



Bengaluru Branch of SIRC of ICAI

Institute of Chartered Accountants of India

(Set up by an act of Parliament)

**Southern India Chartered Accountants Students Association
(SICASA), Bengaluru**



SICASA

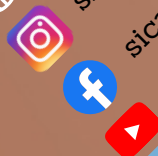
E-NEWS LETTER

July-2022

Ethics

<https://bangaloreicai.org/>
[sicasabengaluru](#)
[sicasabangalore](#)

Bangalore Branch of SIRC of ICAI



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**Southern Indian Chartered Accountants
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***“The only sure
weapon against bad
ideas is better ideas”***

***-Alfred Whitney
Griswold***

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CHAIRMAN's MESSAGE ||



Dear Budding CAs'

I wish you all Happy Independence Day!!!

My message for you all on this auspicious month is ***“Be Focused”*** on your goal, never deviate an inch from your goal. Set a high esteemed goal for yourself and think and work toward for that. Nothing comes easily you need to work towards meticulously.

CA is **C**ertainly **A**chievable (CA) by a **C**ommitted **A**pproach (CA) of an aspirant.

Elladaru iru enthadaru iru endendigu ni Bharathiyaguru

With good wishes

CA Srinivasa.T
Chairman
Bangalore Branch of SIRC of ICAI

CHAIRPERSON's MESSAGE ||



Dear Students,

Congratulations and best wishes to all the newly qualified Chartered Accountants and the students who have cleared their Intermediate exams too! The ones who could not get through do not have to feel blue. Cheer up!

"Success is not final; failure is not fatal. It is the courage to continue that counts". There is always the next attempt, and you will make it in the next attempt for sure. July has been an action-packed month with a lot of activities. We kicked started the month with the celebration of CA Day. On account of CA Day, **Walkathon and Blood Donation Camp** were organized, and it was heartening to see the students in such large numbers.

"Game of Medals", Students' Annual outdoor sports meet, was held on 2nd July and it was another successful event with more than 600 students taking part in many games individually and in teams. The event's glory was enhanced due to the presence of Padma Shri Malathi Holla, the celebrated international para-athlete. She motivated the students through her captivating speech.

On 15th July, a workshop on Tax deduction at Source was conducted to help the students to understand the nuances of TDS. CA Deepak Chopra intrigued the students with his unique style and engaged them through the workshop.

Industrial visit is another important activity of SICASA, and SICASA Bengaluru organized a visit to LM Wind power, Dabbaspet, Nelamangala on 16th July 2022. LM Wind power is a company under the banner of GE Renewable Energy and is involved in the manufacturing of windmill shafts. LM takes the largest share in the Windmill blades industry worldwide. Around 35 students participated. The students saw the manufacturing process and interacted with the Senior Management Team of LM. I am sure it was indeed an enriching experience for the students. SICASA speakers Forum has been active as usual and held its meetings on all Sundays of July and the number of participants has also increased from the 30s to the 50s. It is a great change.

We had to go quiet post 16th July owing to the tax returns due date. However, the activities of August are resuming with a bang. The SICASA MC team has scheduled a cultural programme on 15th August under various performing arts categories, and there is no doubt it will be a blockbuster event. A **"Moot Tax Tribunal Competition"** will be held towards the end of this month. This will be first of its kind at Bengaluru Branch and shall be for income tax and GST matters. A team of Chartered Accountants have been teamed to train and assist the students in preparing to appear before the Moot Tribunal. Details are elsewhere in this newsletter. It will be a fantastic opportunity for the students to hone their representation skills. Please register in large numbers as the number of participants is limited.

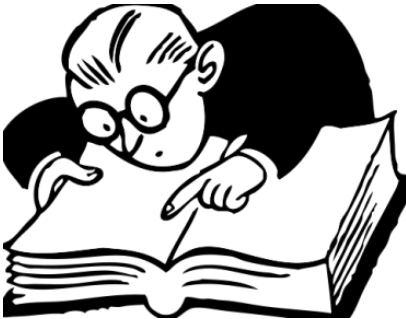
See you soon!

Kavitha Paramesh
SICASA Chairperson
Bengaluru Branch of SIRC of ICAI

DECODING THE LEGAL JARGONS ||

Per quod

- (in accordance with or whereby)



In a civil action, per quod phrase prefaces the recital of the consequences of certain acts as a ground of special harm to the plaintiff in a civil complaint. In law of defamation, with respect to slander, per quod means that proof of special damages is required. With regard to libel, it means that proof of extrinsic circumstances is required.

Words that are actionable per quod do not furnish a basis for a lawsuit upon their face. They but are only litigable because of extrinsic facts showing the circumstances under which they were uttered or the damages ensuing to the defamed party because of the words.

*At CommonLaw, this term acquired two meanings in the **law of Defamation**: with respect to slander it signified that proof of special damages was required; in regard to libel, it meant that proof of **extrinsic circumstances** was required.*

Words that are actionable per quod do not furnish a basis for a lawsuit upon their face but are only litigable because of extrinsic facts showing the circumstances under which they were uttered or the damages ensuing to the defamed party therefrom.

ETHICAL CONCERNS - Associated with Corporate Finance and their management ||

- **Alekhya Kambala**
(SRO0579006)

Introduction

By definition, ethics are moral principles that govern a person's behavior or the conduct of an activity. But in reality, the meaning of ethics is hard to pin down and most people don't agree on a single definition. The real threat to business is from within, from poor ethical standards and lack of integrity that can do harm. History has proven repeatedly that business ethics, shared value, and corporate governance determine the longevity of an enterprise.

Ethics is one of the most critical and intricate aspects of an organization, especially in domains like finances. There is either "right" or "wrong" associated with any human action based on the organization's conventional morality and business ethics.



It is crucial to maintain sustainability in financial services where people interact with one another and does all sorts of financial and monetary transactions. Ethics in the finance sector mainly revolves around the handling of material non-public information and reporting of the unethical act.

The ethics in finance incorporates truthfulness, integrity, honesty, justice, and fairness in all sorts of financial activities. Integrity, honesty – those aren't just core values. Those are values that everyone should have.

Corporates are run by people and thus their feelings and emotions should be cared about.

We are a society of diversity thus the rights of each community's needs to be well protected and should not be harmed.

Implementation of Ethics in Finances

It is not an uncommon practice of applying ethical means in contemporary businesses. These codes adhering to a morally established financial set of ethics are regulated and maintained by self-regulating agencies and official regulating authorities.

These are kept in place to ensure ethically and morally responsible behavior from the various operatives that operate in the financial market. Over the years, there have been multiple cases of whistleblowing in the world. People have been involved in cases where just the knowledge of such practices landed them in problems.

Example of ethical violations in the financial market includes insider trading, investor management, campaign financing, and stockholder interest vs. stakeholder interest.

An entity can focus on implementing the following few areas w.r.t employees, customers, public and other stakeholders which aid in managing the ethical concerns associated with corporate finance. The list is not exhaustive.

(a) Acting with honesty and integrity while handling dilemmas of the world of finances

(b) Not associating with any real/clear conflicts of interest in personal, or company relationships.

(c) Providing information which is complete, accurate, fair, relevant, objective, understandable, and timely reporting.

(d) Acting in accordance with all the applicable rules, laws, and regulations of governments along with other relevant public/private regulatory agencies.

It takes many years to build a reputation but few minutes to ruin it. If you think about that, you'll do things differently!

ALTERNATE INVESTMENT FUNDS ||

Introduction

Alternative Investment Fund or AIF means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors.

AIF has certain benefits regarding the flexibility in structuring and operation which are not afforded to the other investment vehicles.

Meaning

AIF is defined under regulation 2(1)(b) of the **SEBI (Alternative Investment Funds) Regulations, 2012** as follow

AIF as a fund established or incorporated in India in the form of a **Limited Liability Partnership (LLP)** or **Company** or **Trust** or **Body Corporate** which-

(a) It is a privately pooled investment vehicle that gathers funds from investors, including Indian investors and foreign investors, to invest it as per a defined investment policy to benefit its investors.

(b) It does not include funds covered under the **SEBI (Collective Investment Schemes) Regulations, 1999**, **SEBI (Mutual Funds) Regulations, 1996** or any other regulations of SEBI regulating fund management activities. While the LLP or a Company is incorporated under the respective statutes, a Trust needs to be established under the Indian Trusts Act, 1882 and the trust deed is required to be registered under the Registration Act, 1908.

Categories of AIF

SEBI has Categorized AIF into 3 Categories:

Category I – These funds invest in SMEs, start-ups, and new economically viable businesses with high growth potential.

(a) Venture capital fund (VCF)

New-age entrepreneurial firms that require large financing during their initial days can approach VCF. VCF can help them in overcoming the financial crunch. These funds invest in start-ups with high growth prospects. HNI's investing in VCFs adopts a high-risk, high-return strategy while allocating their resources.

(b) Angle Funds

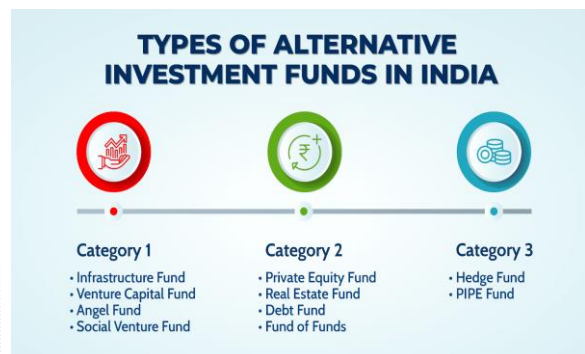
These invest in budding start-ups and are called angel investors. They bring early business management experience with them. These funds invest in those start-ups that do not receive funding from VCF. The minimum investment by each angel investor is Rs 25lakh.

(c) Infrastructure Funds

This fund invests in infrastructure companies, i.e., those involved in railway construction, port construction, etc. Investors who are bullish on infrastructure development invest their money in these funds.

(d) Social Venture Funds

Funds investing in a socially responsible business are social venture funds. They are a kind of philanthropic investment but have a scope of generating decent returns for investors.



Category II

(a) Private Equity Funds

A private equity fund invests in unlisted private companies. It is difficult for unlisted companies to raise funds by issuing equity and debt instruments. Usually, these funds come with a lock-in period which ranges from 4 to 7 years.

(b) Real Estate Funds

Real Estate Funds are **sector funds that invest in securities of companies from the real estate sector**. In other words, these funds provide the capital to the real estate company to develop a property. If the sector grows, then the fund makes good returns.

(c) Debt funds

This fund primarily invests in debt securities of unlisted companies. Usually, such companies follow good corporate governance models and have high growth potential. They have a low credit rating, which makes them a risky option for conservative investors. As per SEBI money accumulated by debt funds cannot be used to give loans.

(d) Funds of Funds

Such funds invest in other Alternative Investment Funds. They do not have their investment portfolio but focus on investing in different AIFs.



Category III

(a) Private investment in public equity fund (PIPE)

A PIPE invests in shares of publicly traded companies. They acquire shares at a discounted price. Investment through PIPE is more convenient than going for a secondary issue owing to less paper work and administration.

(b) Hedge funds

Hedge funds pool money from accredited investors and institutions. These funds invest in both domestic and international debt and equity markets. They adopt an aggressive investment strategy to generate returns for investors. However, hedge funds are expensive as fund managers can charge an asset management fee of 2% or more. They can also levy 20% of the returns generated as their fees.

Eligibility

(a) The applicant, manager and sponsor are fit and proper persons as per the criteria specified in Schedule II of the SEBI (Intermediaries) Regulations, 2008.

(b) Manager of Alternative Investment Fund has adequate experience, with at least one key personnel having not less than five years' experience in advising or managing pools of capital or in fund or asset or wealth or portfolio management or in the business of buying, selling and dealing of securities or other financial assets and has relevant professional qualification.

(c) Manager or Sponsor has the necessary infrastructure and manpower to effectively discharge its activities.

Benefits

(a) High Return Potential

AIFs generally have a higher return potential than other investment options. The massive pooled amount gives the fund managers enough room to prepare flexible strategies for maximizing returns.

(b) Low Volatility

AIFs are not directly related to stock markets. Volatility in these funds is less, particularly when compared with traditional equity investments. So it might be suitable for risk-averse investor looking for stability.

NEWS UPDATE || National Update

Rakesh Jhunjhunwala death updates

Rakesh Jhunjhunwala death updates: Also known as India's Warren Buffett, he had a net worth of 5.8 billion USD (as of August 2022), according to Forbes, which listed him as the 36th wealthiest Indian and 438th richest person in the world.

Billionaire investor Rakesh Jhunjhunwala – also known as Big Bull – passed away on Sunday morning at the age of 62 in Mumbai.

The demise of Jhunjhunwala, who was one of the co-founders of the newly-launched Akasa Air, is being mourned across the country, with politicians – cutting across party lines – and industry bigwigs paying rich tributes to the late investor.

<https://www.hindustantimes.com/india-news/ace-investor-rakesh-jhunjhunwala-passes-away-tributes-pm-modi-live-updates-101660455375108.html>

World's highest rail bridge on Chenab gets 'golden joint'

World's highest rail bridge over Chenab in the Kouri area of Reasi achieved another milestone when the overarch deck of the bridge was completed with a golden joint on Saturday. Just two days before India's 75th Independence Day, the world's highest rail bridge over the Chenab river in the Kouri area of Reasi district, the much-awaited engineering marvel, achieved another milestone when the overarch deck of the bridge was completed with a golden joint on Saturday. Just two days before India's 75th Independence Day, the world's highest rail bridge over the Chenab river in the Kouri area of Reasi district, the much-awaited engineering marvel, achieved another milestone when the overarch deck of the bridge was completed with a golden joint on Saturday.

<https://www.hindustantimes.com/cities/chandigarh-news/worlds-highest-rail-bridge-on-chenab-gets-golden-joint-101660430253691.html>

Mahua Moitra's dare to Nirmala Sitharaman on freebies

Finance minister Nirmala Sitharaman on Saturday said states must consider their fiscal status before announcing election sops so that when they win elections and come back to the government again, they can keep their promises.

Trinamool Lok Sabha MP Mahua Moitra has thrown a dare to finance minister Nirmala Sitharaman over the freebies issue as the minister on Saturday said when state governments announce sops before elections, they must check the fiscal strength so that when they win and come back, they can keep the promise. "Err...Madam..I'll bet you ₹15 lakh you couldn't tell Modi this to his face," Mahua Moitra tweeted sharing a screenshot of a news article on Sitharaman's comment

<https://www.hindustantimes.com/india-news/mahua-moitra-s-dare-to-nirmala-sitharaman-on-freebies-i-ll-bet-you-rs-15-lakh-101660436662205.html>

LIC Q1 results: PAT raises multi-fold to Rs. 683 cr.

The largest life insurer, LIC has registered a breath-taking 23,127.21% rise in standalone net profit to ₹682.89 crore for the quarter ending June 30, 2022 (Q1FY23) compared to a profit of ₹2.94 crore in the same quarter last year. On year-on-year, LIC's overall business witnessed a strong momentum with marketing activity picking up pace. The insurer's total premium income climbed 20.35% to ₹98,351.76 crore in Q1FY23 compared to ₹81,721.41 crore during Q1 of last fiscal. During the quarter, LIC sold 36.81 lakh policies in the individual segment registering a rise of 59.56% compared to 23.07 lakh policies sold in Q1FY22.

<https://www.livemint.com/companies/company-results/lic-q1-results-pat-rises-multi-fold-to-rs-683-cr-premium-income-climbs-over-20-11660309467036.html>

Commonwealth Games 2022- Indian Winners

From July 28 to August 8, nearly 200 Indian athletes competed for medals across 16 different sports at the **Commonwealth Games 2022** in Birmingham.

At the last edition at Gold Coast 2018, Indian athletes won a total of 66 medals, 26 gold and 20 silver and 20 bronze to finish third overall, behind hosts Australia and England.

However, shooting, which contributed 16 of the 66 medals at Gold Coast 2018, was cut from the Commonwealth Games program for Birmingham 2022.

<https://olympics.com/en/news/commonwealth-games-2022-india-medals-tally>

International Update

NASA's DART mission to crash into asteroid on Sep 26

NASA is all set to make an attempt to deflect an asteroid via DART and the process would involve crashing a 500kg spacecraft into binary asteroid 65803 Didymos' moonlet Dimorphous to change its trajectory. Launched in November 2021, DART will deflect an asteroid by using kinetic impact. The DART is designed to smash a spacecraft into the smaller member of the binary **asteroid** system. It's a part of NASA's larger planetary defence strategy to safeguard **Earth** in case of an asteroid posing threat to earth. As per the **report**, DART will arrive at Didymos in September and will crash into Dimorphous at about 15,000 miles per hour. However, the asteroid system is not a threat to our planet.

https://tech.hindustantimes.com/amp/tech/news/nasas-dart-mission-to-crash-into-asteroid-on-september-26-71660242285638.html?utm_campaign=fullarticle&utm_medium=referral&utm_source=inshorts

CCI nod for merger of HDFC Bank, HDFC Ltd.

Fair trade regulator Competition Commission of India (CCI) has approved the merger proposal of HDFC Bank and its parent HDFC Ltd. The proposed combination envisages the merger of HDFC Investments and HDFC Holdings with HDFC Ltd in the first step and subsequently, the merger of HDFC Ltd into HDFC Bank.

In a tweet on Friday, CCI said it has approved the "proposed combination involving amalgamation of HDFC Limited, HDFC Bank, HDFC Investments and HDFC Holdings." In April, the country's largest housing finance company HDFC Ltd announced that it will merge with HDFC Bank.

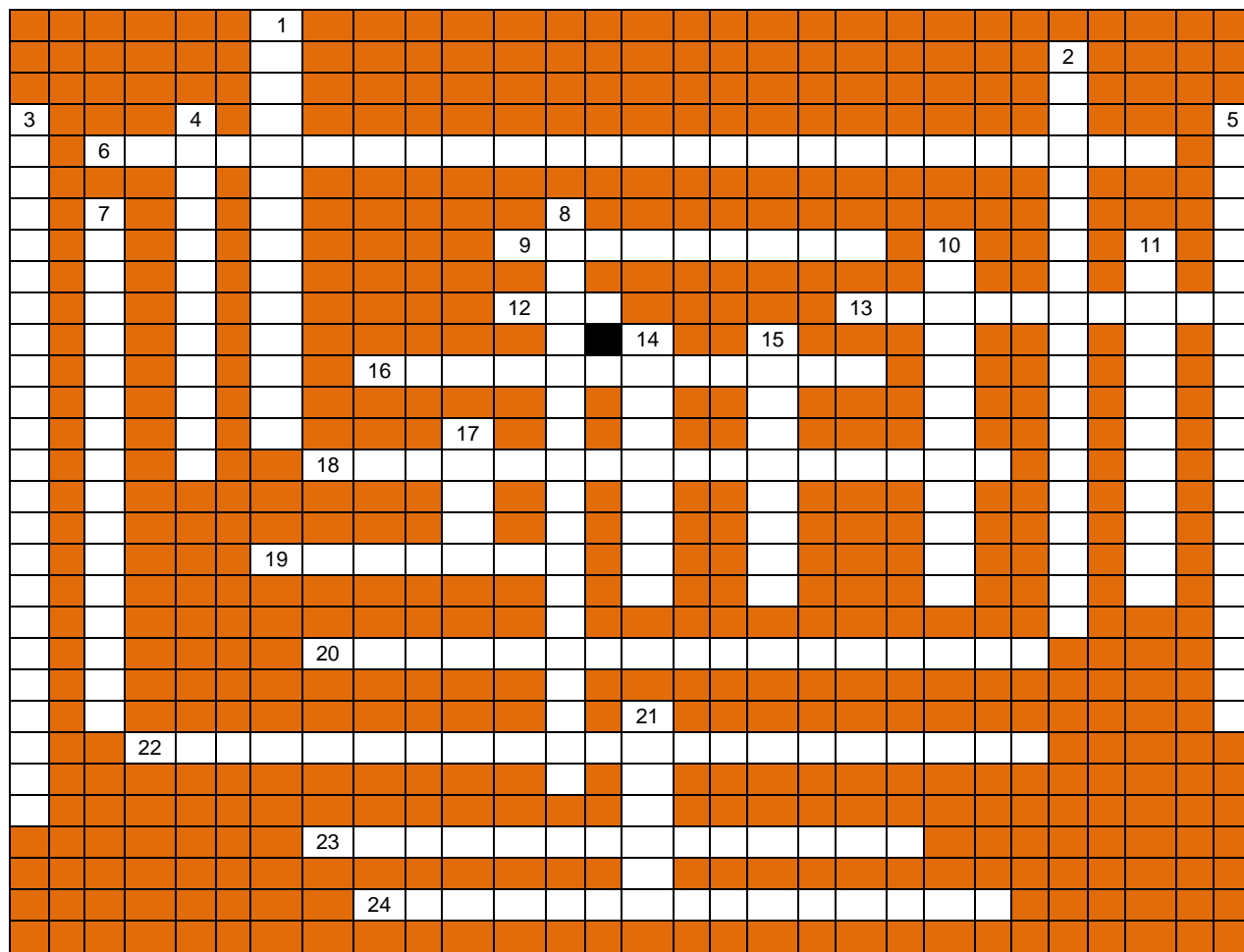
https://www.moneycontrol.com/news/business/mergers-acquisitions/cci-nod-for-merger-of-hdfc-bank-hdfc-ltd-9024061.html/amp?utm_campaign=fullarticle&utm_medium=referral&utm_source=inshorts

OIL settles up as IEA hikes 2022 demand growth forecast

Oil prices settled up more than \$2 on Thursday after the International Energy Agency raised its oil demand growth forecast for this year as soaring natural gas prices have some consumers switching to oil. Brent crude futures gained \$2.20, or 2.3%, to settle at \$99.60 a barrel. U.S. West Texas Intermediate crude futures settled up \$2.41, or 2.6%, to \$94.34. "Natural gas and electricity prices have soared to new records, incentivizing gas-to-oil switching in some countries," the Paris-based agency said in its monthly oil report. It raised its outlook for 2022 demand by 380,000 barrels per day (bpd).

https://www.reuters.com/business/energy/oil-falls-demand-concerns-greater-supply-2022-08-11/?utm_campaign=fullarticle&utm_medium=referral&utm_source=inshorts

CROSSWORD ||



Across

6. An accounting business that helps other businesses with accounting issues.
9. A columnar accounting form used to summarize the general ledger information needed to prepare financial statements.
12. An accountant who has passed the uniform certified public accounting exam and met the licensing requirement for a state. (Note: Please enter into the puzzle as an acronym.)
13. A fiscal period consisting of 12 consecutive months.
16. A financial statement that reports assets, liabilities, and owner's equity on a specific date.
18. Changes recorded on a work sheet to update general ledger accounts at the end of a fiscal period.
19. The accountant who conducts the audit.
20. Accounts used to accumulate information from one fiscal period to the next.
22. The series of accounting activities included in recording financial information for a fiscal period.
23. A paper or electronic path that provides a documented history of a transaction.
24. A financial statement showing the revenue and expenses for a fiscal period.

Down

1. Journal entries used to prepare temporary accounts for a new fiscal period.
2. The area of accounting which focuses on reporting information to external users.
3. A trial balance prepared after adjusting and closing entries are posted.
4. A proof of the equality of debits and credits in a general ledger.
5. The area of accounting which focuses on reporting information to internal users.
7. Accounts used to accumulate information until it is transferred to the owner's capital account.
8. Reporting an amount on a financial statement as a percentage of another item on the same financial statement.
10. The length of time for which a business summarizes its financial information and reports its financial performance.
11. Cash paid for an expense in one fiscal period that is not used until a later period.
14. A positive balance that remains after total expenses are subtracted from total income.
15. The difference between total revenue and total expenses when total revenue is greater.
17. An examination of financial records, accounts, and supporting documents to check their accuracy.
21. A negative balance that remains after total expenses are subtracted from total income.

GALLERY ||



Sports day “Game of Medals-2022” held at BEL Ground Bengaluru. Chairman CA T Srinivasa and SICASA Chairperson CA Kavitha Paramesh presenting the token of appreciation to chief guest Padmashri Malathi Holla, International para athlete. Also seen in picture are Managing Committee members of Bengaluru Branch and SICASA



Congratulations Team Unknown 9. Winners of Throw Ball – Men in “Game of medals – 2022”



Congratulations Team LRL. Winners of Cricket-Men in “Game of Medals – 2022”



Congratulations Team MSSV. Winners of Throw Ball – Women in “Game of Medals-2022”



Congratulations Team KRS. Winners of Volley Ball – men in “Game of Medals- 2022”



SICASA Speakers Forum president Surabhi Dattatri presenting token of appreciation to General Evaluator CA Srivatsa Joisat 195th Speaker's forum held at Race course road Bengaluru.



SICASA Speakers Forum president Surabhi Dattatri presenting token of appreciation to General Evaluator CA Naveen Kumar K 196th Speakers forum held at Race course road Bengaluru.



Winners



Meet #195

Winners of 195th meeting

Winners



Meet #196

Winners of 196th meeting

Chairman CA T Srinivasa and SICASA Chairperson CA Kavitha Paramesh with other SIRC Members of Bengaluru at Game of Medals – 2022 held in BEL Ground Bengaluru



Chairman CA T Srinivasa, SICASA Chairperson CA Kavitha Paramesh and other members of Bangalore Branch SIRC presenting the token of appreciation to chief guests on 74th National Chartered Accountants day held at ICAI Bhawan vasanth nagar Bengaluru.



Blood Donation Camp held on 74th National Chartered Accountants day at ICAI Bhawan vasanth nagar Bengaluru.



Walkathon and Cyclothon held from freedom park - Vidhana soudha - Raj Bhawan to ICAI Bhawan held on 74th National Chartered Accountants day.



Flag hoist at ICAI Bhawan held on 74th National Chartered Accountants day.



Industrial visit organized by SICASA Bengaluru to LM Wind Power, seen in picture SICASA Chairperson CA Kavitha Paramesh with students and SICASA Managing committee members.



Industrial visit to LM Wind power, a GE group company manufacturing windmill blades