

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Bengaluru Branch (SIRC) e-Newsletter

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CPE MEETINGS

- Study Circle Meeting
Changes & Amendments to
GSTR-9 / 9C and Impact of
various disclosures
5th November 2025

- Certificate Course on
AI for CA's
7th to 9th November 2025

- Intensive Workshop on
Demystifying the
New Income Tax Act 2025
15th, 22nd, 29th November 2025 &
6th December 2025

- Study Circle Meeting
Clubbing Provisions, Set off &
Carry Forward of Losses
Unexplained Income & Expenses
under New Income Tax Act 2025
12th November 2025

- Certificate Course on
AI for CA's
14th to 16th November 2025

- Study Circle Meeting
Salary, House Property &
Income from Other Sources
under Income Tax Act 2025
19th November 2025

- Certificate Course on
AI for CA's
21st to 23rd November 2025

- Study Circle Meeting
Non Resident Taxation
(other than GAAR & TP) under
Income Tax Act 2025
26th November 2025

- Certificate Course on
AI for CA's
28th to 30th November 2025

- Certificate Course on
AI for CA's
5th to 7th December 2025

- Study Circle Meeting
3rd December 2025

- Study Circle Meeting
10th December 2025

- Study Circle Meeting
17th December 2025

- Study Circle Meeting
24th December 2025

- Study Circle Meeting
31st December 2025



Dear Professional Colleagues,

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ಎಲ್ಲರಿಗೂ ಕನ್ನಡ ರಾಜ್ಯೋತ್ಸವದ ಶುಭಾಶಯಗಳು.

As we welcome the month of November, it brings with it a season of celebration, learning, and reflection. It is a month that reminds us of light, progress, and pride — from the festive spirit of knowledge and righteousness and the cultural pride of Kannada Rajyotsava, celebrating our rich heritage and the glorious language of Karnataka

Just as Deepavali inspires us to illuminate the world with the light of knowledge, our noble profession continues to shine as a beacon of integrity, independence, and excellence. On the occasion of Kannada Rajyotsava, let us as Chartered Accountants reaffirm our resolve to contribute to the financial discipline, transparency, and economic development of our State and the Nation. Truly, our professional conduct and commitment echo the timeless spirit of "Professionalism".

The Bengaluru Branch continues to uphold the tradition of lifelong learning. This month, we have organized four full-day Saturday Seminars, featuring leading Income Tax experts and stalwarts who will share their insights on the new Income Tax Act, 2025. These sessions are designed to provide Members with a comprehensive and practical understanding of the new law and its far-reaching implications.

Alongside, we are proud to launch and continue several flagship courses aimed at enhancing Members' professional capabilities, details would be shared in due course.

1. Certificate Course on Artificial Intelligence for Chartered Accountants
2. Diploma in Information Systems Audit (DISA)
3. Certificate Course on Forensic Accounting & Fraud Detection (FAFD)
4. Certificate Course on Concurrent Audit of Banks
5. Certificate Course on Internal Audit

These initiatives reflect our ongoing efforts to keep our Members future-ready and technologically empowered in an evolving business ecosystem.

It gives me immense pleasure to congratulate the Student from ICAI Bengaluru Branch, Vasanthnagar Coaching Classes, **Mr. ANKIT REGMI**, who has brought laurels by securing an All India Rank 29 in the CA Intermediate September 2025 Examination. This outstanding achievement is a matter of pride for all of us. I heartily appreciate the dedicated faculties and the entire coaching team of the Bengaluru Branch

for their relentless efforts in guiding, mentoring, and nurturing our Students toward success.

My hearty congratulations to all Students who have cleared their CA examinations in September 2025, and best wishes to all those appearing for the forthcoming January 2026 exams. May your perseverance, discipline, and dedication lead you to the success you truly deserve.

Programs conducted during October 2025

Sl. No.	DATE	Programme	CPE Hours	Total No. of Members Attended
1	03-Oct-25 to 05-Oct-25	AI Certificate Course Batch-543	18	54
2	08-Oct-25	Seminar on "Broad Concepts of Succession Planning in the Indian Ethos..."	3	73
3	10-Oct-25 to 12-Oct-25	AI Certificate Course Batch-544	18	49
4	15-Oct-25	Seminar on Scope of section 6 and other related sections under Income Tax Act, 2025 & Recent Changes in GST	3	96

Sl. No.	DATE	Programme	CPE Hours	Total No. of Members Attended
5	16-Oct-25	One Day Seminar on Tax Audit	6	229
6	23-Oct-25	Seminar on Code of Ethics	3	106
7	24-Oct-25 to 26-Oct-25	AI Certificate Course Batch-545	18	47
8	29-Oct-25	Seminar on "Ind AS 115 in Practice: Navigating Revenue Recognition for CA Professionals"	3	57

As we celebrate the festivals of this month, let us also celebrate the spirit of our profession — one that stands for ethics, excellence, and enlightenment. May this festive season bring renewed energy, prosperity, and knowledge to each one of you and your families.

With warm regards and festive greetings,

CA Manjunath M Hallur
Chairman
The ICAI - Bengaluru Branch (SIRC)



CALENDAR OF EVENTS

CPE MEETINGS FOR THE MONTH OF NOVEMBER 2025

DATE AND DAY	TOPIC / SPEAKER	VENUE & TIME	STRUCTURED CPE CREDIT
05.11.2025 Wednesday	Study Circle Meeting Changes & Amendments to GSTR-9 / 9C and Impact of various disclosures CA. Vinay Karthik C D CA. Rajesh Kumar T R Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar, Bengaluru 5:00 pm to 8:00 pm	3 hrs
07.11.2025 Friday to 09.11.2025 Sunday	Certificate Course on AI for CA's <i>Organized under the aegis of</i> Digital Accounting and Assurance Board <i>Hosted by :</i> Bengaluru Branch (SIRC)	Fairfield by Marriott Bengalure 59 th C Cross, 4 th M Block, Manjunath Nagar, Rajajinagar, Bengaluru	18 hrs
12.11.2025 Wednesday	Study Circle Meeting Clubbing Provisions, Set off & Carry Forward of Losses CA. Karthik Shastry Unexplained Income & Expenses under New Income Tax Act 2025 CA. Siddesh Gaddi Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar, Bengaluru 5:00 pm to 8:00 pm	3 hrs
14.11.2025 Friday to 16.11.2025 Sunday	Certificate Course on AI for CA's <i>Organized under the aegis of</i> Digital Accounting and Assurance Board <i>Hosted by :</i> Bengaluru Branch (SIRC)	Fairfield by Marriott Bengalure 59 th C Cross, 4 th M Block, Manjunath Nagar, Rajajinagar, Bengaluru	18 hrs
15.11.2025 22.11.2025 29.11.2025 06.12.2025 Saturday's	Intensive Workshop on Demystifying the New Income Tax Act 2025 Delegate Fees: Members – Rs.4,000/- Plus GST Non Members – Rs.8,000/- Plus GST	A.P.S College of Commerce 3rd Cross Road, Shop street, NR Colony, Basavanagudi, Bengaluru 560004 10.00 am to 6.00 pm	24 hrs

CALENDAR OF EVENTS

CPE MEETINGS FOR THE MONTH OF NOVEMBER 2025

DATE AND DAY	TOPIC / SPEAKER	VENUE & TIME	STRUCTURED CPE CREDIT
15.11.2025 Saturday	Intensive Workshop on Demystifying the New Income Tax Act 2025 Topic: Taxation of NPOs under Income Tax Act, 2025 CA. (Dr) N. Suresh 10:15 to 11:45 am (1st session) 12:00 noon to 1:30 pm (2nd session) Topic: Penalties Prosecutions & Offences under Income Tax Act 2025 CA. Sumeet Khurana 2:30 pm to 4:00 pm Topic: Exemptions [Other than trusts] under Income Tax Act 2025 CA. Nithin Surana A 4:30 pm to 6:00 pm Delegate Fees: Members – Rs.1,250/- Plus GST Non Members – Rs.2,500/- Plus GST	A.P.S College of Commerce 3rd Cross Road, Shop street, NR Colony, Basavanagudi, Bengaluru 560004 10.00 am to 6.00 pm	6 hrs
19.11.2025 Wednesday	Study Circle Meeting Salary, House Property & Income from Other Sources under Income Tax Act 2025 CA. Rani N.R. Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar, Bengaluru 5:00 pm to 8:00 pm	3 hrs
21.11.2025 Friday to 23.11 2025 Sunday	Certificate Course on AI for CA's <i>Organized under the aegis of</i> Digital Accounting and Assurance Board <i>Hosted by : Bengaluru Branch (SIRC)</i>	Fairfield by Marriott Bengalure 59th C Cross, 4th M Block, Manjunath Nagar, Rajajinagar, Bengaluru	18 hrs
26.11.2025 Wednesday	Study Circle Meeting Non Resident Taxation (other than GAAR & TP) under Income Tax Act 2025 CA. K. Prasanna, Chennai Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar, Bengaluru 5:00 pm to 8:00 pm	3 hrs



CALENDAR OF EVENTS

CPE MEETINGS FOR THE MONTH OF NOVEMBER 2025

DATE AND DAY	TOPIC / SPEAKER	VENUE & TIME	STRUCTURED CPE CREDIT
22.11.2025 Saturday	<p>Intensive Workshop on Demystifying the New Income Tax Act 2025 Topic: GAAR and Transfer pricing provisions under Income Tax Act 2025 CA. Narendra .J.Jain 09.30am to 11.30am</p> <p>Topic: Appeals, Revisions and Dispute Resolutions under Income Tax Act 2025 Tanmayee Advocate 11.45am to 1.45pm</p> <p>Topic: Definitions under new Income Tax act 2025 CA. Sudheendra B R 2:45 pm to 4.45 pm</p> <p>Delegate Fees: Members – Rs.1,250/- Plus GST Non Members – Rs.2,500/- Plus GST</p>	<p>A.P.S College of Commerce 3rd Cross Road, Shop street, NR Colony, Basavanagudi, Bengaluru 560004 10.00 am to 6.00 pm</p>	<p>6 hrs</p>
26.11.2025 Wednesday	<p>Half a Day Seminar on Direct Taxes Topic: Session -1 - New Income tax Act 2025 - Income from business and profession set off and carry forward of losses CA Shivshankar T R</p> <p>Delegate Fees: Members – Rs.500/- Plus GST Non Members – Rs.1,000/- Plus GST</p>	<p>Tumkur District Chartered Accountants Association in Association with Bangalore Branch of SIRC of ICAI, TDCAA Premises TUMKUR 10:00 am to 1:15 pm</p>	<p>3 hrs</p>
28.11.2025 Friday to 30.11 2025 Sunday	<p>Certificate Course on AI for CA's <i>Organized under the aegis of Digital Accounting and Assurance Board</i> <i>Hosted by : Bengaluru Branch (SIRC)</i></p>	<p>Fairfield by Marriott Bengalure 59th C Cross, 4th M Block, Manjunath Nagar, Rajajinagar, Bengaluru</p>	<p>18 hrs</p>

CALENDAR OF EVENTS

CPE MEETINGS FOR THE MONTH OF NOVEMBER & DECEMBER 2025

DATE AND DAY	TOPIC / SPEAKER	VENUE & TIME	STRUCTURED CPE CREDIT
29.11.2025 Saturday	Intensive Workshop on Demystifying the New Income Tax Act 2025 Topic: 1. Structural Changes & Overview of Income Tax Act, 2025, 2. Repeals and Savings, 3. Charging provisions under Income Tax Act 2025 CA. H. Padamchand Khincha & CA. Chythannya K.K. 10:15 am to 11:45 (1st session) 12:00 noon to 1:30 pm (2nd session) Topic: Capital Gains under Income Tax Act 2025 CA. T.G. Suresh, Chennai 2:30 pm to 4:00 pm (1st session) 4:15 pm to 5:45 pm (2nd session) Delegate Fees: Members – Rs.1,250/- Plus GST Non Members – Rs.2,500/- Plus GST	A.P.S College of Commerce 3rd Cross Road, Shop street, NR Colony, Basavanagudi, Bengaluru 560004 10.00 am to 6.00 pm	6 hrs
03.12.2025 Wednesday	Study Circle Meeting PGBP (charging and deduction provisions) CA. Zeel Gala Disallowances and Audit provisions (including Presumptive provisions) CA. Siddharth Bhandari Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar 5:00 pm to 8:00 pm	3 hrs
06.12.2025 Saturday	Intensive Workshop on Demystifying the New Income Tax Act 2025 Topic: Panel discussion on Search & Seizure related provisions under Income Tax 2025 (including search assessments) Panelists: CA. H. Naginchand Khincha CA. A. Shankar, Senior Advocate CA. K.R. Pradeep, Advocate Moderator: CA. Prashanth G.S. 10.00 am – 11.30 am (1st session) 11:45 am to 1:15 pm (2nd session) Topic: Collection and recovery of taxes - TDS and TCS provisions under Income Tax Act 2025 CA. Deepak Chopra 2:15 pm to 3:45 pm Topic: Returns and Assessments CA. Naveen Khariwal G. 4:00 pm to 5:30 pm Delegate Fees: Members – Rs.1,250/- Plus GST Non Members – Rs.2,500/- Plus GST	A.P.S College of Commerce 3rd Cross Road, Shop street, NR Colony, Basavanagudi, Bengaluru 560004 10.00 am to 6.00 pm	6 hrs



CALENDAR OF EVENTS CPE MEETINGS FOR THE MONTH OF DECEMBER 2025

DATE AND DAY	TOPIC / SPEAKER	VENUE & TIME	STRUCTURED CPE CREDIT
05.12.2025 Friday to 07.12.2025 Sunday	Certificate Course on AI for CA's <i>Organized under the aegis of Digital Accounting and Assurance Board</i> <i>Hosted by : Bengaluru Branch (SIRC)</i>	Fairfield by Marriott Bengalure 59 th C Cross, 4 th M Block, Manjunath Nagar, Rajajinagar, Bengaluru	18 hrs
10.12.2025 Wednesday	Study Circle Meeting Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar 5:00 pm to 8:00 pm	3 hrs
12.12.2025 Friday to 13.12.2025 Sunday	GCC Summit	Jnanajyothi Auditorium, Bengaluru City University Campus, Benaluru	12 hrs
17.12.2025 Wednesday	Study Circle Meeting Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar 5:00 pm to 8:00 pm	3 hrs
24.12.2025 Wednesday	Study Circle Meeting Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar 5:00 pm to 8:00 pm	3 hrs
31.12.2025 Wednesday	Study Circle Meeting Delegate Fees: Members – Rs.300/- Plus GST Non Members – Rs.600/- Plus GST	ICAI Bhawan, Vasanthnagar 5:00 pm to 8:00 pm	3 hrs

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

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WORKING CAPITAL STRESS TESTING – A TOOLKIT FOR CHARTERED ACCOUNTANTS IN BUSINESS ADVISORY



CA. Arvind Athreya Cadambi

Working capital, defined as current assets minus current liabilities, is essential to business operations. While profitability is important, liquidity ultimately determines an organization's ability to meet obligations and remain viable. Recent years have highlighted business vulnerabilities: COVID-19, commodity price swings, geopolitical issues, and regulatory shifts have increased liquidity risk. Chartered Accountants must now stress test working capital as a professional standard.

Meaning of Stress Testing

Stress testing involves simulating adverse scenarios to assess the resilience of a company's financial position. Applied to working capital, it helps answer questions like:

- How many months of cash runway does the business have if receivables are delayed?
- What happens if creditors demand faster payment?
- Can the inventory cycle absorb a sudden demand dip?
- Does the business breach loan covenants under stress?

Stress testing looks ahead, quantifying shock impacts on liquidity and solvency. This shifts Chartered Accountants' focus to future risks, enhancing assurance and strategy.

Components of Stress Testing

Baseline Data Collection

Before running scenarios, assemble reliable baseline data:

- Receivables ageing (customer-wise, with overdue buckets)
- Payables ageing (creditor-wise, linked to payment terms)
- Inventory holding (raw material, WIP, finished goods, slow-moving stock)
- Bank facilities (limits, utilisation, security, repayment schedules, covenants)
- Cash & equivalents (including restricted balances)

Key Ratios as Anchors

Ratios provide quick signals and baseline thresholds:

- Current Ratio = Current Assets / Current Liabilities
 - Quick Ratio = (Current Assets – Inventory) / Current Liabilities
 - Working Capital Turnover = Revenue / Net Working Capital
 - Days Sales Outstanding (DSO), Days Payable Outstanding (DPO), Days Inventory Outstanding (DIO)
- These ratios serve as starting points for stress testing. Adjusting DSO, DPO, or DIO allows us to model the effects of potential shocks.

Scenario Design

Stress tests must reflect business-specific risks, not just generic shocks. Suggested scenarios:

1. Receivable Stress: 20–30% of receivables delayed by 30–60 days.
2. Payable Stress: Creditors shorten credit terms by 15 days.
3. Inventory Stress: Sales slowdown causes 20% buildup in finished goods.
4. Dual Stress: Combination of receivable delay + inventory buildup.
5. Financial Market Stress: Interest rate hike of 2%, reduction of overdraft limits.

Quantification Models

Financial modelling is central to stress testing. Chartered Accountants may use tools such as Excel, Power Query, or Python, but the core principles remain consistent:

- Cash Flow Impact = Change in DSO/DPO/DIO × Average Daily Sales/Purchases/COGS
- Liquidity Gap = Cash Inflows – Cash Outflows under stress
- Covenant Impact = EBITDA/Finance Cost, DSCR, Current Ratio tested against bank thresholds



Example of a basic quantification in case of delay in receivables:

Baseline DSO = 60 days; Sales/day = ₹10 lakh.

Stress: 20% receivables delayed by 30 days.

Impact = $(20\% \times 30 \times ₹10 \text{ lakh}) = ₹60 \text{ lakh}$ additional cash lock-in.

This simple formula quantifies stress in relatable terms for boards and lenders.

Mitigation Mapping

Stress testing is incomplete without mitigation strategies. CAs should recommend:

- Receivables: stronger credit controls, factoring, legal follow-up, E-invoicing compliance checks.
- Payables: renegotiating supplier terms, dynamic discounting, vendor financing options.
- Inventory: just-in-time procurement, demand forecasting models, disposal of obsolete stock.
- Banking: buffer credit lines, covenant renegotiation, cash pooling.

Having established the technical framework for stress testing—baseline data, ratios, scenarios, quantification models, and mitigation strategies—the question becomes: how do different stakeholders apply this toolkit in practice?

The answer varies significantly based on professional role and regulatory context. Internal auditors use stress testing as a risk surveillance mechanism, identifying control weaknesses before they crystallize into losses. Statutory auditors leverage stress tests to form opinions on going concern and covenant compliance. Meanwhile, business advisors employ these techniques to guide strategic decisions on capital structure and operational efficiency.

The following sections examine stress testing through these multiple lenses, ensuring Chartered Accountants can adapt the core framework to diverse professional contexts.

Working Capital Stress Testing from the lens of an Internal Auditor

For internal auditors, stress testing becomes a risk management tool:

1. Process Weaknesses – Identify gaps in credit appraisal, collection follow-up, or purchase approvals.

2. Control Design – Test if policies (credit limits, vendor payment cycles) withstand shocks.
3. Early Warning Signals – Use stress tests to flag potential fraud risks (e.g., round-tripping receivables, fictitious sales).
4. Board Assurance – Provide audit committees with quantified risk dashboards, enhancing governance.

Example: In a manufacturing audit, an internal auditor may show how a 15-day receivable delay wipes out the company's entire cash buffer, proving the need for stricter debtor vetting.

Impact for Statutory Auditors

For statutory auditors, stress testing informs audit opinions and disclosures:

1. Going Concern Evaluation (SA 570) – Stress tests reveal whether liquidity buffers last 12 months.
2. Loan Covenants – Auditors must assess if breaches are "probable" under stress; this impacts classification of borrowings (current vs non-current).
3. Financial Statement Disclosures – Ind AS 107 requires disclosure of liquidity risks and qualitative disclosure on liquidity risk management. Stress testing provides the quantitative backbone.
4. Management Representation – Stress tests can validate or challenge management's cash flow forecasts. Example: If under stress, DSCR falls below 1, auditors may need to emphasise material uncertainty in their report.

Sample Case Illustration

Let's take a mid-sized company:

- Annual sales: ₹500 crore
- COGS: ₹400 crore
- Current receivables: ₹100 crore (DSO 75 days)
- Creditors: ₹60 crore (DPO 45 days)
- Inventory: ₹80 crore (DIO 60 days)
- Cash & OD: ₹10 crore buffer

Scenario: 25% receivables delayed by 30 days; creditors shorten terms by 15 days.

- Receivable impact: $(25\% \times ₹500\text{cr}/365 \times 30) \approx ₹10.27 \text{ crore}$
- Payable impact: $(₹400\text{cr}/365 \times 15) \approx ₹16.44 \text{ crore}$
- Total cash gap $\approx ₹26.7 \text{ crore}$

With only ₹10 crore buffer, the business faces a cash deficit of ₹16.7 crore. This could imply a likely covenant breach and liquidity crisis.

Practical Toolkit for CAs

Step	Action	Tools / Reports	Auditor Angle (IA- Internal Auditor, SA- Statutory Auditor)
1	Collect receivable, payable, inventory data	ERP extracts, Tally ODBC, Excel	IA checks completeness, SA checks classification
2	Build baseline ratios	Excel/Power Query	Both validate reasonableness
3	Define scenarios (DSO, DPO, DIO shocks)	Board workshops, brainstorming sessions	IA: risk-based scenarios; SA: disclosure-linked
4	Quantify impacts	Stress cash flow model	IA: dashboard; SA: going concern
5	Map mitigations	Credit terms, bank buffers	IA: control fixes; SA: evaluate feasibility
6	Report findings	Narrative + sensitivity table	IA: risk report; SA: audit working paper

Value Proposition for CA Firms

Stress testing is both a risk shield and a business growth lever. For CA firms, offering stress testing as a business advisory service has multiple benefits:

- Differentiates you from compliance-only players.
- Opens doors to CFO services and strategic advisory.
- Creates cross-sell opportunities (treasury consulting, internal controls, process re-engineering).
- Enhances audit quality, reducing risk of oversight.

Taken together, these approaches redefine how CAs engage with businesses of all types:

In an environment where liquidity shocks can cripple even profitable companies, CAs who master stress testing will not only safeguard stakeholders but also cement their role as trusted advisors in business continuity. Moreover, stress testing must be adapted to both regulatory requirements and industry realities. A retailer's inventory obsolescence risk differs fundamentally from a construction company's retention money risk, requiring sector-specific stress scenarios. Similarly, regulatory frameworks—from Ind AS 107 to SA 570—increasingly mandate forward-looking liquidity assessments, making stress testing not just good practice but a compliance imperative. CA's play a major role in assessing the relevant metrics which is aligned both from a business as well as a regulatory perspective.

The message is clear: profit may be vanity, cash flow is sanity—but stress-tested cash flow is true security.

Bengaluru Branch (SIRC)

Congratulations



Heartily Congratulate
Mr. Ankit Regmi
on securing the 29th Rank in the
CA Intermediate Examination
(All India Level). Proud Student of
ICAI, Bengaluru Branch Coaching
classes in May 2025 Batch.



Heartily Congratulate
Ms. Shruthi M
on securing the
29th Rank in the
CA Final Examination
(All India Level).



NEXT GEN RISK-BASED INTERNAL AUDIT OF AI IN BUSINESS PROCESSES: OPPORTUNITIES, RISKS, AND THE WAY FORWARD



CA. Shyamasundar Hegde (CA, CIA, CRMA, CISA, CFE)
AVP - Enterprise Risk Management, HCL Technologies

1. AI IN BUSINESS AND ITS REGULATORY FACETS:

1.1. The Exponential Growth and Penetration of AI in Business:

Imagine a world where an algorithm decides who gets a loan, an audit robot flags your company's red flags before you do, and your biggest risk isn't financial – it's ethical. That world isn't a science fiction – it's today. And as professionals, we won't just audit numbers, we'll audit intelligence, ethics, and trust.

"Should I? Shouldn't AI?" – is seen as a constant thought process among business leaders.

Artificial Intelligence (AI) is no longer confined to research labs or niche applications. It has deeply penetrated business organizations across sectors such as finance, healthcare, retail, logistics, and professional services. From automated credit scoring in banks to predictive maintenance in manufacturing, AI is becoming embedded in core operations. The core driver behind this adoption is the huge promise of efficiency, accuracy, and data-driven decision-making.

For internal auditors, this transformation means that assurance over processes increasingly requires an understanding and a fair working knowledge of AI-enabled workflows.

1.2. Knowledge and Skillsets Expected of Internal Auditors in AI Era:

Internal auditors now are expected to acquire knowledge beyond traditional audit skills. They must understand AI concepts such as data pipelines, training models, bias risks, transparency and explainability. While auditors are not expected to be data scientists,

they should be conversant in the language of AI to effectively challenge stakeholders, identify & assess risks, and evaluate controls on an ongoing basis.

Upskilling in areas like data governance, algorithmic transparency, and responsible & ethical use of AI is now a critical requirement for the profession.

1.3. AI Regulations across the Globe and Adaptation by Business Organizations:

Governments and regulators are responding to AI adoption with a variety of legal and compliance frameworks. The European Union's AI Act is among the most comprehensive, classifying AI use cases by risk level. The United States focuses on sector-specific guidance, while countries such as Singapore and India have issued ethical AI principles and governance frameworks.

Businesses are expected to align with these emerging regulations, not only to ensure legal compliance but also to protect trust and reputation among the stakeholders. Internal audit must monitor how effectively organizations are adapting to this evolving regulatory landscape.

2. INTRODUCTION TO AI MODELS:

2.1. Erstwhile and Traditional Predictive Analytics:

Before the widespread adoption of AI, organizations relied on predictive analytics using statistical techniques. These models drew inferences from historical data to predict future outcomes. While useful, predictive analytics was often limited in scope, accuracy, and adaptability when compared to modern machine learning approaches.

2.2. AI and Machine Learning (ML) and Types of ML:

AI encompasses systems capable of performing tasks that typically require human intelligence. Within this domain, machine learning (ML) allows systems to learn patterns from data and improve performance over time. ML applications such as fraud detection, customer churn prediction, and dynamic pricing are now commonplace across industries.

Machine learning can be broadly classified into three categories: supervised learning, unsupervised learning, and reinforcement learning. Supervised learning uses labeled data to predict outcomes, unsupervised learning detects hidden patterns without predefined labels, and reinforcement learning enables systems to learn through trial and error based on feedback. Each approach has unique implications for auditability and risk oversight.

2.3. MLOps as a Response to Adaptation Needs:

MLOps (Machine Learning Operations) has emerged as a discipline combining machine learning with DevOps practices. It ensures that AI models are not only developed effectively but also deployed, monitored, and maintained reliably. MLOps addresses practical challenges such as version control, performance monitoring, and lifecycle governance of AI systems.

2.4. IT and Data Architecture:

A robust IT and data architecture is the backbone of AI adoption. This includes data lakes, pipelines, and cloud-based infrastructure capable of handling large-scale data. Internal auditors must evaluate whether organizations have controls to ensure data integrity, security, and compliance in these architectures.

2.5. Generative AI, Agentic AI and AGI:

With the advent of Large Language Models (LLM), which can simulate conversations with a high level of complexity and knowledge, and capable of processing & generating text summaries, **Generative AI** has proliferated and disrupted business processes in an unimaginable way. Few relevant use cases include text and data analysis, customer service automation, content generation, training and development, process automations, etc.

Agentic AI refers to systems capable of autonomous decision-making and action, often with minimal human intervention. **Artificial General Intelligence (AGI)**, while still theoretical, represents AI with human-like reasoning across domains. Agentic AI is already visible in trading bots, autonomous vehicles, and workflow orchestration.

The risks associated with such autonomy—lack of accountability, ethical dilemmas, and potential systemic failures—make governance and internal audit oversight particularly critical.

3. INTERNAL CONTROL FRAMEWORK:

The COSO's **Internal Control–Integrated Framework** is widely referred for the development of an effective control framework to evaluate and manage the risks associated with AI systems. Here is a bird's eye view of the components from the perspective of the internal control framework in AI models.

3.1. Control Environment (Governance and Culture):

The control environment sets the tone at the top regarding AI adoption. Boards and senior management must foster a culture that prioritizes responsible & ethical AI, transparency, and accountability. A weak governance culture risks unchecked deployment of AI tools without considering long-term implications. Large organizations are setting up dedicated Responsible AI (RAI) Function, and AI Ethics Committees for robust governance.

3.2. Risk Assessment:

Risk assessment for AI systems must cover the entire lifecycle of system development and related operational risks, ethical concerns, compliance issues, and reputational impacts. Organizations need structured frameworks to assess risks arising from data quality, algorithmic bias, and dependency on vendors. This will aid clear go/no-go decisions.

3.3. Control Activities:

Control activities for AI include access management, model validation, and testing protocols. It also involves implementing review mechanisms for continuous monitoring and ensuring proper segregation of duties



between data scientists, developers, and business owners.

3.4. Training and Communication:

Employees need training to understand how AI impacts their processes and roles. Transparent communication about AI capabilities, limitations, and ethical considerations is critical for building trust within the workforce and among customers.

3.5. Supervision and Evaluation:

AI systems require continuous evaluation and supervision. This includes periodic reviews of model performance, monitoring outputs for anomalies, and adapting controls as technology evolves. Without such supervision, risks may go undetected.

3.6. Role of the Internal Audit Function:

Internal audit plays a central role in providing independent assurance over AI systems. This includes evaluating governance frameworks, testing the integrity of data pipelines, assessing bias mitigation strategies, and ensuring compliance with regulatory requirements.

4. INHERENT RISKS OF AI/GEN AI:

Here is an indicative list of risks which are inherent to AI and GenAI. Due consideration for these risks will ensure an effective risk-based internal audit.

4.1. Data Privacy Risk: Exposure of sensitive or personal data during model training or usage.

Eg: An AI chatbot accidentally reveals customers' personal information because training data wasn't anonymized.

4.2. Bias & Discrimination: AI models may embed or amplify unfair biases in decision-making.

Eg: A hiring algorithm favors male candidates over equally qualified female candidates due to biased training data.

4.3. Model Explainability / Black Box Risk: Lack of transparency makes it hard to justify AI-driven decisions.

Eg: A bank denies a loan based on an AI model's score, but can't explain the reasoning to the regulator or customer.

4.4. Cybersecurity Risk: AI systems can be targeted, manipulated, or exploited by adversaries.

Eg: Hackers manipulate an AI fraud detection system with adversarial data so fraudulent transactions go undetected.

4.5. Hallucinations / Inaccurate Output: GenAI may generate plausible but factually incorrect or misleading results.

Eg: A GenAI tool generates a compliance report citing fake regulations and misleading references.

4.6. Intellectual Property Risk: Use of copyrighted or proprietary data without permission in training or outputs.

Eg: A GenAI tool produces marketing content that unknowingly replicates copyrighted images or text.

4.7. Regulatory & Compliance Risk: Failure to align with emerging AI governance and compliance requirements.

Eg: A company deploys AI for customer profiling but fails to meet GDPR requirements, leading to penalties.

4.8. Ethical & Trust Risk: Misuse of AI leading to erosion of stakeholder trust and reputational damage.

Eg: A healthcare AI recommends treatments based on biased data, eroding patient trust and drawing public criticism.

4.9. Operational Dependency Risk: Over-reliance on AI without adequate human oversight or fallback processes.

Eg: A logistics company relies on AI for routing but faces massive disruption when the system fails without backup plans.

4.10. Adversarial Manipulation: Input attacks (poisoned data, prompts) that intentionally mislead AI models.

Eg: Attackers feed misleading inputs to a GenAI-powered customer service bot, tricking it into giving unauthorized information.

4.11. Workforce & Skill Risk: AI adoption creating skill gaps, redundancies, or resistance within the workforce.

Eg: Employees are displaced by AI automation, creating skill gaps and resistance from the workforce.

4.12. Accountability & Liability Risk: Ambiguity on who is responsible when AI-driven decisions go wrong.

Eg: An autonomous vehicle causes an accident, and no clear accountability exists between manufacturer, software developer, and operator.

5. CALL FOR ACTION FOR AUDITORS:

5.1. Audit Strategy for AI Systems:

CAs must develop audit strategies tailored for AI systems, focusing on model design, validation, governance, and risk management. Audit plans must be dynamic to address rapidly evolving AI technologies.

5.2. Governance Model of AI Systems:

Auditors should evaluate whether organizations have formal AI governance models covering accountability, ethics, and transparency. This includes oversight committees, policies, and ethical guidelines aligned with global best practices and regulations.

5.3. Data Quality:

High-quality data is the foundation of reliable AI. Auditors must review processes for data collection, cleansing, and validation. Poor data quality can undermine AI outcomes and increase the risk of biased or inaccurate results.

5.4. Data Architecture and IT Systems:

Audit procedures must examine whether IT systems and data architectures support integrity, security, and regulatory compliance. Special attention should be given to cloud dependencies, vendor contracts, and data sovereignty issues.

5.5. Performance Measurement:

Performance metrics for AI should not only measure accuracy but also fairness, reliability, and resilience. Auditors need to evaluate whether organizations use balanced scorecards to assess AI systems holistically.

5.6. The Black Box Factor:

AI models, especially deep learning, often function as 'black boxes,' making it difficult to explain decisions. Internal auditors must assess whether explainability measures are in place, particularly for 'high-risk' use cases like credit scoring or healthcare.

5.7. Man-in-the-Middle: The Human Factor and Algorithmic Bias

Human oversight remains essential. Auditors must evaluate how organizations detect and mitigate algorithmic bias. Ethical considerations such as fairness and inclusivity should be embedded into audit reviews of AI systems.

6. FUTURE OUTLOOK:

The adoption of AI in business processes is set to accelerate exponentially, with agentic AI and AGI pushing the boundaries of what is possible. For Chartered Accountants and auditors, this means developing new skills, adapting methodologies, and embracing continuous learning.

The profession has a unique opportunity to position itself as a trusted advisor in the responsible development and deployment of AI. By focusing on governance, ethics, and resilience, internal audit can play a pivotal role in shaping the future of risk assurance in the age of AI.



INDIAN AND CHINESE TAX POLICY IN THE SHADOW OF US TARIFFS AND GLOBAL TRADE REALIGNMENT - IMPACT ON PROFESSIONAL EDUCATION IN INDIA

R Subramoniam – HR IFHE



1. Introduction

This article analyzes and compares the latest tax reforms in India and China amid global trade dynamics, domestic economic conditions, and responses to inflation, consumption, and investment.

The United States, under President Donald Trump's second administration, has escalated its protectionist trade policies in 2025, imposing and threatening steep tariffs on imports from various economies to address perceived trade imbalances and national security concerns. These measures, rooted in the International Emergency Economic Powers Act (IEEPA) and reciprocal tariff executive orders, have raised the average U.S. applied tariff rate from 2.5% at the start of the year to an estimated 27% by April 2025—the highest level in over a century. Key actions include Executive Order 14257 in April 2025, which initiated broad reciprocal tariffs, and subsequent modifications in July that further hiked rates on major trading partners.

Tariff rates vary by country, with baseline increases applied universally but escalated for nations with large trade surpluses or strategic rivalries. For instance:

- **China:** Faces the highest effective rates, currently at an additional 30% levy on top of prior duties, with threats of a further 100% tariff on all Chinese goods starting November 1, 2025—bringing potential totals to over 130% in some sectors like electronics and machinery. This builds on earlier peaks of 127.2% in May 2025 before partial reductions under the U.S.-China Phase One deal, which capped rates at 30% but is now at risk of unraveling.
- **India:** Hit with a total 50% tariff rate effective August 27, 2025, including 25% additional duties on key exports like textiles, gems, jewelry, leather, and marine

products—making it one of the steepest impositions outside China.

- **Other economies:** Canada faces rates around 10-15% on select goods (e.g., steel and aluminum), Mexico similar at 10-20%, the EU at 10-25% on autos and agriculture, and Vietnam at 20-30% on apparel—significantly lower than those on India and China.

India and China, as the two largest emerging economies and top U.S. import sources (13.4% and ~10% of U.S. imports respectively), have borne the brunt of these hikes, with tariffs jeopardizing up to 70% of India's U.S.-bound exports and sparking a full-scale trade war with China, where Beijing vows to "fight to the end." This escalation amid post-pandemic recovery and global commodity volatility underscores the vulnerability of export-dependent growth models in Asia.

2. Possible Implications

The U.S. tariff impositions pose multifaceted risks to India and China, amplifying existing pressures from inflation, supply chain disruptions, and geopolitical tensions. For both nations, the direct hit falls on export sectors, which constitute 20-25% of GDP, potentially shaving 0.5-1 percentage points off annual growth through reduced demand and higher costs.

2.1 Implications on India:

The 50% tariffs threaten \$50-60 billion in annual U.S. exports, particularly in pharmaceuticals (8% growth hit), IT services, and textiles (up to 70% of sector exports affected), widening the trade deficit from \$122 billion (April-August 2025) and fueling import inflation on energy and intermediates. Domestically, this could exacerbate job losses in labor-intensive industries (e.g., 1-2 million in gems/jewelry) and strain SMEs, already facing 15% credit crunches. However, opportunities

arise in supply chain diversification, with India poised to capture 10-15% of China's redirected exports in electronics via "China+1" strategies. Broader effects include rupee depreciation (5-7% pressure) and fiscal strain, raising debt servicing costs on 80.4% debt-to-GDP.

2.2 Implications on China:

The 30-130% tariffs could slash \$200-300 billion in U.S. exports, hammering high-tech (AI/semiconductors) and EVs (20% market share loss), contributing to deflation (-0.40% in August 2025) and property sector woes. Retaliatory measures, like 10% duties on U.S. goods, risk a vicious cycle, with Beijing's countermeasures already adding fees on U.S. ships. Economic fallout includes 0.5-0.8% of GDP drag in 2025-26, unemployment spikes in manufacturing hubs (e.g., Guangdong), and FDI diversion (down 15% YoY), though export rebates to Belt and Road partners may mitigate 20-30% of losses. Long-term, it accelerates de-globalization, pushing China toward self-reliance in tech but at higher costs (5-10% inflation pass-through).

2.3 Global Impact:

Shared implications include global supply chain reconfiguration, with ASEAN and Mexico emerging as key beneficiaries amid the U.S. tariff escalations on India and China. As companies accelerate "China+1" diversification strategies to mitigate risks from 50% duties on Indian goods and up to 130% on Chinese exports, Mexico has seen a surge in foreign direct investment (FDI), particularly in manufacturing sectors like electronics and autos, with inflows reaching \$38.7 billion in the first half of 2025—up 22% year-over-year, driven by nearshoring from U.S. firms like Tesla and Foxconn relocating assembly lines to leverage USMCA exemptions that keep 84% of Mexico-U.S. trade tariff-free. Similarly, ASEAN nations such as Vietnam, Thailand, and Indonesia have captured redirected Chinese manufacturing FDI, totaling \$15.2 billion in announced projects through September 2025 (a 35% increase from 2024), focusing on textiles, semiconductors, and EVs; for instance, Vietnam's electronics exports to the U.S. jumped 28% in Q2-Q3 2025, offsetting some transshipment scrutiny under new U.S. rules targeting Chinese rerouting.

3. Comparison of Economic Indicators of India and China

As of October 2025, India demonstrates stronger growth momentum and inflation control, bolstered by domestic reforms, while China grapples with deflation and debt amid trade shocks. The table below summarizes key indicators:

Indicator	India	China
GDP Growth (Projected)	6.5% (Driven by consumption & reforms)	4.8% (Facing trade & property challenges)
Debt-to-GDP Ratio	80.4% (Stable, aided by GST tweaks)	88.3% (Pressures from local government debt)
Inflation (Latest)	2.07% (August) (Within RBI target, GST-aided)	-0.40%(August) (Deflationary, despite VAT offsets)
Key Interest Rate	5.50% (RBI Repo Rate, Oct) (Scope for easing)	3.0% (1-Year LPR, Sep) (Accommodative stance).
Exports	\$346.1B (Apr-Aug) (+5.19% YoY; GST pricing boost)	~\$2.58T (Jan-Aug) (+5.9% YoY; supported by rebates).
Imports	~\$500B (Apr-Aug) (Widening trade deficit)	~\$1.75T (Jan-Aug) (Reflecting domestic slowdown).

India leads in growth and inflation stability, enabling monetary easing, whereas China prioritizes debt stabilization through accommodative policy.

4. Strategies Adopted/Proposed by India and China to Overcome This Impact

Both countries have pivoted toward domestic stimulus and diversification to counter U.S. tariffs, blending fiscal-monetary coordination with trade rerouting.

4.1 India's Strategies:

Focus on "Atmanirbhar Bharat" (self-reliant India), including Production Linked Incentive (PLI) schemes worth \$25 billion across 14 sectors to boost local manufacturing and capture China+1 shifts (e.g., \$10 billion in electronics FDI since 2024). Proposed measures include negotiating mini-trade deals with the EU and UK, subsidizing export insurance (up to 50% coverage), and



rupee trade settlements with 20+ partners to bypass dollar volatility. Monetary easing via RBI rate cuts (25-50 bps expected in Q4 2025) complements fiscal outlays of 2% GDP on infrastructure.

4.2 China's Strategies:

Emphasize "Dual Circulation" for internal demand and high-tech exports, with \$1.4 trillion in local bonds for property stabilization and RMB internationalization (40% of trade now in RMB). Proposals include expanding Belt and Road investments (\$300 billion pledged in 2025) to Africa/Latin America for market diversification and retaliatory tariffs on U.S. agriculture/tech. The PBOC's accommodative stance (LPR at 3%) supports targeted credits (e.g., 10% reinvestment for FDI), aiming to offset 20% export losses through ASEAN/EU rerouting.

Similarities include SME relief and green tech focus; differences lie in India's inward diversification vs. China's outward expansion.

5. Tax Reforms in India and China

Tax reforms form the fiscal backbone of these strategies, simplifying structures to enhance competitiveness and consumption.

5.1 China's VAT Reforms:

Building on the 1994 Tax-Sharing Reform that unified taxes and doubled tax-to-GDP to 20%, recent tweaks codify the VAT system under the new VAT Law (effective January 1, 2026). It retains three tiers (13% standard for manufacturing, 9% reduced for agriculture/transport, 6% for services) and a 3% rate for small taxpayers. Key changes: 10% reinvestment tax credit (2025–2028), luxury vehicle consumption tax threshold raised to RMB 900K (effective July 20, 2025), and export rebates narrowed to four high-tech industries. Objectives: Stabilize revenues amid trade frictions, boost FDI, and counter deflation by enhancing consumption.

5.2 India's Liberalization Era and further transformation

The period from 1990 began with crisis-driven liberalization, sharply reducing sky-high income and customs taxes to open the economy. This was followed by a phase of consolidation, including the introduction

of a state-level VAT to reduce cascading taxes, which set the stage for the most transformative reform: the Goods and Services Tax (GST) in 2017. GST created a unified national market by subsuming over a dozen central and state levies.

In parallel, direct taxes were also modernized through significant corporate tax cuts, the introduction of a simplified personal income tax regime, and a strong push for digitalization. Reforms like faceless assessments and enhanced compliance mechanisms have aimed to create a more transparent, efficient, and broader tax base, fundamentally reshaping India's fiscal landscape from a closed, complex system to a more integrated and formalized one.

India's GST 2.0: Evolving from the 2017 GST that unified 17 taxes and grew collections from ₹7.19 lakh crore to ₹22.08 lakh crore (2024–25), GST 2.0 (launched September 22, 2025) simplifies to two slabs (5% for essentials/mid-tier, 18% for most goods; 40% for luxury/sin goods like tobacco and gaming; nil for basics). Changes include rate cuts (e.g., 6% on handlooms), faster refunds (within 30 days), and cess removal. Aims: Boost purchasing power, ease SME compliance, and counter tariff-induced inflation for inclusive growth.

Core differences: India's broad rate reductions vs. China's targeted codification; similarities in simplification and pro-consumption incentives.

6. Superiority of Indian Tax Reforms over Chinese Reforms

India's GST 2.0 exhibits superiority through its revolutionary overhaul, delivering quicker, broader relief compared to China's evolutionary VAT refinements. The slab consolidation from four to two (eliminating 12%/28% rates) directly slashes CPI by 25–50 basis points, fostering 6.5% GDP growth via enhanced purchasing power—evidenced by 23-25% e-commerce surges post-reform and 5.22% auto registrations in September 2025. This equity focus (nil rates on basics, SME refunds) addresses domestic lags more effectively than China's tiered system, which maintains higher standard rates (13%) and narrower rebates, yielding only revenue stability amid 4.8% growth and persistent deflation.

India's reforms also excel in compliance (taxpayers up 130% since 2017) and federal harmony, reducing evasion by 20% via digital invoicing, versus China's state-controlled "dual-track" that risks revenue volatility from local debt (88.3% GDP). Early indicators show India's bolder leap narrowing the competitiveness gap—cheaper EVs and festive sales hitting ₹1.2 trillion—while China's incentives cushion but fail to ignite demand, underscoring GST 2.0's edge in velocity and inclusivity for sustainable prosperity.

7. Future Implications of These Reforms in Both Countries

India's GST 2.0 could propel GDP to 7%+ by 2027, with consumption-led recovery narrowing the U.S. trade deficit via diversified exports (e.g., +12% in electronics/pharma) and PLI-driven FDI inflows (\$100 billion targeted). However, risks include revenue shortfalls if luxury collections falter, necessitating 1-2% fiscal deficit hikes. Long-term, it positions India as a global manufacturing hub, enhancing equity (lifting 50 million via SME jobs) but vulnerable to global slowdowns.

China's VAT Law may stabilize 5% growth through 2026 by attracting \$200 billion FDI in tech, with rebates fortifying exports to non-U.S. markets (e.g., +13.2% surplus). Yet, deflation persistence could delay recovery, exacerbating debt (projected 90% GDP) and AI shifts displacing 10 million jobs. Positively, it reinforces industrial dominance via self-reliance, though at the cost of innovation stifled by state controls.

Divergent paths: India's reforms accelerate equitable expansion; China's ensure resilience but lag in dynamism.

8. Impact of the global dynamics and reforms on Professional Courses in India

The Professional courses in India, in particular, the Chartered Accountancy course offered by The Institute of Chartered Accountants of India, need to incorporate certain changes, to meet the challenges of the above-mentioned changes. The demand for professionals is increasing and the skill-set expected from them are all-the-way different. Following are some of the implications on the professional courses and the changes to be incorporated:

8.1 Global Economic Shifts and Surging Demand for Professionals

Rapid globalization, digital transformation, and trade liberalization have streamlined international business operations and accelerated economic expansion, fueling a heightened need for skilled professionals worldwide. Advances in the digital economy, including blockchain and cloud computing, have particularly amplified demand in sectors like finance, accounting, and IT, where experts proficient in compliance, international taxation, and digital analytics are essential for navigating complex global supply chains.

8.2 Emphasis on Lifelong Skill Enhancement

Global educational trends prioritize vocational training, hands-on skill building, and experiential learning fused with core disciplines, aligning with the demands of a knowledge-driven economy. This focus has boosted the appeal of professional courses emphasizing technical proficiencies, digital fluency, and innovative problem-solving, attuned to international labor markets and emerging technologies. As a result, enrollments in fields such as data science, AI, cybersecurity, sustainable finance, forensic accounting, and strategic management have surged, preparing graduates for borderless career opportunities.

To adapt existing professional course systems, curricula should incorporate modular, stackable certifications that allow for flexible upskilling—such as short AI ethics modules integrable into engineering or business programs—ensuring relevance amid technological flux without overhauling foundational structures.

8.3 Enhanced Global Industry-Academia Partnerships

International initiatives have promoted deeper ties between industries and academic institutions, driving curriculum revisions that mirror evolving global job markets. This synergy has rendered professional courses more pertinent, engaging, and successful in elevating employment outcomes, thereby attracting greater student participation and investment.

Key changes to current systems include mandating co-designed programs with multinational employers,



integrating real-time industry feedback loops for annual updates, and embedding interdisciplinary simulations (e.g., VR-based cross-sector case studies) to bridge theoretical knowledge with practical application, fostering a workforce resilient to geopolitical and economic volatility.

In summary, global economic dynamics have heightened demand for professional courses by cultivating a skills-centric educational landscape, synchronizing offerings with dynamic industry expectations, and bolstering employability on an international scale. These shifts advance worldwide economic objectives by developing a versatile workforce ready to tackle transnational challenges, with targeted reforms ensuring professional education remains adaptive and forward-looking.

9. Conclusion

India's GST 2.0 has catalyzed an agile, consumption-led recovery, propelling projected GDP growth to 6.5%

amid robust domestic demand, outpacing China's stability-oriented 4.8% forecast—recently reaffirmed by the World Bank despite regional headwinds. Both nations leverage tax simplification as a shield against U.S. protectionism: India's domestic thrust via broad rate reductions fosters inclusive spending, while China's export-resilient VAT refinements prioritize FDI and manufacturing resilience. Early indicators underscore divergent trajectories—India's inflation at a multi-year low of 1.54% in September, amplified by GST consolidations, versus China's -0.40% deflation. As October 2025 unfolds, with India's Diwali sales poised for ₹1.2 trillion and China's Q4 metrics under scrutiny, these reforms offer a blueprint for fiscal agility. Ultimately, by harmonizing simplification with targeted stimulus, both exemplify resilience, but India's bolder leap may redefine the balance between equity and velocity in the global race for sustainable prosperity.

Result of Chartered Accountants Examination held in September 2025

FINAL			
Group(s)	No. of Candidates appeared	No. of Candidates passed	% of Pass
Group-I	51955	12811	24.66%
Group-II	32273	8151	25.26%
Both Groups	16800	2727	16.23%

INTERMEDIATE			
Group(s)	No. of Candidates appeared	No. of Candidates passed	% of Pass
Group-I	93074	8780	9.43
Group-II	69768	18938	27.14
Both Groups	36398	3663	10.06

FOUNDATION			
Gender	No. of Candidates appeared	No. of Candidates passed	% of Pass
Male	51120	8046	15.74
Female	47707	6563	13.76
Total	98827	14609	14.78



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
BENGALURU BRANCH (SIRC)



- ☐ **ICAI Bengaluru Branch – Coaching Classes Announcement**
The ICAI Bengaluru Branch is pleased to announce that it is organizing coaching classes for:
- ☐ **CA Foundation**
 - ☐ **CA Intermediate**

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 **PHYSICAL** coaching classes for **CA FOUNDATION & CA INTERMEDIATE** students & will commence as follows

Why you Should Choose ICAI – Bengaluru Branch

Salient features

- Experienced, Expert and Dedicated faculty members
- Methodology – Concept Oriented Teaching
- Affordable Coaching Fee, Library Facility, Reading Room Facility
- Mock Tests, Revision Classes, Crash Course, Quiz Programme & Classroom presentations.
- The journey of CA student with Bengaluru branch will be filled with Innumerable knowledge oriented activities coupled with motivational sessions & orientation classes, guided by our senior members, renowned faculty & resource persons to make student life productive and fruitful.
- It is a golden opportunity to be part of the Bengaluru branch by enrolling as a student to become a prestigious member of this glorious profession.

**Online
Registration
Now open!**

Course	Fees	Starting Dates	Timings
CA Foundation	Rs. 15,000/- (Including Mock Test and Crash Course)	Starting from 29 th Dec. 2025 for May 2026 Exams.	04.30pm to 07.30pm (Monday to Saturday) 8.00am to 2.00pm (Sunday) (Evening batch)
CA Intermediate	Rs. 25,000/- for Both Groups Rs. 15,000/- for Single Group (Including Mock Test and Crash Course) Rs. 6000/- for Single Subject	Starting from January 15 th , 2026 for September 2026 exams. Group II classes first, then Group I classes.	7:00am to 10:00am (Monday to Saturday) 7:00am to 2:00pm (Sunday) (Morning batch)

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

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

Venue: ICAI Bhawan, 16/O, Miller's Tank, Bed Area, Vasanthanagar, Bengaluru -52

Please Note: 1) Fees once paid will not be refunded.

2) Tentative scheduled faculty may change due to non availability at that point of time.

3) In case of less registration, it may be changed or cancelled.

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

CA. Manjunath M Hallur
Chairman

CA. Tuppad Virupakshappa Muppanna
Secretary





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

BENGALURU BRANCH (SIRC)

ANNOUNCEMENT

ICAI BENGALURU BRANCH IS ORGANIZING MOCK TESTS FOR FOUNDATION STUDENTS FOR THE JANUARY 2026 SERIES I AND II EXAMS.

The schedule for the same are as follows:

Series I

Date	Subject	Time
15.12.2025	Paper-1 : Accounting	2:00 pm to 5:00 pm
17.12.2025	Paper-2 : Business Law	
19.12.2025	Paper-3 : Quantitative Aptitude	2:00 pm to 4:00 pm
22.12.2025	Paper-4 : Business Economics	

Series II

Date	Subject	Time
29.12.2025	Paper-1 : Accounting	2.00 pm to 5.00 pm
31.12.2025	Paper-2 : Business Law	
02.01.2026	Paper-3 : Quantitative Aptitude	2.00 pm to 4.00 pm
05.01.2026	Paper-4 : Business Economics	

Fee details	
All subject	Rs. 400/-
Single Subject	Rs. 100/-

Registration on first come first served basis. **NO SPOT REGISTRATIONS**

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

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

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

Venue: ICAI BHAWAN, #16/O, Millers Tank Bed Area, Vasanth Nagar, Bangalore - 52.

CA. Manjunath M Hallur
Chairman

CA. Tuppad Virupakshappa Muppanna
Secretary



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BENGALURU BRANCH (SIRC)

ANNOUNCEMENT

**BENGALURU BRANCH IS ORGANISING MOCK TEST SERIES – I & II FOR
CA INTERMEDIATE STUDENTS FOR JANUARY 2026 EXAMINATION**

The schedule for the same is as follows:

Series - I

Date	Subject	Time
18.11.2025	Paper-1: Advanced Accounting	10:00am to 1:00pm
20.11.2025	Paper-2: Corporate and Other Laws	
22.11.2025	Paper-3: Taxation	
24.11.2025	Paper-4: Cost and Management Accounting	
26.11.2025	Paper-5: Auditing and Ethics	
28.11.2025	Paper-6: Financial Management & Strategic Management	

Series - II

Date	Subject	Time
06.12.2025	Paper-1: Advanced Accounting	10.00am to 1.00pm
08.12.2025	Paper-2: Corporate and Other Laws	
10.12.2025	Paper-3: Taxation	
12.12.2025	Paper-4: Cost and Management Accounting	
15.12.2025	Paper-5: Auditing and Ethics	
17.12.2025	Paper-6: Financial Management & Strategic Management	

Fees: Intermediate	
Both Group	Rs. 600/-
Group -I	Rs. 300/-
Group -II	Rs. 300/-
Single Subject	Rs. 100/-

Registration on first come first served basis. **NO SPOT REGISTRATIONS**

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

Email: blrstudentevents@icai.org for further details /Queries Pls call 080 - 4394 4868 /4876

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BENGALURU BRANCH (SIRC)

ANNOUNCEMENT

**ICAI BENGALURU BRANCH IS ORGANIZING MOCK TESTS FOR FINAL STUDENTS
FOR THE JANUARY 2026 EXAMS - SERIES I AND II**

The schedule for the same is as follows:

Series - I

Date	Subject	Time
17.11.2025	Paper-1: Financial Reporting	2:00pm to 5:00pm
19.11.2025	Paper-2: Advanced Financial Management	
21.11.2025	Paper-3: Advanced Auditing, Assurance and Professional Ethics	
24.11.2025	Paper-4: Direct tax Laws & International Taxation	
26.11.2025	Paper-5: Indirect Tax Laws	
28.11.2025	Paper-6: Integrated Business Solutions (Multidisciplinary Case Study with Strategic Management)	

Series - II

Date	Subject	Time
04.12.2025	Paper-1: Financial Reporting	2:00pm to 5:00pm
06.12.2025	Paper-2: Advanced Financial Management	
08.12.2025	Paper-3: Advanced Auditing, Assurance and Professional Ethics	
10.12.2025	Paper-4: Direct tax Laws & International Taxation	
12.12.2025	Paper-5: Indirect Tax Laws	
15.12.2025	Paper-6: Integrated Business Solutions (Multidisciplinary Case Study with Strategic Management)	

Fee details for Series – I		Fee details for Series – II	
All subject	Rs. 600/-	All subject	Rs. 600/-
Single Subject	Rs. 100/-	Single Subject	Rs. 100/-

Registration on first come first served basis. **NO SPOT REGISTRATIONS**

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

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

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

Venue: ICAI BHAWAN, #16/O, Millers Tank Bed Area, Vasanth Nagar, Bangalore - 52.

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CA. Tuppad Virupakshappa Muppanna
Secretary

ICAI – Bengaluru Branch (SIRC) Faculty Recruitment for Orientation Course & MCS Course

The Institute of Chartered Accountants of India (ICAI), Bengaluru Branch (SIRC) invites applications for Faculty Positions for conducting the Orientation Course (OC) and Management and Communication Skills (MCS) Course.

Criteria for Empanelment of faculty for OC/MCS Course

Following eligibility criteria, based on their qualifications and experience, be adopted for empanelment of faculties:

1. **Professional Qualification:** A CA qualification (practicing) or equivalent is essential to demonstrate a deep understanding of the specific challenges & requirements of the accounting profession.
2. **Advanced Degrees:** A Minimum of a master's degree in a relevant field such as Psychology, Sociology, Business Administration, Management, Organizational Communication, Law, or a related discipline. A Ph.D. is desirable for such programs. Any other allied courses in line with the advanced degree may also be considered. Certificate Course on Soft Skills Development, Leadership Skills, High Impact Presentation Skills, Training and Development and any Executive Education Programs in Communication Skills, Program in Leadership and Change Management, strategic thinking and NLP Trainer Certification may also be considered.
3. **Professional experience:** Typically, 5-15 years of relevant professional experience. This experience may include a combination of industry practice, teaching and potentially some form of management and leadership experience. This experience should demonstrate a significant impact in their field, leadership capabilities, and a record of effective teaching and program development.
4. **Previous Residential program experience.**
5. **Communication Skills:** (a) Clear and effective communication skills, both verbal and written; (b) Ability to convey complex concepts in an accessible and understandable manner.
6. **Teaching and Training experience:** (a) Proven experience in conducting training sessions or workshops, especially in a residential or immersive setting; (b) Demonstrated ability to engage and effectively communicate with diverse groups of participants.
7. **Industry Experience:** Practical experience and a strong background in the industry related to the skill being taught; (b) Knowledge of real-world application and industry trends.
8. **Curriculum Development:** Experience creating structured lesson plans and hands-on activities.
9. **Facilitation and interpersonal skills:** (a) Strong facilitation skills to lead group discussions, interactive activities, and collaborative projects. ;(b) Excellent interpersonal skills to build rapport with participants and create a positive learning environment.
10. **Technological Proficiency:** Familiarity with relevant technologies to enhance learning experience and (b) Capability to integrate technology into skill development activities.
11. **Student engagement and mentoring:** (a) commitment to student success through engagement, mentorship, and support; (b) Evidence of fostering positive and inclusive learning environment.

How to Apply: Send your CV to: blrchairman@icai.org; blrstudentevents@icai.org; blradmin@icai.org

Address: The Chairman, ICAI Bengaluru Branch (SIRC), Bengaluru, Karnataka



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- Practical Roadmap: How to Set Up GCCs and Enable

✉ blradmin@icai.org | blrregistrations@icai.org ☎ 98800 07906 | 98800 07905

Career Counsellors Empowerment Meet



Inauguration of Program by lighting the lamp



CA. Madhukar N Hiregange
Central Council Member



Participants

Study Circle Meetings



CA. Nanu R Mallya



CA. Kiran Rangaswamy



CA. Nithin Surana A



CA. Hanish S



CA. Vikas Oswal



CA. Kuthalingam K T



CA. Kaleshwara Prasad

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Central Council Member



CA Manjunath M Hallur
Chairman
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CA. Pramod R Hegde
Member & SICASA Chairman
SIRC of ICAI



CA. Tuppad Virupakshappa
Muppanna, Secretary
Bangaluru Branch (SIRC)

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CA Manjunath M Hallur
Chairman
Bangaluru Branch (SIRC)



CA. (Dr.) N Suresh



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CA. Naveen Khariwal G



CA. Deepak Chopra



Participants

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Certification Course in AI for CA's on 10.10.2025 to 12.10.2025



Certification Course in AI for CA's on 24.10.2025 to 26.10.2025



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