on SB accounts & on Fixed Deposits	50,392	50,138
Increase / (decrease) in Earmarked funds	44,444	74,604
(Increase)/decrease in Fixed Deposits	(1,15,876)	11,196
<b>Net cash generated/(used) from investing activities</b>	<b>(56,395)</b>	<b>50,902</b>
<b>C. Cash flows from financing activities</b>		
Capital Grant Received	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A + B + C)</b>	<b>(15,116)</b>	<b>(8,817)</b>
Add: Cash & Cash equivalents at the beginning of the year	27,595	36,412
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>12,479</b>	<b>27,595</b>
<b>Cash &amp; Cash equivalents at the end of the year</b>		
- Cash on Hand	65	15
- Cash at Banks	12,414	27,580
<b>Total</b>	<b>12,479</b>	<b>27,595</b>
<b>Significant Accounting Policies and Notes Form Part of Financial Statements</b>	<b>20</b>	
<p>As per our report of even date</p> <p>For Ramraj &amp; Co Chartered Accountants FRN: 002839S</p> <p>CA. P. Sreenivasulu Reddy Partner Membership No.: 023594</p> <p>Date: 15-May-2023 Place: Bengaluru</p> <p>For and on behalf of Managing Committee of Bengaluru Branch of SIRC of the Institute of Chartered Accountants of India</p> <p>CA. Divya S Chairperson</p> <p>CA. Manjunath M Hallur Secretary</p> <p>CA. Kavitha Paramesh Treasurer</p>		



BENGALURU BRANCH OF SIRC OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA		
Notes forming part of Balance Sheet		
(₹ in hundreds)		
Particulars	As At March 31,	
	2023	2022
<b>NOTE :1</b>		
<b>General And Other Reserves</b>		
<b>General Reserves</b>		
Opening Balance	7,16,673	7,79,953
Add: Transfer from Earmarked Funds	-	-
Add: Surplus/(Deficit) for the year	61,910	-63,280
<b>Total A)</b>	<b>7,78,583</b>	<b>7,16,673</b>
<b>Other Reserves</b>		
<b>Total (B)</b>	<b>272</b>	<b>272</b>
<b>Total (A+B)</b>	<b>7,78,855</b>	<b>7,16,945</b>
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For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]*  
Chairperson

*[Signature]*  
Secretary

*[Signature]*  
Treasurer



BENGALURU BRANCH OF SIRC OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA					
Notes forming part of Balance Sheet					
(₹ in hundreds)					
Note - 2- Earmarked Funds					
Particulars	As At 1st April 2022	Additions	Income	Deductions	As At 31st March 2023
<b>ENDOWMENT FUNDS</b>					
Visweshwaraiah Prize Fund	2,151	-	119	-	2,269
Guruprasad Prize Fund	1,193	-	66	-	1,259
Bhanumathi Prize Fund	279	-	15	-	295
Seetharamaiah Prize Fund	2,923	-	161	-	3,084
<b>TOTAL (A)</b>	<b>6,546</b>	<b>-</b>	<b>361</b>	<b>-</b>	<b>6,907</b>
<b>DESIGNATED FUNDS</b>					
Study Circle Series Fund	22,506	-	1,242	-	23,749
CA Student Education Fund	5,594	-	255	-	5,849
Building Maintenance Fund	3,62,876	-	19,913	-	3,82,789
Library Corpus Fund	18,039	-	996	-	19,035
Fixed Asset Acquisition Fund	8,48,940	-	45,769	-	8,94,709
ITT Reserve Fund	1,33,946	-	7,328	-	1,41,274
Post Employment Benefits Fund	31,420	-	-	31,420	-
<b>TOTAL (B)</b>	<b>14,23,321</b>	<b>-</b>	<b>75,503</b>	<b>31,420</b>	<b>14,67,404</b>
<b>GRAND TOTAL (A) + (B)</b>	<b>14,29,867</b>	<b>-</b>	<b>75,864</b>	<b>31,420</b>	<b>14,74,311</b>




For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]*  
Chairperson

*[Signature]*  
Secretary

*[Signature]*  
Treasurer

 <p style="text-align: center;"><b>BENGALURU BRANCH OF SIRC</b> <b>OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA</b></p> <p style="text-align: center;"><b>Notes forming part of Balance Sheet</b></p>		
	(₹ in hundreds)	
	As At March 31,	
Particulars	2023	2022
<b>NOTE :3</b>		
<b>Trade Payables</b>		
Rent, Telephone, Electricity & Water Charges Payable	-	13
Repairs & Maintenance Payable	80	9
	<b>80</b>	<b>22</b>
<b>NOTE :4</b>		
<b>Other Current Liabilities</b>		
<b>Fee received in Advance</b>		
Coaching Class Fees	15,341	8,611
Members Seminar Fees	933	840
<b>Statutory Dues</b>		
TDS & TCS Payable	5,601	2,825
Professional Tax	-	26
GST (Net off Output & Input GST)	2,282	-
<b>Other Liabilities</b>		
Refund Due to Members	173	174
Others	227	30
	<b>24,557</b>	<b>12,505</b>
<b>NOTE :5</b>		
<b>Short Term Provisions</b>		
Expenses Payable	21,543	11,970
Employee Benefits	0	17,774
	<b>21,544</b>	<b>29,744</b>
<b>NOTE :6</b>		
<b>Inter-Unit Balances</b>		
Capital Grant Received	3,15,941	3,15,941
Building Grant	31,873	31,873
HO Current Account	33,712	35,094
	<b>3,81,526</b>	<b>3,82,908</b>
<b>NOTE :8</b>		
<b>Long Term Loans and Advances</b>		
Rent Deposit-Reading Room	3,080	3,080
Rent Deposit-Race Course Road	12,618	12,618
Rent Deposit-Bengaluru South ITT Center	6,400	6,400
Deposit with BESCOM	4,051	4,051
	<b>26,150</b>	<b>26,150</b>

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]*

Chairperson

*[Signature]*

Secretary

*[Signature]*

Treasurer





**BENGALURU BRANCH OF SIRC  
OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
Notes forming part of Balance Sheet

**NOTE - 7 - Property, Plant and Equipment**


**(₹ in hundreds)**

Particulars	WDV As AT 1st April 2022	Additions	Deletions/ Write off	Total	Depreciation	WDV As AT 31st March 2023
<b>A.PROPERTY, PLANT &amp; EQUIPMENT:</b>						
01. Leasehold Improvements	19,153	-	19,153	-	-	-
02. Electrical Installations & Fixtures	9,788	-	2,021	7,767	974	6,793
03. Computers	12,734	-	7	12,727	7,638	5,089
04. Air Conditioners	4,762	3,243	468	7,536	952	6,584
05. Furniture & Fixtures	38,446	-	25	38,421	3,844	34,577
06. Lift	6,944	-	-	6,944	694	6,250
07. Office Equipment	24,014	6,360	173	30,202	4,011	26,191
08. Library Books	-	461	-	461	461	-
<b>TOTAL</b>	<b>1,15,842</b>	<b>10,064</b>	<b>21,847</b>	<b>1,04,059</b>	<b>18,575</b>	<b>85,484</b>
<b>PREVIOUS YEAR</b>	<b>1,60,269</b>	<b>10,432</b>	<b>14,002</b>	<b>1,56,699</b>	<b>40,857</b>	<b>1,15,842</b>



For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* *[Signature]* *[Signature]*  
Chairperson Secretary Treasurer

 <b>BENGALURU BRANCH OF SIRC</b> <b>OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA</b>		
<b>Notes forming part of Balance Sheet</b>		
<b>(₹ in hundreds)</b>		
<b>As At March 31,</b>		
<b>Particulars</b>	<b>2023</b>	<b>2022</b>
<b>NOTE :9</b>		
<b>Current Investments</b>		
Fixed Deposits-Earmarked Investments	14,74,311	14,29,867
Fixed Deposits-Other Investments	10,72,059	9,56,184
	<b>25,46,371</b>	<b>23,86,051</b>
<b>NOTE :10</b>		
<b>Inventories</b>		
Stationery	645	1,143
	<b>645</b>	<b>1,143</b>
<b>NOTE :11</b>		
<b>Trade and Other receivables</b>		
Seminar Receivables	658	725
Other Receivables	232	-
	<b>890</b>	<b>725</b>
<b>NOTE :12</b>		
<b>Cash and Cash Equivalents</b>		
Cash On Hand	65	15
Balances with Banks	12,414	27,580
	<b>12,479</b>	<b>27,596</b>
<b>NOTE :13</b>		
<b>Short Term Loans and Advances</b>		
Prepaid Expenses	1,685	7,117
Advance to Staff	-	1,433
Input Tax Credit	-	635
Advances to Vendors	810	163
	<b>2,496</b>	<b>9,348</b>
<b>NOTE :14</b>		
<b>Inter-Unit Balances</b>		
ICAI Current Account-SIRC	55	-
ICAI Current Account-Branches	6,303	5,136
	<b>6,358</b>	<b>5,136</b>



For **BENGALURU BRANCH OF SIRC OF**  
The Institute of Chartered Accountants of India



  
 Chairperson      Secretary      Treasurer



**BENGALURU BRANCH OF SIRC  
OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
**Notes forming part of statement of Income and Exenditure**

(₹ in hundreds)

Particulars	For the year ended March 31,	
	2023	2022
<b>NOTE :15</b>		
<b>Seminars and Training Programmes</b>		
Members' Seminars	1,56,968	47,104
Orientation Classes	1,86,725	1,19,835
ITT and Advanced ITT Income	1,44,716	75,325
GMCS Course	1,12,875	68,010
Coaching Classes	44,891	47,466
Students' Seminars	9,194	749
	<b>6,55,369</b>	<b>3,58,488</b>
<b>NOTE :16</b>		
<b>Grants Received From Head Office towards</b>		
Staff and Administrative Expenses	19,119	17,743
One Day Seminars	2,953	1,150
Students' Activities	26,285	5,500
Career Counselling	13,524	7,635
	<b>61,880</b>	<b>32,028</b>
<b>NOTE :17</b>		
<b>Other Income</b>		
Interest on Fixed Deposits	47,785	48,375
Interest on SB Accounts	2,606	1,762
E-Newsletter	500	1,715
Sale of Scrap	1,552	1,132
Library ID Card Income	143	106
Liability no longer required written back (Refer Note 5)	17,774	-
Prior Period Income ( Refer Note 2 )	656	3,485
Miscellaneous Income	181	296
	<b>71,199</b>	<b>56,871</b>
<b>NOTE :18</b>		
<b>Seminars And Training Programmes</b>		
Members' Seminars	1,06,184	32,890
Orientation Classes	1,10,559	69,372
ITT and Advanced ITT Expenses	83,708	78,651
GMCS Course	57,167	34,425
Coaching Classes	41,111	55,432
Students' Seminars	34,471	1,609
Career Counselling	9,363	5,287
	<b>4,42,563</b>	<b>2,77,665</b>
<b>NOTE :19</b>		
<b>Other Operating Expenses</b>		
Audit Fee	934	720
Rent	41,494	37,201
Electricity and Water Charges	22,988	12,312
E-Newsletter Design Charges	53	169
Rates and Taxes	92	2,631
Repairs and Maintenance	8,977	2,902
Security and Housekeeping Charges	26,407	19,049
Staff Salaries	4,287	45,267
Manpower and Consultancy Charges	88,666	22,564
Professional Charges	17,251	13,655
Printing and Stationery	3,757	864
Postage, Courier and Communication	2,475	2,711
Travel and Conveyance	985	1,420
Magazines and Periodicals	160	36
Office and Admin Expenses	14,136	8,730
Website Development and Maintenance Charges	3,998	6,492
Merit Scholarship	4,225	-
Prior Period Expenses ( Refer Note-2 of Notes forming part of accounts)	19,770	238
Assets Written Off	2,694	14,002
Bank Charges	2,053	1,180
	<b>2,65,400</b>	<b>1,92,145</b>



For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

Chairperson Secretary Treasurer



**BENGALURU BRANCH OF SIRC OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

**NOTE: 20**

**Significant Accounting Policies and Notes Forming Part of Accounts for The Year Ended 31<sup>st</sup> March 2023**

**A. BACKGROUND**

The Bengaluru Branch is the largest branch of The Institute of Chartered Accountants of India (New Delhi), established on 1st April 1962 and is a unique, most vibrant & dynamic branch in the Country catering to the needs of more than 15,000 members and 35,000 students. The Branch is part of Southern India Regional Council, Chennai (SIRC) and functions under the guidelines of the Institute of the Chartered Accountants of India, New Delhi ("The Head Office" or "HO").

**B. SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis for preparation of financial statements:**

The financial statements comprising Balance Sheet, Statement of Income and Expenditure and Statement of Cash Flows together with Notes are prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with applicable Accounting Standards issued by The Institute of Chartered Accountants of India and other pronouncements issued by the Institute of Chartered Accountants of India. The financial statements are prepared on going concern, under the historical cost convention and on accrual basis unless otherwise stated. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, unless stated otherwise.

**b. Inventories:**

Stock of stationery, mementos and gift vouchers are maintained at cost.

**c. Revenue Recognition:**

**1. Income from Seminars and Training Programs:**

- Income from Seminars is recognized on completion of the programmes.
- Income from ITT, Advanced ITT, GMCS and Orientation Courses are recognized on completion of batches as per the completion report of the Head Office.
- Income from Coaching Classes of the students are recognized based on the number of hours of the classes conducted.

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* *[Signature]* *[Signature]*  
Chairperson Secretary Treasurer



Financial Statements 2022-23



**2. Income from Interest:**

- Interest on fixed deposits with banks is accounted for at the rates applicable to each such deposit.
- Income from earmarked investments of specific funds is credited to the respective earmarked fund account.

**d. Property, Plant and Equipment:**

1. Property, Plant and Equipment are stated at written down value after providing for depreciation.
2. Depreciation is provided at the following rates, as approved by the Head Office, based on the useful life of the respective assets.

Asset Category	Depreciation Rate (%)
Buildings	5%
Air-Conditioner and Office Equipment	15%
Lifts, Electrical Installations and Furniture & Fixtures	10%
Vehicles	20%
Computers	60%
Library Books	100%

3. The lease hold assets and leasehold improvements are amortized over the useful life of the assets.
4. Depreciation on additions is provided on monthly pro-rata basis.

**e. Grants:**

1. Revenue Grants are recognized as per the approval of the Head Office.
2. Capital Grants are recognized on receipt basis as per the guidelines issued by the Head Office in this regard.

**f. Investments:**

Investments being Fixed Deposits with Banks are stated at year end value, including accrued interest.

**g. Intangible Assets:**

Intangible assets are carried at cost less accumulated amortization and impairment loss, if any. The cost of intangible assets comprises its purchase price net of any trade discounts and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities), directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, if any, attributable to acquisition of asset up to the date the asset is ready for its intended use.

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* *[Signature]*  
Chairperson Secretary Treasurer



**h. Impairments of Assets:**

1. The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at weighted cost of capital.
2. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**i. Provisions:**

- A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Branch, or is a present obligation that arises from past event but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized.
- Provision for Income-tax and other direct taxes, applicable if any, is made at Head Office.

**j. Allocation of E-Newsletter Designing Charges:**

Expenses on designing charges of the newsletter relating to Conference, Seminar, Workshops or any other event in newsletter are allocated to concerned programs.

**k. Allocation of Expenses for ITT and Advanced ITT Courses:**

The common overheads related to the ITT and Advanced ITT Courses are apportioned as training cost based on the actual utilization.

**l. Unclaimed cheques or deposits:**

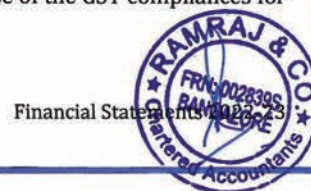
Unclaimed cheques or deposits for more than three years are transferred to Miscellaneous Income account on annual basis.

**m. Goods and Service Tax:**

1. The GST Registration has been obtained by the Head Office State wise and no individual registration has been obtained for the Branch. The Branch has complied applicable GST provisions as per the guidance from Head Office with respect to collection, reverse charge mechanism, eligible and ineligible input tax credit etc. As centralized GST registration has been obtained for the state, the nodal office complies applicable GST provisions on behalf of Head Office and all the transactions with respect to GST are finally routed through Inter head Balances.
2. The Branch has been appointed as the nodal office for the purpose of the GST compliances for all the branches of Karnataka with effect from April 2020.

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* *[Signature]* *[Signature]*  
Chairperson Secretary Treasurer





3. The branch charges GST on the events conducted for the members. However, the fee charged for the students and the events for the students are educational in nature and are exempt from the levy of GST. Hence, the ineligible input tax credit relating to the exempt services has been debited to the respective expense account.

#### **C. NOTES FORMING PART OF THE ACCOUNTS:**

**(Amount in Rs.)**

##### **1. Manpower and Consultancy Charges:**

During the year, the Head Office has introduced the Branch Human Resource Scheme and as per the Scheme and the instructions of the HO, the previous year's expenses have been regrouped/reclassified for better presentation.

Consequent to the implementation of the Branch Human Resource Scheme, the liability towards the post-employment benefits has been reversed.

##### **2. Disclosure of Prior Period Income and Expenses:**

The prior period income amounting to Rs. 65,593/- for the **FY 2022-23** comprises of the following items:

Particulars	Details
Reversal of provision made towards IPCC students' bags	An amount of Rs. 63,583/- had been created as a provision towards the expenses of IPCC students bags that will be issued for the students on completion of the batches. As few students have not claimed the bags even after the multiple follow ups, the same has been reversed.
Refund of GST Inputs	GST inputs of Rs. 2,010/- of earlier years reversed due to not reflecting in GSTR 2A and the same has been collected from the vendors during the year.

The prior period expenses amounting to Rs. 19,76,998/- for the **FY 2022-23** comprises of the following items:

Particulars	Details
Asset Written Off	The written down value of the buildings as on 31 <sup>st</sup> March 2022 amounting to Rs. 19,15,348/- has been written off and transferred to prior period expense as per the instructions of the Head Office.
Refund of student fees	An amount of Rs. 40,205/- earlier treated as income now refunded to the students of ITT,

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

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Chairperson Secretary Treasurer

Financial Statements 2022-23



	GMCS and Orientation Courses.
Reversal of Grant	A Grant amounting to Rs.15,000/- was claimed towards an event held during March 2022. Out of the above, Rs.11,010/- has been treated as Prior Period Expenses as the same was not approved by the Head Office.
GST Inputs not reflecting in GSTR 2B	GST component of Rs.10,435/- not reflecting in GSTR 2B has been expensed.

The prior period income amounting to Rs. 3,48,454/- for the **FY 2021-22** comprises of the following items:

Particulars	Details
Advanced ITT, Orientation Receipts	Advanced ITT and Orientation Receipts of Rs.1,00,000/- no more refundable as per HO confirmation.
TDS paid	TDS for the month of Sep 2021 has been utilized to the extent of Rs. 928/- from the unutilized challans of the previous years.
Refund of GST Inputs	GST inputs of Rs.2,47,526/- of earlier years reversed due to not reflecting in GSTR 2A and the same has been collected from the vendors during the year.

The prior period expenses amounting to Rs. 23,846/- for the **FY 2021-22** comprises of the following items:

Particulars	Details
TDS Receivable	TDS receivable from Bescom accounted for Rs.1,729/- but the same has been revised in Form 26AS and revised TDS credit given for only Rs.1,297/- and hence the difference of Rs. 432/- has been treated as prior period expense during the year.
GST arrears paid	GST arrears paid for the FY 2020-21 which was arisen out of the GSTR 9/9C filed for the FY 2020-21 amounting to Rs. 23,414/-

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* *[Signature]* *[Signature]*  
Chairperson Secretary Treasurer



Financial Statements 2022-23



3. The Branch Building lease was due for renewal in April 2021 and the renewal process is taken by the Managing Committee and the same is under process. Subject to the same, Leasehold Improvements amounting to Rs.19,15,348/- has been written off during the year as per the instructions of the HO.
4. Assets valued Rs. 2,69,384/- has been written off during the year as they were not in the working condition and has been scrapped.
5. Gratuity Provision of Rs.17,77,434/- which was made during earlier years no longer required has been written back during the FY 2022-23.
6. Contingent Liabilities: Nil (Previous Year: Nil)
7. Balances of the Head Office are subject to confirmation. The Branch has received Capital Grants of Rs. 3,15,94,081/- and Building Grant Rs. 31,87,347/- in the earlier years, which remains unadjusted for want of specific advice from Head Office. Inter unit balances reconciliation statements have been prepared and necessary adjustments are yet to be made in the books for which clarifications have been sought from the Head Office.
8. Amount in rupees are presented in hundreds unless specified.
9. Previous year's figures have been regrouped/ rearranged wherever necessary to make them comparable with that of the current year.

**For Ramraj & Co.**  
**Chartered Accountants**  
**FRN: 002839S**

**For and on behalf of Managing Committee of Bengaluru Branch of**  
**SIRC of the Institute of Chartered Accountants of India**

**CA. P Sreenivasulu Reddy**  
**Partner**  
**Membership No. 023594**

**CA. Divya S**  
**Chairperson**


**CA. Manjunath M Hallur**  
**Secretary**

**CA. Kavitha Paramesh**  
**Treasurer**

**Date: 15-May-2023**  
**Place: Bengaluru**



Financial Statements 2022-23

 <b>BENGALURU BRANCH OF SIRC</b> <b>OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA</b> <b>Annexure 1: Income &amp; Expense: Members' Seminars</b>				
(₹ in hundreds)				
Date	Particulars	Income	Expenses	Net Income/ (Deficit)
13-Apr-22	Study Circle Meeting on Characteristics of IPR's	19	236	(217)
16-Apr-22	Half Day Seminar on Faceless Assessments & Reassessments	671	305	366
20-Apr-22	Study Circle Meeting on Setting up of a Company in USA	58	61	(3)
22-Apr-22	Provisions relating to Partnership firms	102	191	(89)
23-Apr-22	Seminar on Complications & Issues Related to Virtual Digital Assets	436	295	141
27-Apr-22	Study Circle Meeting on Outbound Investment Policy under FEMA	43	56	(13)
30-Apr-22	Study Circle Meeting on Recent Amendments in TDS provisions	36	61	(25)
04-May-22	One Day Workshop on Co-operative Society	850	440	410
06-May-2022 to 08-May-2022	3 days Residential Program in Madikeri	6,991	6,056	935
11-May-22	Workshop on RERA	142	74	68
12-May-22	Study Circle Meeting on Issues & Controversies in Supreme Court Judgement	80	33	47
13-May-22	Study circle Meet Overview of US Tax regulations	69	73	(4)
18-May-22	Half Day Workshop on Accounting & Auditing Considerations for Crypto	116	107	9
25-May-2022 to 28-May-2022	Four Days Workshop on Addressing Notices under GST Law	1,660	616	1,044
28-May-22	Study Circle Meeting on Important Amendments applicable for FY 2021-22	30	29	1
01-Jun-22	Study Circle Meeting on Issues / Controversies of 139 (8A)	241	247	(6)
03-Jun-22	Awareness Program on MCA V3 Era	-	28	(28)
07-Jun-22	Study Circle Meeting on How CA's have benefitted from the ICAI	24	85	(61)
08-Jun-22	Study Circle Meeting on Critical aspects of Presumptive Taxation Scheme	209	183	26
09-Jun-22	Seminar on opportunities for CAs with Neo Banking	2,127	1,152	975
11-Jun-22	Study Circle Meeting on code of Ethics	39	61	(22)
15-Jun-22	Study Circle Meeting on 3rd Report of the Company Law Committee	46	141	(95)
17-June-2022 to 18-June-2022	Two Days Conference on Companies Act	2,032	906	1,126
18-Jun-22	Study Circle Meeting on New CARO reporting requirements	51	31	20
22-Jun-22	Study Circle Meeting on Inbound & Outbound Investments Structuring FEMA	72	133	(61)
24-Jun-22	Awareness Programme on Taxation	42	272	(230)
29-Jun-22	Study Circle Meeting on Discussion on 115B/BA/BBA	78	150	(72)
06-Jul-22	Study Circle Meeting on Discussion on drafting Accounting Policy	56	137	(81)
13-Jul-22	Study Circle Meeting on Works Contract under GST	15	64	(49)
19-Jul-22	One Day Seminar on Practical Issues and Key Audit	491	597	(107)
20-Jul-22	Study Circle Meeting on Recent Changes under GST 47th Council	14	53	(39)
27-Jul-22	Study Circle Meeting on Issues in u/s 45(4)	6	37	(31)
30-Jul-22	Finance For Non Finance Executive	2,700	1,410	1,290
03-Aug-22	Study Circle Meeting on Section 194R of IT Act & GST Act	62	57	5
19-Aug-2022 to 20-Aug-2022	State Level Conference	67,708	45,115	22,593
24-Aug-22	Study Circle Meeting on Future of Audit	18	58	(40)
03-Sep-22	One Day Seminar on ICDS and Tax Audit	2,065	593	1,472
07-Sep-22	Study Circle Meeting on Guidance Note on Accounting for Share Based Payments	69	82	(13)
14-Sep-22	Study Circle Meeting on Introduction to ESG	46	48	(2)
21-Sep-22	Study Circle Meeting on Important observations qualifications	163	67	96
28-Sep-22	Study Circle Meeting on E-Filing During MCA Digital Transformation	77	81	(4)
01-Oct-22	Half Day Seminar on Accounting Standards	104	91	13
08-Oct-22	Half Day Seminar on Ethical Standards	-	14	(14)
10-Oct-22	Study Circle Meeting on Discussion on UAE Corporate Tax	44	48	(4)
12-Oct-22	Half Day Mentorship Program for Young	32	114	(82)
15-Oct-22	One Day Seminar on important aspects	390	349	41
19-Oct-22	Audit Quality Maturity Model	34	58	(24)
28-Oct-22	One Day Seminar on Global Technology	663	153	510
29-Oct-22	ICAI MSME Yatra & ICAI MSME Setup	211	733	(522)
02-Nov-22	Study Circle Meeting on Social Audit New Opportunities	104	51	53
09-Nov-22	Study Circle Meeting on Writs & other Constitutional	155	69	86
12-Nov-22	Investor Awareness Programme	-	120	(120)
12-Nov-22	Virtual Practical Issues and Resolutions	202	130	72
16-Nov-22	Study Circle Meeting on Internal Audit emerging trends	150	41	109
23-Nov-22	Study Circle Meeting on Practical Issues and Resolutions	472	67	405
26-Nov-22	One Day Mega Conference on Search, Survey	1,682	1,133	549
30-Nov-22	Half Day Seminar on Code of Ethics	2,200	194	2,006
01-Dec-2022 to 31-Jan-2023	Online Yoga Classes	327	327	0
02-Dec-2022 to 03-Dec-2022	Two Days Seminar on Real Estate	7,675	6,655	1,020
09-Dec-22	Study Circle Meeting on Opportunities in Production Linked Incentives	279	73	206
13-Dec-22	Filing of GSTR 9 9C and Reconciliation	102	113	(11)



13-Dec-22	Investor Awareness Programme	-	128	(128)
14-Dec-22	Study Circle Meeting on GST Preparations for Departmental Audit	952	54	898
16-Dec-22	How to develop Professional opportunities	23	2	21
17-Dec-22	VCM on GST implications on Joint development	850	53	797
20-Dec-22	VCM on Common mistakes in Financial	832	52	780
21-Dec-22	ONE DAY TRAINING PROGRAMME FOR PEER	2,235	789	1,446
23-Dec-2022 to 24-Dec-2022	Two Days CPE Conference	17,933	8,320	9,612
27-Dec-22	VCM on Fundraising Instruments and Special Terms	265	45	220
28-Dec-22	Study Circle Meeting on Recent updates on Labour laws	759	37	722
29-Dec-22	VCM on India entry services packaging	612	62	550
04-Jan-23	Study Circle Meeting on FEMA-Foreign Direct Investment Latest	129	66	63
07-Jan-23	VCM on Audit Planning for effective Audit	155	79	76
11-Jan-23	Study Circle Meeting on Taxation of HUF Trust & Family Settlement	252	62	190
18-Jan-23	Study Circle Meeting on Budget words and phrases demystified	111	50	61
19-Jan-23	ICAI STARTUP PROGRAMME	98	88	10
25-Jan-23	Study Circle Meeting on Discussion on Business Expenditure	-	-	-
17-Jan-2023 to 18-Jan-2023	Two Days Faculty Development Programme	-	13	(13)
27-Jan-2023 to 28-Jan-2023	Two Days Residential Workshop on Addressing	3,180	2,189	991
28-Jan-23	Discussion on practical issues in the filing of ITR-7	101	9	93
02-Feb-23	Awareness programme - Analysis of Union Budget	1,277	2,275	(998)
08-Feb-23	Study Circle Meeting on Union Budget Special-PLI schemes	118	30	88
11-Feb-23	Clause by Clause Discussion on Union Budget 2023	10,980	6,715	4,265
15-Feb-23	Half a day Seminar on Discussion on Direct tax	107	18	89
15-Feb-23	Study Circle Meeting on Recent Amendments in GST law	153	157	(4)
21-Feb-23	Special Program-S Vaidyanathan Aliyar Memorial	102	37	65
22-Feb-23	Study Circle Meeting on Rule 88C of GST	103	17	86
24-Feb-23	Half a Day Seminar on Standards of Audit	104	1,621	(1,517)
01-Mar-23	Study Circle Meeting on Audit-Bridging the Expectation Gap	105	70	35
08-Mar-23	Study Circle Meeting on Practical insights into Standards	144	51	93
11-Mar-23	Breakfast Meeting Indirect tax on virtual	118	139	(22)
15-Mar-23	Study Circle Meeting TDS Updates	172	67	105
18-Mar-23	Hands on Training on Excel for Bank Branch	120	101	19
24-Mar-23	Half Day Women Centric Program	252	78	174
25-Mar-23	One Day Seminar on Bank Branch Audit	6,544	4,928	1,616
27-Mar-2023 to 29-Mar-2023	Days Workshop on Bank Branch Audit	540	488	52
<b>Total (A)</b>		<b>1,54,004</b>	<b>99,846</b>	<b>54,157</b>
<b>Other Events:</b>				
	Student Training at MLA College	933	810	123
	Yoga Day	378	632	(254)
	CA Day	700	823	(123)
	CA Cricket Tournament	636	2,166	(1,530)
	Shuttle Badminton Tournament	318	1,158	(841)
	Independence Day	-	161	(161)
	Republic Day Celebration	-	182	(182)
	GST Expenses	-	404	(404)
<b>Total (B)</b>		<b>2,965</b>	<b>6,337</b>	<b>(3,373)</b>
<b>Grand Total (A+B)</b>		<b>1,56,968</b>	<b>1,06,184</b>	<b>50,785</b>




For BANGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]*  
Chairperson

*[Signature]*  
Secretary


*[Signature]*  
Treasurer

 <b>BENGALURU BRANCH OF SIRC</b> <b>OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA</b> <b>Annexure 2: Income &amp; Expense: Students' Seminars</b>				
(₹ in hundreds)				
Date	Particulars	Income	Expenses	Net income/ (Deficit)
09-Apr-22	Meet with the Rankers	-	209	(209)
22-Apr-22	Elocution Contest	-	100	(100)
11-Jun-22	Invitation to Discuss Proposed Scheme of Education & Training (2022)	-	1,107	(1,107)
24-Jun-22	SICASA GST Workshop	-	32	(32)
02-Jul-22	Game Of Medals	1,280	2,179	(900)
15-Jul-22	SICASA TDS Workshop on Income Tax	-	30	(30)
16-Jul-22	SICASA Industrial Visit	-	128	(128)
10-Sep-22	SICASA Best Presenter & Quiz Competition	-	110	(110)
14-Oct-22	SICASA Moot Court	-	270	(270)
16-Dec-2022 to 17-Dec-2022	CA Students National Conference (including HO Grant)	26,524	25,358	1,166
30-Dec-22	CA Students National Talent Search	-	178	(178)
05-Feb-23	How to prepare for Exams	-	5	(5)
30-Mar-23	One Day Seminar on Bank Branch Audit for CA Students	192	269	(77)
	<b>Other Events for Students</b>			
	SICASA Sketching & Poetry Competition	-	95	(95)
	Teacher's Day Celebration	-	43	(43)
	Yoga Classes	198	145	53
	SICASA Cultural Fest	-	483	(483)
	SICASA Forum	-	860	(860)
	GST Expenses	-	2,870	(2,870)
	<b>Total</b>	<b>28,194</b>	<b>34,471</b>	<b>(6,276)</b>



For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* Chairperson    *[Signature]* Secretary    *[Signature]* Treasurer

 <b>BENGALURU BRANCH OF SIRC</b> <b>OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA</b> <b>Annexure 3: One Day Seminar Grant</b>	
(₹ in hundreds)	
Particulars	Amount
Vaidhyanath Aiyar Memorial Lecture Grant	34
Investor Awareness Program Grant	248
Corporate Law Grant	50
Student Seminar Grant	1,107
Bank Branch Audit Seminar Grant	1,514
<b>Total</b>	<b>2,953</b>



For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* Chairperson    *[Signature]* Secretary    *[Signature]* Treasurer



**BENGALURU BRANCH OF SIRC  
OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA  
Annexure 4**

(₹ in hundreds)	
Particulars	Amount
<b>ORIENTATION CLASSES INCOME</b>	
211th Batch of ICITSS OC income	2,655
212th Batch of ICITSS OC income	2,675
283rd Batch of ICITSS OC income	2,250
284th Batch of ICITSS OC income	2,295
285th Batch of ICITSS OC income	2,205
286th Batch of ICITSS OC income	1,665
287th Batch of ICITSS OC income	2,160
288th Batch of ICITSS OC income	2,070
289th Batch of ICITSS OC income	2,205
290th Batch of ICITSS OC income	2,250
291st Batch of ICITSS OC income	2,250
292nd Batch of ICITSS OC income	2,250
293rd Batch of ICITSS OC income	2,205
294th Batch of ICITSS OC income	2,205
295th Batch of ICITSS OC income	2,250
296th Batch of ICITSS OC income	2,250
297th Batch of ICITSS OC income	2,205
298th Batch of ICITSS OC income	1,665
299th Batch of ICITSS OC income	2,250
300th Batch of ICITSS OC income	2,250
301st Batch of ICITSS OC income	2,205
302nd Batch of ICITSS OC income	2,070
303rd Batch of ICITSS OC income	2,980
304th Batch of ICITSS OC income	2,475
305th Batch of ICITSS OC income	2,990
306th Batch of ICITSS OC income	3,250
307th Batch of ICITSS OC income	3,185
308th Batch of ICITSS OC income	3,250
309th Batch of ICITSS OC income	2,990
310th Batch of ICITSS OC income	3,165
311th Batch of ICITSS OC income	3,230
312th Batch of ICITSS OC income	3,185
313th Batch of ICITSS OC income	3,185
314th Batch of ICITSS OC income	3,185
315th Batch of ICITSS OC income	3,185
316th Batch of ICITSS OC income	3,315
1st Batch of ICITSS OC income	3,250
2nd Batch of ICITSS OC income	3,165
3rd Batch of ICITSS OC income	3,185
4th Batch of ICITSS OC income	3,185
5th Batch of ICITSS OC income	3,250
6th Batch of ICITSS OC income	3,230
7th Batch of ICITSS OC income	3,250
8th Batch of ICITSS OC income	3,250
9th Batch of ICITSS OC income	2,990
10th Batch of ICITSS OC income	3,165
11th Batch of ICITSS OC income	3,185
12th Batch of ICITSS OC income	3,120
13th Batch of ICITSS OC income	3,185
14th Batch of ICITSS OC income	3,230
15th Batch of ICITSS OC income	3,250
16th Batch of ICITSS OC income	3,250
17th Batch of ICITSS OC income	3,055
18th Batch of ICITSS OC income	3,185
19th Batch of ICITSS OC income	3,185
20th Batch of ICITSS OC income	3,250
21st Batch of ICITSS OC income	3,230

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

Chairperson Secretary Treasurer



22nd Batch of ICITSS OC income	3,250
23rd Batch of ICITSS OC income	3,250
24th Batch of ICITSS OC income	2,210
25th Batch of ICITSS OC income	2,925
26th Batch of ICITSS OC income	1,885
27th Batch of ICITSS OC income	2,925
28th Batch of ICITSS OC income	3,185
29th Batch of ICITSS OC income	2,340
30th Batch of ICITSS OC income	2,470
31st Batch of ICITSS OC income	3,185
<b>Total</b>	<b>1,86,725</b>
<b>ITT &amp; AdvancedD ITT INCOME</b>	
1034th Batch of ITT Income	890
1035th Batch of ITT Income	868
1036th Batch of ITT Income	935
1037th Batch of ITT Income	868
1038th Batch of ITT Income	1,090
1039th Batch of ITT Income	1,113
1040th Batch of ITT Income	1,001
1041st Batch of ITT Income	556
1042nd Batch of ITT Income	645
1043rd Batch of ITT Income	490
1044th Batch of ITT Income	534
1045th Batch of ITT Income	467
1046th Batch of ITT Income	1,001
1047th Batch of ITT Income	1,001
1048th Batch of ITT Income	979
1049th Batch of ITT Income	1,001
1050th Batch of ITT Income	1,113
1051st Batch of ITT Income	1,090
1052nd Batch of ITT Income	979
1053rd Batch of ITT Income	2,070
1054th Batch of ITT Income	2,050
1055th Batch of ITT Income	1,628
1056th Batch of ITT Income	2,070
1057th Batch of ITT Income	1,141
1058th Batch of ITT Income	994
1059th Batch of ITT Income	1,755
1060th Batch of ITT Income	803
1061st Batch of ITT Income	1,394
1062nd Batch of ITT Income	1,437
1063rd Batch of ITT Income	1,859
1064th Batch of ITT Income	1,141
1065th Batch of ITT Income	1,986
1066th Batch of ITT Income	1,901
1067th Batch of ITT Income	1,608
1st Batch of ITT Income	1,690
2nd Batch of ITT Income	1,924
3rd Batch of ITT Income	1,901
4th Batch of ITT Income	1,563
5th Batch of ITT Income	1,901
6th Batch of ITT Income	1,755
7th Batch of ITT Income	1,374
8th Batch of ITT Income	1,881
9th Batch of ITT Income	1,859
10th Batch of ITT Income	1,901
11th Batch of ITT Income	1,861
12th Batch of ITT Income	1,901
13th Batch of ITT Income	1,901
14th Batch of ITT Income	1,944
15th Batch of ITT Income	1,775
16th Batch of ITT Income	1,670
17th Batch of ITT Income	1,690

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* *[Signature]* *[Signature]*  
Chairperson Secretary Treasurer





18th Batch of ITT Income	1,732
19th Batch of ITT Income	1,901
20th Batch of ITT Income	1,901
21st Batch of ITT Income	2,028
22nd Batch of ITT Income	2,113
23rd Batch of ITT Income	1,690
24th Batch of ITT Income	1,924
25th Batch of ITT Income	1,732
26th Batch of ITT Income	1,817
27th Batch of ITT Income	1,901
28th Batch of ITT Income	1,859
31st Batch of ITT Income	1,901
163rd Batch Advanced ITT Income	1,121
164th Batch Advanced ITT Income	949
165th Batch Advanced ITT Income	1,150
166th Batch Advanced ITT Income	1,121
167th Batch Advanced ITT Income	1,150
168th Batch Advanced ITT Income	1,121
169th Batch Advanced ITT Income	1,150
170th Batch Advanced ITT Income	1,294
171st Batch Advanced ITT Income	1,150
172nd Batch Advanced ITT Income	1,294
173rd Batch Advanced ITT Income	1,265
174th Batch Advanced ITT Income	1,150
175th Batch Advanced ITT Income	1,150
176th Batch Advanced ITT Income	1,093
177th Batch Advanced ITT Income	2,085
178th Batch Advanced ITT Income	1,090
179th Batch Advanced ITT Income	906
180th Batch Advanced ITT Income	1,999
181st Batch Advanced ITT Income	1,305
182nd Batch Advanced ITT Income	2,028
183rd Batch Advanced ITT Income	2,048
1st Batch Advanced ITT Income	2,243
2nd Batch Advanced ITT Income	2,125
3rd Batch Advanced ITT Income	2,194
4th Batch Advanced ITT Income	2,145
5th Batch Advanced ITT Income	1,950
6th Batch Advanced ITT Income	2,145
7th Batch Advanced ITT Income	2,243
8th Batch Advanced ITT Income	2,145
9th Batch Advanced ITT Income	2,125
10th Batch Advanced ITT Income	2,194
11th Batch Advanced ITT Income	2,145
<b>Total</b>	<b>1,44,716</b>

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*P. S. R.* *M. S. R.*  
Chairperson Secretary Treasurer




<b>GMCS COURSE INCOME</b>	
15th Weekend Batch of Advanced ICITSS MCS Income	2,160
16th Weekend Batch of Advanced ICITSS MCS Income	1,935
17th Weekend Batch of Advanced ICITSS MCS Income	3,185
1st Weekend Batch of Advanced ICITSS MCS Income	3,100
2nd Weekend Batch of Advanced ICITSS MCS Income	3,055
216th Batch of Advanced ICITSS MCS Income	2,250
217th Batch of Advanced ICITSS MCS Income	2,250
218th Batch of Advanced ICITSS MCS Income	2,160
219th Batch of Advanced ICITSS MCS Income	2,115
220th Batch of Advanced ICITSS MCS Income	2,250
221st Batch of Advanced ICITSS MCS Income	2,205
222nd Batch of Advanced ICITSS MCS Income	1,350
223rd Batch of Advanced ICITSS MCS Income	2,205
224th Batch of Advanced ICITSS MCS Income	2,205
225th Batch of Advanced ICITSS MCS Income	1,485
226th Batch of Advanced ICITSS MCS Income	2,250
227th Batch of Advanced ICITSS MCS Income	1,890
228th Batch of Advanced ICITSS MCS Income	2,045
229th Batch of Advanced ICITSS MCS Income	1,170
230th Batch of Advanced ICITSS MCS Income	2,070
231st Batch of Advanced ICITSS MCS Income	1,710
232nd Batch of Advanced ICITSS MCS Income	2,320
233rd Batch of Advanced ICITSS MCS Income	1,195
234th Batch of Advanced ICITSS MCS Income	1,345
235th Batch of Advanced ICITSS MCS Income	3,185
236th Batch of Advanced ICITSS MCS Income	910
237th Batch of Advanced ICITSS MCS Income	3,250
238th Batch of Advanced ICITSS MCS Income	2,405
239th Batch of Advanced ICITSS MCS Income	3,165
240th Batch of Advanced ICITSS MCS Income	3,185
241st Batch of Advanced ICITSS MCS Income	2,990
1st Batch of Advanced ICITSS MCS Income	3,250
2nd Batch of Advanced ICITSS MCS Income	3,185
3rd Batch of Advanced ICITSS MCS Income	2,470
4th Batch of Advanced ICITSS MCS Income	1,995
5th Batch of Advanced ICITSS MCS Income	2,905
6th Batch of Advanced ICITSS MCS Income	2,990
7th Batch of Advanced ICITSS MCS Income	3,120
8th Batch of Advanced ICITSS MCS Income	3,055
9th Batch of Advanced ICITSS MCS Income	3,185
10th Batch of Advanced ICITSS MCS Income	2,210
11th Batch of Advanced ICITSS MCS Income	2,535
12th Batch of Advanced ICITSS MCS Income	2,600
13th Batch of Advanced ICITSS MCS Income	2,470
14th Batch of Advanced ICITSS MCS Income	3,165
15th Batch of Advanced ICITSS MCS Income	2,015
16th Batch of Advanced ICITSS MCS Income	2,730
<b>Total</b>	<b>1,12,875</b>
<b>INCOME FROM COACHING CLASSES</b>	
CPT Coaching Class Income	17,957
IPCC Coaching Class Income	25,522
Final Coaching Class Income	1,412
<b>Total</b>	<b>44,891</b>

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

*[Signature]* *[Signature]* *[Signature]*  
Chairperson Secretary Treasurer





 <b>BENGALURU BRANCH OF SIRC OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA Annexure 5</b>	
(₹ in hundreds)	
Particulars	Amount
<b>ORIENTATION CLASSES EXPENSES</b>	
Faculty Honorarium	79,555
Venue Charges	304
Conveyance	12
Printing & Stationery (Includes IPCC bags)	12,453
Catering Charges	18,235
<b>Total</b>	<b>1,10,559</b>
<b>ITT &amp; ADVANCED ITT EXPENSES</b>	
Rent	20,734
Faculty Charges	28,146
Security & Housekeeping	8,342
Electricity & Water	4,205
Catering Charges	17,658
Repairs & Maintenance	3,467
Venue Charges	1,156
<b>Total</b>	<b>83,708</b>
<b>GMCS COURSE EXPENSES</b>	
Faculty Honorarium	45,827
Catering Charges	10,548
Venue Charges	29
Misc Expenses	506
Conveyance	5
Printing & Stationery	252
<b>Total</b>	<b>57,167</b>
<b>EXPENSES TOWARDS COACHING CLASSES</b>	
Faculty Honorarium	38,362
Printing & Stationery	2,698
Brochure Expenses	42
Misc Expenses	9
<b>Total</b>	<b>41,111</b>

For BENGALURU BRANCH OF SIRC OF  
The Institute of Chartered Accountants of India

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Chairperson

*[Signature]*

Secretary

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Treasurer



## RESTRICTED STOCK UNITS (RSUS) - THE WHY, WHAT AND HOW...

CA. Shravan Guduthur



### Introduction

RSUs, which stand for Restricted Stock Units, are a mode of compensation to employees of an organisation whose value is equal to that organisation's common stock. Though the concept of RSUs existed for more than 2 decades, we are now seeing more and more Companies, especially MNCs, adopt this method of incentivising employees, in the recent years. While RSUs are targeted primarily towards encouraging retention of skilled and talented employees in the organisation, they also incentivise employees in sync with the growth of the organisation. RSUs granted to Indian employees could be units of their employing entity in India or its holding foreign company / group company.

The RSU Grant Agreement or a RSU Grant Plan is the formal document outlining the grant of a vested interest in the stock of the Company to its employees, which is awarded at a specified time in the future, according to the plan's vesting schedule.

#### *How does it work?*

Companies grant RSUs to its employees which will be allotted to them on a future vesting date after satisfying the vesting conditions laid out in the Agreement. These vesting conditions can be in relation to passage of time eg. RSUs vesting after completion of 5 years of employment with the Company, or they can be in relation to performance eg. RSUs vesting post achieving defined performance milestones such as sales, etc.

Unlike stock options where the employees

have an option to exercise the right to acquire the shares of the company, RSUs get vested automatically on satisfying the vesting conditions. Once they are vested, the units are converted into common shares, and they carry all the rights of existing shareholders of the Company. There is no concept of expiry of RSUs as the RSUs vest automatically on vesting date.

#### *Can the employee sell them?*

As the name says, RSUs are 'restricted' for sale until the Vesting period is complete. In other words, they can't be sold as soon as they are granted, as the employee doesn't get ownership rights on such RSUs until the Vesting conditions are satisfied as we discussed above. One has to complete the vesting schedule requirements, and then gain the right to hold or sell such shares which are underlying the RSUs. In case of partial vesting, only those which are fully vested can be sold. Post vesting, these need not necessarily be sold back to the Company, but these can be sold to any outsider too as these are in the form of shares of the Company, unless, the Agreement has any restrictions in this regard.

#### *How will the employees know the value of their RSUs?*

Unlike stock options, RSUs do not have a face value. Also, RSUs don't have any value until they are vested. That is, upon grant of RSUs, the employees would not know what the value of such RSUs is, as the same is linked to value of the Company / stock price of Company as on a future vesting

date. Post vesting, as the underlying of the RSUs is the Company's share, the value of the same can be determined as follows –

1. In case the RSUs granted are that of a Listed Company – the value of the RSUs shall be equal to the current market price of the shares on the exchange.
2. In case the RSUs granted are that of an Unlisted Company – the value of such RSUs shall be the Fair Market Value as determined by a Valuer.

#### *How to decide on selling or retaining RSUs?*

Post the vesting date, the employee can either decide to sell his stocks, which is typically done in case of a volatile market or he/she feels that the Company's stock is already at its peak, or decide to retain them if he is positive about the company's performance and thus its potential to grow in value in the future.

#### *Do you need to pay any taxes on RSUs?*

The short answer is YES! However, at the time of grant of RSUs there is no taxation in hands of employee as he doesn't own such RSUs yet. Subsequently, the employee shall have to undergo the 2 stage taxation structure under the prevalent Income Tax laws in India as explained below.

First, at time of vesting of RSUs, the Fair Market Value (FMV) of the RSUs would be added to the salary of the employee as a perquisite. This shall be chargeable to tax as per the applicable slab rates of that employee. The employee will be required to pay the tax immediately, or such tax can



also be deducted in form of proportionate units' equivalent to the tax amount. FMV shall be determined by as discussed above.

Second point of taxation is at the time of sale of such shares, which is taxed as follows –

- Short Term Capital Gain – in case of sale of RSUs within 2 years from the date of acquisition, the tax on gains (ie. difference between sale value and FMV as on date of vesting) shall be as per the slab rates of the employee.
- Long Term Capital Gain – in case of sale of RSUs after 2 years from the date of acquisition, in which case, the tax on gains shall be at 20% with indexation benefits.

In case of RSU of foreign company, certain share units may be deducted towards the taxes, and balance will be available for sale in hands of employee.

In case there is any exercise price (in rare cases), such needs to be deducted from the FMV of such RSUs as on date of vesting. Later, difference between sale price and FMV shall be considered as capital gains on sale as explained above.

What should an employee be careful about while filing the Income Tax Return?

In the ITR, the employee needs to –

1. If the RSUs allotted are that of a foreign company, the employee needs to disclose the same under the Foreign Assets clause in the ITR. This needs to be disclosed every year starting from the year of vesting until the year of sale. Net units with the employee, i.e. after deducting units sold to meet the related taxes, shall be disclosed here.
2. If the RSUs are sold, the employee needs to disclose the sale under the heading 'Capital Gains' and offer the same to tax as explained above.
3. In case there are any Long Term Capital Losses and / or Short Term

Capital Losses which the employee has incurred on any other investment or RSUs, then the same can be set off with Gains on sale of RSUs. Please note that, the Long Term Capital Losses can be set off only against income from Long Term Capital Gains, whereas, the Short Term Capital Losses can be set off against income from Long Term Capital Gains as well as Short Term Capital Gains. In case such set off is not sufficient, there are carry forward provisions as well for up-to 8 years. This is one way an employee can reduce the tax burden as per law.

4. In case the employee earns any Dividend from these shares, the same shall be disclosed under 'Income from Other Sources' and the employee needs to pay taxes on the same as per his applicable slab structure. The Company is bound to deduct tax at source (TDS) at the rate of 10% on dividend amounts exceeding Rs. 5,000 in a financial year, so the employee needs to consider this as well at the time of filing ITR. This information can be found in Form 26AS of the employee.
5. In case an employee is allotted RSUs of a foreign entity, which is subjected to such country's rate of tax which is higher than his effective rate of tax as applicable in India, the employee needs to claim the credit of such foreign tax at the time of filing ITR.

*Who are RSUs beneficial for – Employees or Employers?*

Providing RSUs is mutually beneficial to both the employer and employee. An employee is incentivised to stay in the organisation and also has skin in the game to work for the betterment of the Company; and for the Company, just like any other stock option plan, RSUs help

in lessening the burden on their funds through the vesting period clubbed with minimal costs associated with grant of RSUs. RSUs don't have voting rights, hence until vesting the Company need not bother about dilution of decision making and other controls that shareholders generally exercise. RSUs also have a good potential to produce a substantial income to employees. RSUs offer the necessary security for companies in retaining talented employees as they tend to stick on at-least till the vesting period is complete.

The cost to the company for issuing RSUs shall be accounted as Salary / Perquisite to employees.

*Conclusion*

As discussed above, RSUs are a win-win instrument for both the employees as well as the employers. When the RSU Plan is implemented with an objective that is in line with the ethos of the entity and also in sync with the entity's growth aspirations, these instruments provide an excellent way of compensating employees as well as building a wealth strategy.

*Declaration*

*The author hereby declares that this article on RSUs has been written by him on the basis of legal facts and contents have not been copied from anywhere except legal provisions under various enactments. Author further declares that this is the original work and any resemblance to any other work / book / article / blog is purely coincidental. Although, the author made every effort to ensure that the information in this article was correct at the time of publishing, the author does not assume, and hereby disclaim, any liability to any party for any loss / damage / disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident or any other cause.*

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## SC RULING - SECTION 70 OF THE KVAT ACT 2005

(The State of Karnataka vs M/S. Ecom Gill Coffee Trading Private Limited  
Civil Appeal No. 230 of 2023...)



CA. Annapurna D Kabra

- With the mechanism of electronic uploading, it provides a clear tracking of sales and purchase transactions which enables the Authorities in matching the details uploaded by both selling and purchase dealers which eases out in allowance of tax credit by identifying fake invoices/fake transactions, faster processing of assessments/scrutiny and easy refund claims to the dealers.
- As per section 10(4) of Karnataka VAT law '...no deduction for input tax shall be made unless a tax invoice, debit note or credit note, in relation to a sale, has been issued in accordance with section 29 of KVAT law. The Authority in many instances contends that mere submission of invoices is not enough to claim the benefit of input tax credit and the degree of proof is much more than the act of filing the Invoice copies.
- Various Courts have pronounced ruling under various State VAT Act in relation to issue, wherein purchasing dealers were disallowed input tax credit on the ground that the seller has not paid the tax collected by him from the purchaser. The selling dealer collects tax as an agent of the Government and if he makes any default to deposit the same with the treasury, then innocent purchasing dealer cannot be disallowed the claim of such tax as input tax credit.
- **In case of M/s Onyx Designs Vs the Assistant Commissioner of Commercial Taxes (Writ Petition Nos.17989 & 23971/2018 Karnataka HC)** wherein in the absence of any other allegations made against the purchasing dealer in the assessment orders, since selling dealers had not deposited the collected tax amount or some of the selling dealers had been subsequently deregistered could not be a ground to deny the input tax credit. In other words, if the selling dealer does not pay the tax or has been deregistered, the purchasing dealer cannot be denied the input tax credit. Thus, re-assessment orders and the demand notices were set aside.
- The burden of proof in case of VAT needs special elaboration. VAT is multistage collection mechanism obliges the taxpayer to prove to the satisfaction of the tax authorities that he is entitled to the credit claimed in the return. If the input tax credit is claimed, the burden of proof is on the taxpayer. The taxpayer must produce all the invoices etc and prove that the claim is correct. Therefore, taking false input tax credit by bogus invoices is the bane of VAT. Burden of proof is general concept but in fiscal law it has special application. Burden of proof can define the duty placed upon a party to prove or disprove a disputed fact, or it can define which party bears this burden. Burden of proof is a general concept in legal terms but in fiscal law relating to customs, excise, sales tax, value added tax, service tax and GST, this principle has some special application.
- **Section 70 (1)** of the KVAT Act provides *"for the purpose of payment or assessment of tax or any claim to input tax under this Act, the burden of proving the at any transaction of a dealer is not liable to tax, or any claim to deduction of input tax is correct, shall lie on such dealer"*.
- In simple words, the burden of proof as envisaged in section 70 lies on the dealer to prove that purchase is affected from genuine dealers. The onus is on the dealer to prove that input tax claim is genuine, and the tax invoices are issued by genuine dealers. When there is no proof that selling dealers have not discharged the liability either because they are fictitious/ non-existent or not dealing in the commodity, the



question of allowing Input tax credit never arises.

- In the case of VAT, the burden of proof of the input tax credit is on the dealer. In practice when dealer produces all the invoices before the tax authorities, he can be said to have discharged burden of proof. It is for the tax authorities to disprove the veracity of invoices.
- The Recent decision of Honourable Supreme Court in case of ***State of Karnataka Vs M/s Ecom Gill Coffee Trading Private Limited 230 of 2023***, held that the Authority cannot allow the input tax credit as the concerned purchasing dealers failed to prove the genuineness of the transactions and failed to discharge the burden of proof as per section 70 of the KVAT Act 2003.

#### Facts of the case

- M/s Ecom purchasing dealer purchased green coffee bean from other dealers for the purposes of further sale in exports and in domestic market.
- The Assessing Officer issued notice under section 39 of the KVAT Act, 2003 seeking furnishing of accounts, books, tax invoices etc.
- The purchasing dealer had claimed input tax credit from mainly 27 sellers and out of aforesaid 27 sellers, 6 were found to be de-registered, 3 had effected sales but did not file taxes and 6 have outrightly denied turnover nor paid taxes. Therefore, input tax credit is disallowed to the extent of Rs. 10.52 lacs.
- The High Court also held that

input tax credit is eligible to the purchasing dealer (respondent) under section 70 of the KVAT Act 2003.

#### The Submissions made on behalf of the Applicant (State of Karnataka) by learned counsel as follows:

- The Authorities have materially erred by allowing the input tax credit in favor of the respective purchasing dealers.
- The sale transactions are only paper transactions, and the registration of the sellers is cancelled, and nothing was on record that any tax was paid by the seller and accordingly the purchasing dealers shall not be entitled to Input tax credit.
- For the purposes of Section 70, the burden required to be discharged is slightly higher than showing financial transfers and should show actual movement of goods.
- Mere production of invoices or even payment to the seller by cheque cannot be said to be sufficient and may not be said to discharge the burden to claim Input tax credit to be discharged under Section 70 of the KVAT Act, 2003.
- The actual movement of goods is required to be established and proved, over and above the invoices, payment by cheques and actual payment and even the demand of tax by the seller.
- The High Court has materially erred in observing and holding that once the purchases are made by the purchasing dealer by account payee cheque, the purchasing dealer is deemed to have discharged his burden.

- The High Court has also materially erred in observing that if the seller of the goods from whom the dealer has purchased does not deposit such tax, the dealer (purchasing dealer) cannot be held liable.

- For the purposes of Input Tax Credit, the purchasing dealer must prove the actual payment of tax and actual transfer of goods and mere paper transaction is not sufficient.

#### Submission of Learned counsel appeared on behalf of Respondent (Ecom Gill Coffee Trading Private Limited):

- The purchasing dealers have discharged the burden of proof cast under Section 70 of the KVAT Act, 2003 and proved the genuineness of the transactions by producing the genuine invoices and even the payment made through cheques.
- The dealer has discharged the burden and the purchasing dealer is entitled to the input tax credit and if at all it is found that a tax is not paid by the seller, the same can be recovered from the seller.
- The purchasing dealers have discharged the burden of proof by producing the valid invoices and making the payment online to the supplier.

#### Analysis:

- The provisions of Section 70 of the Karnataka Value Added Tax Act, 2003 clearly stipulate that the burden of proving that the Input tax credit claim is correct lies upon the purchasing dealer claiming such Input tax credit. Burden of

proof that the Input tax credit claim is correct is squarely upon the dealer who must discharge the said burden.

- Mere production of the invoices or the payment made by cheques is not enough and cannot be said to be discharging the burden of proof cast under the section.
- The buyer claiming Input tax credit must prove beyond doubt the actual transaction which can be proved by furnishing the name and address of the selling dealer, details of the vehicle which has delivered the goods, payment of freight charges, acknowledgement of taking delivery of goods, tax invoices and payment particulars etc.
- Rule 27 cast an obligation on the dealers to issue tax invoice and the particulars of the tax invoice are provided under Rule 29. Merely because the tax invoice as per Rule 27 and Rule 29 might have been produced, that by itself cannot

be said to be proving the actual physical movement of the goods.

- While claiming Input tax credit as per section 70 of the KVAT Act, 2003, the purchasing dealer must prove the genuineness of the transaction and the burden is upon the purchasing dealer to prove the same while claiming Input tax credit.

**Final Verdict:**

- The Honourable Supreme Court has held that under Section 70 of the KVAT Act, 2003, a dealer claiming Input Tax credit on purchase ought to prove and establish actual physical movement of goods and genuineness of transaction with proper evidence and documentation. In view of the above and for the reasons stated above and in absence of any further cogent material like furnishing the name and address of the selling dealer, details of the vehicle which has delivered the goods, payment of freight charges,

acknowledgement of taking delivery of goods, tax invoices and payment particulars etc. and the actual physical movement of the goods by producing the cogent materials, the Assessing officer was absolutely justified in denying the Input tax credit and accordingly the respondent is not eligible for input tax credit under KVAT law.

The degree of burden of proof contemplated under section 70 of the KVAT Act cannot be enlarged beyond the scope of the said section. Therefore, the onus to prove that the tax Invoice based on which Input tax credit is claimed is bonafide and is issued by a taxable person shall lie on the purchaser under section 70 with support of proper documentations and evidence including tracing the transfer/movement of goods, payment of tax by vendor, though such specific conditions are not provided to avail input tax credit under the KVAT law.

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**BENGALURU BRANCH OF SIRC OF  
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(Set up by an Act of Parliament)

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**Schedule from: 23<sup>rd</sup> Feb. 2023 to 22<sup>nd</sup> Oct. 2023**

**Timings 06.30am to 09.30am (Monday to Saturday) 07.00am to 1.30pm (Sunday)**









**Tentative scheduled faculty may change due to non availability at that point of time**

**PRAGJNANA PRAYATHNA**

Conscious Attempts

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Now open!**

Subject and dates	Faculty name
<b>Paper -1: Accounting (Gr-1)</b>  <b>Dates: 23.02.2023 to 31.03.2023</b>	<b>CA. MURALI NAGARAJ</b> All-India Rank Holder 
	<b>CA. G. CHALAPATHI RAO</b> 
<b>Paper-2: Corporate and Other Laws</b>  <b>Dates: 01.04.2023 to 25.04.2023</b>	<b>CA. MRIDUL AGARWAL</b> 
	<b>CA ANU SHREE AGRAWAL</b> 
<b>Paper-3: Cost and Management Accounting</b>  <b>Dates: 26.04.2023 to 28.05.2023</b>	<b>CA. PUNITH KUMAR N</b> 
	<b>CA. NARENDRA KUMAR B</b> 
<b>Paper-4: Taxation - Direct Tax Laws</b>  <b>Dates: 29.05.2023 to 21.06.2023</b>	<b>CA. PRASHANTH BHARADWAJ</b> 
<b>Paper-4: Taxation - Indirect Tax Laws</b>  <b>Dates: 22.06.2023 to 05.07.2023</b>	<b>CA. VENKATA KRISHNA KOTHARI</b> 

Subject and dates	Faculty name
<b>Paper-5: Advanced Accounting</b> <b>Dates: 06.07.2023 to 14.08.2023</b>	<b>CA KAMESWARAN.S</b> 
	<b>CA. KALESHWARA PRASAD</b> 
<b>Paper-6: Auditing and Assurance</b> <b>Dates: 15.08.2023 to 06.09.2023</b>	<b>CA. VIKAS OSWAL</b> 
<b>Paper-7: Enterprise Information Systems &amp; Strategic Management</b> <b>Dates: 07.09.2023 to 30.09.2023</b>	<b>CA. ANAND P JANGID</b> 
	<b>CA. NIDHI PARAKH</b> 
<b>Paper -8: Financial Management &amp; Economics for Finance</b> <b>Dates: 01.10.2023 to 22.10.2023</b>	<b>CA. CHINMAYA HEGDE</b> <b>All-India Rank Holder</b> 
	<b>CS. KASHYAP BELLUR</b> 

Course	Fees	Timings
CA Intermediate	Rs. 18,000/- for Both Groups Rs. 10,000/- for Single Group Rs. 4,500/- for Single Subject	06.30am to 09.30am (Monday to Saturday) 07.00am to 1.30pm (Sunday)
Registration Fees - Mode of payment: Cash / Online <a href="http://www.bangaloreicai.org">www.bangaloreicai.org</a> Email: <a href="mailto:blrstudentevents@icai.org">blrstudentevents@icai.org</a> <b>Note: 1) Fees once paid will not be refunded.</b> For further details /Queries Pls call 080 - 4394 4868 /4876 Mob: 9880007904 Venue: Bengaluru Branch of SIRC of ICAI 'ICAI BHAWAN' #, 16/O, Millers Tank Bed Area, Vasanth Nagar, Bangalore - 52.		
CA. Divya S Chairperson	CA. Manjunath M. Hallur Secretary	

# One Day Workshop on **RERA**

**6** hrs  
**CPE**

Organised by **Bengaluru Branch of SIRC of ICAI**

On **Saturday, 3<sup>rd</sup> June 2023**

Venue: **S. Narayanan Auditorium, Vasanthnagar, Bengaluru**

Time: **9.30 am to 6.00 pm**

TIMINGS	TOPICS	SPEAKERS
9.30am to 10.00am	<b>Registration &amp; Networking</b>	
10.00am to 11.30am	Key Note talk  A to Z of RERA	<b>Shri. Gurijala Ravindranadha Reddy</b> , IRS (Retd.) <i>Member, Karnataka Real Estate Regulatory Authority</i> & <b>CA. Vinay Thyagaraj</b>
11.30am to 12.00 noon	<b>TEA BREAK</b>	
12.00 noon to 1.30pm	Professional Perspective and Opportunities	<b>CA. Vinay Thyagaraj</b>
1.30pm to 2.30pm	<b>LUNCH BREAK</b>	
2.30pm to 4.00pm	Interplay between RERA and IBC	<b>Adv. CA. Nipun Singhvi</b> <i>Ahmedabad</i>
4.00pm to 4.30pm	<b>TEA BREAK</b>	
4.30pm to 6.00pm	1. Legal aspects 2. Important Case Laws / Decisions	<b>Adv. E. Suhail Ahmed</b>

**CA. Divya S**  
CHAIRPERSON

**CA. Manjunath M Hallur**  
SECRETARY

BENGALURU BRANCH OF SIRC OF ICAI

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# Two Day's Conference on Recent Updates on Companies Act

Organized by **Bengaluru Branch of SIRC of ICAI**  
On **Friday & Saturday, 23<sup>rd</sup> & 24<sup>th</sup> June 2023**  
Venue: **S. Narayanan Auditorium, Vasanthnagar, Bengaluru**  
Time: **9.30 am to 6.00 pm**

**12 hrs**  
**CPE**

TIMINGS	TOPICS	SPEAKERS
<b>DAY - 1, FRIDAY 23<sup>RD</sup> JUNE 2023</b>		
9.00am to 9.30am	<b>REGISTRATION &amp; NETWORKING</b>	
9.30 am to 10.00 am	<b>INAUGURATION by the Distinguished Personality</b>	
10.00am to 11.30am	Role of Digital Transformation in Corporate Governance	<b>CA. Kamal Garg</b> <i>New Delhi</i>
11.30am to 12.00pm	<b>TEA BREAK</b>	
12.00pm to 1.30pm	Funding Compliances as per Companies Act	<b>CA. Vijay Raja</b>
1.30pm to 2.30pm	<b>LUNCH BREAK</b>	
2.30pm to 4.00pm	CSR – Act, Rules, Regulations and Compliances	<b>CA. Srilakshmi P</b>
4.00pm to 4.30pm	<b>TEA BREAK</b>	
4.30pm to 6.00pm	Audit Report formats	<b>CA. Heena Kauser A.P</b>
<b>DAY - 2, SATURDAY 24<sup>TH</sup> JUNE 2023</b>		
10.00am to 11.30am	Schedule III – Corporate Governance Vs Ease of Doing Business	<b>CA. M.P. Vijay Kumar</b> <i>Past Central Council Member ICAI Director, Sify Singapore (Pte) Limited</i>
11.30am to 12.00pm	<b>TEA BREAK</b>	
12.00pm to 1.30pm	Financial Statement Review – From the lens of a Stakeholder	<b>CA. A.M. Chinmaya</b>
1.30pm to 2.30pm	<b>LUNCH BREAK</b>	
2.30pm to 4.00pm	Issues & Compliances in Related Party Transactions	<b>CA. K.S. Ravi</b>
4.00pm to 4.30pm	<b>TEA BREAK</b>	
4.30pm to 6.00pm	CARO	<b>CA. Srihari R</b>

**CA. Divya S**  
CHAIRPERSON

**CA. Manjunath M Hallur**  
SECRETARY

BENGALURU BRANCH OF SIRC OF ICAI

**Online Registration open**

DELEGATE FEES :	For MEMBERS:	For NON MEMBERS:
<b>PHYSICAL</b>	<b>Rs. 1,700/- (Plus GST)</b>	<b>Rs. 3,400/- (Plus GST)</b>

Mode of Payment: Online / Cash / Cheque in favour of **"Bangalore Branch of SIRC of ICAI"**, payable at Bengaluru  
For Registration, click [www.bangaloreicai.org](http://www.bangaloreicai.org) | Tel: **080 43944868/876, 96069 13003**

## Study Circle Meeting

Jointly Organized with the Director of Income Tax (Intelligence and Criminal, Investigation), Bengaluru



Inauguration



Shri. Shashi Saklani, I.R.S  
Director of Income Tax



Shri. Suresh Rao, Additional Director  
of Income Tax (I&CI), Bengaluru



Mr. Prakash V Tanvashi  
Deputy Director of Income Tax  
(Intelligence & Criminal  
Investigation) Bengaluru



Felicitation to Shri. Shashi Saklani, I.R.S, Director of Income Tax



Felicitation to Shri. Suresh Rao  
Additional Director of Income Tax (I&CI), Bengaluru



Felicitation to Mr. Prakash V Tanvashi, Deputy Director of Income Tax  
(Intelligence & Criminal Investigation) Bengaluru

## Study Circle Meetings



CA. Deepak Chopra



CA. Gella Praveen Kumar

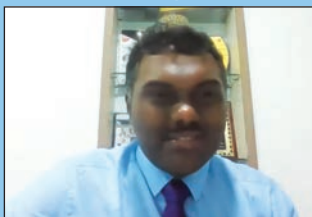


CA. Saurabh Goenka



Shri. Ram K Navaratna

## Study Circle Meetings - Virtual



CA. Narasimhan E



CA. Bimal Jain, New Delhi



CS. Nisha Raman

## Breakfast Meeting

## Past Chairmen Birthday Celebrations



CA. Shravan Guduthur



CA. Srinivasa T

## One Day Seminar on Charitable or Religious Trust or Institution



Inauguration of the Seminar by lighting the lamp



CA. Divya S, Chairperson  
Bengaluru Branch of SIRC of ICAI



Chief Guest CA. Dr. N. Suresh



CA. Manjunath M Hallur, Secretary  
Bengaluru Branch of SIRC of ICAI



Adv. G Venkatesh



CA. Annapurna D Kabra

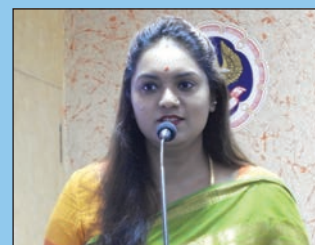


Felicitation to the Chief Guest

## One Day Workshop on Co-operative Society Audit



Inauguration of the Programme by lighting the lamp



CA. Divya S, Chairperson  
Bengaluru Branch of SIRC of ICAI



CA. B.V. Raveendranath



CA. Prakash Hegde



CA. Anil Bharadwaj



CA. Manjunath M Hallur, Secretary  
Bengaluru Branch of SIRC of ICAI