

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Bengaluru Branch of SIRC e-Newsletter

Volume 10 | Issue 10 | May 2022 | Pages : 28

English Monthly
For Private circulation only



- One Day Workshop on
Co-operative Society
4th May, 2022
- 3 DAY Residential Refresher Course
in Madikeri
6th to 8th May, 2022
- Workshop on RERA
11th May, 2022
- Study Circle Meet
Overview of US Tax regulations – as applicable to
individuals (covering FTC, 401k investments, K1s and PFICs)
13th May, 2022
- Half Day Workshop on
Accounting & Auditing Considerations for Crypto (VDA)
18th May, 2022

JNANA VIKASA

■ ENDEAVOR TO EVOLVE ■ ENGAGE TO EXCEL

CPE MEETINGS

- Four Day's Workshop on
Addressing Notices / Audits / Scrutiny /
Other Litigation matter under GST Law
25th to 28th May, 2022
- Women's CA Conference
28th May, 2022
- Study Circle Meet
Important Amendments applicable for FY 2021-22
Important Amendments applicable to Trust and
Assessment of Trust and Educational Institutions
28th May, 2022

- Study Circle Meet
Issues / Controversies of 139 (8A)
(updated Income Tax Return)
1st June, 2022
- 3 DAY Residential Refresher Course
3rd to 5th June, 2022
- CPE Meeting on ROC Notices
8th June, 2022
- Study Circle Meet
Paradigm Shift : How CA thrive in Digital change
10th June, 2022
- International Yoga Day
21st June, 2022
- International MSME day
27th June, 2022



**Dear Esteemed Professional Colleagues,
Greetings!!!**

Change is the only constant thing in the world, there is no growth without a change, and it is applicable to any field, that change will make us to be creative and attentive. We need to accept, up skill and move on according to the market requirements. We should never hesitate or resist for the changes, we should take optimistically then peace comes with in us and we will grow based on our efforts by accepting, adopting and working towards that. We need to keep developing on the rudimentary skills what we have acquired at the time of our qualification till we pen down from our professional journey. But with the only agenda that the year on year we need to upgrade our level of delivery in service superior than the previous and also keeping in mind the sustainability aspects for better future. Certainly it is a tough road to travel, but only tough roads can makes us better professional's rather easier one. So that we can show best tracks/destination to our next generation those who are following our foot prints. No one knows depth of the market, it has got its own swings. Market can also be called as creator and mentor of the world requirements on a timely basis. Market is the inclusive basket of so many factors like economical, political, cultural, spiritual, geographical and so on.

Lease Period of the Bengaluru Branch Building:

The Bengaluru Branch Building lease period of 30 years is completed and we, Managing Committees including ex-officio are working extensively to get renewal of the Bengaluru Branch Building of Vasanth Nagara with help of senior members of our profession. In this regard we met Chief Minister and senior officials of the BBMP. It is high time that Bengaluru branch has to have its own property.

Decentralized CPE Study Circle:

Branch is striving to conduct seminars/programs of professional interest for the benefit of members as a part of CPE and assist members in updating various changes happening through various modes like virtual, physical and CPE Chapters & decentralized study circles. As a part of my action plan to have decentralized CPE study circle, we had organised CPE program in Hampinagar and got a good response form the members. We are planning to have many more CPE centres in some other areas also.

Triennial Orientation Program to Managing Committee Members:

It was a good experience to attend Triennial Orientation Program for Managing Committee Members conducted for all 45 branches of Southern Region at Ramoji Film city Hyderabad on 29th and 30th April 2022. It was a good meeting of South India branch Managing Committee Members, SIRC Members and Central Council Members. It was very well organized by SIRC, extended good hospitality and coordination from Hyderabad branch Managing Committee members.

A brief updation on events carried out in April 2022

To know the significant changes in the entire process of Faceless Assessments & journey to Re-assessments, we had Half Day Seminar on Faceless Assessments & Re-assessments by **CA. H. Padamchand Khincha & CA. K.K. Chythanya**.

The must discussed area presently across the world of Virtual Digital Assets, we conducted One Day Seminar on Complications & Issues Related to Virtual Digital Assets with the theme – How to play the next big Tech bytes to Cryptocurrencies and Crypto Assets Globally by **CA. Ravi Jagannathan, CA. A. Jatin Christopher, Mr. Mathew Chacko – Partner, Spice Route Legal and the Program Co-ordinator CA. B. P. Sachin Kumar**. I thank **Chief Guest, CA. I.S. Prasad, President of FKCCI** and the Speakers who shared their expertise and experience in this Seminar.

We had a regular Study Circle Meet on Wednesday's at Branch and Tumkur covering on IPR, Setting up of a Company in USA & Taxation issues related, Outbound Investment Policy under FEMA & Recent Amendments in TDS Provisions by **Dr. P. Venkatesan, Advocate – Supreme Court of India, New Delhi, CA. Varun Nirmal, CA. Chidanand Urs & CA. Sandeep. C.**

As mentioned above, to have a decentralized CPE study circle, we had an Awareness Programme on New Provisions relating to Re-constitution & Dissolution of Partnership firms – FA 2021 by **CA. Deepak Chopra** at City Central Library, West Zone, Hampinagara, RPC Layout, Bengaluru.

Upcoming Programs for the month of May & June in Physical cum Virtual mode:

We have organized given below programs to keep you abreast with the professional updates, **One Day Workshop on Co-operative Society Audit** is being organized on **4th May 2022**.

Three Day - Residential Refresher Course" is being organized by the Bengaluru and Mangaluru Branches of SIRC of ICAI from **6th May to 8th May 2022 at The Paddington Resort, Madikeri**. A host of expert and experienced speakers will be presenting their papers of professional interests. This is a fantastic platform for knowledge sharing and networking amongst us for growth prospects.

To provide focused learning on most relevant and contemporary topics for modernizing knowledge of members of our fraternity, **Workshop on RERA** is being organized under the aegis of Continuing Professional Education Committee on **11th May 2022**.

Half Day Workshop on Accounting & Auditing Considerations for Crypto (VDA) is being organized on **18th May 2022**.

To gain experience from expert speaker's, **Four Day's Workshop on Addressing Notices / Audits / Scrutiny / Other Litigation matters under GST Law** is being organized from **25th May to 28th May 2022** including expert team of professionals panel discussion on last day.

To commemorate International Women's day on **8th March**, **One Day Women's CA Conference** is being organized on **28th May 2022**.

Apart from the above said Workshop and Conference, we have organized Study Circle Meetings on **13th** at Branch & **28th** May at Tumkur.

The detailed programs mentioned in our calendar of events are presented in this Newsletter for your reference.

Badminton Tournament:

Badminton tournament for members and Income Tax officials is being organized on **14th May 2022** at Karnataka Badminton Association, Vasanth Nagar. As usual, members will actively participate with true sportsman ship and play against Income Tax Officials.

Endeavour to Evolve

Engage to Excel

CA. Srinivasa. T

Chairman

Bengaluru Branch of SIRC of ICAI



Legendary's Corner

FUTURE OF CA PROFESSION - CHALLENGES AND OPPORTUNITIES

CA. G. Ramaswamy

Past President, ICAI



"If someone offers you an amazing opportunity and you're not sure you can do it, say Yes - then Learn how to do it later"

– Richard Branson

The quote is apt in the current scenario where there are a number of challenges that are opportunities in disguise. We as Professionals are required to keep up the pace of growing and learning with the constantly changing environment.

ICAI Vision 2030, a plan set out in the year 2011-12 "to become a World's leading accounting body, a regulator and developer of trusted and independent professionals with world class competencies in accounting, assurance, taxation, finance and business advisory services". Today, with this mission and vision set, ICAI is continuously working and will continue to do in the years to come.

Our country has emerged as one of the leading and prospect places for investments as well as for ease of doing business. With the increase in the number of startups and MSME's playing a critical role in keeping up the economic growth, the Government of India is promoting the ease of doing business in different areas. The Ministry of Corporate affairs

has recently brought in a number of changes in the Companies Act, 2013 by decriminalizing certain provisions, clarifications and amendments such as allowing companies to hold general meetings in Virtual Mode, maintain documents and various statutory reports and records in electronic form. Electronic platforms and social Medias are working at the grass root level to enhance economic growth and development. Digitization is the key to development and growth thereby paving way for new job opportunities. Moreover the increase in the use of digital payment methods like UPI, POS, and E-Wallets has become an integral part and a boost to our digital economy.

The recent crises have sparked innovation not only for the companies but also for the accounting professionals. The accounting profession has moved far beyond thereby empowering young Chartered Accountants in new ways in this digital era. Technology will only Support and not replace Accountants. However our progress is more dependent on technologies like Artificial intelligence, Block chain technology, Cyber security and Data Analytics.

In the year 2018, the Government established the **National Financial**

Reporting Authority (NFRA) as an independent regulator for the auditing profession under the companies Act, 2013. NFRA was empowered with many statutory regulations to look into the area relating to auditing and assurance standards, accounting standards as well as action against professionals. NFRA is playing as a separate regulator under the Companies Act, 2013.

Chartered Accountants Amendment Act, 2021

The accounting profession is ready to accept opportunities and challenges with the newly amended act. The Glory of this profession started in the year 1949 and travelled upon 73 Years as Accountancy profession in India. What is required today for a Chartered Accountant in India is greater than what was expected in the year of 1949. Big business schools, software consultants and technology are playing a very important role in the field of commerce, trade and industry. The marketing strategies adopted by the non accounting professionals are taking away the system of work relating to the accounting profession. So, it is the time for Chartered Accountants to perform their practice management to reality thereby reducing the gap of expectations between the profession and the stake holders. The expected

competition from the profession is the constantly changing needs and requirements from business houses; sustainable information for better decision making, enhanced strategy risk management and value based reporting system.

Now, The Chartered Accountants (Amendment) Act 2021 has been amended and approved by the Parliament on account of multiple important changes in the economic and corporate environment of the country.

The amendment has been brought in to “strengthen the disciplinary mechanism” and to ensure greater accountability and responsibility of our profession in line with global practice.

With the new regulation, ICAI now allows multi disciplinary partnership firms with other professionals. With this strategic move and initiative, ICAI is allowing the Chartered accountants to join hands with other professionals and render various kinds of services to corporate in relation to governance and compliance processes.

Action Against Firms

As per the new law the firms are subject to regulatory action by ICAI. The Councils must maintain a register of firms containing details including pendency of any actionable complaint or imposition of penalty. Fines have been increased under various clauses depending on the misconduct and if a partner or owner of a firm is repeatedly found guilty of misconduct then disciplinary action can be taken against the firm. The Act provides the mechanism for taking disciplinary actions against the members of

the Institutes who are engaged in professional or other misconduct.

Hence it is important to take precautionary measures by the partners and firms in relation to the work undertaken. Moreover there is a need to bring in more disclosure and independence for chartered accountants by the regulatory mechanism.

Hence with this current scenario for the development of the country, competition from all over the world is opening up to sustain all Indian Chartered Accountants. The Competition is encouraging in the form that at least Indian Chartered Accountants should render services globally for the future of the profession. So there is a growing need to develop and train budding professionals.

Company Law Committee Report

Everyone must be aware of the recent company law committee report wherein a strong recommendation for Joint audit as well as Forensic Audit have been proposed for certain level of Companies. It is going to be a great challenge and opportunity for the profession. There is also another set of recommendation about the auditors Independence and their appointment as Independent Director in a company. The committee also recommends streamlining the non-auditing services by the auditors to keep the independence of the auditors as prime objective.

Challenges And Road Ahead

The professionals are already imposed with the challenge of retaining clients. There is a fear in the minds of young professionals of losing work, increasing

costs and delayed payments. Moreover the expectation of at least 100 Indian CA Firms should work globally is also gaining importance due to the growth of our profession.

While there are challenges, there are various opportunities also. Consulting requires good knowledge in the emerging areas of International taxation, Valuation, Insolvency law, Information technology and cyber laws, Indirect Taxes and expertise in forensic accounting and fraud detection.

International taxation

With the clients and businesses going Global, almost all international transactions require a critical examination of taxation impact as non-compliance leads to financial damages. Consulting in this area requires good knowledge of not only relevant provisions of IT Act but also DTAA and in many cases the local laws of the corresponding foreign countries.

ICAI's Certificate Course on International Taxation is a good starting point. There will be a new opening up for the outsourcing work for Chartered Accountants also.

Valuation

With advent of IFRS and increase in transactions relating to Mergers and acquisitions, purchase & sale of brands, Technical & Financial Due Diligence review, IPOs', Valuation of financial instruments, there is a tremendous growth for professionals in this area. Where any valuation is required to be made for any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities under the



provision of Companies Act, it shall be valued by a person having such qualifications and experience and registered as a valuer. ICAI's course on valuation will give an opportunity for Chartered accountants.

Forensic accounting and fraud detection

There is an increase in cyber frauds and crimes in this growing digital era as all the business organizations are dependent on computers and internet. Hence to protect the business houses from such legal consequences and losses, the forensic accountants can look in for any fraudulent activity with their inherent investigative skill sets and protect the business and organizations.

Insolvency and Bankruptcy Code

With the increasing trend in NPA in banks and huge amount of bad loans has pushed the lenders and creditors to move to the recovery mechanism through the Insolvency and Bankruptcy Code, 2016. Apart from this the move towards the proceedings against personal guarantors in case of corporate entities is an improvement step towards personal insolvency proceeding in future. There are new opportunities opened up for our profession in this area. In future the individual insolvency cases are going to be part of the system and naturally the CA profession can play important role.

Arbitration, Mediation and Conciliation

The Courts are recommending for an alternate to quicker resolution to disputes. Legal system has opened doors for professionals in this area. With the strong skill set knowledge, preparation and communication skill,

a chartered accountant would be an effective person to act as arbitrator, mediator and conciliar. The commercial disputes are becoming impossible task for MSMEs to settle their disputes.

Information technology and cyber laws

The growing e-commerce platform is a vast area where chartered accountants can practice with the new generation audit tools and compete with other competitors in finance and accounts including global outsourcing work.

Tax Litigation

The Government is implementing tax policies in the area of GST and Income tax compliances in a very structured manner by using technology in every aspects right from initial filing compliance to concluding of final assessment in faceless proceeding. Infact even for appeals the proceedings are in faceless mode. Professional opportunities in drafting and filing appeals in the current faceless assessment regime has paved the way for the professionals to use this area and handle the complex and technical issues in a smooth manner. The very strong robust system is in place for these areas wherein CAs can take up this litigation practice with enhanced knowledge and skill.

Internal Audit

The Companies act 2013 has rightly recognized the importance of Internal audit for companies and large corporate. The best practices are important for specializing internal audit. The current development in large as well as medium corporates is to outsource the internal audit with new generation audit firms. The

growth of these firms based on their skill set technology.

There are many more areas of work for chartered accountants in public sectors, government department, and Cooperative sector also. Industry and business organizations require services in relation to tax, legal, actuarial, financial, governance etc.

Conclusion

It is now a biggest challenge to render services to clients with a broader perspective and exposure covering various areas of accounting and auditing than the prevailing traditional system. We are having rich experience of promoting good Chartered Accountants in our country. Proper education and training with current technological development will create a positive strength and help build a brand for themselves and to our profession. It is the time to identify the untapped potential opportunities and create and build a network for the future of our profession. We need to be ready to respond to the changes and grasp the opportunities on account of sustained business reforms and other reforms in laws, taxes, compliances, Finance and audits such system audits, forensic audits, specialized audits and other consultations. Moreover the government has recognized the accounting and financial services as one of the most important service sector thereby pushing the ICAI vision creation in particular.

Let's Learn and Grow together. Looking forward to the brighter future for our Profession.

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CALENDAR OF EVENTS CPE MEETINGS FOR THE MONTH OF MAY 2022

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE HOURS										
04.05.2022 Wednesday	One Day Workshop on Co-operative Society <i>Organized by : Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fees :</i> <table><tr><td rowspan="2">PHYSICAL</td><td>Members</td><td>Rs. 750/- Plus GST</td></tr><tr><td>Non Members</td><td>Rs. 1,000/- Plus GST</td></tr><tr><td rowspan="2">VIRTUAL</td><td>Members</td><td>Rs. 400/- Plus GST</td></tr><tr><td>Non Members</td><td>Rs. 600/- Plus GST</td></tr></table>	PHYSICAL	Members	Rs. 750/- Plus GST	Non Members	Rs. 1,000/- Plus GST	VIRTUAL	Members	Rs. 400/- Plus GST	Non Members	Rs. 600/- Plus GST	Physical cum Virtual Vasanthnagar Branch Premises 9.30 am to 6.00 pm	6 hrs
PHYSICAL	Members		Rs. 750/- Plus GST										
	Non Members	Rs. 1,000/- Plus GST											
VIRTUAL	Members	Rs. 400/- Plus GST											
	Non Members	Rs. 600/- Plus GST											
06.05.2022 Friday to 08.05.2022 Sunday	3 DAY Residential Refresher Course in Madikeri <i>Organized jointly with Bengaluru and Mangaluru Branches of SIRC of ICAI</i>	Venue: Paddington Resort, Madikeri	8 hrs										
11.05.2022 Wednesday	Workshop on RERA <i>Organized under the aegis of Continuing Professional Education Committee</i> <i>Hosted by: Bengaluru Branch of SIRC of ICAI</i> Latest updates on RERA including High Court and Supreme Court Judgements CA. Ramesh S Prabhu, Mumbai Latest updates on Karnataka RERA CA. Vinay T <i>Delegate Fees :</i> Members – Rs.200/- Plus GST Non Members – Rs.400/- Plus GST	Virtual 5.00 pm to 8.00 pm	3 hrs										
13.05.2022 Friday	Study Circle Meet Overview of US Tax regulations – as applicable to individuals (covering FTC, 401k investments, K1s and PFICs) CA. Amarnath Ambati <i>Delegate Fees :</i> Members – Rs.100/- Plus GST	Physical cum Virtual Vasanthnagar Branch Premises 6.00 pm to 8.00 pm	2 hrs										
18.05.2022 Wednesday	Half Day Workshop on Accounting & Auditing Considerations for Crypto (VDA) <i>Organized by : Bengaluru Branch of SIRC of ICAI</i> Accounting Considerations for Digital Assets CA. Asha M Auditing Considerations for Digital Assets CA. Shubham Bindal <i>Delegate Fees :</i> Members – Rs.200/- Plus GST Non Members – Rs.400/- Plus GST	Physical cum Virtual Vasanthnagar Branch Premises 5.00 pm to 8.15 pm	3 hrs										



CALENDAR OF EVENTS CPE MEETINGS FOR THE MONTH OF MAY & JUNE 2022

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE HOURS
25.05.2022 Wednesday to 28.05.2022 Saturday	Four Day's Workshop on Addressing Notices / Audits / Scrutiny / Other Litigation matter under GST Law Organized by : Bengaluru Branch of SIRC of ICAI Delegate Fees : Members – Rs.2000/- Plus GST Non Members – Rs.4000/- Plus GST <i>Details at Pg. No.23</i>	Physical Vasanthnagar Branch Premises 5.00 pm to 8.15 pm	12 hrs
28.05.2022 Saturday	Women's CA Conference Organized by : Bengaluru Branch of SIRC of ICAI <i>Details at Pg. No.26</i>	Physical cum Virtual Vasanthnagar Branch Premises 9.30 am to 6.00 pm	6 hrs
28.05.2022 Saturday	Study Circle Meet Important Amendments applicable for FY 2021-22 Important Amendments applicable to Trust and Assessment of Trust and Educational Institutions Delegate Fees : Members – Rs.250/- Inclusive of GST	TDCAA Premises, Near Sree Raj Theater, Sri Nagar, Tumkur 3.00 pm to 5.00 pm	2 hrs
01.06.2022 Wednesday	Study Circle Meet Issues / Controversies of 139 (8A) (updated Income Tax Return) CA. Naveen Khariwal G Delegate Fees : Members – Rs.100/- Plus GST	Physical South Bangalore 6.00 pm to 8.00 pm	2 hrs
03.06.2022 Friday to 05.06.2022 Sunday	3 DAY Residential Refresher Course in Goa Organized by : Bengaluru Branch of SIRC of ICAI <i>Details will be uploaded on website</i>	Goa	

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CALENDAR OF EVENTS CPE MEETINGS FOR THE MONTH OF MAY & JUNE 2022

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE HOURS
08.06.2022 Wednesday	CPE Meeting on ROC Notices	Physical Vasanthnagar Branch Premises	2 hrs
10.06.2022 Friday	Study Circle Meet Paradigm Shift : How Chartered Accountant thrive in Digital change CA. Anand P Jangid Delegate Fees : Members – Rs.100/- Plus GST	Physical cum Virtual Vasanthnagar Branch Premises 6.00 pm to 8.00 pm	2 hrs
21.06.2022 Tuesday	International Yoga Day Stress Free, Healthy Life through Yoga for Members & Students	Branch Premises 5.00 pm to 7.00 pm	2 hrs
27.06.2022 Monday	International MSME day <i>Organized under the aegis of</i> Committee on MSME & Start-Up, ICAI with the vision "CA Professionals & MSMEs: Self Reliant India"	Peenya Industrial Auditorium 10.00 am to 1.00 pm	3 hrs

Career Counselling Programme

Bengaluru Branch of SIRC of ICAI is inviting applications for Career Counsellors to promote CA course in Schools and Colleges.

Honorarium of Rs. 2000/- will be paid to Counsellors by Branch for per Career Counselling Session.

For Outstation Career Counselling Programme Conveyance also will be arranged by the Branch.

Kindly send your details to blrstudentevents@icai.org



ACCOUNTING AND AUDITING CONSIDERATION FOR DIGITAL ASSETS

CA. Asha M., CA. Tarvinder Singh and CA. Shubham Bindal



With the rising popularity of digital assets in recent years, there is a need to understand the accounting and auditing implications for entities dealing with these instruments. This article aims to analyse and discuss some of these implications which may be applicable to the general holders of crypto-assets and identify some challenges with respect to auditing these assets. Read on...

"Digital Asset" means a digital asset (which includes "crypto currency," or "virtual commodity", such as bitcoin, ether or NFT, which is a digital representation of value based on (or built on top of) a cryptographic protocol of a computer network.

Each type of Digital asset has different type of accounting treatment based on its features and should be analysed in detail for accounting and auditing purposes.

This article discusses guidance under various Indian Accounting Standards (Ind AS) which may be applicable to the general holders of crypto-currency, which is one of the commonly known digital asset.



Accounting considerations

What is a cryptocurrency?

The IFRS Interpretation Committee defined a cryptocurrency as a crypto-asset with all of the following characteristics: "a) a digital or virtual currency recorded on a distributed ledger that uses cryptography for security, b) not issued by a jurisdictional authority or other party, and c) does not give rise to a contract between the holder and another party".

Classification

Based on the existing accounting framework, it seems more appropriate in most cases to account for cryptocurrencies in accordance with Ind AS 38 'Intangible Assets' either at cost or at revaluation. Use of the revaluation method depends on there being an active market for the cryptocurrency in concern. In limited circumstances, it may be appropriate for an entity to account for cryptocurrency assets in accordance with the guidance set out in Ind AS 2 'Inventories'. The below table provides an overview of the various classification considerations under Ind AS for holding of cryptocurrency assets.

Standard	Categorisation	Qualifying criteria	Analysis	Acceptable under Ind AS
Ind AS 32	Cash	<ul style="list-style-type: none"> Medium of exchange Basis of measurement of transactions Legal tender backed by government 	Not a legal tender and cannot be used as a medium of exchange in most jurisdictions.	No
Ind AS 7	Cash equivalents	<ul style="list-style-type: none"> Short-term, highly liquid investments Convertible to known amounts of cash Insignificant risk of changes in value 	Cryptocurrencies are subject to high degree of price volatility and hence are not readily determinable into a fixed amount of cash.	No

Standard	Categorisation	Qualifying criteria	Analysis	Acceptable under Ind AS
Ind AS 32	Financial asset	<ul style="list-style-type: none"> Cash Equity instrument of another entity Contractual right to receive cash or another financial asset Contract to be settled in entity's own equity instruments 	Cryptocurrencies do not meet the definition of cash. It is neither an equity instrument nor contracts to be settled in equity instruments. Also, it does not give the holder any "contractual" right to receive cash or another financial asset.	No
Ind AS 16	Property, Plant and Equipment	<ul style="list-style-type: none"> Tangible items held for use in production or supply of goods or services Expected to be used for more than one period 	As cryptocurrencies do not have physical form, they are not tangible items and hence cannot be classified as property, plant and equipment.	No
Ind AS 38	Intangible Assets	<ul style="list-style-type: none"> Identifiable Non-monetary asset Lacks physical substance 	Cryptocurrency holdings are separable as they can be traded on an exchange or in peer-to-peer transactions. They lack physical substance and are non-monetary assets in nature since they are subject to significant price fluctuations.	Yes
Ind AS 2	Inventories	<ul style="list-style-type: none"> Assets held for sale In ordinary course of business 	In certain circumstances, cryptocurrencies could be held for sale in the ordinary course of business, for example, by a commodity broker-trader with the purpose of selling them in the near future and generating a profit from fluctuations in price.	Yes

Recognition and measurement

As discussed above, in most cases cryptocurrencies might be classified as an intangible asset. Further to this, Ind AS 38 "*Intangible assets*" also contains two potential accounting approaches – cost or revaluation.

Cost approach - Intangible assets are measured at cost on initial recognition and are subsequently measured at cost less accumulated amortisation and impairment losses. However, since cryptocurrencies have an indefinite useful life, it will not be amortised but tested for impairment on an annual basis, or earlier if impairment indicators exist. A decline in the quoted market price below an entity's cost can be generally viewed as an impairment indicator.

Revaluation approach – Cryptocurrencies can also be measured using the revaluation approach, provided that there should be an active market in which they are traded (which may not be the case for all cryptocurrencies). Under this approach, cryptocurrencies are required to be measured at cost on initial recognition and subsequently measured at fair value less impairment losses. The below table depicts the accounting treatment for any increase/ decrease in fair value subsequent to initial recognition.



Change in value	Step 1	Step 2
Increase	Recognise in profit and loss to the extent of reversal of any decrease recognised in profit and loss in earlier periods	Recognise revaluation reserve in other comprehensive income for remaining balance, if any.
Decrease	Reverse revaluation reserve balance, if any	Recognise the balance in profit and loss

Accounting as an inventory

If an entity is speculating on the value of a particular cryptocurrency, then it can mean that it is holding that cryptocurrency for sale in the ordinary course of business. Accordingly, the entity will need to account for its holdings of that cryptocurrency by applying requirements of Ind AS 2 i.e., at the lower of cost and net realisable value.

Some of those entities may be broker-trader if they acquire cryptocurrencies with the purpose of selling in the near future and generating a profit from fluctuations in price. In that case, the entity can measure its holdings of cryptocurrencies at fair value less cost to sell, with any subsequent fair value change accounted as fair value through P&L.

Fair value considerations

As discussed above, some cryptocurrencies can be measured at fair value or measured based on fair value (e.g., fair value less costs to sell). To determine the fair value, an “active market” needs to be present. As per Ind AS 113 (Fair value measurement), an “active market” is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 fair value hierarchy classification would be appropriate if the cryptocurrency's valuation is based on a quoted price

for the identical asset in an active market. If an entity's principal market for a cryptocurrency is not active, the measurement would be classified in level 2 or level 3 of the fair value hierarchy, depending on the nature of the adjustments made to the quoted price in the inactive market.

Entities using the fair value approach to account for cryptocurrencies need to address various issues related to tracking movements for revaluation and present them in other comprehensive income. For example, whether the measurement is to be done on an individual coin basis or based on some grouping, which exchange to be used for determining the fair value and at what time the fair value should be considered (given many exchanges operate on 24 hours a day, 7 days a week basis).

Accounting for Stablecoins

Stablecoins are typically cryptocurrencies that are pegged to a reference asset. The main difference between a stablecoin and other cryptocurrency is the mechanism designed to minimise price volatility by linking the value of the stablecoin to that of a more traditional asset such as Fiat currency. The appropriate accounting for stablecoins depends on the specific rights and obligations associated with the holding of that stablecoin, the type and nature of reference asset, especially any potential redemption rights held by the holder.

Example - Company A issues stablecoins to third party investors, which are backed by an ounce of physical gold. Any stablecoins are redeemable any time at the option of the holder for cash at the prevailing market price of the gold.

In the above case, a contract exists between Company A and any holder of stablecoins as there is an enforceable agreement between the parties on the rights and obligations associated with the stablecoins. A holder of stablecoins is contractually entitled to receive cash at the prevailing market price of the gold from Company A by exercising the redemption right. Therefore, in this case, the stablecoins may meet the definition of a financial asset under Ind AS 32 from the holder's perspective and are accounted for as a financial instrument under Ind AS 109.

However, the accounting for the stablecoins would be different, if the collateral were another type of cryptocurrency or it were only partially collateralised such that there is no cash redemption option (or no redemption option) for the holder or if the redemption is at the sole discretion of the issuer. Therefore, each and every type of stablecoin need to be analysed separately.

Auditing digital assets

As the use of digital assets proliferates, auditing them presents fresh challenges.

They require thoughtful examination of basic considerations within traditional frameworks or may even call for new standards and practices.

Auditors should appreciate the fact that each audit that includes digital assets is unique, with its own set of dynamics and challenges. As new forms of assets take centre stage, auditors must focus on adaptability as the best practice and continue to apply the best analytical thinking and enhance effective and systematic examination. As firms seek to provide audits to entities within the ecosystem, caution and consideration must be given to unique risks in the digital asset ecosystem.

As with all audits, obtaining understanding of the entity and its environment is of utmost importance. When a company holds digital assets, an added complexity may be considered and documented. In the absence of definitive answers to questions on auditing digital assets and a regulatory framework on a global scale, assessing the risks and understanding the challenges will help us tread on the right path.

Accepting and continuing engagements

The digital asset ecosystem presents unique considerations for auditors which relate to

- the pseudo-anonymous nature of the transactions presents an opportunity for illegal activities or to engage in fraud
- evaluating the blockchain protocol (such as the consensus mechanism, robustness of cryptography, external parties contributing to transactions)

Auditors play an essential role in maintaining confidence and trust in the stakeholders. We must acknowledge the ambiguities in accounting, differences in procedures executed and the evidence collected for traditional audits and auditing of digital assets.

- whether blockchain is open source or not
- whether transactions are manually initiated or executed automatically via a smart contract.

The above-mentioned unique considerations require auditors to evaluate their competence, capabilities, resources, and availability of the engagement team. The assessment of these items occurs before accepting or continuing an engagement and is meant to mitigate the risk that the firm accepts an engagement it is not capable of effectively performing. If a firm has an insufficient understanding of the industry and environment when it accepts a client and fails to recognize and address the need for additional resources or education, it will be difficult, and may not be possible, for that firm to perform an effective audit or comply with applicable professional standards.

It is equally important to evaluate the skill sets and competencies of management in the client acceptance or continuance process. It may include an evaluation of whether management has the requisite understanding of the risks, necessary controls, and understanding

of the applicable financial reporting framework. The auditors will need to assess entity's ability to identify and address risks within the underlying technology that may introduce risks of material misstatement due to errors or fraud.

Challenges while auditing digital assets

Rights and Obligations

While assessing the risks related to rights and obligations, an auditor will have to keep in mind that digital asset holdings are relatively anonymous as the keys are digitally created and are not easily linked to the owner's identity. One does not require personal information to create new addresses unlike new investment accounts that require owner identification. The auditor will have to ensure that the audit client is the rightful owner of the asset. Lack of third-party assurance reporting can increase the difficulty in assessing the risks involved. The anonymity of participants in blockchain transactions makes it difficult to identify transactions with related parties. Auditors should look for evidence that the client has established procedures for authorizing wallet opening, new private key creation, and the use of exchanges. Further, the clients should have a separation of duties between authorization, custody, and recording of such transactions.

Auditors should appreciate the fact that each audit that includes digital assets is unique, with its own set of dynamics and challenges.



Existence

One of the biggest challenges in determining existence of digital assets is verifying the number of wallets and accounts for a client at various exchanges. Traditional methods used to inspect inventory and property additions may not suffice. Auditors may not be able to confirm the balances from a third-party as these assets are maintained in a distributed ledger without a central authority. Further, keys lost or stolen can render the asset worthless, imposing an additional burden on the engagement to verifying controls on access and storage of private/public keys. Unlike in the regulated banking industry, documentation between the holder of the asset and the client may be minimal or even non-existent.

Valuation

Testing valuation of digital assets is challenging due to the lack of comparable trades and differences in pricing between buy and sell orders and amongst different exchanges. Detailed accounting records will need to be maintained to track the cost basis for impairment testing. Additionally, accounting policies used to value the assets will need to be identified and disclosed such as

- the market used in valuation
- whether there is evidence of manipulation in the market, and
- whether the market provides enough volume to assess the reliability and relevance of the pricing information.
- The volatility and the measurement consistency of asset market shall also be considered.

As the use of digital assets proliferates, auditing them presents fresh challenges. They require thoughtful examination of basic considerations within traditional frameworks or may even call for new standards and practices.

The auditor will need to examine client-level data entry integrity, access, and storage controls to ensure the accuracy of the digital asset transactions.

Completeness

While working on completeness assertion, undisclosed wallets and transactions are difficult to identify. Inactive wallet accounts that have been deactivated or deleted need to be ascertained. Delays in processing transactions due to differing exchange technology including internal controls, market volatility, blockchain consensus mechanisms, and increased volumes must be taken into consideration.

A reconciliation between the blockchain and the accounting records would tend to provide corroborative evidence to auditors and address most of the concerns above.

Disclosures

The auditor will need to assess the adequacy of the client's disclosures using principle-based accounting and white papers until a guidance is issued from standard setters around appropriate disclosures for financial statements containing digital asset transactions.

Conclusion

Blockchain is becoming increasingly

popular and so does digital assets. Every accountant and auditor will soon be dealing with different types of digital assets on a daily basis. The only way to thrive in this everchanging modern world is to stay updated. In the absence of specific guidance on accounting and auditing of these dynamic products, a professional needs to take utmost care while drawing interpretations from existing guidance available. Before making any conclusions on the accounting for such product, the accountant should obtain detailed understanding of the underlying assets and thoroughly assess the accounting implications.

Similarly, auditors play an essential role in maintaining confidence and trust in the stakeholders. We must acknowledge the ambiguities in accounting, differences in procedures executed and the evidence collected for traditional audits and auditing of digital assets. As auditors, we must apply our expertise and engage in transparent discussions regarding the audit environment to ensure a distinct audit scope and delineated audit plan and develop a comprehensive approach to accepting, designing, and executing audits of digital assets.

Views and opinions expressed in this article are of authors' own and do not represent that of their places of work. While they make every effort to ensure that the information presented is relevant, they can be reached out for any comments, suggestions, or queries.

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TWO PROBLEMATIC CLAUSES IN CARO 2020

CA. Mohan R Lavi

1. Short-term funds for long-term purposes

The Clause

Clause 3 (ix)(d) of CARO 2020 asks the auditor to report "whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated"

The Difficulty

Reporting on this clause- either positively or adversely- would involve the auditor having to go beyond the normal scope of his audit to ascertain whether short term funds have been used for long term purposes. Apart from asking for the sources of short-term and long-term funds, the auditor would also have to ask for cash flow statements on a regular basis (which many entities prepare only annually to meet the requirements of Accounting Standards) to enable him to report on this clause. Even if he does get this far, his interpretation of the sources and uses of funds could vary with the interpretation of those charged with governance.

Guidance Note on CARO 2020

The Guidance Note on CARO 2020 instructs that:

Examples of use of funds raised on short term basis and used for long-term purposes would include investing

money from overdraft facilities in long-term investments in shares of subsidiaries/associates/joint ventures or investing money raised from public deposits due for repayment in three years in a project whose pay-back period is ten years. The auditor uses the data contained in the financial statements to ascertain whether the funds raised on shortterm basis have been used for long-term purposes. Shortterm sources of funds include temporary credit facilities like cash credits, overdraft. Long-term sources of funds would include share capital, reserves and surplus, long-term debt securities and long-term loans. It is clarified that current maturities of long-term loans which are included as current liabilities as per Schedule III to the Act, are to be treated as long term sources of funds for the purpose of reporting under this clause. Long term applications of funds include investment in property, plant & equipment, intangible assets, long-term investments in shares, debentures and other securities and other assets of similar nature, repayment of long-term loans and advances or redemption of long-term debt or securities, etc. Application of funds which is not longterm may be categorised as short-term application. Typically, a current ratio of less than 1 will be an indicator that short-term

funds have been used to finance long-term assets of the company. For the purpose of calculating current ratio, current maturities of long term borrowings should be considered as non-current liability.

This clause also requires the auditor to state the nature of application of funds if the company has financed long-term assets out of short-term funds. The nature of application of funds can be determined only if the funds raised can be directly identified with an asset. The determination of direct relationship between particular funds and an asset from the balance sheet may not be feasible. Further, such movement in funds should be supported by relevant documentation. A more practical approach would be to determine the overall

picture of the sources and application of funds of the company unless an evident trail is available that enables the auditor in establishing a direct relationship between sources and application of funds. Also, as money is fungible, the auditor may also review the cash flow statement to determine whether short term funds have been used for long term purposes

Example of reporting

According to the information and explanations given to us, and the procedures performed by us, and on



an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

2. Capability to meet liabilities

Clause 3 (1)(IX) asks the auditor to report as under:

on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

The difficulty

The difficulties to report under this clause are many:

1. A basic question arises whether this is within the scope of the audit

2. Reporting under this clause would need the auditor to not only ask those charged with governance whether they would meet their liabilities for the next year but also using his judgement to agree or disagree with their views.
3. When the auditor has a specific obligation to report on the concept of going concern in his report, this clause appears unnecessary.
4. There could be events and transactions beyond what is indicated in the paragraph which could prevent an entity from meeting its liabilities.

Guidance Note

The Guidance Note issued by the Institute of Chartered Accountants of India suggests the following as a reporting template:

"According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of

Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due."

While this statement may protect the auditor, it may also be interpreted to mean that he is giving a confirmation and at the same time not giving it. This clause is best removed from CARO 2020.



Info Corner

In the world of super apps, this is Neu.

On April 7th, 2022 Tata Group launched its Super app Tata Neu. Tata Neu is one stop shop for payments, shopping, booking flights and hotels, paying bills, food delivery and more. It brings together all the Tata products under one app such as Croma, 1mg, Taj, Air Asia, Starbucks. For customer retention, this includes loyalty program, Neucoins which can be earned or spent at either physical store or online. It has already been downloaded 3 million times in last 3 weeks giving Tata digital a valuation of in excess \$18 billion.

SEBI'S RECOMMENDED APPROACH OF START-UP IPO VALUATION: A LIGHT-BULB MOMENT FOR INVESTORS

CA. Sandeep Jhunjhunwala



In the recent past, there has been a colossal increase in the number of individual investors accessing the Indian capital markets. Around 29 lakh new demat accounts were opened in the month of November 2021 alone which is more than seven times of monthly average in pre-pandemic year of 2019-2020. This increase in retail participation and a buoyant capital market had made the decision of many corporates of going public, a tad easier. This statement does not seem to be a hyperbole when one looks at the fact that in the year 2021, the Indian capital market ranked 7th in terms of number of IPOs and 8th in terms of proceeds raised from IPOs on a global level.

This robust growth of Indian capital markets has kept the market watchdog, SEBI, on its toes, which has forever believed that an informed investor is a protected investor. Many popular brands have made their debut on stock exchanges lately. Some of these companies are new age tech companies which do not have a track record of operating profits as they are focussed on scaling up at a rapid pace. Investors are attracted to these companies because of their perceived future growth potential. Yet, the nosediving of share prices of these newly listed companies on trading

floor have raised questions on their pre-IPO premium. The current trading price of many of these newly listed companies are much lower than their offer price, causing investors to lose wealth to the tune of around 1.3 lakh crores.

Ergo, on February 18, 2022, SEBI has released a consultation paper seeking public comments on introducing stricter disclosure norms in offer documents filed by companies seeking listing approvals. The objective is to seek public comments on provisions in ICDR Regulations relating to disclosures for 'Basis of Issue Price' in offer documents. Presently, the requirement for 'Basis of Issue Price' section in offer document covers disclosure of traditional parameters such as EPS, P/E, RoNW, NAV of the company as well as a comparison of such parameters with peers. While these are useful parameters for profit-making companies, they do not provide much basis for share issue price of new age tech companies which are usually loss-making. SEBI, therefore, felt the need for augmenting these traditional criterion by introducing some non-traditional ones for loss-making companies proposing to go public.

These suggested unconventional standards include disclosure of KPIs

considered for arriving at the basis of issue price. As deliberated in SEBI's consultation paper, the issuer company would have to disclose all material and relevant KPIs shared with any pre-IPO investor during 3 years prior to IPO. While what a relevant KPI is not clear, the consultation paper mentions that issuer company needs to provide adequate explanation for considering any KPI as irrelevant. These KPIs need to be certified by Statutory Auditors and also compared with peer listed companies, including global listed peers.


The consultation paper does not provide a list of KPIs but metrics such as revenue growth rate, subscribers base, active customers, viral coefficient, traffic growth, data security measures etc could be effective performance indicators for new age tech companies. Since KPIs could be sensitive to economic environment in which a company operates, the advised approach of comparison with listed peers seems to be somewhat, arduous and asymmetrical. The issuer company would also have to provide a disclosure of its valuation based on primary issuance and secondary sale of shares in a look back period of 18 months prior to date of filing DRHP and provide a detailed explanation for its offer price being different



from primary issuance and secondary sale price. This disclosure could go a long way in allowing the investors determine the veracious worth of shares at the time of investing in an IPO and also make them, more cognizant of financial risks involved. Though not recommended, a perpetual flow of such KPI data, even post-listing on trading exchange, could keep investors hooked to new age tech stocks.


Many a times, promoters and founders' resort to IPO as an exit strategy by selling their shares to public. Therefore, IPOs have become money spinning avenues over time. While the valuations arrived at by issuer company may be accurate, it is important that investors have sufficing information at their disposal to make well-informed decisions and intention behind recommending new disclosure norms by SEBI, therefore, seems to be in the right direction. Even in the

US, recently the Securities Exchange Commission has been looking more closely at how projections and related valuations are presented and used in IPO documentation. While new age tech companies would feel hard done by SEBI, on a positive note, these new disclosure norms provide the Management of companies going public, an opportunity to present their narrative of growth potential to investors in an ever-evolving stock market.




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





SHUTTLE BADMINTON
T O U R N A M E N T
FOR CHARTERED ACCOUNTANTS

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*Jointly with **Income Tax Department***

on **14th May, 2022**
@ **9.30 am**

Venue:
Karnataka Badminton Association
No 4 Jasma Bhavan Road, Millers Tank
Bund Rd, Vasanth Nagar, Bengaluru-560052

Events	Fee (Inclusive GST)
Women Doubles	600/-
Women-Single	300/-
Men-Single (40 & Below 40 years)	300/-
Men-Single (Above 40 years)	300/-
Men Doubles (40 & Below 40 years)	600/-
Men Doubles (Above 40 years)	600/-

Members Registration Fee:



**For queries
contact:**
+91 98800 07906

For Registration visit:
www.bangaloreicai.org

Registration closes on 10th May 2022

Note: Event will be conducted with minimum enrollment of Six teams for Doubles & Ten players for Singles.

CA. Srinivasa. T
Chairman

CA. Pramod R. Hegde
Secretary

ORACLE
NETSUITE

Top 5 Signs Your Business is Ready for an ERP System

As every company is unique, there's no single indicator that says, 'You need ERP now!' Yet the companies that would benefit most from ERP software often face familiar problems and frustrations – financials taking longer to reconcile, sales forecasts based on guesswork not data, inventory in a mess, and customer satisfaction faltering. Recent research shows that just under 50% of companies will soon be acquiring, upgrading or updating an ERP system soon.¹ This infographic aims to help you decide if your organisation will be joining them.

1

You have lots of different software for different processes.

Do accounting, sales, the warehouse and so on, all use different applications? When front- and back-end systems run separately, it can wreak havoc on the processes designed to ensure the business runs smoothly. ERP software integrates these systems so every business function relies on a single database.



95%

of ERP implementations led to business process improvements.³

49%

of businesses said they improved all business processes after getting ERP.³

2

You don't have easy access to information about your business.

What's your sales margin, average orders a day, sales to date, or net profit? For companies that rely on siloed systems and spreadsheets that need to be updated constantly and reconciled manually, it takes ages to find out. ERP delivers greater visibility and sharable, real-time data for faster decision-making.

3

Accounting takes longer and is more difficult.

Often, the first noticeable signs that your company needs ERP software will come from accounts. Paper-based invoices and sales orders, repetitive processes and manual entering. If it takes ages to consolidate or resolve financials across systems and spreadsheets, an ERP solution can make a massive difference.

89%

of 255 companies looking to buy ERP software identified accounting as the most critical ERP function.⁴

40%

regarded "functionality" as the most important aspect.⁴



\$26.37 billion

is the expected value of ERP systems (in USD) within the APAC region by 2026.³



4

Sales and the customer experience are both suffering.

If sales, inventory and customer data are maintained separately, serious problems can emerge across your company. If a customer calls to inquire about an order and staff can't track it to see if it's shipped – or even in stock – your company will start to develop a poor reputation. The right ERP can turn this around.

5

Your IT is too complex and time-consuming.

Customising disparate systems, integrating them and maintaining them with patches and upgrades can be complex and costly. Rather than add more software and complexity to an ineffective system, ERP can give you the agility to respond to changing business needs rapidly.

Up to 90%

of the IT budget is known to be used up by decentralised business systems, leaving hardly any room for innovation.⁵



Arrange for a free demo

Did you know that the wrong ERP software can take 30% longer to implement and cost 3-4 times what you budgeted?¹ That's where the right ERP solution comes in. NetSuite is a proven performer.

Get My Free Demo

Sources

¹ TechnologyEvaluation.com research

² Okta's Businesses@Work report – number of apps per company

³ Panorama ERP Report 2018

⁴ SelectHub research report

⁵ Allied Market Research report – APAC

⁶ Business-Software.com Top 20 ERP for 2020 report

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THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA**
(Set up by an Act of Parliament)



JNANA VIKASA
■ ENDEAVOR TO EVOLVE ■ ENGAGE TO EXCEL



ANNOUNCEMENT

**BENGALURU BRANCH ICAI IS ORGANISING COACHING CLASSES FOR
CA FOUNDATION, CA INTERMEDIATE & CA FINAL
STUDENTS FOR NOV. 2022 & MAY 2023 EXAMS**

CA Coaching Classes for Nov. 2022 & May 2023 Exams

ADMISSIONS OPEN FOR SUBJECTWISE COACHING

In pursuance of our objective to provide fruitful and quality teaching to our students, we are pleased to inform you that coaching classes for **CA FOUNDATION, CA INTERMEDIATE & CA FINAL** will commence as follows

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Salient features

- Experienced, Expert and Dedicated faculty members
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- Mock Tests, Revision Classes, Crash Course, Quiz Programme & Classroom presentations.
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**Online
Registration
Now open!**

Course	Fees	Starting Dates	Timings
CA Foundation	Rs. 12500/- Rs. 4000/- for Single Subject	For Nov. 2022 Exams Starting From June 2022. (Evening batch)	04.30pm to 07.30pm (Monday to Saturday) 07.00am to 01.30pm (Sunday)
CA Intermediate	Rs. 18,000/- for Both Groups Rs. 10,000/- for Single Group Rs. 4,500/- for Single Subject	For May 2023 Exams Starting From Sep. 2022. (Morning Batch)	06.30 am to 09.30am (Morning) (Monday to Saturday) 07.00am to 01.30pm Sunday)
CA Final	Rs. 22,000/- for Both Groups Rs. 12,000/- for Group – I Rs. 10,000/- for Group - II Rs. 4,500/- for Single Subject	For Nov. 2022 Exams Starting From June 2022. (Morning & Evening)	06.30 am to 09.30am (Morning) & 06.15pm to 09.15pm (Monday to Saturday) 07.00am to 01.30pm Sunday)

Venue & Schedule for all the subjects will be announced in due course.

Registration Fees - Mode of payment: Cash / Online www.bangaloreicai.org /UPI

Email: blrstudentevents@icai.org | Website: www.bangaloreicai.org

ICAI Bhawan", 16/O, Miller's Tank, Bed Area, Vasanthanagar, Bengaluru – 560052

Note: Fees once paid will not be refunded.

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Mob: 9880007904**

**CA. Srinivasa T
Chairman**

**CA. Pramod R. Hegde
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■ ENDEAVOR TO EVOLVE ■ ENGAGE TO EXCEL

**BENGALURU BRANCH OF SIRC OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**
(Set up by an Act of Parliament)
**IS ORGANISING PHYSICALLY PRE – EXAM CRASH COURSE FOR
CA FOUNDATION STUDENTS FOR MAY 2022 EXAMS**

Schedule from: 16th May 2022 to 04th June 2022

Tentative scheduled faculty may change due to non availability at that point of time
Timings 04.30pm to 08.30pm (Monday to Saturday)
07.00am to 4.30pm (Sunday)

REGISTRATION OPEN FOR **PHYSICALLY CRASH COURSE FOR
FOUNDATION STUDENTS FOR MAY 2022 EXAMS**

Subject and dates

Faculty name

PRINCIPLES AND PRACTICE OF ACCOUNTING

Dates: 16th May to 21st May 2022

CA. MURALI NAGARAJ

All-India Rank Holder



**BUSINESS LAWS & BUSINESS CORRESPONDENCE
& REPORTING**

Dates: 22nd May to 25th May 2022

CA. NIDHI PARAKH



**BUSINESS MATHEMATICS & LOGICAL
REASONING AND STATISTICS**

Dates: 26th May to 30th May 2022

**Mr. SHIVA NANJUNDA
SASTRY**

CA. PUNITH KUMAR



**BUSINESS ECONOMICS & BUSINESS AND
COMMERCIAL KNOWLEDGE**

Dates: 31st May 2022 to 04th June 2022

CA. MRIDUL AGARWAL



**CA Foundation
Course**

**Fee for Foundation
Course: Rs.2200/-
for All Subjects**

Registration Fees - Mode of payment: Cash / Online

www.bangaloreicai.org Email: blrstudentevents@icai.org

Note: Fees once paid will not be refunded.

**Online
Registration
Now open!**

**For further details /Queries
Pls call 080 - 4394 4868 /4876
Mob: 9880007904**

**CA. Srinivasa T.
Chairman**

**CA. Pramod R. Hegde
Secretary**

Four Day Workshop on Addressing Notices / Audits / Scrutiny / Other Litigation matter under GST Law

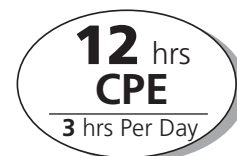
Organised by **Bengaluru Branch of SIRC of ICAI**

PHYSICAL

from Wednesday to Saturday, 25th May to 28th May 2022

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

Time: **5.00 pm to 8.15 pm**



TIMINGS	TOPICS	SESSION CHAIRMAN & SPEAKERS
DAY 1 - WEDNESDAY, 25TH MAY 2022		
4.00 pm to 4.30 pm	REGISTRATION & NETWORKING	
4.30 pm to 5.00 pm	INAUGURATION by the Chief Guest	
5.00 pm to 6.30 pm	Scrutiny of returns (s.61; rule 99): <ul style="list-style-type: none"> ➤ Scrutiny points in monthly-quarterly returns ➤ Scrutiny points in annual returns ➤ Initiating proceedings, manner of raising 'discrepancies' and 'explanation' of taxpayers ➤ Internal reporting for inspection, audit or show cause notice based on explanation of taxpayers ➤ Procedures not allowed in GST such as calling for books of accounts, spot recovery, calling for appearance of taxpayer, etc. ➤ Overview of forms and formats prescribed 	CA. Dayanand . K & CA. Deepak Kumar Jain
6.30 pm to 6.45 pm	TEA BREAK	
6.45 pm to 8.15 pm	Best judgement assessment of non-filers (s.62; rule 100): <ul style="list-style-type: none"> ➤ Notice to non-filers (GSTR3A) timing, duration and service of notice ➤ Procedure for best-judgement, collection of data and determination of tax liability ➤ Overview of forms and formats prescribed ➤ Overview of circular 129 ➤ Automatic withdrawal of BJA Order ➤ Remedy against demand in BJA Order (30-day delay) 	



TIMINGS	TOPICS	SESSION CHAIRMAN & SPEAKERS
	Best judgement assessment of unregistered persons (s.63): <ul style="list-style-type: none">➤ Identification of persons liable for best-judgement➤ Procedure for initiating proceedings and principles of natural justice applicable➤ Overview of forms and formats prescribed➤ Option for s.25(8) to save credits via s.18(1)➤ Approach to disputing demand (compare experience in ST notices based on '26AS v. ST3' data)	
1.00pm to 2.00pm	LUNCH BREAK	
DAY 2 - THURSDAY, 26TH MAY 2022		
5.00 pm to 6.30 pm	Taxpayer interface by authorities (S.67): Section 65 Departmental Audits <ul style="list-style-type: none">➤ Access to business premises, nature and purpose of authority granted in s.71 and limits to authority➤ Overview of inspection under s.67 and comparative discussion about authority under s.71➤ Overview of forms and formats prescribed➤ Ingredients for inspection v. search➤ Precondition for inspection and prejudice due to arbitrary authorization➤ Approach by taxpayer during and after proceedings➤ Application under s.67(10)➤ SCN and approach to SCN reply	CA. N.R. Badrinath & CA. Yeshwanth
6.30 pm to 6.45 pm	TEA BREAK	
6.45 pm to 8.15 pm	Summons in GST (s.70): <ul style="list-style-type: none">➤ Proceedings authorizing 'summons'➤ Review of valid and invalid summons➤ Summons to 'wrong' person➤ Rights and duties in summons proceedings➤ Overview of forms and formats prescribed	
DAY 3 - FRIDAY, 27TH MAY 2022		
5.00 pm to 6.30 pm	Show cause notices (s.73 and 75): <ul style="list-style-type: none">➤ Overview of provision, procedure, forms and formats➤ Ingredients to SCN and burden of proof➤ Reply to SCN – approach and common errors➤ Safeguards in s.75	Shri. K.S. Naveen Kumar <i>Advocate</i> & CA. Prateek Marlecha
6.30 pm to 6.45 pm	TEA BREAK	
6.45 pm to 8.15 pm	Show cause notices (s.74 and 76): <ul style="list-style-type: none">➤ Overview of provision, procedure, forms and formats➤ Ingredients to SCN and special circumstances➤ Burden of proof of special circumstances➤ Reply to SCN – approach and common errors➤ SCN under s.76 and under s.76 + 74	

TIMINGS	TOPICS	SESSION CHAIRMAN & SPEAKERS
DAY 4 - SATURDAY, 28TH MAY 2022		
5.00 pm to 6.30 pm	SMR proceedings in GST (s.108): <ul style="list-style-type: none"> ➤ Issues considered 'prejudicial to interests of Revenue' ➤ Procedure and 'further inquiry' by SMRA ➤ Limitation and bar on SMR proceedings ➤ APL4 after SMR and appeal to GSTAT Departmental appeal (s.107(2)) <ul style="list-style-type: none"> ➤ Comparative study of departmental appeal v. SMR ➤ Limitation overcome by initiating SMR proceedings ➤ Opportunity for taxpayer to file MOCO ➤ Approach by taxpayer to departmental appeal ➤ Burden of proof on Revenue and risk of 'shifting of onus' onto taxpayer 	CA. T.R. Rajesh Kumar & CA. Hanish S
6.30 pm to 6.45 pm	TEA BREAK	
6.45 pm to 8.15 pm	Panel Discussion <i>Moderator :</i> CA. T. R. Rajesh Kumar <i>Panelists :</i> CA. Venkataramani. S CA. Madhukar N Hiregange CA. A. Jatin Christopher	

CA. Srinivasa T
CHAIRMAN

CA. Pramod R Hegde
SECRETARY

BENGALURU BRANCH OF SIRC OF ICAI

Online Registration open

DELEGATE FEES :	For MEMBERS:	For NON MEMBERS:
PHYSICAL	Rs. 2,000/- (Plus GST)	Rs. 4,000/- (Plus GST)

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"Bangalore Branch of SIRC of ICAI", payable at Bengaluru

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Tel: **080 43944868/876, 96069 13003**



One Day Seminar on Women CA's Conference

Theme: Abhitha – Fearless or a Courageous Women

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

PHYSICAL cum VIRTUAL

**6 hrs
CPE**

On **Saturday, 28th May 2022**

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

Time: **10.00 am to 5.30 pm**

TIMINGS	TOPICS
9.30 am to 9.45 am	REGISTRATION
9.45 am to 10.30 am	INAUGURATION by the Chief Guest
10.30 am to 12.00 noon	Valuable contribution of women to profession and economy
12.00 pm to 12.30 pm	TEA BREAK
12.30 pm to 2.00 pm	Ethics from Epics
2.00 pm to 3.30 pm	Beauty & Brain
3.30 pm to 4.00 pm	TEA BREAK
4.00 pm to 5.30 pm	Panel Discussion – Wake up call !!! An Entrepreneur within you

CA. Srinivasa T

Chairman
Bengaluru Branch of SIRC of ICAI

CA. Geetha A.B

Regional Council Member
Conference Director

CA. Divya S

Vice Chairperson
Bengaluru Branch of SIRC of ICAI

CA. Pramod R Hegde

Secretary
Bengaluru Branch of SIRC of ICAI

Online Registration open

DELEGATE FEES :	For MEMBERS:
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CA Students Talent Search, 2022 - Elocution Contest



Inauguration of the programme by lighting the lamp



CA. Srinivasa T
Chairman
Bengaluru Branch of SIRC of ICAI



CA. Kavitha Paramesh
Chairperson-SICASA
Bengaluru Branch of SIRC of ICAI



Rankers Meet



Inauguration of the programme by lighting the lamp



Chief Guest CA. Pattabhi Ram



CA. Srinivasa T
Chairman
Bengaluru Branch of SIRC of ICAI



CA. Pattabhi Ram



CA. Kavitha Paramesh
Chairperson-SICASA
Bengaluru Branch of SIRC of ICAI



Rankers Team



Felicitation to the Chief Guest



CPE Meeting's - Members Programmes

One Day Seminar on Complications & Issues Related to Virtual Digital Assets



Inauguration of Seminar by lighting the lamp



Chief Guest CA. I.S. Prasad
President - FKCCI



CA. Jatin Christopher



CA.B.P. Sachin Kumar



Shri. Mathew Chacko



CA. Ravi Jagannathan



Felicitation to the Chief Guest

Half Day Seminar on Faceless Assessments & Re-assessments



CA. H. Padamchand Khincha



CA. K.K. Chythanaya

Awareness Programme on New Provisions relating to Re-constitution & Dissolution of Partnership firms-FA 2021



CA. Deepak Chopra



With Vice President of ICAI CA Aniket Sunil Talati and SIRC Chairman CA China Mastan Talakayala
in Orientation program to MC Members in Hyderabad



Sri S. Rangappa, FCA., I. A. S.
Special Commissioner (Admin)
BBMP, Bengaluru

Study Circle Meetings



Dr. P. Venkatesan
Advocate, Supreme Court of India,
New Delhi



CA. Varun Nirmal



CA. Chidanand Urs



CA. Sandeep C

Bengaluru Branch of SIRC News Letter English Monthly Printed, Published & Edited by **Editor CA. Srinivasa.T.** Chairman, on behalf of
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Printed at: **Jwalamukhi Mudranalaya Pvt. Ltd.**, 44/1, K.R. Road, Basavanagudi, Bengaluru-560 004, Ph : 080-2660 8090, e-mail : jwalmuki@gmail.com