

KSCAA®

NEWS BULLETIN

Karnataka State Chartered Accountants Association (R)

July 2021

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- Pre-Pack IRP
- RERA
- IPR in India
- Cyber Security
- SA 720
- Financial Reporting & Assurance



48th ANNUAL REPORT 2020-21



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Karnataka State
Chartered Accountants Association



Dear Professional Friends,

The whole of India, especially the state of Karnataka has opened and loosened the restriction placed due to COVID and people are returning to normal. As responsible citizens, let us practice safety norms as it is too early to lower our guard and risk ourselves. KSCAA conducted vaccination drive to its members and we clocked vaccinating 1,100+ of our members' family and staffs. Vaccination

is the only hope, at the end of the tunnel. The shift in mind off late for professionals practicing tax is that of poor site which is thrust upon the professionals, the near memory of GST and MCA sites, gets them to a feel of 'dillydallying'. The hope is that the new site is brought to better the experience and we presume it lives it to expectation.

This year the AGM of the Association is planned to be scheduled in the month of August with prevailing poor condition, this was postponed by a month from July to August. The current issue also has the annual report which wraps the activity and performance of the year. This year we have also brought certain resolution to the attention of our members some impending issues which needs to be passed for betterment of the Association.

News Roundup

Direct Tax

- The CBDT has extended time limit to furnish manual Form 15CA/CB to 15th August 2021 as glitches mar the new income tax portal
- Survey operation on the biggest staffing company in Bangalore allegedly unearthed 880 concealments. The focus being claim of deduction under section 80JJAA
- Notification of rules for the purpose of section 50 and section 48
- Guidelines issued by the Board by issue of Circular 14/2021 on section 9B read with 45(4) and Circular 13/2021 on 194Q
- The due date for payment of VSVS settlement amount without interest is extended to 31.8.2021 and with interest between 1.09.2021 and 31.10.2021
- Extension of various due dates under TOLA read with notification dated 25.06.2021 to 30.09.2021
- Tax exemption for expenditure on COVID treatment and ex-gratis received on death due to COVID
- Introduction of functionality for section 206AB and 206CCA
- Notification of CII for FY 2021-22 @ 317.

Indirect Tax

GST celebrated its 4th year anniversary on 01st July and the last 4 years of GST has been a high octane thrill ride for all tax

professionals. The law seems to be taking some more time to settle and I'm sure in the times to come GST shall truly be a "Good and Simple Tax". Let us as tax professionals keep up the same positive attitude and help our clients to be GST Compliant. I request all my CA brethren to help their clients update their IEC before 31st July on the DGFT portal to avoid the IEC certificate being classified as inactive. It is also the time of the quarter where the assessee are given an option to choose the QRMP scheme or to opt the Normal Monthly return. Let us guide our clients to choose the appropriate option.

Corporate Law

The MCA vide General Circular No 11/2021 has extended the relaxation originally granted vide General Circular No 06/2021 on levy of additional fees in filing of forms (other than CHG Forms) to Companies and LLPs. Accordingly, only normal fees shall be levied upto 31st August, 2021 for forms (other than charge related forms) required to be filed during 1st April 2021 to 31st July 2021.

The MCA vide a notification dated 23rd June 2021, notified the Companies (Accounting Standards) Ruled, 2021 expanding the small and medium firm definition. The new thresholds for the small and medium companies (SMCs) are turnover not exceeding Rs 250 crore (up from Rs 50 crore) and borrowings not more than Rs 50 crore (up from Rs 10 crore). This would enable a wider set of companies to avail of greater flexibility in the accounting standards.

The outlook of the profession is changing and so is that of the association, and that is the cornerstone of any successful individual or organization. The question of adoptability realizes us to think on the sustenance and so would this lead us to think on outlook, the major source of inspiration to watch about outlook is not that of acceptability but that of ability to persevere and stay relevant. With every force of necessary to change of outlook brings in an abnormal vigor to push the engine to change within. This is how an organizations stays with new perceived outlook and KSCAA derives to make a relevant outlook with such inspiring members and EC's.

Happy Reading!

Yours' faithfully,

CA. Kumar S Jigajinni

President

From the President

KSCAA[®]

NEWS BULLETIN

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KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R)

VISION

- KSCAA shall be the trusted and value based knowledge organisation providing leadership and timely influence to support the functional breadth and technical depth of every member of CA profession;
- KSCAA shall be the nucleus of activity, amity and unity among members aimed at enhancing the CA profession's social relevance, attractiveness and pre-eminence;
- KSCAA shall in the public interest, be a proactive catalyst, offering a reliable and respected source of public statement and comments to induce effective laws and good governance;
- KSCAA shall be the source of empowerment for leadership and excellence; disseminating knowledge to members, public and students; building a framework for new opportunities and partnerships that enhance life in the community and beyond; encouraging highest ethical standards and professional integrity, in realization of India global leadership vision.

MISSION

- The KSCAA serves the interests of the members of CA profession by providing new generation skills, amity, unity, networking and leadership to strengthen the professional capabilities, integrity, objectivity, social relevance, standards and pre-eminence of India's Chartered Accountants nationally and internationally through; becoming gateway of knowledge for Chartered Accountants, students and public; helping members add value to their customers/employers by enhancing their professional excellence and services; offering a reliable and respected source of public policy advice and comments to bring about more effective laws and policies and transparent administration and governance.

MOTTO: KNOWLEDGE IS STRENGTH

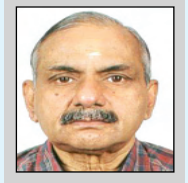
KSCAA welcomes articles & views from members for publication in the news bulletin / website.

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LIFE INTEREST AS PART OF TAX PLANNING



■ CA. Krishnan S

Introductory Remarks

1. The professionals should fully be equipped with certain terms that are being used in taxation matters quite frequently and one such term is “life interest”, though not defined under the Income-tax Act (the Act) or the Wealth- tax Act 1957 which was in vogue till it made its exit with effect from Financial Year 2015-16 provided for calculation of life interest. This Life Interest can be effectively used in tax planning as can be seen in this article.

Let us understand the term Life Interest first. Then we can go through certain decisions of the Supreme Court to understand the concept of life interest vis-a-vis rights of women under the provisions of Section 14 of the Hindu Succession Act (HSA)

Understanding Life Interest

2. Life Interest or Life Estate, as it is also called, is an interest in property, whether real or personal, conferring the right to use that property and the right to take the income or fruits or produce of that property for the period of beneficiary's life but cannot be passed on to another or others after his or her death. In other words, life interest would last as long as that person is alive and will be buried along with that person. The holder of a life interest is referred to as a life tenant and if the tenant assigns his interest to a third party, that third party is said to have an interest *pur autre vie* which is a French legal phrase which means “for another's life.”

Understanding the provisions of Section 14 of HSA

3. In cases where the Hindu male confers a “life interest” in lieu of maintenance or arrears of such maintenance, such life interest would blossom

into an ownership right. However, when the Will prescribed only a restricted estate, life interest would get extinguished upon the death of the widow.

This distinction can be understood by referring to the following cases of the Supreme Court-

- a) **C.Masilamani Mudaliar vs. Idol of Sri Swaminathaswami Thirukoil [1996] 8 SCC 525**

One S who had no issues left a Will in favour of W and another J and the preamble of the Will stated that “*I am duty bound to provide maintenance for the aforesaid two persons and I have no other duty to be performed.*” The last part of the Will read- “*Amongst the aforesaid W and J, if one of the persons were to die survived by another, the surviving Member shall have the right to enjoy the property in its entirety.*”

The question arose as to whether the widow W became the absolute owner by operation of Section 14(1) of the HSA which provided that “*Any property possessed by a female Hindu, whether acquired before or after the commencement of this Act, shall be held by her as full owner thereof and not as a limited owner.*”

The Supreme Court after referring to precedents, on this issue, allowed the appeal preferred by W by holding that “*the express covenant is that, he(S) recognized her (W's) right to maintenance and in lieu of the maintenance, property was given to her for her maintenance during her lifetime. That is the pre-existing right as per then existing law. After the Act has come into force, the limited*

estate has blossomed into an absolute estate. Therefore, the doctrine of proportionality of maintenance is not applicable and cannot be extended and thus she has become the full owner."

b) Sadhu Singh vs. Gurudwara Sahib Narike [2006] 8 SCC 75

The dispute which arose in this case was with regard to interpretation of the Will left by one R where his wife I claimed that the property devolved on her absolutely on the death of her husband R and so she was entitled to deal with the property in the way she had wanted and thus she gifted the property in favour of a Gurdwara. This claim of I was disputed by S (nephew of the deceased R) as the property devolved on him and his brother as per the terms of the Will left by R who had no children and that I had only a life estate. It was pleaded on behalf of I that in any event, Section 14(1) of the HSA entitled her to deal with the property as an absolute owner which was countered by S by stating that I having taken the property under the disposition of her husband, was bound by its terms and that she only had a life estate and had no competence to donate the property and that it was a case to which section 14(2) of the HSA applied and the limitation on rights imposed by the Will was binding on I. It was further argued on behalf of S that I's estate could not get enlarged under Section 14(1) of the HSA.

The Supreme Court after analysing various decisions rendered by its earlier Benches made the following observations at para 7 of its judgment —

"Now, it is clear from the section and implicit from the decisions of this Court, that for section 14(1) of HSA to get attracted, the property must be possessed by the female Hindu on the coming into force of the Hindu Succession Act. In Mayne on Hindu Law, 15th Edn., page 1171, it is stated:

"On a reading of sub-section (1) with Explanation, it is clear that wherever the property was possessed by a female Hindu as a limited estate, it would become on and from the date of commencement of the Act her absolute property. However, if she acquires property after the Act with a restricted estate, sub-section (2) applies. Such acquisition may be under the terms of a gift, will or other instrument or a decree or order or award."

The provisions of Section 14(2) of HSA stipulate that "Nothing contained in sub-section (1) shall apply to any property acquired by way of gift or under a will or any other instrument or under a decree or order of a civil court or under an award where the terms of the gift, will or other instrument or the decree, order or award prescribe a **restricted estate** in such property."

Life Interest is a restricted estate

4. The Supreme Court in the case of **Ranvir Dewan vs. Rashmi Khanna [2018] 12 SCC 1** held that "a Life Interest is a "restricted estate" which automatically ends upon the death of the Life Interest holder." It was, held that when a Hindu male validly disposes off his property by providing for a limited estate to his heir, i.e., to his wife, the wife or widow has to take it as a limited right. This limited right of Life Interest is not enlarged even by virtue of certain provisions under the HSA.

To clarify, the Supreme Court reinforced the view that a limited interest is incapable of being transferred by the Life Interest holder to others, being personal in nature.

Creation of Life Interest through Settlement

5. Life interest can also be created through settlement as part of tax planning.

There should be clarity while executing a Settlement Deed with reserving Life Interest to himself/herself by the assessee, as the main test to find out whether the executed document constitutes a Will or a Settlement (Gift) deed is to

see whether the disposition of the interest in the property is in *praesenti* in favour of the settlees or the disposition is to take effect on the death of the executant. If the disposition is to take effect on the death of the executant, it would be a Will. But if the executant divests his/her interest in the property and vests his/her interest in *praesenti* in the settlees, the document will be a settlement.

Life Interest is a capital asset

6. The ITAT Pune Bench in the case of **Smt. Nargis A. Irani vs. ITO [2006] 102 ITD 297 (Pune)** held that life interest is a capital asset and as life interest allows possession, enjoyment and control over immovable property attributed to a capital asset it is entitled to all exemption provisions such as Sections 54F and 54EC of the Act.

But it is to be stated that, as on date, exemption provisions of Section 54EC of the Act are restricted to investment made from the transfer of a capital asset being a land or building or both.

Calculation of life interest

7. The calculation of Life Interest has to be made as provided in Part F, Third Schedule of the Wealth tax Act 1957. The average net annual income during 3 years ending on the valuation date has to be taken. While calculating net annual income, expenses incurred on the collection of such income subject to a maximum of 5 per cent on such income shall be deducted. This average net annual income shall be multiplied by the factor as shown in the table -Appendix to Third Schedule -Part H. In this table value of life interest of rupee 1 per annum at 6.5 per cent rate of interest based on the age nearer birthday is mentioned. This value appears as a numerical figure. Net annual income multiplied by this numerical figure is the life interest. However, the value of life interest so calculated cannot exceed the value of the property as on the valuation date as determined under Third Schedule.

In case the property is not let out but self-occupied, the annual letting value can be taken as the rental income

WORKINGS BASED ON ASSUMED FIGURES

Age nearer birthday - 75 years

Average Annual Rent of last three years - Rs.2,40,000/-

Value of life interest as per table for 75 years - 3.602

Life Interest = Rs.2,40,000 x 3.602 = Rs.8,64,480/- (or) Rs.8.70 lakhs

Note-As per para.5 (ii) of Third Schedule of the Wealth-tax Act where the property is not let out, the amount of annual rent assessed by the local authority in whose area the property is situated for the purpose of levy of property tax shall be the gross maintainable rent.

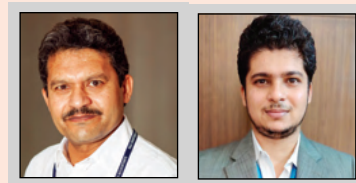
Concluding Remarks

8. From the analysis set out above the following principles emerge-
 - a) Life interest is a capital asset and so it is entitled to exemption under section 54F of the Act.
 - b) Being a limited interest holder the assessee cannot independently dispose of the property.
 - c) A Life Interest, being a "restricted estate", automatically ends upon the death of the life interest holder
 - d) By being entitled to Life Interest, the assessee cannot be stated to be owner of the residential property as Life Interest, being a limited interest, is incapable of being transferred by the Life Interest holder to others, being personal in nature.
 - e) The following principle enunciated by the Supreme Court in the case of **A. Sreenivasa Pai v. Saraswathi Ammal alias G. Kamala Bai 1985 AIR 1359** should be borne in mind while executing the Settlement Deed or writing a Will —

"In construing a document, whether in English or in any Indian Language, the fundamental rule to be adopted is to ascertain the intention from the words employed in it. The surrounding circumstances may be considered for the purpose of ascertaining the intended meaning of those words, especially when there is some ambiguity in the words used in the document."

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RELATED PERSONS TRANSACTIONS WITHOUT CONSIDERATION - VALUATION



■ CA. Madhukar N Hiregange & CA. Akshay M Hiregange

Valuation under GST for unrelated and related parties are two completely different concepts. Clarity is available on transactions with consideration to some extent. In this article we would discuss various **related persons transactions without consideration** which may warrant a separate valuation under GST and the impact of the same. The challenges of identifying transactions which are not recorded in books has been examined.

Common types of related party transactions:

1. Forward Charge Mechanism [FCM] – supply of goods to related person
2. FCM – supply of services to related person
3. Reverse Charge Mechanism [RCM] – Imports from associated enterprises

All the above transactions would have different implications when performed with or without consideration. To help the taxpayer identify the possible transactions and ensure GST compliance, the types of transactions along with possible identification have been provided.

Although, in this article the paper writers have deliberated upon the transactions in relation to related party transactions without consideration only.

Understanding of Valuation for Related/Distinct person

GST provisions – Explanation to section 15(5), Section 15, Rule 28, Schedule I, Section 17(3), Section 2(47) and provisions linked therein under GST law.

Type A - Where ITC fully eligible for recipient – valuation decided by the supplier needs to be accepted by department (Rule 28- 2nd provisio). Even a nominal Re.1 would do.

This means that the recipient would be supplying only taxable goods or services. No part of his supply would be exempt. The logic was that there is no revenue loss to the exchequer.

Type B - Where recipient is not eligible to full ITC – valuation must be:

- Open market value (OMV) – consider supply of

same goods/services to unrelated person

- Where OMV is not determinable – Value of like kind and quality goods/services (Similar to customs, minor adjustment for variations permitted. For services – difficult due to subjectivity)
- Where above 2 methods are unusable – 110% of cost of production or acquisition or provision of services (Rule 30).
- Where above 3 methods are unascertainable – any method in line with section 15. (Rule 31) (in the erstwhile regime notional interest of advances, amortization of free of cost capital goods over its production capacity were rulings of Courts)
- In case of services, 110% cost of services can be ignored if not practical
- Where goods are sent for further supply – 90% of price of like kind and quality of goods supplied to an unrelated person.

The above 'Types' would be referred in the sheet below frequently.

The obvious question that arises how to correctly identify whether recipient is fully eligible for input tax credit or not? – Firstly, while checking the eligibility of recipient ITC, one must confirm the same on a transaction level basis only. Some tips to help identify this on a case-to-case basis are:

- a) Where recipient uses such goods/services exclusively for taxable supply – full ITC eligible, i.e. when goods are used in operational activity

and outward supply is taxable.

- b) Where recipient uses such goods/services exclusively for exempt supply – no question of ITC as goods are exempt, valuation as per Rule 28, 30, 31.
- c) Where recipient uses such goods/services exclusively for both taxable & exempt supply (common) – ITC is partially eligible, therefore, valuation would be same above (b).

Some 'exempt supplies' of the recipient which may not be considered as such leading to incorrect valuation by the supplier are –

- i. Operational outward supply exempt vide notifications (ex: 02/2017-CTR, 12/2017-CTR, etc.)
- ii. Operation outward supply having conditional credit eligibility (ex: restaurant services @ 5% without ITC)
- iii. Supply of land and/or building being Schedule III item (other than construction activity liable under GST)
- iv. Supply of non-GST goods (petrol, diesel, liquor, etc. but does not include Sch III items other than above)
- v. Supply of duty scrips (other than utilisation against duty)
- vi. Supply of securities (1% of sale value to be considered as exempt supply)

Note - Interest income wrongly considered – although it is an exempt supply, interest is excluded from the calculation of ITC reversal under Rule 42 & 43.

Therefore, when any goods are supplied without consideration to a related/distinct person and is utilised towards operational or other exempt supplies as mentioned above, then valuation would be as per Type B above.

If not, Type A would be possible. In a situation where recipients position is unclear, or a risk averse taxpayer needs some additional confirmation, declaration from related/distinct person could be obtained confirming that such supply is eligible for full ITC for the recipient.

Types & Implication of Valuation under GST:

Supply of goods: Schedule I clause 2 of CGST Act

Transactions without consideration, but 'supply' under GST –

Sl No.	Types	Identification	Valuation
1	Stock transfers between GSTINs having the same PAN	Inventory registers, Gate pass, e-way bill (will not appear in Financial Statements)	Type A if not Type B
2	Goods given free of cost to employees other than as part of the employment contract – although gift value of Rs. 50,000 per employee per financial year would not be subjected to GST	Inventory/ fixed assets register (ex: slightly damaged goods, mobiles, used cars, etc.). If consumables, difficult to track.	Type B as employee is deemed to be URP not eligible to credit.
3	Goods transferred to business having common directors/ associated entities /others covered under explanation to Section 15(5)	Related party disclosures in audited financial statements, inventory registers, gate pass, EWB.	Type A if not Type B. Obtain clarity from entity prior to valuation.
4	Goods (other than moulds, jigs, dyes, etc.) sent on job work basis but not returned within time limits mentioned u/s 143.	Job work registers, fixed assets register vis-à-vis location of assets.	Type A if not, Type B would apply if job worker's activity is exempt

Sl No.	Types	Identification	Valuation
5	Permanent transfer of brand, trademark, intellectual property	Intangible assets written off as per fixed assets register vis-à-vis Assignment agreement.	Type A if not Type B

Supply of services: Schedule I clause 2 of CGST Act

Transactions without consideration, but 'supply' under GST –

Sl No.	Types	Identification	Valuation
1	Partial operational/ outward activity conducted by various GSTINs having the same PAN, although customer invoicing from a single GSTIN. (ex: supply of goods + installation)	Indications - Purchase order/Service Order, Business operations vis-à-vis billing process understanding	Type A, if not Type B. Classification exercise as the activity/ support function TBD.
2	Complete operational/ outward activity conducted by one GSTIN, but billing and GST payment from another GSTIN having the same PAN. (ex: GTA services – goods move from KA to TN, billed from DEL to customer in MH).	Purchase/ Service order, Invoicing, e-way bills	Type A, if not Type B.

Sl No.	Types	Identification	Valuation
3	Cross charge services w.r.t common expenses within PAN. (Software, legal, marketing, administration, statutory fees, etc generally incurred by Domestic HO)	Absence of expenses at branches and presence at HO, Cost centre bifurcations, Company policy.	Type A, if not Type B.
4	Corporate/ financial guarantees provided against liabilities of branches/related parties	Audit financial statements –Contingent liabilities, Related party transactions.	Type A, if not Type B.
5	Temporary transfer of brand, trademark, intellectual property	Related party transactions, intangible assets disclosure vis-à-vis License/ agreement.	Type A, if not Type B.
6	Renting of College building by trust to another related trust providing educational services [exempt]	Absence of Building in fixed assets and rent in expense, related party disclosure	Type B

Imports: Schedule I clause 4 of CGST Act

Transactions without consideration, where RCM would be applicable u/s 5(3) of IGST Act.

The recipient would find it hard to assign a value to services which are imported without consideration. Using internal cost reports, TP studies, etc. may be useful.

Sl No.	Types	Identification	Valuation
1	Global cost allocation without collection (ex: outward operational activity, expenses such as - software, legal, marketing, administration, statutory fees, etc)	Absence of such expenses in Subsidiary/ related entity. Cost centre reports from Parent co., Company policy if any, Transfer pricing study.	Where recipient is fully eligible against RCM liability paid – Type A Where recipient is not fully eligible against RCM liability paid – Type B
2	Temporary transfer of brand, trademark, intellectual property	License/ agreement, Advance Pricing Agreements, Form 3CEB, Transfer pricing agreements	
3	Deemed international transaction* [Note - associated enterprises under GST linked to Sec 92A (not 92B) of ITA,1961]	Form 3CEB, Transfer pricing agreements, Advance Pricing Agreements	

Note 1 – Any related party transactions are ideally supposed to be disclosed in audited financial statements irrespective of with/without consideration. Having a clear business understanding of types of transactions along with disclosures under other laws is useful.

Note 2 - Permanent transfer of goods including brand, trademark, intellectual property from outside India, into India – would not be covered under clause 4 of

Schedule I.

Conclusion

Accumulation of credits and cash outflow within the same PAN, tax not discharged accurately against cross charge/import of services are some of the issues which have cropped up, due to misunderstandings of the valuation provisions. The authors have provided some insights and views in various scenarios which may suggest structural and operational changes in a business environment to optimize the value between the related parties.

Once the CBIC officers (more likely State officers) graduate from fake bills, mistakes of supplier leading to denial of ITC for recipient, e-way bill issues of seizure of goods / conveyance denial of legitimate ITC and threat of arrest, then they may start examining fundamental concepts of levy, valuation etc. The audit parties have specific mandate to examine such transactions as per the Department Audit Manual.

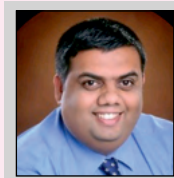
Abbreviations: FCM – Forward Charge Mechanism; RCM – Reverse Charge Mechanism; URP – Unregistered Person; TBD – To Be Decided

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Solution to Sudoku -10 June 2021

7	3	1	6	9	8	4	5	2
4	2	6	1	3	5	7	9	8
9	5	8	4	7	2	3	6	1
5	8	4	3	2	6	9	1	7
2	1	9	5	4	7	8	3	6
3	6	7	9	8	1	5	2	4
8	7	5	2	1	9	6	4	3
1	9	3	8	6	4	2	7	5
6	4	2	7	5	3	1	8	9

SA 720 : THE AUDITOR'S RESPONSIBILITIES RELATING TO OTHER INFORMATION



■ CA. Aditya Kumar S

Introduction: Annual Report of a Company contains a wealth of information not only relating to Financials but also on Operational, Governance and Other aspects. The information provided either is required by a regulation or at times is provided voluntarily by the Management as a best practice (generally called as 'Annual Report' and as 'Other Information' in SA 720). It is but natural for a reader of the document to expect that the information provided in the Financial Statements (which are audited) and those available elsewhere in the document are consistent with each other, unless specifically explained. Inconsistencies of details between the Audited Financial Statements and in other sections of Annual Report, would undermine the quality of Financial Reporting and could significantly impact their decision making. One has to factor in the consequences of any possible disciplinary or regulatory action against the Auditor or the Management, if the issues are grave. The objective of SA 720 is to give an opportunity for the auditor to 'read' (and not audit) and consider whether there is any material inconsistency between the 'Other Information' and Audited Financial Statements and to respond accordingly. The SA excludes information provided in 'Preliminary Announcements' and those provided in securities offering documents including Prospectuses from its scope.

Reporting responsibilities of the Auditor:

Section 143 of Companies Act 2013 ('Act') discusses 'Powers and Duties of Auditors and Auditing Standards'. Under Section 143(2) of the Act, *"The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Financial Statements which are required by or under this Act to be laid before the Company in General Meeting and the report shall after taking into account the provisions of this Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of this Act or any Rules made thereunder or under any Order made under sub-section (11) and to the best of his information and knowledge, the said*

Accounts, Financial Statements give a true and fair view of the state of the Company's affairs as at the end of its Financial Year and profit or loss and cash flow for the year and such other matters as may be prescribed."

A plain reading of the section indicates that the auditor's responsibility is to report on the true and fair view of the Financial Statements and such other matters which would have to be reported based on inquiry u/s 143(1) and additional reporting u/s 143(3) on various other matters. There is no mention on the auditor's responsibility to read the Other Information. However, since u/s 143(10) the auditor is expected to comply with Standards on Auditing and hence SA 720 would be required to be followed up.

Secondly, in case of companies wherein elaborate notes on certain aspects like risk management, etc., are to be given under Accounting Standards, and the said Accounting Standards itself gives mandate for the Companies to just cross-reference the contents in Management commentary or risk-reporting disclosures etc., provided that the users of the Financial Statements have both the documents at the same time.

Para 21B of Ind AS 107, "Financial Instruments – Disclosures" "An entity shall present the required disclosures in a single note or separate section in its Financial Statements. However, an entity need not duplicate information that is already presented elsewhere, provided that the information is incorporated by cross-reference from the Financial Statements to some other statement, such as a Management commentary or risk report, that is available to users of the Financial Statements on the same terms as the Financial Statements and at the same time. Without the information incorporated by cross-reference, the Financial Statements are incomplete." Same wordings are also used in Para 35C of Ind AS 107.

In these scenarios, the auditor would not be able to report on the Financial Statements, unless the other disclosures given in Management commentary are also considered. Hence, the auditor has to read the other information as part of responsibilities to report on the Financial

Statements.

What should an auditor do to comply with SA 720?

Planning:

1. Let the Management know about the fact that as an auditor you are required to go beyond Financial Statements to some extent. Understand what contents of Other Information would be and what exactly would expect as the contents.
2. Typically, the auditor should receive the draft of Other Information before the Auditor's report and hence this activity must be planned in the audit process itself.
3. If not available till the date of the Auditor's report, Management to provide a written representation that the final version will be provided as and when available, but before the document is distributed to facilitate the auditor to complete the procedures mandated.

Reading the Other Information:

1. Compare the contents in the Other Information to the Audited Financial Statements for consistency in presentation, completeness and accuracy.
2. There is possible risk of material inconsistency / misstatement in the Financial Statements which is being identified at this stage based on the audit evidence available.
3. Auditor should have also 'read between the lines' in Other Information which could lead to conclusion or indications that either the Other Information or the Financial Statements could be materially misstated.

What if there is an inconsistency between the Other Information and Financial Statements?

If there is an inconsistency between the Audited Financial Statement and Other Information, the Management should be informed forthwith. There would be no further procedures required if the management acknowledges the errors and take steps to correct it. If the Management disagrees and the differences are material, following are the scenarios:

- a. Auditor concludes that a material misstatement exists, but the information is sought after the date of the Auditor's report – If the corrections are carried out no further procedure would be required. Communicate to those charged with governance

(TCWG) on the misstatement of information. If those charged with governance (TCWG) ignore the auditor's communication, apart from taking legal recourse, following are the actions possible:

- a. Provide a New Audit report, withdrawing the earlier version and communicate to the Management to circulate the New Audit report and review the procedures to ensure that the New Audit report is distributed.
- b. Inform the Shareholders in the General Meeting.
- c. Inform the Regulators.
- b. If those charged with governance (TCWG) also ignore the auditor's communication, the auditor should look into whether withdrawing from the engagement is permissible.
- c. The third possibility could be that the auditor may have to update his knowledge of the entity and the environment in which they operate, which then takes the auditor back to the drawing board to relook at the risk perception and evaluate how the misstatement should be considered in the Audit report (SA 450 – Evaluation of misstatement identified during the audit / SA 560 Subsequent Events).

Where should the auditor report on Other Information?

The auditor would have to report in a separate paragraph titled as 'Other Information' or 'Information Other than the Financial Statements and Auditor's Report Thereon'

"The Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Company's Annual report, but does not include the Financial Statements and our Auditors' report thereon.

Our opinion on the Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard."

Reporting Responsibilities

Circumstance	Action required in audit report
Where the opinion on Financial Statements is modified for certain aspects like non-compliance with Accounting Standards or compliance requirements etc., but such disclosure or presentation is not required in Other Information.	If the information in the Financial Statements is misstated and auditor has modified opinion, however, such information is not dealt with in Other Information, the auditor need not qualify in 'Other Information' paragraph.
Where the opinion on Financial Statements is modified and such information is also presented and disclosed in Other Information without being corrected.	Auditor may have to consider reporting of the material misstatement in 'Other Information' paragraph.
Where there is limitation of scope and auditor has modified opinion considering that sufficient appropriate evidence is not available.	To consider whether there is any material misstatement in Other Information. If there is any material misstatement in Other Information or the limitation of scope denies opportunity to read the Other Information, the auditor is expected to draw attention to Basis of Qualified Opinion paragraph in the 'Other Information' paragraph as well.
Adverse Opinion	Appropriately modify 'Other Information' paragraph.

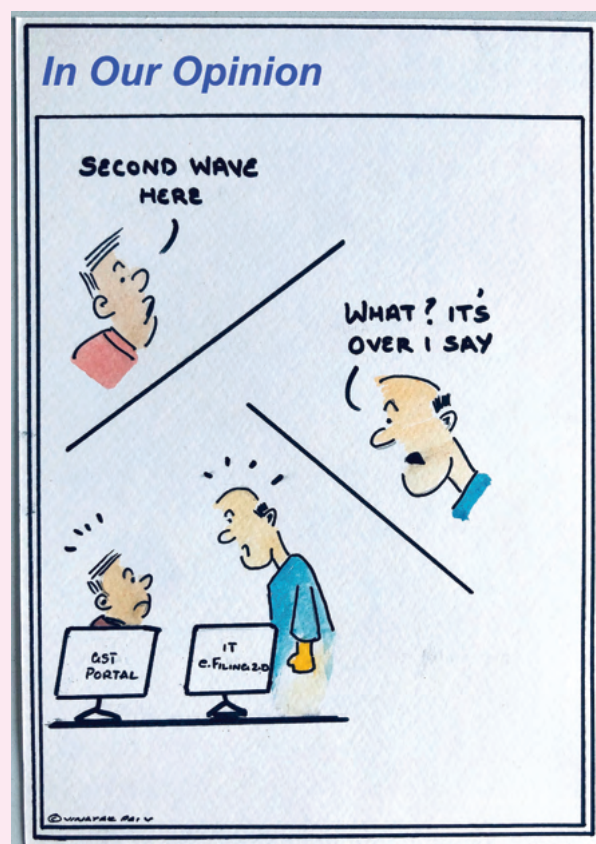
Disclaimer of Opinion

If the auditor disclaims an opinion on the Financial Statements, the auditor need not include a section on 'Other Information'.

Concluding remarks:

- Make provision in audit plan to include the activity of reading the draft Other Information.
- In case of joint auditors, ensure there is appropriate understanding between the auditors in compliance with SA 299.
- Coordinate with different teams of the client who work on Other Information and agree upon procedures and timing for when the documents would be available for the auditor to consider them in his reporting.
- Document the finding of the reading of the Other Information and its results appropriately to evidence the activity having been performed.

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PRE-PACK INSOLVENCY RESOLUTION PROCESS UNDER IBC 2016 : AN INDIAN EXPERIMENT



■ CA. (Dr) Kishore Kumar Pahuja

The Insolvency and Bankruptcy Code 2016 has evolved since its passage in 2016. There have been various amendments in the code as per requirements due to the practical challenges faced by various stakeholders. The Central Government has been actively considering the various suggestions to bring out the required amendments in the code.

Covid 19 has impacted businesses and economies all over the world. The government took necessary measures to mitigate the distress caused by the pandemic. The main measures from the point of view of Insolvency and Bankruptcy Code 2016 include:

- (i) Increasing the minimum amount of default for initiation of corporate insolvency resolution process to one crore rupees,
- (ii) Suspending filing of applications for initiation of corporate insolvency resolution process in respect of the defaults arising during the period of one year beginning from 25th March, 2020. This suspension of filing of applications for corporate insolvency resolution process ended on 24th March, 2021.

The Government is aware of the role of Small and Medium Enterprise for the growth of the economy of the nation as they contribute significantly to India's gross domestic product and provide employment to sizeable population.

The government therefore considered necessary to urgently address the specific requirements of micro, small and medium enterprises relating to the resolution of their insolvency, due to the unique nature of their businesses and simpler corporate structures. It was considered expedient to provide an efficient alternative insolvency resolution process for corporate persons classified as micro, small and medium enterprises under the Insolvency and Bankruptcy Code, 2016, ensuring quicker, cost-effective and value maximising outcomes for all the stakeholders, in a manner which is least disruptive to the continuity of their businesses and which

preserves jobs.

The Government in order to achieve these objectives, considered expedient to introduce a Pre-Packaged Insolvency Resolution Process (PPRIP) for corporate persons classified as micro, small and medium enterprises. The Parliament not being in session, an ordinance was promulgated by the President of India on 4th April, 2021.

Eligibility for Pre-Pack IRP:

1. A company or LLP that classifies as an MSME under Section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006. The MSME should fulfill the following conditions.
2. It should have defaulted on its payments due and payable of Rs 10 Lakh or more.
3. It should not have undergone a PPIRP or corporate insolvency resolution process (the regular insolvency process under IBC) (CIRP) during the past 3 years.
4. No liquidation orders should have been passed against it.
5. It is eligible to submit a resolution plan under Section 29.

Initiation of PPIRP?

The corporate debtor, i.e., the MSME itself can initiate PPIRP, by filing an application for initiation of PPIRP. The application can be filed through an authorized shareholder or partner of the MSME or an individual who manages the MSME's operations or resources or controls and supervises its financial affairs.

Management of the affairs of the MSME

The management of the MSME's affairs continues to be with its board of directors or partners. Where the Committee of Creditors, at any time during the pre-packaged insolvency resolution process period, by a vote of not less than 66% of the voting shares, resolves

to vest the management of the corporate debtor with the resolution professional, the resolution professional shall make an application for this purpose to the Adjudicating Authority, in such form and manner as may be specified.

Process and stages of Pre-Pack Insolvency Resolution Process

- Proposal of a resolution professional (RP) for the MSME by its financial creditors (not related parties).
- Approval of the proposed RP by financial creditors representing at least 66% of the above value.
- Prior to seeking approval from financial creditors, the corporate debtor shall provide such financial creditors with Declaration from majority of the directors or partners of the MSME stating: (a) that PPIRP application will be filed within 90 days; (b) that PPIRP is not initiated to defraud anyone; and (c) the name of the approved RP (d) special resolution from Shareholders and also submit a base resolution plan which conforms to the requirements and such other conditions as may be specified.
- Approval for PPIRP from the shareholders or partners of the MSME by a special resolution or 3/4th of the majority.
- Formulation of a base resolution plan by the MSME for its revival/restructuring and submission of the plan to financial creditors.
- Approval for PPIRP from financial creditors (not related parties) representing at least 66% in value of total financial debt.
- Where a corporate debtor has no FCs, such approval shall be obtained from unrelated Operational Creditors in the same manner as prescribed for FCs,
- Prior to filing of application, the IP shall be required to file and prepare a report confirming whether the CD meets the requirements under Section 54A (2),
- The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order, --
 - o admit the application, if it is complete; or
 - o reject the application, if it is incomplete
- The Adjudicating Authority shall, on the pre-

packaged insolvency commencement date, along with the order of admission declare a moratorium.

- The order of moratorium shall have effect from the date of such order till the date on which the pre-packaged insolvency resolution process period comes to an end.
- A public announcement of the initiation of the pre-packaged insolvency resolution process to be made by the RP within 2 days of PPIRP Commencement Date in Form P9, and be sent to every creditor.
- As per Section 54G (1), the list of claims shall, at the first instance, be submitted by the CD to the RP within 2 days of PIRP Commencement Date. The RP shall confirm the list of claims submitted to it by the CD, and inform every creditor regarding its claims, seeking objections if any. Such objections may be communicated to the RP within seven days from the receipt of communication by RP.
- Committee of Creditors, comprising of unrelated FCs, shall be formed within 7 days of PIRP Commencement date.
- Where there are no FCs, the CoC shall comprise of 10 largest OCs and 1 representative of Employees and Workmen each
- From the date of appointment of the resolution professional, the financial institutions maintaining accounts of the corporate debtor shall furnish all information relating to the corporate debtor available with them to the resolution professional, as and when required by him.
- The management of the affairs of the corporate debtor shall continue to vest in the Board of Directors or the partners, as the case may be, of the corporate debtor, subject to such conditions as may be specified; the Board of Directors or the partners, as the case may be, of the corporate debtor, shall make every endeavour to protect and preserve the value of the property of the corporate debtor, and manage its operations as a going concern.
- The personnel of the corporate debtor, its promoters and any other person associated with the management of the corporate debtor shall extend all assistance and cooperation to the resolution professional as may be required by him to perform his duties and exercise his powers.

- The regulations also require that the management of the corporate debtor provide a monthly report to the CoC on key developments.
- The resolution professional may appoint professionals for assistance with respect to the PIRP process.
- The directors of the CD to furnish a declaration regarding the existence of any transactions of the CD that may be within the scope of provisions in respect of avoidance transactions under Sections 43, 45, 49, 50 and 66 of the Code.
- Additionally, Reg. 41 of the Prepack Regulations, requires that the RP shall form an opinion about existence of such avoidance transactions, and if so determined, must file an application before the Adjudicating Authority for appropriate relief within 30 days.
- The corporate debtor shall submit the base resolution plan, to the resolution professional within two days of the pre-packaged insolvency commencement date, and the resolution professional shall present it to the committee of creditors.
- The committee of creditors may provide the corporate debtor an opportunity to revise the base resolution plan prior to its approval under sub-section (4) or invitation of prospective resolution applicants under sub-section (5), as the case may be.
- The committee of creditors may approve the base resolution plan for submission to the Adjudicating Authority if it does not impair any claims owed by the corporate debtor to the operational creditors.
- Where —
 - (a) the committee of creditors does not approve the base resolution plan under sub-section (4); or
 - (b) the base resolution plan impairs any claims owed by the corporate debtor to the operational creditors, the resolution professional shall invite prospective resolution applicants to submit a resolution plan or plans, to compete with the base resolution plan, in such manner as may be specified.
- Any third party would be permitted to submit a resolution plan for the distressed company and the original applicant would have to either match the improved resolution plan or forego the investment.
- If selected competing plan is considered 'significantly better' than base resolution plan (based on scoring and criteria laid down by COC), selected plan to be put up for COC voting.
- If selected competing plan not 'significantly better', submitters of base resolution plan and competing plans to be given an option to improve their plans. Highest scored plan amongst the improved plans to be put up for COC voting.
- If no competing plans received, base resolution plan to be put up for COC voting.
- COC to approve a resolution plan for submission to NCLT by 66% vote.
- The regulations notified by the Insolvency and Bankruptcy Board of India require the committee of creditors to evaluate resolution plans on the basis of a weighted scoring system akin to an evaluation matrix under the Corporate Insolvency Resolution Process under the IBC. This basis of the evaluation of resolution plans will have to be included in the invitation for resolution plans, which has to be posted on the corporate debtor's website
- The pre-packaged insolvency resolution process shall be completed within a period of one hundred and twenty days from the pre-packaged insolvency commencement date.
- The RP shall submit the resolution plan, as approved by the committee of creditors, to the Adjudicating Authority within a period of ninety days from the pre-packaged insolvency commencement date.
- Where no resolution plan is approved by the committee of creditors within the time period the resolution professional shall, on the day after the expiry of such time period, file an application with the Adjudicating Authority for termination of the pre-packaged insolvency resolution process.
- If the Adjudicating Authority is satisfied that the resolution plan as approved by the Committee of creditors meets the requirements of law and contains provisions for effective implementation it shall, within thirty days of the receipt of such resolution plan, by order approve the resolution plan.
- If above conditions are not met, or if there is fraud

or gross negligence in the conduct of the MSME's affairs, NCLT may reject the plan.

- The RP shall, within seven days of the order of the Adjudicating Authority approving a resolution plan, intimate each claimant, the principle or formula, as the case may be, for payment of debts under such resolution plan.

A resolution plan shall provide for-

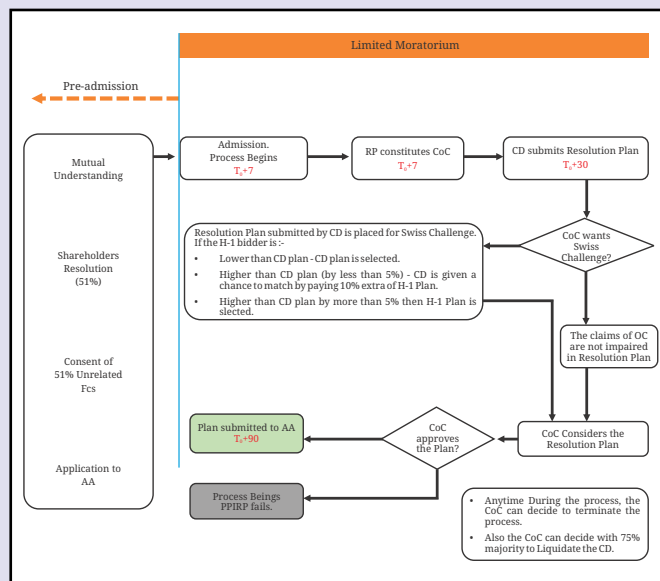
- the term of the plan and its implementation schedule;
- the management and control of the business of the corporate debtor during its term; and
- adequate means for supervising its implementation.

A resolution plan shall demonstrate that -

- it addresses the cause of default;
- it is feasible and viable;
- it has provisions for its effective implementation;
- it has provisions for approvals required and the timeline for the same; and
- the resolution applicant has the capability to implement the resolution plan.
- a resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.

CONCLUSION:

Introduction of Pre-Pack Insolvency Resolution Process is a welcome step to resolve the stressed MSMEs. Moreover allowing the management of the Corporate Debtor to keep control of the Corporate Debtor and offer a Base Resolution plan in consensus with the Financial Creditors will give them a better opportunity to resolve the indebtedness and continue the company as going concern and not affecting the employment of the industries. However we will have to wait and see the results as to the acceptability of the process by all the stakeholders. Many of the MSMEs though qualify as MSME but are not registered so they will not be eligible to avail the process. Besides the process only gives importance to the Corporate Debtor and Financial Creditors without giving much importance to Operational Creditors. Implementation of the process will guide us further with the issues being faced by the stakeholders and what remedies would be available to resolve those new issues.



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KSCAA REPRESENTATIONS:

- Representation on Issues in the new income tax E-filing portal dated 18th June 2021 to Smt. Nirmala Sitaraman, Hon'ble Union Minister for Finance and Corporate Affairs.
- Representation for extension of due date for submission of statutory audit report for FY 2020-21 to Shri. S T Somashekar, Hon'ble Minister of state for Co-Operation of Karnataka.

For full text of above representations, please visit: www.kscAA.com

OBITUARY

With profound grief and sorrow, we regret to inform the sad demise of our beloved senior Chartered Accountant CA. N Nityananda on 21st of July 2021. He was the past secretary of the association and past central council member of ICAI, his public life was a celebration of professional conduct he carried with everyone around him. He was an ardent supporter of Association and also a mentor, well-wisher and supporter of the association and its activities. Many youngsters were direct beneficiaries of his inspiring voice and wisdom. His influence of thought and view had always benefited members, fraternity and business community which he was part of. With this untimely death, the fraternity has lost a spirited volunteer and finest professional.



CA. N Nityananda

FINANCIAL REPORTING AND ASSURANCE



■ CA. Vinayak Pai V

1. UPDATES: Monthly Roundup¹

AS Ind AS	<ul style="list-style-type: none"> ICAI Exposure Drafts : <ul style="list-style-type: none"> Amendments to Guidance Note on Accounting for Derivative Contracts (IBOR Phase 2 Replacement Issues). Amendments to Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates. Amendments in Ind AS Taxonomy. Companies (Accounting Standards) Rules, 2021. [MCA Notification dated 23rd June, 2021.] <ul style="list-style-type: none"> Definition of Small and Medium Sized Company amended. Companies (Indian Accounting Standards) Amendment Rules, 2021. [MCA Notification dated 18th June, 2021.] <ul style="list-style-type: none"> Amendments to Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 104, Ind AS 105, Ind AS 106, Ind AS 107, Ind AS 109, Ind AS 111, Ind AS 114, Ind AS 115, Ind AS 116, Ind AS 1, Ind AS 8, Ind AS 12, Ind AS 16, Ind AS 27, Ind AS 28, Ind AS 34, Ind AS 37, Ind AS 38 and Ind AS 40.
Assurance	<ul style="list-style-type: none"> IAASB Implementation Guides <ul style="list-style-type: none"> First-time Implementation Guide for International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. First-time Implementation Guide for ISQM 2, Engagement Quality Reviews.
NFRA	<ul style="list-style-type: none"> Consultation Paper <ul style="list-style-type: none"> Report of Technical Advisory Committee - Enhancing Engagement With Stakeholders.
RBI	<ul style="list-style-type: none"> Notifications <ul style="list-style-type: none"> Risk Based Internal Audit (RBIA) Framework – Housing Finance Companies (HFCs). Declaration of Dividends by NBFCs. Guidelines for Managing Risk in Outsourcing of Financial Services by Co-operative Banks.
IFRS	<ul style="list-style-type: none"> IFRIC Tentative Agenda Decisions: <ul style="list-style-type: none"> TLTRO III Transactions (IFRS 9, Financial Instruments and IAS 20, Accounting for Government Grants and Disclosure of Government Assistance). Economic Benefits from Use of a Wind Farm (IFRS 16, Leases).
USGAAP	<ul style="list-style-type: none"> FASB Exposure Draft <ul style="list-style-type: none"> Proposed Accounting Standard Update <ul style="list-style-type: none"> Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities.

¹Updates for the month of June 2021.

2. MCA Notification : Companies (Accounting Standards) Rules, 2021 – SMCs

The MCA notified the *Companies (Accounting Standards) Rules, 2021* on 23rd June, 2021. The notification applies to companies other than those that prepare their general-purpose financial statements adopting Ind AS framework.

The notification redefines a Small and Medium-Sized Company (SMC). The threshold limits for turnover and borrowings stand amended. [a) turnover (not including other income) does not exceed Rs.250 crores (*in the preceding accounting year*), and b) its borrowings (*at any time during the preceding year*) does not exceed Rs. 50 crores.]

A company is an SMC if it meets specified criteria at the end of the relevant accounting period. And once a company qualifies as an SMC, as is the extant position, it becomes eligible to opt for certain exemptions and relaxations w.r.t AS.

Preparers/Auditors need to be particularly watching out for Para 5 of the Notification that states an existing company that was previously not an SMC and subsequently becomes an SMC shall not be qualified for exemption or relaxation (w.r.t AS) until it remains an SMC for two consecutive accounting periods.

The notification² that covers the AS framework (AS1 to AS 29) is effective 1st April 2021.

²<https://www.mca.gov.in/bin/dms/getdocment?mds=RKK43Bmg99ksfVobUGr6XA%253D%253D&type=open>

3. Financial Statement Extracts: Ind AS Lease Disclosures – Rent Concession, Variable Lease Payments and Extension/Termination Options

Background:

Hereinbelow is provided extracts related to Leases Disclosure [Rent Concessions, Variable Lease Payments and Extension/Termination Options] from a listed company's latest annual report.

The extracts below **illustrate** certain aspects of **Ind AS 116, Leases**³ application related to **paragraphs 46A, 46B and 60A** (Covid-19 related rent concessions), **paras 51 and B49** (Additional information on variable lease payments) and **paras 51 and B50** (Additional information on extension/ termination options).

Readers may refer to these paragraphs from Ind AS 116, Leases³ to better appreciate the applicability in the context of the extracts.

³<https://indasaccess.icaai.org/download/2020/compendium-indas/305/305asb-cias-2020-21-vol1-16.pdf>

Financial Statement Extracts:

Covid-19 related rent concessions

*The Company has renegotiated with certain landlords on the rent concession due to Covid 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has **elected to apply exemption** as the concession **does not necessitate a lease modification** as envisaged in the Standard by recording in the "Other income".*

Additional information on variable lease payment:

*During the year ended 31st March 2021, the Company has incurred an amount of Rs. 4 crores (Previous year: Rs. 10 crores) on account of variable lease payments. Variable **payment terms** ranges from 0.50% to 28% of net sales from a particular store. Variable payment terms **are used for** a variety of reasons, including minimising the fixed costs base for newly established stores and stores in malls. Excess of*

variable lease payments that depend on sales, over the fixed rental, are **recognised** in the statement of profit or loss in the period in which the condition that triggers those payments occur.

Additional information on extension/termination options:

Extension and termination options are included in a number of property lease arrangements of the Company. **These are used to** maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of **extension and termination options** held **are** exercisable based on mutual consent of the Company and respective lessors.

[Emphasis supplied.]

4. Revenue Recognition : Sale of Jewellery| Watches – Audit Procedures

Hereinbelow are provided extracts from the audit report of a listed company related to audit procedures where revenue recognition related to the company's core revenue stream from the sale of jewellery and watches stood identified as a **Key Audit Matter**.

Key Audit Matter

The Group recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of Group's revenue relates to jewellery and watches which involves large number of individual sales contracts having varied contractual terms with retail customers, distributors and franchisees. This **increases the risk of misstatement** of the timing and amount of revenue recognised to achieve specific performance targets or expectations. The Group and its external stakeholders **focus** on revenue as a **key performance indicator**. In view of the above we have identified revenue recognition as a key audit matter.

How the matter was addressed in the Audit Report

In view of the significance of the matter, we applied the following audit procedures in

this area, among others, to obtain sufficient appropriate audit evidence:

1. **Assessed the appropriateness of the accounting policy** for revenue recognition as per relevant accounting standard.
2. We **evaluated the design and implementation of key internal financial controls** and their **operating effectiveness** with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems.
3. We **perused selected samples of key contracts** with customers, distributors and franchisees to understand terms and conditions particularly relating to acceptance of goods.
4. We **performed substantive testing of retail sales by selecting samples** of sales made at the retail outlets using statistical sampling and tested the underlying documents, which included tracing sales to collection reports and bank statements. For sales (other than retail sales), we performed substantive testing using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon.
5. We **tested, selected samples** of sales transactions **made immediately pre and post year end**, agreed the period of revenue recognition to the underlying documents.
6. We **scrutinised manual journals posted** to revenue to **identify unusual items**.

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2020-21



NOTICE

Notice is hereby given to the members of the Karnataka State Chartered Accountants Association that the Forty Eighth Annual General Meeting of the Association will be held at 3.00 PM on Friday, the 27th of August, 2021, at Pai Vista, No.3, 27th Cross, K.R. Road, Opp: Sevakshetra Hospital, Banashankari 2nd Stage, Bengaluru 560070, to transact the following business:

AGENDA:

1. To confirm the proceedings of the Forty Seventh Annual General Meeting held on 27st August, 2020.
2. To consider & adopt the Annual Report of the Executive Committee.
3. To consider & approve the audited accounts for the year ended 31st March 2021.
4. To appoint the Auditors for the year 2021-2022 and fix their remuneration.
5. To elect Thirteen Members to the Executive Committee for the year 2021-2022.
6. To amend the Bye Laws of the Association.
7. To transact any other business for which a special notice is given under Rule 16 (e) of the Rules & Regulations of the Association.

By order of the Executive Committee

Sd/-

CA. Pramod Srihari
Secretary

Place: Bengaluru
Date : 17th July 2021

NOTES:

- i. Members who wish to send their nominations for the Executive Committee are required to submit the duly filled Nomination Form at the Association Office. Nomination Form is provided at the end of this Annual Report.
- ii. Last date for submission of nomination: Before 5.00 pm on Saturday, 7th August, 2021
- iii. Last date of withdrawal of the nominations: Before 5.00 pm on Thursday, 12th August, 2021
- iv. Announcement of final list of candidates contesting for election: At 6.00 pm on Thursday, 12th August, 2021
- v. The Final list of the Candidates shall also be uploaded at our website www.kscaa.com
- vi. Members are requested to bring their copy of Annual Report to the AGM; Extra copies will not be provided at the Meeting.
- vii. The proposed changes to the Memorandum & Bye law are stated below
- viii. In the event of change of rules relating to restriction or otherwise due to prevailing pandemic by the government, alternative arrangement shall be updated and communicated by the Association through its website.

Amendment to the Bye Laws of the Association

Membership Fees			
Clause	Sub clause	Existing	Proposed
5	a	Any individual who is eligible to become a member and who makes an application for membership in the association and pays an Entrance Fee of Rs. 100/- (Rupees One Hundred) and Annual subscription of Rs. 500/- (Rupees Five Hundred) every year, shall be an ordinary Member.	<i>Any individual who is eligible to become a member and who makes an application for membership in the association and pays an entrance fee of Rs. 200/- (Rupees Two Hundred) and annual subscription fee of Rs. 1,000/- (Rupees One Thousand) shall be an ordinary Member.</i>
5	b. (i)	Any individual who is eligible to become a member and is a member of ICAI for less than five years and who makes an application for membership in the association and pays an Entrance Fee of Rs. 100/- (Rupees One Hundred) and Life Membership subscription of Rs. 1,000/- (Rupees One Thousand), shall be an Individual Life Member;	<i>Any individual who is eligible to become a member and is a member of ICAI for less than two years and who makes an application for membership in the association and pays an entrance fee of Rs.200/- (Rupees Two Hundred) and life membership subscription of Rs.2,000/- (Rupees Two Thousand), shall be an Individual Life Member;</i>
5	b. (ii)	Any individual who is eligible to become a member and has completed five years from the date of enrolment as member of the ICAI and who makes an application for membership in the association and pays an Entrance Fee of Rs. 200/- (Rupees Two Hundred) and Life Membership subscription of Rs. 2,000/- (Rupees Two Thousand), shall be an Individual Life Member.	<i>Any individual who is eligible to become a member and has completed two years from the date of enrolment as member of the ICAI and who makes an application for membership in the association and pays an entrance fee of Rs.500/- (Rupees Five Hundred) and life Membership subscription of Rs.5,000/- (Rupees Five Thousand), shall be an Individual Life Member.</i>
5	c	Any Institution or Association of Persons, which has its Registered Office in the State of Karnataka and has as its objects similar to that of the Association may become a member by paying an Entrance Fee of Rs. 200/- (Rupees Two Hundred) and Life Member subscription of Rs.5,000/- (Rupees Five Thousand), shall be an Institutional Life Member.	<i>Any Institution or Association of Persons, which has its Registered Office in the State of Karnataka or and has as its objects similar to that of the Association may become a member by paying an entrance fee of Rs.5000/- (Rupees Five Thousand) and life member subscription of Rs.25,000/- (Rupees Twenty Five Thousand), shall be an Institutional Life Member.</i>

Application Form

6		The Application shall be in Form I annexed here to and shall be signed by the applicant. The application shall be forwarded to the Executive Committee. The Executive Committee shall admit the applicant to membership, if the conditions for admission to membership are satisfied.	<i>The Application for membership shall be in prescribed form duly signed by the Applicant, either in physical form or any other electronic means as decided by the Executive Committee from time to time. The Executive Committee shall admit the applicant to membership, if the conditions for admission to membership are satisfied.</i>
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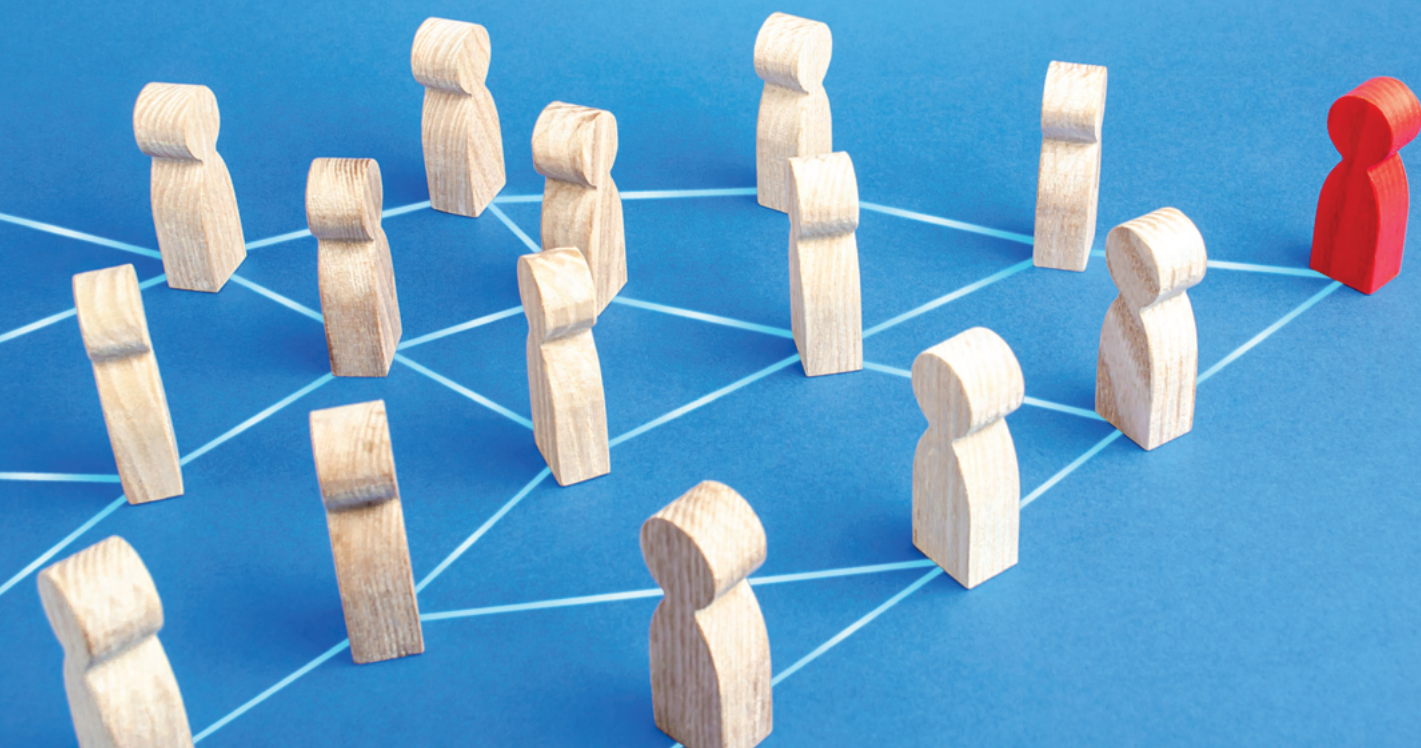
Constitution of Executive Committee

26	c	The Executive Committee so constituted in terms of sub-clause (a) and (b) supra shall hold the office for a period of one year.	<i>The Executive Committee so constituted in terms of sub-clause (a) and (b) supra shall hold the office for a period of two years.</i>
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Roll of HONOUR

Leadership through the decades

TERM	PRESIDENT	SECRETARY
1957-61	CA. S Kaleeswaran (Late)	CA. M R Rangarathnam (Late)
1961-62	CA. B K Ramadhyani (Late)	CA. M R Rangarathnam (Late)
1962-68	CA. A Ramaswamy Iyengar	CA. J Gopalkrishnan
1968-69	CA. M R Rangarathnam (Late)	CA. P Shivaramakrishnan
1969-71	CA. J Gopalakrishnan	CA. A R Vishwanathan (Late)
1971-75	CA. K Y Shreshty (Late)	CA. J J Madan
1975-78	CA. O R Pandurang (Late)	CA. K Rahaman Khan
1978-79	CA. Premraj Singhvi (Late)	CA. D L Suresh Babu
1979-80	CA. K V Shanmukhaiah (Late)	CA. M R Krishnamurthy
1980-82	CA. A R Vishwanathan (Late)	CA. A K Subramaniam
1982-84	CA. M S Ranganath (Late)	CA. A K Subramaniam
1984-85	CA. J G Ostwal	CA. A K Subramaniam
1985-86	CA. K R Kumar (Late)	CA. N P Shivashankar
1986-87	CA. S Amarlal (Late)	CA. N Nityananda (Late)
1987-88	CA. N P Shivashankar	CA. R Ananda
1988-89	CA. M C Ramakrishna	CA. K Ramanath
1989-90	CA. R Ananda	CA. S A Narayana Setty
1990-91	CA. N C S Raghavan (Late)	CA. S Gowthamchand
1991-92	CA. SA Narayana Setty	CA. C Ganapathraj
1992-93	CA. R Subramanian	CA. Ravindra Raj Bhandari
1993-94	CA. A S Vishnu Bharath	CA. K Y Ningoji Rao
1994-95	CA. M Goutham Prakash Khariwal	CA. K Ravi
1995-96	CA. K Y Ningoji Rao	CA. D C Chhajer
1996-97	CA. C Ganapathraj	CA. D R Venkatesh
1997-98	CA. S Prakash Chand	CA. I S Prasad
1998-99	CA. D R Venkatesh	CA. Lalit M Sharma
1999-00	CA. K Ravi	CA. R Venkatakrishna
2000-01	CA. I S Prasad	CA. V Dwarakanath
2001-02	CA. Lalit M Sharma	CA. Ravi Prasad
2002-03	CA. H B M Murugesh (Late)	CA. P R Suresh
2003-04	CA. T R Anjanappa	CA. H C Gulecha (Late)
2004-05	CA. P R Suresh	CA. A B Shivasubramanyam



TERM	PRESIDENT	SECRETARY
2005-06	CA. S Krishnaswamy (Late)	CA. M V Lakshmikantha
2006-07	CA. Mallinath S Nainegli	CA. G Nataraj
2007-08	CA. M V Lakshmikantha	CA. K S Sreedhara Murthy (Late)
2008-09	CA. A.B.Shivasubramanyam	CA. Ravindra Beleyur
2009-10	CA. M. Marulasiddaiah	CA. Manoj Kumar G
2010-11	CA. Allama Prabhu M S	CA. Maddanaswamy B V
2011-12	CA. Anant H Mutalik	CA. Basavaraja H M
2012-13	CA. Maddanaswamy B V	CA. Raveendra S Kore
2013-14	CA. C R Dhavalagi	CA. Virupakshappa M Tuppad
2014-15	CA. Raveendra S. Kore	CA. Raghavendra Puranik
2015-16	CA. Dileep Kumar T M	CA. Raghavendra T N
2016-17	CA. Raghavendra Puranik	CA. Nagappa B Nesur
2017-18	CA. Raghavendra T N	CA. Chandrashekara Shetty
2018-19	CA. Raghavendra Shetty	CA. Kumar S Jigajinni
2019-20	CA. Chandrashekara Shetty	CA. Chandan Kumar Hegde A
2020-21	CA. Kumar S Jigajinni	CA. Pramod Srihari

President & Secretary's Message



CA. Kumar S. Jigajinni
President



CA. Pramod Srihari
Secretary

Our team took charge of the office of KSCAA for the year 2020-21 when the overall environment was not conducive to meet physically and exchange ideas. The Association has always been the torch bearer of professionals in raising their voice, bridging the knowledge gap and representing on impending issues. We took charge of the association during that part of the history when the activity, especially the economic activity is severely impacted. The issue handicapped us not only financially but the overall sustenance of the Association was a question which we thought and deliberated during the meetings. As the story goes at any holocaust, comes a natural ability to adapt and move, the Association was also the earlier adopter of technology and brought in enumerable meeting through virtual mode. The logo for the term was evolve, excel and empower. Evolve is circumstantial, while occasion general temptation is to see from first it can also mean to start with new rule of reality, the persistent effort to evolve and make perfect of those circumstance is excel and the resultant is empower. A great tradition of this association is its vibrant bonding among its members and flagship event called, Annual Conference. We would have loved to receive you all of you like every year in a conference, this year. Your Association germinated an idea to go full fledged online Annual Conference for the first time and clocked 1800+ registration for the same.

KSCAA created an ecosystem wherein the programs which it conducted on physical mode now can be hosted virtually for all the programs, with more than 60 number of programs, KSCAA adopted technology with open arms. The association during these terms introduced two successful programs to the target and cater the need of our members, 'Ask-an-Xpert'

and '#KSCAAshort' gained popularity amongst the members. This was brought in to help the members in their daily practice. The continuous feedback to the association is a positive sign of good loop and we presume to have heard the voices of feedback. The year came with baggage of ambiguity and saw lot of pain point which were unaddressed by the government. The uncertainty has also repelled numerous anomalies and your Association has submitted 26 representations. The Association, being a socially responsible organisation also responded by participating in donating 40 O₂ concentrators to Bengaluru and various parts of Karnataka. It's our honour that we were part of a drive of distributing O₂ concentrator, which could save lives. When vaccination was in short supply, the Association and Bengaluru Branch of SIRC of ICAI jointly conducted vaccination drive for its members, family and staff. 1100+ members participated and benefitted.

The association also has spent considerable time on connecting to its members and stakeholders through social media by buzzing the updates frequently. The growth of the association connect and outlook across the various spectrum of audience on these platforms are very organically built, this has allowed us to reach the national audience very easily.

The undercurrent of member who wants to head the office of KSCAA is high, and it's such an encouraging thing to visualise the exponential ability of members who want to create, make and bring difference in this esteemed organisation. Gratitude and humility move shoulder to shoulder at this juncture when we rest the position to someone, the reality would conspire to an organisation which would eventually empower its members.

We look forward for one more activity filled year with the Association and best wishes for the future years.

The KSCAA®

As times pass by, more and more members are getting associated with the Association. #KSCAAfamily now has more than 3200 members. The credit goes to #TeamKSCAA which has been at the forefront in conducting various programs for the benefit of the members.

It is worth to reiterate the unwritten preamble which is followed through thick and thin:

Association is of the members, by the members, and for the members.

While KSCAA has clocked 64 years and 3200, the same is a compounded result of the efforts put in the past. For the first time in the history of the Association, we hosted the Annual Conference online and the same was attended by over 1800 participants. While the numbers, per se, will not matter, it is heartening to note the reach of the Association and also indicates the relevance of the Association.

Online world has become the new norm and the 64-year old Association has not been hesitant to reinvent itself. Webinars, online conferences, e-newsletters have become a new way of life and KSCAA has embraced it successfully.

Considering the suggestions from the members and stakeholders, the Association has made 26 oral and written representations before the appropriate authorities. Again, numbers do not matter, but being the voice of members does.

As an unique initiative, Vaccination drive was conducted jointly with the Bengaluru Branch of SIRC of ICAI. Beneficiaries running into 1100+. Further, 40 O₂ concentrators were donated in Bengaluru and 14 other districts across the state. Numbers do not matter, but safety of near and dear ones does. COVID Wave 2 required us to reinvent and KSCAA let no stone unturned in catering this need of members. It is rightly said, health comes first.

KSCAA has always stood for its members as evident from the above initiatives on their knowledge, health and recreation.

This report highlights KSCAA's 2020-21 fiscal year, which ended on March 31, 2021. In order to provide an up-to-date picture of the Association, it also includes information on major activities and initiatives, as available, updated till July, 2021.

64 years



Evolution is an existential reality of growth of an organisation, through the journey it uplifts many under its banner and signals growth. The evolution is two factored, one is change and other is excel, which is practiced persistently by perfectionists. Over the years with conscious nature to evolve and consistent practice to excel, resultant empowerment amongst our members is fructifying.

This juxtaposition signifies that evolution is outwardly faced and excel is inwardly, and eclipsing out the empowerment to our members. With new team and vigour in place, we pledge to this continuous process of "EVOLVE-EXCEL-EMPOWER"

'KSCAA®' Logo Registration



The work of KSCAA has immensely influenced the society, the work done by all the previous presidents, secretaries and committee members cannot be objectively quantified in any real terms. These works have given rise to extensive volume of goodwill and has consumed enormous effort of time. Such of the work which they participated in ploughing must come under the umbrella of single brand. We continued to build this brand 'KSCAA' and mark the crease for in rare occasion of misuse by registering it. 'KSCAA' is now a registered wordmark in trademark registry.

The KSCAA®

- Proactively addresses the areas and issues which are of concern to the Chartered Accountants and fights for the member causes.
- At the behest of the members and/or on its volition represents before various regulatory authorities to resolve the professional problems faced by the Chartered Accountants.
- Provides opportunities for networking of Chartered Accountants, promotes new speakers and writers auguring their personal and professional development.
- Publishes News Bulletin in an easy to comprehend form with crisp articles on current changes in law, economy and matters of professional interest to keep the members updated.
- Conducts annual sports, cultural and talents meet for the CA fraternity and their family members to promote parallel talents of members.

₹ 38.07 L

Total Income for the fiscal 2020-21

₹ 2.93 L

Surplus for the fiscal 2020-21

168 Members added

3200+ Total Members

9000+ Professionals
participated in **65+** Activities

KSCAA has created numerous platforms for speakers, professionals and the public to share and exchange their knowledge for better life and profession.

The activities of KSCAA create a bonding between members and families and instigate to believe in oneness.

60+ Webinars

95+ Sessions

1800+ participants in Annual Conference

25+ Representations on matters affecting trade and profession



Financial Highlights: FY 2020-21

STATEMENT OF FINANCIAL POSITION

in Rupees

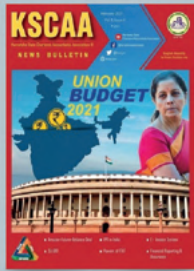
	2021	2020
SOURCES OF FUNDS		
Corpus Fund	38,53,672	36,75,672
General Fund	1,70,10,418	1,67,17,094
Restricted and Other Funds	37,15,581	36,85,449
Total Sources of Funds	2,45,79,671	2,40,78,215
APPLICATION OF FUNDS		
Fixed Assets	26,52,465	26,64,933
Investments	1,99,93,171	1,83,52,953
Stock of Publications and Materials	1,67,357	2,41,484
Receivables	1,44,390	15,22,770
Cash and Bank Balances	7,55,005	19,66,081
Loans and Advances	14,57,268	12,87,074
Less: Current Liabilities and Provisions	5,89,985	19,57,080
Total Application of Funds	2,45,79,671	2,40,78,215

STATEMENT OF OPERATIONS

in Rupees

	2020-21	2019-20
INCOME		
Conference, Seminars and Programs	23,34,788	75,67,084
Interest Income	12,35,600	14,12,767
Other Income	2,37,433	3,94,213
Total Incomes	38,07,821	93,74,064
EXPENDITURE		
Conference, Seminars and Programs	9,10,518	54,60,822
Bulletins and Publications	8,44,636	9,77,670
Administrative Expenses	11,49,892	11,05,958
Other Expenses	4,92,479	5,28,135
Depreciation	1,16,973	1,34,924
Total Expenditure	35,14,497	82,07,509
EXCESS OF INCOME OVER EXPENDITURE	2,93,324	11,66,555

News Bulletins



Social Media & PR

50
Uploads
1,89,571
Views



2,873
Subscribers

1,107
subscribers
from 01.07.2020

69,202
views from 01.07.2020



27
SMS Event
Campaigns

5,25,267
SMS sent

55
E-mail
Campaigns



7,35,649
E-mails sent



70
Posts
1,252
Followers

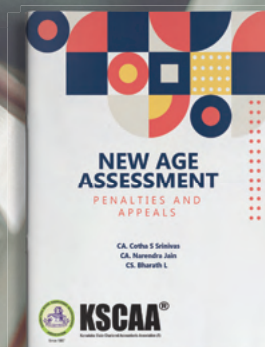
2,201
Followers



2,79,741
Impressions
from 01.07.2020

144
Tweets
23,250
Page Visits

Publications



Executive Committee Meetings

Executive Committee and sub-committees (popularly known as 'Team KSCAA') have always stood by its members by dynamic and proactive steps. It was indeed an unexciting year for everyone but 'Team KSCAA' never stepped back. The number of meetings held and decisions taken were no lesser than the previous terms but only difference was the 'VIRTUAL MODE'. More than 50% of the meetings were conducted in virtual mode due to the pandemic.



Attendance*

#	Name of Executive Committee Member	Designation	Executive Committee Meetings Held Date													Total no. of meetings attended
			1	2	3	4	5	6	7	8	9	10	11	12	13	
			27 Aug 2020	28 Aug 2020	11 Sep 2020	10 Oct 2020	21 Nov 2020	4 Dec 2020	29 Jan 2021	26 Feb 2021	26 Mar 2021	23 Apr 2021	21 May 2021	12 Jun 2021	17 Jul 2021	
1	CA. Jigajinni Kumar S	President	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
2	CA. Chandan Kumar Hegde A	Vice President	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
3	CA. Pramod Srihari	Secretary	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12(13)
4	CA. Sujatha G	Joint Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
5	CA. Shivaprakash Viraktamath	Treasurer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
6	CA. Akash U Hegde	Member	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	11(13)
7	CA. Gowrish Bhargav K V	Member	✗	✗	✓	✓	✓	✓	✗	✗	✗	✓	✓	✓	✓	8(13)
8	CA. Ganesh V Shandage	Member	✗	✗	✓	✓	✗	✓	✗	✓	✗	✓	✓	✓	✓	8(13)
9	CA. Prabhava P Hegde	Member	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	12(13)
10	CA. Praveen S Shettar	Member	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	12(13)
11	CA. Siddesh Nagaraj Gaddi	Member	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	11(13)
12	CA. Sunil Bhandary	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
13	CA. Vijaykumar M. Patel	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	12(13)
14	CA. Vinayaka N.L.	Member	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	11(13)
15	CA. Pankaj S Kasat	Member	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	11(13)
16	CA. Chandrashekara Shetty	Imm. Past President	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)

✓ Present

✗ Absent

* Executive Committee Meetings held upto 17th July 2021

Leadership | Executive Committee



CA. Kumar S. Jigajinni
President



CA. Chandan Kumar Hegde A
Vice-President



CA. Pramod Srihari
Secretary



CA. Sujatha Raghuraman
Joint Secretary &
Chairperson - Women
Empowerment Committee



CA. Shivaprakash Viraktamath
Treasurer



CA. Vijaykumar M Patel
Chairman - Indirect Tax
Committee



CA. Ganesh V Shandage
Chairman - Representation
Committee



CA. Praveen Shettar
Chairman - Skill Development
& Leadership Committee



CA. Gowrish Bhargav K V
Chairman - Accounting, Auditing &
Corporate Laws Committee



CA. Akash U Hegde
Chairman - Sports, Cultural &
Public Relations Committee



CA. Sunil Bhandary
Chairman - Membership &
Members Service Committee



CA. Siddesh Nagaraj Gaddi
Chairman - Direct Tax
Committee



CA. Prabhava P Hegde
Chairman - Journal
Committee



CA. Vinayaka N L
Chairman - Media &
Technology Committee



CA. Pankaj S Kasat
Chairman - Mofussil Members
Empowerment Committee



CA. Chandrashekara Shetty
Immediate Past President

Leadership | Sub-Committees

Direct Tax Committee

Mentor

CA. Sateesha Kalkur

Chairman

CA. Siddesh Nagaraj Gaddi

Convener

CA. Yusuf Mohammed

Members

CA. Sandeep Jhunjhunwala
CA. Krishna Upadhy
CA. Deepak Chopra
CA. Naveen S Hegde
CA. Sachin Deshpande
CA. Amaresha K
CA. Ravi Garg
CA. Nagendra MP
CA. Nikhilesh Cacarla

Media & Technology Committee

Chairman

CA. Vinayaka N L

Convener

CA. Shivaprasada V

Members

CA. Anant Nyamannavar
CA. Ameetkumar Jain
CA. Vandana P Rao
CA. Prasanna Hegde

Co-operative Societies & NPO Committee

Mentor

CA. S Panna Raj

Chairman

CA. Shriram S S

Convener

CA. Ashwath Jayarama Shetty

Members

CA. Raghavendra Puranik
CA. Jayaprakash N Mundra
CA. M S Tigadi
CA. Mangala Hampasagar
CA. Sini Thomas

Indirect Tax Committee

Mentor

CA. Annapurna Kabra

Chairman

CA. Vijaykumar M Patel

Convener

CA. Nagappa B Nesur

Members

CA. Subramanya B L
CA. Amar V Meharwade
CA. Mukul H Sringeri
CA. Nagaraj Achar
CA. Shriganesh Hegde Ullane
CA. Kapeel Bhandarkar

Sports, Cultural & Public Relations Committee

Mentor

CA. Raghavendra Shetty

Chairman

CA. Akash U Hegde

Convener

CA. Varun Gore

Members

CA. Kishor Shetty
CA. Abhilasha Chaturvedi
CA. Nagaraj
CA. Shilpa B Banakar
CA. Sachin Vijapur
CA. Vineet N Shetty

Accounting, Auditing & Corporate Laws Committee

Mentor

CA. Niranjana Prabhu A

Chairman

CA. Gowrish Bhargav K V

Convener

CA. Deepabali Das

Members

CA. Santhosh Raj S
CA. Seema S Mannur
CA. Siddharth Gupta
CA. Uma H N

Skill Development & Leadership Committee

Mentor

CA. Rajgopal Acharya

Chairman

CA. Praveen Shettar

Convener

CA. Siddartha Javali

Members

CA. Santosh Khode
CA. Babitha G
CA. Ashok Gowda
CA. Shashi Kumar
CA. Rajkumar Jayanth
CA. Herambha Hegde
CA. Mohan Kumar

Membership & Members Service Committee

Mentor

CA. Subramanya Hegde

Chairman

CA. Sunil Bhandary

Convener

CA. Virupaxi B Vantagitti

Members

CA. Chandrashekhar S Muchchandi
CA. Narendra K V
CA. Manjunath M Hallur
CA. Mallesha Kumar
CA. Ashok Malipatil
CA. C Yerriswamy
CA. Uday Kiran N

Mofussil Members Empowerment Committee

Mentor

CA. T R Anjanappa

Chairman

CA. Pankaj S Kasat

Convener

CA. K B Balaji

Members

CA. Basavaraj N Unki
CA. Praveen Kumar H S
CA. Sumanth A
CA. Siddarameshwara Gowda A
CA. Sandeep Hande P
CA. Mallikarjun V Mahantgol
CA. Ramakant Y Marda
CA. Abdul Nasheer U H

Journal Committee

Mentor

CA. Vinayak Pai V

Chairman

CA. Prabhava P Hegde

Convener

CA. Sathish M

Members

CA. Sriharsha V S
CA. Archana Sridhar

Women Empowerment Committee

Mentor

CA. Roopa Venkatesh
CA. Geetha A B

Chairman

CA. Sujatha Raghuraman

Convener

CA. Deepabali Das

Members

CA. Tara Bevinje
CA. Annapurna Kabra
CA. Divya S
CA. Annapurna Srikanth
CA. Sri Lakshmi

Representation Committee

Mentor

CA. Raghavendra TN

Chairman

CA. Ganesh V Shandage

Convener

CA. Shreehari Ullody

Members

CA. Sudhakar B
CA. Sateesha Kalkur

Publication Committee

Mentor

CA. Gururaj Acharya

Chairman

CA. Raghavendra Puranik

Convener

CA. Manjunath Hallur

Members

CA. P V Menon
CA. Rajesh Kumar T R
CA. Sachin Kumar BP
CA. Raghavendra T N



Virtual 33rd KSCAA Annual Conference 2021

5th and 6th March, 2021
Friday & Saturday



KSCAA's flagship event was conducted with same vibrancy as was in physical mode. The theme 'Parivartan' which translates to change, was a symbolic representation to the necessary of change, which lies at threshold of professional development. The virtual world will eventually consume all of us into its ambit, the pandemic has almost mimicked this for us.

The topics chosen were contemporary in nature and had one foot in future. The topics like Succession planning, Taxation Laws: Emerging trends and challenges, are in future and topics like the one on personal finance planning are relevant as on today. The session on start-up was to help the SMP's in their understanding of SMP's Practice and expectation from the word of start-ups'. CA's have moved out of their cocoon world, and it becomes imperative to know as to where we stand in economic development, hence the topic '\$5 Trillion Economy: thoughts and Reflections'.

1800+
participants

1st
Time on Fully
Virtual
Platform

1st Technical Session

Succession Planning

CA Vinod Jain

Past Central Council Member - ICAI

2nd Technical Session

Changing Role of SMPs in Startup Ecosystem

Mr. Raghavendra Prasad T S

Co-founder Qikwell Technologies India P. Ltd.

CA Pradyumna Nag

Founder Prequate Advisory

Moderator: **CA Eshank Shah**, Mumbai

Special Session

The Joy of Giving: An all inclusive Indian culture

Sri Chanchalapathi Dasa

Senior Vice President, ISKCON - Bengaluru

3rd Technical Session

Strategies in Personal Financial Planning

CA Nilesh Shah

Managing Director, Kotak Mahindra Asset Management Co. Ltd.

4th Technical Session

Taxation Laws: Emerging Trends and Challenges

Chairman: **Justice Dr. Anita Sumanth**, Madras High Court

Speaker: **Adv. Sujit Ghosh**, New Delhi

Special Session

\$5 Trillion Economy: Thoughts and Reflections

Chairman: **Dr. Subramanian Swamy**, MP - Rajya Sabha

Speaker: **CA Dr. M R Venkatesh**, New Delhi



Strategies in Personal Financial Planning by CA. Nilesh Shah



Laws - Emerging Trends & Challenges by Justice Dr. Anita Sumanth & Adv. Sujit Gosh



KSCAA in Action | Representations

Income Tax

1. Representation to CBDT on Penalty scheme
2. Representation on Trust re-registration
3. Issues with Income tax new website
4. Request for granting relief from provisions of Tax Collection at Source (TCS) under section 206C(1H) of the Income Tax Act, 1961
5. Request for making necessary legislative and procedural amendments in the Income-tax Act, 1961 to ensure transparency in claim of Tax Deducted at Source (TDS) and to reduce hardships to the tax payers
6. Request for taking up certain measures under Income-tax Act, 1961 in the backdrop of Covid-19 outbreak
7. Request for taking up certain matters under the Income-tax Act, 1961 in the backdrop of COVID-19 Pandemic
8. Request to extend various time limits under section 54 to 54GB of the Income-tax Act, 1961 (the Act)
9. Request to permit utilization of accumulated funds for purposes other than the purpose for which it is so accumulated under section 11(2) of the Income-tax Act, 1961
10. Anomaly in Limitation date for completion of Transfer Pricing Assessment Proceedings for AY 2018-19

Income Tax & GST

1. Income-tax Act 1961 & GST: Press release highlighting the need for the extension of last date in the filings of tax audit reports, income tax return and GST annual due Covid-19.
2. Income-tax Act 1961 & GST: Request for extension of various due dates under Income-tax Act, 1961 for AY 2020-21 and for filing the Annual Reconciliation Statement (GSTR9C) along with the annual return (GSTR9) for financial years 2018-2019 & 2019-2020
3. Income tax & GST: Memorandum seeking changes in proposals of Union Budget 2021-22

Companies Act

1. Request for Extension of CFSS 2020 scheme from 30th Sep 2020 to 31st Dec 2020
2. Request for Extension of Companies Fresh Start Scheme i.e. CFSS 2020 and LLP Settlement Scheme 2020

Others

1. CA Act 1949: Request for Waiver of CA membership renewal fees for 20-21
2. General Representation: Seeking Inclusion Of Chartered Accountants In 'Top Priority Group' For Covid Vaccination And For Performing Professional Work As Usual

GST

1. Request seeking extension of due date for furnishing GSTR9 and GSTR9C for FY 2018-19
2. Request for relief from payment of late fees for the delay in filing of GST returns from August 2020 onwards.
3. Request seeking extension of last date for furnishing GSTR9/9C for 19-20
4. Re-instate GST audit - Post budget

Co-operative Audit

1. Request seeking extension of last date for submission of audit reports by Co-operative societies and Souharda societies for FY 2019-20
2. Representation to Director of Co-operative audit on unilateral allotment of audits
3. Representation to Minister Co-operation department for extension of due date for submission of statutory audit report for FY 2020-21

Income Tax, GST & Company law

1. Request seeking various relief measures under Income tax, GST and Company law due to second wave of Covid-19
2. Representation highlighting various concerns of CA members

Activities | Direct Tax Committee

UNIQUE EVENTS

- **#KSCAAenabler** - webinar series to enable members to venture into Transfer Pricing practice (9 sessions)
- **#KSCAAshort** - short webinars running into 30 minutes on topics that require urgent attention
- **Ask-an-Xpert** - interactive sessions in the model of Q&As where participants' queries were addressed by panel of subject matter experts

NOTEWORTHY EVENT

- Event on various aspects of Direct Tax was successfully conducted in association with BCAS and 5 other associations attended by over 800 participants all over India (13 sessions)

TALKING POINTS

- Faceless Assessment
- TAR, Returns and Presumptive
- Co-operatives
- Introduction and legislative history - Career Opportunities in TP and International Taxation
- Provisions of the Act
- Rules / Notifications / Circulars
- Assessment & Appeals / DRP / TPO (also under faceless)
- Clause by clause analysis of Form 3CEB & Safe Harbour
- Benchmarking - CUP, RSM, PSM, CPM & 6th method
- Benchmarking - TNMM / filters (upper turnover and its practical application)
- Benchmarking - Sample exercise on ACETP database
- Overview of BEPS initiatives - Action Plan
- Trusts registration renewals - provisions and forms walkthrough. PCIT (Exemptions)
- Reassessment Proceedings - How to respond to notices, procedures (under the old regime) and way forward
- Direct Tax Home Refresher Course
- **#KSCAAshort** - Recent changes in TDS/TCS applicable from 01.07.2021
- **#KSCAAshort** - TDS Rates under section 195 and common issues in Form 15CA/CB
- Confluence of tax laws with the General Clauses Act and the Indian Evidence Act



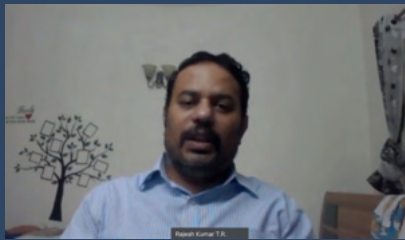
Activities | Indirect Tax Committee

UNIQUE EVENTS

- **Ask-an-Xpert** - interactive sessions in the model of Q&As where participants' queries were addressed by panel of subject matter experts
- **#KSCAAshort** - short webinars running into 30 minutes on topics that require urgent attention
- **Live streaming of Budget 2021 & Post Budget Discussion** - Budget 2021 was live streamed and an interactive post budget discussion by experts
- **Blend of experience & young blood** - All the sessions were lead by senior speakers and moderated by young CAs

TALKING POINTS

- Retrospective Amendments in GST – Their Validity and Ramifications
- GST – How to Respond To Departmental Notices
- Webinar on Interpretation of Statutes with Relevance to GST Law
- Webinar on GST – Critical Issues in Input Tax Credit
- Webinar on GST – Recent Decisions by Hon. High Courts and Supreme Court
- Webinar On – GST on Immovable Properties & Liquidated Damages
- Webinar On Different Assessments under GST Law
- Webinar On Gaps in GST Implementation vis-a-vis Expectations of Industry
- Ask an Xpert @ KSCAA | GSTR-9
- Ask an Xpert @ KSCAA | GSTR-9C
- Webinar on Recent Judicial Pronouncement Under GST
- Webinar on All about appeals under GST
- Webinar on All you need to know about Appeal drafting under GST
- #KSCAAshort - GST-Fake Invoices and Bail Provisions



3000+
participants
13+
sessions



Activities | Corporate Law Committee

UNIQUE EVENTS

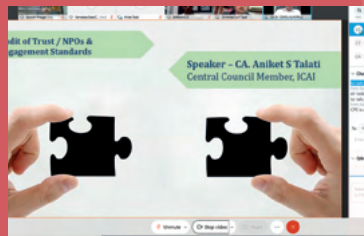
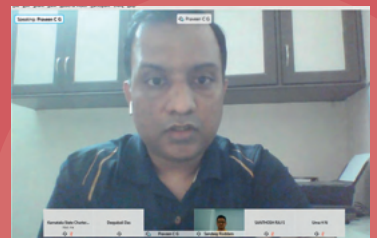
- **Ask-an-Xpert** - interactive sessions in the model of question & answers where participants queries were addressed by panel of subject matter experts
- **Physical sessions** - amidst pandemic, the committee successfully conducted 2 physical sessions at Davanagere & Shimoga on Finance Act & Budget

TALKING POINTS

- "Schedule III Presentation" and "Disclosure on IND AS & Accounting Standards"
- Corporate Law Amendments and its impact on audit
- Understanding FEMA through case studies of offences compounded.
- Audit of Trust and NPOs in Reference to Standards on Auditing (SAs)
- Acceptance of Deposit rules, related party transactions and MSME Form – 1
- Real Estate Regulation Act (RERA)
- Representing before NCLT - be a domain expert



1500+
participants
9+
sessions



Activities | Leadership and Skill Development Committee

UNIQUE EVENTS

- **Bike Rally & Swachh Bharath Abhiyan** - outdoor event spreading awareness to the society regarding cleanliness and healthy life style
- **Yoga Sessions** - 4 sessions of 3 days were conducted with an intention to keep the members fit & fine
- **COVID wave - Myths Vs Facts** - By Dr. C N Manjunath where the myths were busted and facts were established on covid and mental health

EVENTS

- Skill Development Committee - kickoff meeting
- "ELOQUENT PROFESSIONAL" sessions
- Mental Health Awareness during the pandemic
- Bike Rally & Swachh Bharath Abhiyan
- Yoga Sessions



1000+
participants

30+
sessions



Activities | Women Empowerment Committee

UNIQUE EVENTS

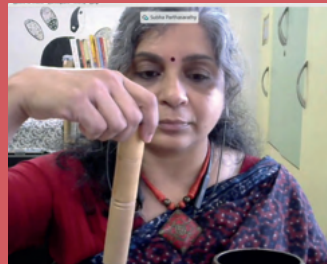
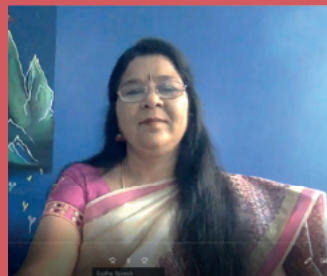
- **Audit over the wire** - Unique event touching upon the air of the current world - Information Technology and its application in our industry
- **Awareness on Cancer** - As the saying goes, 'Health is Wealth' - session exclusively for spreading awareness about cancer

NOTEWORTHY EVENT

- **Event on Cyber Security, IT Risk & Control** was held in association with Muscat Chapter of ICAI which is a very rare instance of an international associated event

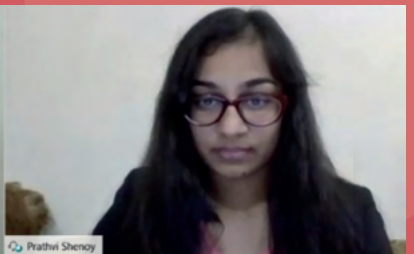
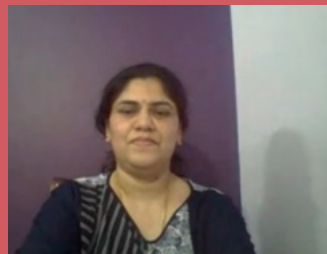
TALKING POINTS

- How to Progress forward in CA Profession
- Documentation & Qualifications under GST Audit
- Health is Wealth - Yoga for Women
- Management lessons from Bollywood
- Practical insights on Tax audit
- Income Tax update
- Mindfulness
- Cyber Security, IT Risk & Control
- Positivity
- Audit & Annual filing under the Companies Act
- CFSS, 2020
- Awareness on Cancer
- Opportunities in RERA Practice
- Dietary Tips
- Role of CAs in IBC
- Limitless Leadership
- Accounting Aspects in GST
- Emerging Professional Opportunities
- Income Tax update
- Audit over the Wire



500+
participants

12+
sessions



20+
eminent women
CA speakers

Activities | Mofussil Members Empowerment Committee

UNIQUE EVENTS

- **Student Career Counselling Program** - For young brains from Mofussil Area, one of its kind event through digital platform
- **20 Oxygen Concentrators donation** - Giving it back to the society, KSCAA donated 20 O₂ concentrators to the needful people of mofussil area

TALKING POINTS

- Audit Under Karnataka Co-operative Societies Act, 1959
- Key Aspects of RERA
- Student Career Counselling Program
- Audit Under Karnataka Co-operative Societies Act, 1959 & its Recent Developments
- Deduction U/s 80P for Co-operative Societies & its litigations



750+
participants

5+

sessions



Registration of Lease-cum-Sale Deed of Harohalli, KIADB Land

The lease-cum-sale deed of Harohalli site was registered by KSCAA during the year. It's a moment of cheery and solace for all members of KSCAA by realising the dream of 14-year-old purchase. On 7th January, 2021, we registered the lease-cum-sale deed of the site and received the registered documents at the Sub-registrar's Office, Kanakapura.



Activities | Inspiring Moments



Bike Rally and Swachh Bharat Abhiyan

One of its kind program, a 'Bike rally and Swachh Bharat Abhiyan' was organized for our members on October 2nd, which also happens to be Gandhi Jayanthi, to show our support to the call of 'Swachh Bharat'. The Bike rally started from Jayanagar 4th Block and ended in Rajajinagar, Bengaluru where the members turned up in good numbers. After the rally, members took interest and cleaned one of the parks near the Association. This participation was inspiring as the cleaning could have risked health during Pandemic but our members participated inspite of such risk.

Yoga Day

The pandemic which hit all in 2020 drove a point of healthy living which included physical as well as mental health. It was a realization to the ever busy person that mental health and physical health are a non-compromise reality.

The Association conducted a yoga program for the members and their family members, three batches were conducted by trainer CA. Pooja Jain with more than 40 plus members benefiting from the same.



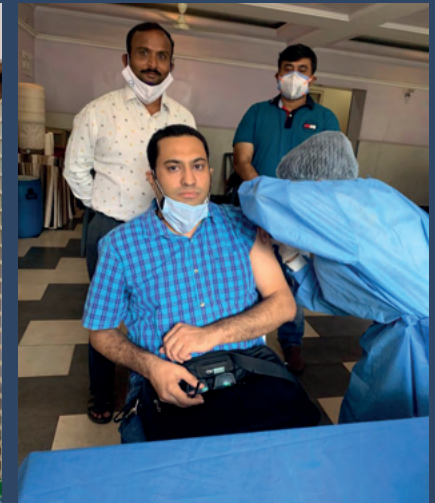
ಕರ್ನಾಟಕ ರಾಜ್ಯೋತ್ಸವ

'ಎಲ್ಲಾದರೂ ಇರು ಎಂತಾದರೂ ಇರು ಎಂದೆಂದಿಗೂ ನೀ ಕನ್ನಡವಾಗಿರು' ಕುವೆಂಪುರವರ ಹಾಡಿನಂತೆ ಕನ್ನಡತನವ ಆಚರಿಸಲು ಮತ್ತು ಪಸರಿಸಲು KSCAA ವತಿಯಿಂದ ನವೆಂಬರ್ ತಿಂಗಳಿನಲ್ಲಿ ಹಮ್ಮಿಕೊಂಡಿದ್ದ 'ಕರ್ನಾಟಕ ರಾಜ್ಯೋತ್ಸವ 2020ರ ಆಚರಣೆ' 150 ಕ್ಕಿಂತ ಅಧಿಕ ಜನರ ಇರುವಿಕೆಯಲ್ಲಿ ಸಾಂಗವಾಗಿ ನೆರವೇರಿತು. ಮೊಟ್ಟ ಮೊದಲ ಬಾರಿಗೆ ಸಂಪೂರ್ಣ ವರ್ಚುವಲ್ವಾಗಿ ನಡೆದ ಈ ಗೋಷ್ಠಿಯು, ಮುಖ್ಯ ಅತಿಥಿಯಾದ ಖ್ಯಾತ ಬರಹಗಾರರು, ಶ್ರೀ ಕೇಶವ ಮಳಗಿಯವರ ಸಂವಾದದಿಂದ ಕಳೆಗಟ್ಟಿತು. ಗೌರವ ಅತಿಥಿಯಾದ ಶ್ರೀ ರವೀಂದ್ರ ಎಸ್. ಕೋರೆಯವರ ಉಪಸ್ಥಿತಿಯು ಕಾರ್ಯಕ್ರಮದ ಮೆರಗು ಹೆಚ್ಚಿಸಿತು.

Activities | Social Responsibility

Vaccination Drive

The Association along with the Bengaluru Branch of SIRC of ICAI, arranged a camp to vaccinate its members, staffs and family members on 5th, 6th of June and 10th of July 2021. The drive, which involved both the brands of vaccine, finally clocked to vaccinate 1,000 people smoothly and was well appreciated, the waiting time for members had cut down substantially due to meticulous planning and slotting. Our social obligation to the fraternity was satisfying and encouraging.



Activities | Social Responsibility

Donation of Oxygen Concentrators COVID Task Force

CA. Dr. I S Prasad

CA. Sanjay Dhariwal

CA. Cotha S Srinivas

CA. Niranjan Prabhu A

CA. Vivek D S

CA. Narasimhan Elangovan

CA. Dr. Charantimath N A

CA. S Pannaraj

CA. Geetha Aadhyam

CA. Pampanna B E

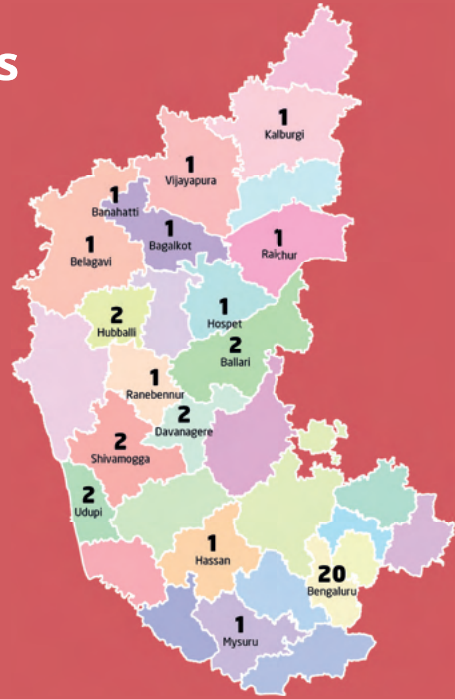
CA. B T Shetty

CA. Divya S

CA. Raveendra S Kore

CA. Venkatesh Babu T R

CA. Guruprasad Makam



Distributed to

15

districts

40

O₂ concentrators
donated

The devastating scene in India after 2nd Wave was disheartening to watch when our fellow citizens gasped for oxygen. As a conscious and socially responsible organization, KSCAA formed a task force involving senior members of the profession, who chalked the plan to mobilise funds from members to channelize it in purchasing Oxygen concentrators. The Association purchased 40 Oxygen concentrators in time to deploy it for use of members and general public. The Oxygen Concentrator was provided to various places in addition to Bengaluru, namely Hassan, Mysore, Udupi, Shivamogga, Davanagere, Vijayapura, Hospet, Ranebennur, Hubballi, Belagavi, Raichur, Banahatti, Ballari, Bagalkote and Kalburgi

As a part of COVID-19 Social Initiative by KSCAA, Oxygen Concentrators were donated by KSCAA Covid-19 Task Force to MP, South Bengaluru - Hon'ble Tejaswi Surya and to 14 districts all over Karnataka



New Initiatives



Social Responsibilities

#KSCAAenabler

COVID 19 Taskforce

#KSCAAshort

Ask-an-Xpert

Yoga Sessions

Bike Rally & Swachh
Bharat Abhiyan

Expanded
Sub-committees

Auditors



The Present Auditors - M/s. Sumant T Hegde & Associates, Chartered Accountants retire at the ensuing Annual General Meeting. We propose to appoint Vinutha Rashmi and Associates, Chartered Accountants as auditors of the Association till the conclusion of next Annual General Meeting.

Obituaries



CA. S Krishnaswamy

Words may not suffice to express the heartfelt sorrow for passing of CA. Krishnaswamy, Past President KSCAA. He was a past president, mentor and well-wisher of KSCAA, his inspiring personality and peripheral view of the profession is worth enumerating and remembering.

World has lost a great human being, the profession has lost a great professional and the association has lost a great mentor. Though he was president for the term 2005-06, the association has been a beneficiary of repository of his wisdom, time, efforts, guidance and support till last days.

A good heart has stopped beating, but a heart that has touched many lives can't help but live on in those it loved. We pray he continues to bless all of his loved ones and the association still acts under his guidance and wisdom. Our collective hearts are heavy with sympathy at the loss of great life.



CA. Subramaniam Chittur

Silent is the voice we loved to hear. Too far away for sight or speech. But not too far for thought to reach. CA Subramaniam Chittur was a person who touched many lives through his inspirational speeches. A great orator he believed in the power of communication. The quintessential of Public speaking is the learning we all take from his speeches.

He was the architect of Toastmaster's movement in India, a forum to bridge the gap in public speaking. He stood as a pillar of strength in building the Bangalore CA Toastmasters Club, KSCAA Eloquent Professionals, ICAI-SICASA Speakers Forum, ICAI Orientation and MCS programmes and many more.

He may have gone from our sight, but never from our hearts. Caring thoughts are with you as we share this sympathy. May you forever live on in our hearts.

Expression of Gratitude

Thank you to everyone who contributed to the Karnataka State Chartered Accountants Association. Our government, corporate, foundation, and individual donors and contributors in different varieties are vital partners as we all work together to ensure that CAs serve as leaders in transforming communities. Your gift to KSCAA enables us to advance our strategic plan goals. Every CA is a hub of community engagement, innovation and continual learning, and you are a part of that. Thank you for your many valued contributions to KSCAA.

Associations & Branches

- Bangalore Branch of SIRC of ICAI
- FKCCI, Bangalore
- Bombay Chartered Accountants' Society (BCAS)
- Belgaum Branch of SIRC of ICAI
- Bellary Branch of SIRC of ICAI
- Hubli Branch of SIRC of ICAI
- Mangalore Branch of SIRC of ICAI
- Mysore Branch of SIRC of ICAI
- Udupi Branch of SIRC of ICAI
- Basavanagudi CPE Study Circle
- Davangere CPE Chapter of SIRC of ICAI
- Shimoga CPE Chapter of SIRC of ICAI
- Bagalkot CPE Study Chapter of SIRC of ICAI
- Bagalkot District Chartered Accountants Association
- Belagavi District Chartered Accountants Association
- Shivamogga District Chartered Accountants Association
- Tumkur District Chartered Accountants Association
- Davanagere District Chartered Accountants Association

Sponsors

- Embassy Property Developments Pvt. Ltd.
- Karnataka Bank Ltd
- M R Kaladagi
- Narayana Rangappa Hadimani
- Kumtoji Multispeciality Hospital
- Prabhu Trading Company
- Pallavi Agro Enterprises
- Sri Vijay Mahantesh Co-Operative Bank
- Billur Gurubasava Co-operative Credit Society
- Sprism Investment Services Pvt. Ltd.
- B V V Sangha
- Bagalkot District State Govt Employees Co-Operative Society
- Hundekar Petroleums, Bijapura
- Sai Nikethan School
- Lakshmi Co Operative Bank
- Srinidhi Catering - Santhosh Kumar Shetty
- DiquTech
- Kurlon Limited
- Canfin Home Ltd
- Shantinath Motors
- Novelworx
- VIS Networks Private Limited

Donors

- M/s. NSVM & Associates
- CA. Niranjana Prabhu
- M/s. Sundaresh & Co
- M/s. MSSV & Co
- M/s. Pierian Services Private Limited
- M/s. N. Nityananda & Co
- CA. Vinayak Pai V
- M/s. Basavaraja & Dileep
- M/s. Patil Kabbur & Associates
- CA. Pampanna B E
- M/s. M N S & Co
- CA. Raghavendra Puranik
- M/s. Nanjunda & Co
- M/s. Venkatesh Bhaskar & Associates
- M/s. Kalkur & Co
- M/s. NNR & Co
- CA. Panna Raj
- CA. Geetha A B
- CA. Ningoji Rao K Y
- M/s. M P Mohan & Co
- M/s. Roshan Mansoor & Co
- M/s. Siddaiah & Ram
- M/s. B.R.V. Goud & Co
- CA. Jeevan Shetty
- M/s. Narayan Bhat & Co
- CA. Srinivas Cotha
- M/s. BVC & Co
- M/s. SJH & Co
- M/s. Hegde Giri & Associates
- CA. Raveendra Kore, CA Basappa Venkatapur, CA Rajesh M Kajagar
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- CA. Somanath S Salotagi
- CA. Giridhara T
- M/s. Patel Mohan Ramesh & Co
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- CA I S Prasad
- CA M Marulasiddaiah
- CA Vasudev Pai
- CA Virupaxi Ventagitti
- CA V K Sudhakar Shetty
- M/s Ravi Manjunatha & Associates
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- CA. Sachin Kumar B P
- S Prakash Chand
- Rakchamps
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- Adv. CA. V. Raghuraman, Bengaluru
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- CA. Deepak Chopra
- CA. Deepak Chopra & CA. Krishna Upadhyaya S
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- CA. Jatin Christopher
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- CA. Parveen CG & CA Sandeep Roddam
- CA. Pooja Jain
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- CA. Roopa Venkatesh, CA. Uma HN & CA. Rani N R
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- CA. Sudha Suresh
- CA. Tata Krishna
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- CA. Neelima Chakara, CA Devika S & CA. Pachetha Manchali
- CA. Sudha Parthasarathy & CA. Yukti Arora
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- CA. Cotha S Srinivas
- CA. Abhishek Raja Ram
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Independent Auditor's Report

To,
The Members of
Karnataka State Chartered Accountants Association

Opinion

We have audited the financial statements of **M/s Karnataka State Chartered Accountants Association (KSCAA)** ("the **Association**"), which comprise the Balance Sheet as at 31st March 2021, the Income and Expenditure Account for the year ended on that date, and a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the schedules and notes thereto, are prepared in all material respects, in accordance with the Karnataka Societies Registration Act, 1960 and give a true and fair view of the State of Affairs of the Association as at 31st March 2021 and its surplus for the year ended on that date.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Executive Committee of Members of **Karnataka State Chartered Accountants Association** is responsible for the preparation of these financial statements that give a true and fair view in accordance with requirements of Karnataka Societies Registration Act, 1960 and generally accepted accounting principles and to provide for such internal controls as the Executive Committee determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Association's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Sumant T Hegde & Associates

Chartered Accountants
FRN 020649S

Sd/-

CA. Sumant T Hegde

Proprietor
MN. 243620
UDIN: 21243620AAAAAX2142

Date: 17th July 2021

Place: Bengaluru

Balance Sheet as at 31 March 2021

Particulars	Schedule Numbers	As At 31 March 2021 Rupees	As At 31 March 2020 Rupees
SOURCES OF FUNDS			
Corpus Fund	1	38,53,672	36,75,672
General Fund	2	1,70,10,418	1,67,17,094
Restricted and Other Funds	3	37,15,581	36,85,449
		2,45,79,671	2,40,78,215
APPLICATION OF FUNDS			
Property, Plant and Equipment	4	26,52,465	26,64,933
Investments	5	1,99,93,171	1,83,52,953
Current Assets, Loans and Advances			
(a) Stock of Publications and Materials	6	1,67,357	2,41,484
(b) Receivables	7	1,44,390	15,22,770
(c) Cash and Bank Balances	8	7,55,005	19,66,081
(d) Loans and Advances	9	14,57,268	12,87,074
		25,24,020	50,17,409
Less: Current Liabilities and Provisions	10	5,89,985	19,57,080
Net Current Assets		19,34,035	30,60,329
		2,45,79,671	2,40,78,215
Significant Accounting Policies and Notes to Accounts	18		

Schedules 1 to 18 form an integral part of the Accounts

As per our report of even date
Sumant T Hegde & Associates
 Chartered Accountants
 FRN :020649S

Sd/-
CA. Sumant T Hegde
 Proprietor
 M.No:243620
 UDIN: 21243620AAAAAX2142

Date: 17th July 2021
 Place: Bengaluru

For and on behalf of the Executive Committee of
Karnataka State Chartered Accountants Association(R)

Sd/-
CA. Kumar S Jigajinni
 President

Sd/-
CA. Shivaprakash Viraktamath
 Treasurer

Sd/-
CA. Pramod Srihari
 Secretary

Income and Expenditure Account for the year ended 31 March 2021

Particulars	Schedule Numbers	Year Ended 31 March 2021 Rupees	Year Ended 31 March 2020 Rupees
A. INCOME			
Conference, Seminars and Programs	11	23,34,788	75,67,084
Interest Income	12	12,35,600	14,12,767
Other Income	13	2,37,433	3,94,213
A		38,07,821	93,74,064
B. EXPENDITURE			
Conference, Seminars and Programs	14	9,10,518	54,60,822
Bulletins and Publications	15	8,44,636	9,77,670
Administrative Expenses	16	11,49,892	11,05,958
Other Expenses	17	4,92,478	5,28,135
Depreciation	4	1,16,973	1,34,924
B		35,14,497	82,07,509
C. SURPLUS FOR THE YEAR TRANSFERRED TO GENERAL FUND	(A-B)	2,93,324	11,66,555

Schedules 1 to 18 form an integral part of the Accounts

As per our report of even date
Sumant T Hegde & Associates
 Chartered Accountants
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 President

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CA. Shivaprakash Viraktamath
 Treasurer

Sd/-
CA. Pramod Srihari
 Secretary

Schedules forming part of accounts as at 31 March 2021

Particulars	As At 31 March 2021 Rupees	As At 31 March 2020 Rupees
1. CORPUS FUND		
Opening Balance	36,75,672	34,93,672
Add: Life Membership Fee received during the year	1,78,000	1,82,000
	38,53,672	36,75,672
2. GENERAL FUND		
Opening Balance	1,67,17,094	1,55,50,539
Add : Surplus for the year	2,93,324	11,66,555
	1,70,10,418	1,67,17,094
5. INVESTMENTS		
<i>TERM DEPOSITS WITH:</i>		
Union Bank of India	45,41,817	5,19,958
DBS Bank	30,26,032	1,62,16,453
Saraswat Bank	15,46,103	15,46,103
State Bank of India	1,07,00,000	-
<i>ACCRUED INTEREST ON TERM DEPOSITS WITH:</i>		
Union Bank of India	17,603	-
DBS Bank	36,488	58,001
Saraswat Bank	25,922	12,438
State Bank of India	99,206	-
	1,99,93,171	1,83,52,953
6. STOCK OF PUBLICATIONS AND MATERIALS		
(Valued at lower of Cost or Net realisable value)		
KSCAA Publications	1,51,931	2,07,611
Other Materials	15,426	33,873
	1,67,357	2,41,484
7. RECEIVABLES		
Receivables	1,44,390	15,22,770
	1,44,390	15,22,770

Schedules forming part of accounts as at 31 March 2021

Particulars	As At 31 March 2021 Rupees	As At 31 March 2020 Rupees
8. CASH AND BANK BALANCES		
Cash on hand	7,219	62,616
Union Bank of India - SB Account - 6887	2,67,290	10,45,446
DBS Bank - Current Account	2,51,627	7,36,954
Union Bank of India - SB Account - 6886	1,73,584	1,16,551
Canara Bank - SB Account	4,514	4,514
State Bank of India - Current Account	50,771	-
	7,55,005	19,66,081
9. LOANS AND ADVANCES		
<i>DEPOSITS</i>		
Telephone Deposit	2,000	2,000
Electricity Deposit	26,110	26,110
Postal Department	475	475
Rental Deposit	3,65,000	3,65,000
GST Input Tax	28,406	-
A	4,21,991	3,93,585
<i>OTHERS</i>		
TDS 2012-13	-	57,351
TDS 2013-14	43,004	43,004
TDS 2014-15	1,38,579	1,38,579
TDS 2016-17	1,30,790	1,30,790
TDS 2017-18	1,57,353	1,57,353
TDS 2018-19	1,80,734	1,80,734
TDS 2019-20	1,85,678	1,85,678
TDS 2020-21	1,99,139	-
B	10,35,277	8,93,489
A+B	14,57,268	12,87,074
10. CURRENT LIABILITIES AND PROVISIONS		
<i>CURRENT LIABILITIES</i>		
Audit Fees Payable	32,375	31,500
Outstanding Liabilities	1,27,267	15,95,237
A	1,59,642	16,26,737
<i>PROVISIONS</i>		
Property Tax - Provision	4,30,343	3,30,343
B	4,30,343	3,30,343
A+B	5,89,985	19,57,080

Schedules forming part of accounts for the year ended 31 March 2021

Particulars	Year Ended 31 March 2021 Rupees	Year Ended 31 March 2020 Rupees
11. INCOME FROM CONFERENCE, SEMINARS AND PROGRAMS		
Annual Conference	21,76,006	59,32,656
Seminars, Workshops, Sports & Cultural and Programs	1,58,782	16,34,429
	23,34,788	75,67,084
12. INTEREST INCOME		
Interest on Bank Term Deposits	12,52,629	14,48,416
Less: Transferred to Restricted fund	52,113	59,219
	12,00,516	13,89,197
Add: Interest on Saving Bank Accounts	35,084	23,570
	12,35,600	14,12,767
13. OTHER INCOME		
Admission / Entrance Fee	35,600	36,200
Miscellaneous Income	6,095	6,807
Sale of Publications	360	70,488
Advertisement in News Bulletins	1,66,419	2,80,718
Interest on Income Tax Refund	28,959	-
	2,37,433	3,94,213
14. CONFERENCE, SEMINARS AND PROGRAMS EXPENSES		
Annual Conference Expenses	7,78,228	45,13,417
Add: Decrease/ (increase) in Stock of Materials	55,680	(9,161)
Add: Decrease/(Increase) in Publications	18,447	(54,861)
A	8,52,355	44,49,395
Seminars, Workshops, Sports & Cultural and Programs Expenses	B 58,163	10,11,427
A+B	9,10,518	54,60,822
15. BULLETINS AND PUBLICATIONS		
Printing Charges of News Bulletins	8,44,636	9,77,670
	8,44,636	9,77,670

Schedules forming part of accounts for the year ended 31 March 2021

Particulars	Year Ended 31 March 2021 Rupees	Year Ended 31 March 2020 Rupees
16. ADMINISTRATIVE EXPENSES		
Salaries and Bonus	5,04,840	5,43,323
Rent	3,60,000	2,70,000
Annual General Meeting Expenses	1,20,251	1,26,035
Printing and Stationery	52,480	47,164
Audit Fees	35,000	35,000
Postage and Courier Charges	30,224	20,331
Telephone and Internet Charges	15,518	23,610
Staff Welfare Expenses	14,218	16,032
Electricity Charges	10,701	18,743
Water Charges	6,660	5,720
	11,49,892	11,05,958
17. OTHER EXPENSES		
Email and SMS Charges	1,13,176	1,76,633
Property Tax	1,00,000	50,000
Logo registration	99,000	33,000
Miscellaneous Expenses	38,500	16,625
Professional Lounge Maintenance Expenses	30,000	30,000
Office Maintenance Expenses	28,881	29,895
Subscription and Membership Expenses	25,205	4,000
Website Charges	16,000	41,524
Rates and Taxes	13,422	20,345
Executive Committee Meeting Expenses	7,838	10,810
Pooja Expenses	7,110	41,216
Bank Charges	5,016	4,498
Locker Rent	3,304	2,124
Commission on Online Payment Services	3,088	52,807
Repairs and Maintenance Expenses	1,938	14,659
	4,92,478	5,28,135

Schedules forming part of accounts for the year ended 31 March 2021

SCHEDULE - 3 RESTRICTED AND OTHER FUNDS

Particulars	Balances as on 1 April 2020	Receipts during the year	Add: Transferred during the year	Less: Utilised/ Transferred	Balances as on 31 March 2021
A. RESTRICTED FUNDS					
Endowment Fund	70,000	-	-	-	70,000
Late S. Narayanan's Memorial Prize Award Account	1,00,000	-	-	-	1,00,000
Professional Development Fund	5,06,488	-	-	-	5,06,488
Student Welfare Fund	1,13,102	-	-	-	1,13,102
A	7,89,590	-	-	-	7,89,590
B. ACTIVITY FUNDS					
Endowment Fund	34,975	-	4,620	-	39,595
Late S. Narayanan's Memorial Prize Award Account	-	-	-	-	-
Professional Development Fund	1,06,052	-	6,600	-	1,12,652
Student Welfare Fund	10,020	-	33,428	31,981	11,467
Legal Fund	35,948	-	7,465	-	43,413
	2,87,268	-	10,000	-	2,97,268
B	4,74,263	-	62,113	31,981	5,04,395
C. UTILISED FUNDS					
Library Fund	1,44,360	-	-	-	1,44,360
Permanent Project	2,47,500	-	-	-	2,47,500
Building Fund	50,000	-	-	-	50,000
S. Amaralal Golden Jubilee Hall Fund	2,50,000	-	-	-	2,50,000
Professional Lounge Fund	2,29,736	-	-	-	2,29,736
Golden Jubilee Project Fund	15,00,000	-	-	-	15,00,000
C	24,21,596	-	-	-	24,21,596
GRAND TOTAL (A+B+C)	36,85,449	-	62,113	31,981	37,15,581
PREVIOUS YEAR	36,70,532	-	59,219	44,303	36,85,449

Schedules forming part of accounts for the year ended 31 March 2021

SCHEDULE - 4 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK AS ON 1 APRIL 2020 Rs.	ADDI- TIONS MORE THAN 180 DAYS Rs.	ADDI- TIONS LESS THAN 180 DAYS Rs.	DELE- TIONS Rs.	GROSS BLOCK AS ON 31 MARCH 2021 Rs.	ACCUMULAT- ED DEPRECIA- TION AS ON 1 APRIL 2020 Rs.	RATE %	DEPRECIA- TION FOR THE YEAR Rs.	ACCUMULAT- ED DEPRECIA- TION AS ON 31 MARCH 2021 Rs.	WDV AS ON 31 MARCH 2021 Rs.	WDV AS ON 31 MARCH 2020 Rs.
IMMOVABLE PROPERTIES											
Land at Harohally Industrial Area*	17,19,630	-	1,00,500	-	18,20,130	-	-	-	-	18,20,130	17,19,630
Office Building	7,80,288	-	-	-	7,80,288	6,30,060	10%	15,023	6,45,083	1,35,205	1,50,228
Office Building on Leasehold Premises	37,800	-	-	-	37,800	12,600	33%	12,600	25,200	12,600	25,200
OTHER ASSETS											
Furniture and Fixtures	13,57,314	-	4,005	-	13,61,319	7,02,268	10%	65,705	7,67,973	5,93,346	6,55,046
Library Books	94,018	-	-	-	94,018	94,005	40%	5	94,010	8	13
Computer, Printers & Software	2,09,054	-	-	-	2,09,054	1,83,393	40%	10,264	1,93,657	15,397	25,661
Office Equipments	4,16,011	-	-	-	4,16,011	3,26,859	15%	13,373	3,40,232	75,779	89,152
Assets not in use	759	-	-	-	759	756		3	759	-	3
TOTAL	46,14,874	-	1,04,505	-	47,19,379	19,49,941		1,16,973	20,66,914	26,52,465	26,64,933
PREVIOUS YEAR	42,89,499	3,25,375	-	-	46,14,874	18,15,017		1,34,924	19,49,941	26,64,933	24,74,482

*refer note no. 4 forming part of the accounts

Schedules forming part of the accounts as at 31 March 2021

SCHEDULE-18

Significant Accounting Policies and Notes on Accounts:

Overview

Karnataka State Chartered Accountants Association is registered in the year 1957 under the Karnataka Societies Registration Act No. III of 1904 vide No.1710/57-58 dated 07.12.1957 and subsequently amendments were made under the Karnataka Societies Registration Act 1960

It is registered under Section 12A (a) of the Income Tax Act, 1961, vide no. Trust/718/10A Vol.AII/K.503/90-91/CIT II dated 10.12.1990.

The logo of the Association and the wordmark "KSCAA" have been registered with the Government of India, Trade Marks Registry under the Trade Marks Act, 1999.

The main objects, inter alia, are to encourage friendly feeling and unanimity among the members and to provide for opportunities for interaction among the members, the acquisition and dissemination of knowledge connected with the profession and also to promote and protect the mutual interests of the members.

Governance

The Executive Committee has the overall responsibility for the general control, administration and management of the activities of the association. The responsibility is joint and several. The internal control system in operation provides reasonable assurance against errors and frauds.

Significant Accounting Policies

Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated elsewhere.

1. Revenue Recognition

- Life Membership Fees received is credited to Corpus Fund. This practice has been followed by the Association consistently from the past.

- Income from conferences, seminars, workshops and sports and cultural programs are recognized as income as and when conferences, seminars, workshops and sports and cultural programs are organized and held.
- Admission / Entrance Fee charged is recognized as income in the year of receipt.
- Ordinary Membership fee received is recognized as income in the year of receipt.
- Interest on Term Deposits held as investments is recognized on accrual basis.
- Income from Sale of publications is recognized as income as and when the publications are sold.
- Income from advertisement in bulletins is recognized as income as and when the advertisements are published in the bulletins.
- Interest on tax refunds is accounted on receipt basis.

2. Expenses

All expenses are accounted on accrual basis to the extent they are ascertained for the period.

3. Allocation/Transfers to Restricted Funds

- The Association has a policy to allocate/transfer interest to Restricted Fund Accounts to recognize the interest attributable to those Funds.
- Allocation/Transfer of interest to Restricted Fund is made on the basis of proportionate interest attributable to the balance standing in the respective Fund account as at the end of the year.
- On such allocation/ transfer of interest to the Funds, specific expenses related to such Funds are appropriated to the extent of balance available in that respective activity fund.
- The practice to allocate/ transfer interest and expenses to the Restricted Funds has been consistently followed by the Association from the past.

4. Prior Period Items

Prior period items, being any income or expense, which has arisen in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods, are recognized as and when they are noticed and are shown separately.

5. Property, Plant and Equipment

The Property, Plant and Equipment which are held for use for administrative purposes and which are expected to be used for more than a period of twelve months have been capitalized at acquisition cost, with all identifiable expenditure incurred to make the asset fit for use. These assets are stated at cost less depreciation to date.

And also, the cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the enterprise; and
- (b) the cost of the item can be measured reliably.

6. Depreciation

Depreciation has been provided on the Property, Plant and Equipment except land on Written Down Value basis in accordance with the rates prescribed under Income Tax Act, 1961.

7. Stock of Publications and Materials

The Association has a policy to value the stock of publications and other materials at lower of cost or net realizable value.

8. Investments

The current investments are valued at lower of the cost or fair value, whereas the long-term investments are carried at cost unless and otherwise there is permanent diminution in the value of the investment.

9. Income Tax

The Association is registered under Section 12A (a) of the Income Tax Act, 1961. The provision for Income Tax is recognized according to the provisions of section 11 and 12 of the Income Tax Act, 1961.

10. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

11. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Association has present obligation as a result of past event; it is probable that an outflow of resources will be required to settle obligations, in respect of which a reliable estimate can be made.

Contingent Liabilities, if any, not provided for are disclosed by way of Notes. Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Notes forming part of the accounts as on 31 March 2021

1. The balances as reflected in the Balance Sheet as at 31st March, 2021 of Receivables, Payables, Loans and Advances and Deposits, are subject to confirmation and subject to any adjustments and reconciliation after confirmation.
2. In the opinion of the Executive Committee, the amounts shown in the Balance Sheet are reflected at their realizable values, unless stated otherwise.
3. During the year, the COVID-19 pandemic significantly constrained the ability of the Association to undertake its annual conference, workshops, seminars, programs in the physical mode impacting adversely the related incomes and contribution to the Income and Expenditure Account. Such activities were principally conducted in online mode during the year.
4. The Karnataka Industrial Areas Development Board (KIADB) has allotted Plot No.32-C, measuring 2,703 Sq. Mts at Harohalli Industrial Area, 1st Phase, Kanakapura Taluk, Ramanagara District. The dimension of the plot was wrongly mentioned in the previous possession certificate (dated 22.08.2009), has now been corrected. However, the total area of the plot remains same. During the year new possession certificate has been received from KIADB and lease cum sale deed has been executed.
5. Investments includes investment of Restricted Funds amounting to Rs.7,89,590/- (FY 2019-20: Rs.7,89,590/-).
6. Assets not in active use with WDV of Rs. 3 have been written-off as depreciation during the year.
7. Leasehold assets are depreciated over 3 years.

8. Miscellaneous Provisions:

Property Tax Payable

Particulars	Amount
Opening Balance of Property Tax Payable	3,30,343
Add: Provision Made During the Year 20-21	1,00,000
Closing Balance of Property Tax Payable	4,30,343

The provision for Property Tax for the year has been created based on reasonable estimate.

9. The Association is registered under Section 12A (a) of the Income Tax Act, 1961. During the year, the Association's accumulated income is less than 15% of the Gross Receipts, hence no provision has been made towards income tax.
10. During the year Andhra Bank was amalgamated into Union Bank of India by Central Government vide Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, accordingly all the

existing bank accounts of the association with Andhra Bank have been moved to Union Bank of India.

During the year Lakshmi Vilas Bank (LVB) was amalgamated with DBS Bank India Limited through a scheme of amalgamation by Government of India and Reserve Bank of India under Section 45 of the Banking Regulation Act, 1949 w.e.f 27th November 2020, accordingly all the existing bank accounts of the association with Lakshmi Vilas Bank have been moved to DBS Bank India Limited.

11. Audit Fees for the year is Rs. 35,000/- (Previous Year Rs. 35,000/-).
12. Figures have been rounded off to nearest rupee value.
13. Previous year figures have been regrouped / rearranged to be in conformity with the current year's presentation.

As per our report of even date
Sumant T Hegde & Associates
Chartered Accountants
FRN :020649S

Sd/-
CA. Sumant T Hegde
Proprietor
M.No:243620
UDIN: 21243620AAAAAX2142

Date: 17th July 2021
Place: Bengaluru

For and on behalf of the Executive Committee of
Karnataka State Chartered Accountants Association(R)

Sd/-
CA. Kumar S Jigajinni
President

Sd/-
CA. Shivaprakash Viraktamath
Treasurer

Sd/-
CA. Pramod Srihari
Secretary

NOTE

We request you to send in your queries if any, on the Audited Financial Statements for the year ended 31-03-2021, on or before 13th August, 2021 to the Association address either by normal post or by email.
e- mail: president@kscaa.com; info@kscaa.com

KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R)

No. 67, 1st Floor, 2nd Stage, West of Chord Road, Mahalaxmipuram, Below Rajajinagar Metro Station,
Bengaluru-560 086 • Phone 080 2955 2155 • info@kscaa.com • www.kscaa.com



Karnataka State Chartered Accountants Association (R)

No. 67, 1st Floor, 2nd Stage, West of Chord Road, Mahalaxmipuram, Below Rajajinagar Metro Station, Bengaluru-560 086 • Phone 080 2955 2155 • info@kscaa.com • www.kscaa.com

NOMINATION FORM

The Secretary,
Karnataka State Chartered Accountants Association,
 No. 67, 1st Floor, 2nd Stage, West of Chord Road, Mahalaxmipuram,
 Below Rajajinagar Metro Station, Bengaluru - 560 086.

Dear Sir,

I wish to contest as a candidate for election to the Executive Committee of the Association for the year 2021-22 to be held during the 48th Annual General Meeting on Friday, the 27th of August, 2021.

Yours faithfully,

(Signature of the Candidate)

Name:

Telephone No:

KSCAA Membership No.:

Mobile No.:

Address:

Email ID:

Proposer's Name :

Proposer's Signature:

Address:

KSCAA Membership No.:

Seconder's Name :

Seconder's Signature:

Address:

KSCAA Membership No.:

NOTES:

- Members who wish to send their nominations for the Executive Committee are required to submit the duly filled and signed Nomination Form at the Association Office.
- Last date for submission of nomination: **Before 5.00 pm on Saturday, 7th August, 2021**
- Last date of withdrawal of the nominations: **Before 5.00 pm on Thursday, 12th August, 2021**
- Announcement of final list of candidates contesting for election: **At 6.00 pm on Thursday, 12th August, 2021**
- The Final list of the Candidates shall also be uploaded on our website **www.kscaa.com**



RERA AGREEMENT FOR SALE – STANDARDIZED / UNIFORM CONTRACT DOCUMENT – ACROSS REAL ESTATE INDUSTRY / BUSINESS – MINIMAL SCOPE FOR MODIFICATION

■ CA. Vinay Thyagaraj

Many of you have experienced the purchase of immovable property from the builder for yourself or to your relatives or to your clients. The immovable property may be a plot or a apartment or a villa or a commercial shop etc. While doing so you must have gone through the process of transaction of purchase of immovable property, which may be as follows –



In this article, the author explains the changes in practices post RERA in terms of Agreement for Sale.

The rights and obligation of the parties to the contract of immovable property are captured in detail in a document called Agreement for sale. An agreement for sale, is a document to sell/convey/transfer a immovable property at later point of time. This agreement specifies the terms and conditions, rights and obligations under which the immovable property in transaction will be transferred/conveyed.

A contract for sale of immovable property shall take place in agreed terms between the parties, in accordance with Section 54 of Transfer of Property Act. An agreement for sale contains a promise to transfer an immovable property in future, on satisfaction of certain terms and conditions. To conclude the contract to satisfy such terms and conditions are important and critical.

In case of failure of the either of the party to the contract i.e., seller to sell or hand over possession of the property to the buyer, the buyer gets a right of specific performance, under the provisions of the Specific

Relief Act, 1963, A similar right is also available to the seller under the agreement, for seeking specific performance from the buyer.

Entering into Agreement for Sale is a normal / standard practice in real estate transaction and exists since many years. However, such Agreement for Sale was in different formats, different conditions, different sizes etc., as those Agreement for Sale drafted based on ability, wisdom, risk appetite of the builder, buyer, professional etc.

To bring the standardisation, transparency, accountability, equality between promoter and allottees in real estate business, RERA has made inbuilt provision by way of Agreement for Sale. i.e., RERA Act mandates the promoter and allottees to adopt the agreement for sale as prescribed by the respective States. Let us understand the provisions under RERA in relation to Agreement for Sale.

Section 13(1) of the RERA Act 2016 provision is as follows –

A promoter shall not accept a sum more than ten per cent of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force.

Section 13(2) of the RERA Act 2016 refer to respective RERA State to prescribe the format of Agreement for Sale. Accordingly, Karnataka RERA has inserted rule 8A (format of Agreement for sale) WEF 12th June 2020. The Extract of Rule 8A is –

“8A. Agreement for Sale - (1) For the purpose of sub-section (2) of section 13 of the Real Estate (Regulation & Development) Act 2016, the agreement for sale shall be in the Format as per Annexure-A.

(2) Any application, letter of allotment, letter or any other document signed by the allottee, in respect of the apartment, plot or building, prior to the execution and registration of the agreement for sale for such apartment, plot or building, as the case may be, shall not be construed to limit the rights and interests of the allottee under the agreement for sale or under the Act.”

With the notification of Agreement for Sale format, it is mandatory for the promoter to follow the same format of agreement for sale / contents of the agreement for sale without dilution of any provisions of RERA Act 2016, Karnataka RERA Rules 2017.

Section 13(2) of the RERA Act 2016 mentions that the contents of such Agreement for sale shall includes –

- particulars of development of the project including the construction of building and apartments
- specifications of such development
- internal development works
- external development works
- the dates and the manner of payments by the allottees,
- the date on which the possession to be handed over by the promoter.
- the rates of interest payable by the promoter to the allottee and the allottee to the promoter in case of default
- such other particulars, as may be prescribed.

To conclude –

- Agreement for Sale shall be in the format as notified by Karnataka RERA
- The promoter shall enter into Agreement for Sale with the allottee well before acceptance of consideration more than 10 % of the cost of the unit.
- Such Agreement for Sale shall be registered with the sub registrar

Now let us understand various important clauses in the Agreement for Sale as notified by Karnataka RERA -

Sl No	Post RERA Clauses in the Agreement for Sale	Pre RERA
1	RERA Registration number is mandatory	Not Applicable
2	The Promoter agrees and undertakes that it shall not make any changes to these approved plans except in strict compliance with section 14 of the Act and other laws as applicable;	Promoters use to retain the right to modification of plan or changes to specification with or without consent of the allottees
3	Mandatory to mention the Car Parking details – Car parking number, measurement, its location	Promoters use to allocate the car parking at later point of time. Eg., on handing over the apartment etc
4	The Total Price shall be mentioned - which includes Taxes (consisting of tax paid or payable by the Promoter by way of Goods and Service Tax (GST), or any other similar taxes which may be levied, in connection with the construction of the Project payable by the Promoter, by whatever name called)	Usually mention as applicable Taxes, without quantifying the absolute tax amount.

Sl No	Post RERA Clauses in the Agreement for Sale	Pre RERA
5	Any increase in the taxes after the expiry of the schedule dated of completion of the project as per registration with the authority, the same shall not be charged from the allottee;	Promoters use to collect applicable taxes irrespective of promised date of delivery or delay.
6	The Total Price is escalation-free, save and except due to increase on account of development charges payable to the competent authority and/or any other increase in charges which may be levied or imposed by the competent authority from time to time.	No standards / no common practices were followed.
7	Conditional discount/rebate for prepayment or early payment of installation etc shall not be discontinued once agreed.	No standards / no common practices were followed.
8	Promoter shall not make any additions and alterations in the sanctioned plans, layout plans and specifications and the nature of fixtures, fittings and amenities described – Sec 14 is applicable in case of such changes	Promotes use to retain the right to alter or modify the plan, construction or specifications etc

Sl No	Post RERA Clauses in the Agreement for Sale	Pre RERA
9	Mandatory mention of Carpet Area. Such Carpet Area shall be in accordance with RERA Definition	No standards / no common practices were followed. Use to mention Super built up Area, built up area, saleable area, Carpet Area etc
10	The total price payable for the carpet area shall be recalculated upon confirmation by the Promoter. If there is any reduction in the carpet area then the Promoter shall refund the excess money paid by Allottee within sixty days with annual interest at the rate prescribed in the Rules	Promoters use to mention the minimum allowable variance – e.g., upto 5 % is allowed as permissible variation.
11	Promoter can ask for the increased carpet Area - If there is any increase in the carpet area, more than three percent of the carpet area of the apartment.	No standards / no common practices were followed.
12	The Allottee has the right to visit the project site to assess the extent of development of the project and his apartment/plot, as the case may be	No standards / no common practices were followed. But generally avoided due to safety and security reasons

Sl No	Post RERA Clauses in the Agreement for Sale	Pre RERA
13	It is clarified that Project's facilities and amenities shall be available only for use and enjoyment of the Allottees of the Project.	No standards / no common practices were followed. Promoter may retain the amenities (club house) or other facilities in the project
14	Payment towards consideration shall be through A/c Payee cheque/ demand draft/banker's cheque or online payment	No standards / no common practices were followed. Use to collect cash also
15	The Allottee, if resident outside India, shall be solely responsible for complying with the necessary formalities as laid down in Foreign Exchange Management Act, 1999	No Such clauses were followed
16	The Promoter assures to hand over possession of the along with ready and complete common areas with all specifications, amenities, and facilities of the project.	Generally, promoters use to mention the delivery of apartment within due date. There was no mention of delivery of common area and facilities etc
17	Delay for the reason of Force Majeure is only allowed- is strictly Act of God.	Force Majeure, other reasons for delay includes nonavailability of supply of raw materials, availability of labour, government restrictions, court orders etc

Sl No	Post RERA Clauses in the Agreement for Sale	Pre RERA
18	The conveyance deed in favour of the allottee shall be carried out by the Promoter within 3 months from the date of issue of occupancy certificate	No Such clauses were followed and in many instances the conveyance deed were carried out prior to receipt of occupancy certificate
19	It shall be the responsibility of the Promoter to hand over the necessary documents and plans including common areas, to the association of Allottees or competent authority, as the case may be, as per the local laws. [Provided that, in the absence of any local law, the promoter shall handover the necessary documents and plans, including common areas, to the association of allottees or the competent authority, as the case may be, within thirty days after obtaining the completion certificate	No Such clauses were followed
20	Allottee proposes to cancel/ withdraw from the project without any fault of the promoter, the promoter herein is entitled to <u>forfeit the booking amount paid for the allotment.</u> The balance amount of money paid by the allottee shall be returned by the promoter to the allottee within 60 days of such cancellation.	No standards / no common practices were followed. Differ from promoter to promoter and agreement to agreement.

Sl No	Post RERA Clauses in the Agreement for Sale	Pre RERA
21	The Promoter shall compensate the Allottee in case of any loss caused to him due to defective <u>title of the land</u> , in the manner as provided under the Act and the claim for interest and compensation under this provision shall not be barred by limitation provided under any law for the time being in force.	No Such clauses were followed
22	The promoter shall continue to pay all levies, taxes including property taxes payable to competent authorities till he obtains completion certificate and handover of common areas, facilities, amenities to the association of allottees	No Such clauses were followed
24	Defect Liability period of 5 years from the date of handing over of possession	Generally 1 to 2 years
25	After the Promoter executes this Agreement he shall not mortgage or create a charge on the [Apartment/Plot/Building] and if any such mortgage or charge is made or created then notwithstanding anything contained in any other law for the time being in force, such mortgage or charge shall not affect the right and interest of the Allottee who has taken or agreed to take such [Apartment/Plot/Building].	No Such clauses were followed

Sl No	Post RERA Clauses in the Agreement for Sale	Pre RERA
26	METHOD OF CALCULATION OF PROPORTIONATE SHARE WHEREVER - shall be the proportion which the carpet area of the [Apartment/Plot]	No standards / no common practices were followed. Differ from promoter to promoter and agreement to agreement. E.g, based on Super built up Area
27	Mandatory Schedules in Agreement for Sale - Schedule 'A' - description of the [apartment/plot] and the garage/ covered parking (if applicable) along with boundaries in all four directions. Schedule 'B' - floor plan of the apartment Schedule 'C' - payment plan by the allottee Schedule 'D' - specifications, amenities, facilities (which are part of the apartment/plot) Schedule 'E' - specifications, amenities, facilities (which are part of the project) Schedule 'F' - description of the entire property covered as per sanctioned plan, with details of boundaries (east, west, north and south). The area shall be mentioned in square meters. Schedule 'G' - details of the common area.	No standards / no common practices were followed. Differ from promoter to promoter and agreement to agreement.

Few important points while advancing promoters of the Real Estate Project –

1. Modification or alteration to notified Agreement for Sale is permitted subject to compliance of all applicable provisions of RERA Act, Rules, and notifications. Such modification shall not result in depriving the rights of the Allottee.
2. The agreement does not assume any situations where multiple sub-projects can be registered under RERA, within a single larger layout / plan. In such situations the common areas would be handed over in multiple phases, whereas the agreement states that all common areas would be handed over at the time of handing over of the apartments.
3. The agreement provides that any increase in taxes after the expiry of the scheduled End date /completion of the project as per RERA registration with the authority the same shall not be collected from the customer.
4. Agreement for Sale provides for cancellations by the customer without any defaults by the developer and requires the developer to refund the amount by deducting only booking amount.
5. In cases of defaults / delays which are not attributable to the Developer (e.g., force majeure), the agreement provides for a cancellation process that requires the Developer to refund the entire amount. However, the Developer would have made many payments, such as taxes, to the authorities and he would not be able to refund such taxes etc.
6. Non-Compliance of Agreement for Sale may attract penal provisions in accordance with the section 61 of the RERA Act 2016, the penalty may be extended upto 5 % of the estimated cost of the real estate project.
7. Promoter shall now have to compulsorily declare that the project is now in accordance with the provisions of Karnataka Apartment Ownership Act, 1972 and Karnataka Ownership Flats (Regulation of the Promotion of the Construction, Sale Management and Transfer) Act, 1972 which means that the allottees shall also have to follow and comply with all the provisions of the aforementioned Acts.

8. The Agreement for Sale shall be uploaded while filing the application for Grant of RERA Registration.
9. All the promoters in the project (Builder, Land Owner) shall use the same format as notified by RERA

Conclusion –

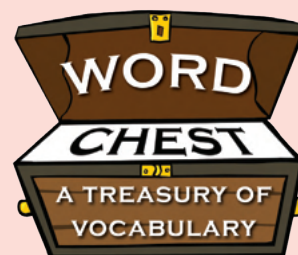
Professionals (Legal/ Chartered Accountants) shall understand the various provisions under RERA and its relevance while preparing agreement for Sale. This helps the professionals while advising / providing service to any individual / home buyers on property purchase / investments.

Value added services can be given to the promoters of the real estate project while advising on Joint development agreement, investment agreements, MOU's, application for grant of RERA Registration, document preparation for financial assistance with financial institutions etc.

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Word of the Month:

Truculent

What is this?

Quick to fight or argue

Use instead of:

Argumentative, Bad-tempered and aggressive.

How can I use it?

- ✓ He was **truculent** and difficult to deal with.
- ✓ Her tone in doing so was **truculent**, self-satisfied and arrogant.

CYBER SECURITY FOR PROFESSIONAL FIRMS



■ **CA. Narasimhan Elangovan**

In today's era of digitization and automation, every business function is investing in transformation and upgradation. The pandemic and remote working requirements of today, has further accelerated the pace of this revolution. Professional firms are no exception to this. Many professional firms quickly started upgrading to remote working technologies within a short span of time. From remote audits to performing compliance on remote basis, professional firms have gone reasonably digital. But equally important is to understand the cyber security risks while we evolve using these technologies. While on one side these technologies have made life easier, but on the other side they come with considerable risks. This article explores them in detail and gives practical tips on securing remote working.

What are Cyber Attacks?

Cyberattacks are malicious and deliberate attempt by an individual or an organization to breach the information system. Usually, the attacker seeks some type of benefit from disrupting the victim's network. Every attacker works with a different malicious intention, but largely to make money exploiting the weakness. This sort of cybercrimes has increased over the years and even more during the last 2 years. According to various news reports, in July 2020, India recorded its highest number of attacks at 4.5 million. In February 2021—nearly one year from the start of the pandemic—there were 377.5 million brute-force attacks, a type of attack where multiple combination of passwords is used to with the hope of eventually guessing a combination correctly. This is a far cry from the 93.1 million witnessed at the beginning of 2020. India alone witnessed 9.04 million attacks in February 2021. Most of these Cyberthreats were also launched with ulterior motives. Some attackers look to obliterate systems and data as a form of “hacktivism.” Hacktivism is the act of misusing a computer system or network for a socially or politically motivated reason.

Impact of cyber-attacks:

We often come across the term cyber-attacks and cyber risks. They are closely interrelated but do not share the

same concept. A cyber-attack is an offensive action, whereas a cyber threat is the possibility that a particular attack may occur, and the cyber risk associated with the subject threat estimates the probability of potential losses that may result.

For example, a Distributed Denial of Service (DDoS) is a type of a cyber-attack where multiple connected online devices, collectively known as a botnet, are used to overwhelm a target website with fake traffic, thereby making a genuine customer wait or deny the access of the website or application. This sort of a cyber-attack by a botnet is a cyber threat for many enterprises with online retail websites, ecommerce etc., where the associated cyber risk is a function of lost revenues due to website downtime and the probability that a DDoS cyber-attack will occur. The same can be related with that of a professional firm, where a Ransomware attack encrypts the entire office server and demands for a “ransom” in order to decrypt the server. These ransoms are often asked in methods which make it difficult to trace the origin with anonymous payouts.

Potential Cyber risks, Impact and Solutions

1. Ransomware

As explained earlier, this is a form of malware (malicious software) that attempts to encrypt (scramble) your data and then extort a ransom to release an unlock code. Most ransomware are delivered via malicious emails, or downloads from unauthorised sources.

Impact: Typically, the attacker demands payment in the form of cryptocurrency such as bitcoin to ensure nobody can back trace him. Only then will the attacker send a decryption key to release the victim's data. It may significantly impact in the financial capabilities of the concern and ultimately poses a threat to the organisation's credibility and reputation. Further, it is to be noted that there is no guarantee that the attacker will share the decryption key even after making the payment.

Solutions: Create employee awareness, Effective Malware protection, Regular Software updates, Regular Data backups, etc.

Pro Tip: Most of these Malwares are in the form of “.exe” files which are executable in nature and will require “Administrator” Access to execute. Creating a new user without “administrator” access could help in reducing the impact. This should be coupled with effective backing up techniques to ensure that the data is safeguarded. Companies such as Vaulten, Carbonite, Acronis etc can assist in taking back up without human intervention at scheduled times.

2. Phishing:

Phishing attacks are the practice of sending fraudulent communications that appear to come from a reputable source. It is usually done through email. The goal is to steal sensitive data like credit card and login information, or to install malware on the victim's machine. Phishing is a common type of cyber-attack that everyone should learn about in order to protect themselves. The types include:

- *Deceptive phishing:* An attacker attempts to obtain confidential information from the victims. Attackers use the information to steal money or to launch other attacks.
- *Whaling:* When attackers go after a “big fish” like a CEO, it's called whaling. These attackers often spend considerable time profiling the target to find the opportune moment and means of stealing login credentials.
- *Spear phishing:* Spear phishing targets specific individuals instead of a wide group of people. Attackers often research their victims on social media and other sites.
- *Pharming:* Similar to phishing, pharming sends users to a fraudulent website that appears to be legitimate. However, in this case, victims do not even have to click a malicious link to be taken to the bogus site.

Impact: Sometimes attackers are satisfied with getting a victim's credit card information or other personal data for financial gain. Other times, phishing emails are sent to obtain employee login

information or other details for use in an advanced attack against a specific company. Cybercrime attacks such as Advanced Persistent Threats (APTs) and ransomware often start with phishing.

Precautions: Suspicious of unexpected mails; use of anti-malware software; Using Spam Filters, usage of 2-Factor authentication

Pro Tip: Educate employees and key stakeholders on what constitutes these attacks and how to distinguish a legitimate email from a fictitious email. Often phishing emails bring a sense of urgency or immediate action from the user or informal language or mismatch in the subject and object of the email etc.

3. Data Leakage:

While cyber security in the office may seem challenging, it is essential to understand that security extends well beyond the office these days. The use of smart phones and tablets has become widespread. The ubiquitous and cheap nature of portable storage devices makes them a useful tool for the backup and transportation of data. Those features mean they are also a target for data thieves. The work from home has made many firms to download data either in the office laptops or personal computers of the employee which could be subject to attack.

Impact: Financial Loss; Reputational Damage; Operational Downtime; Legal Action; Loss of Sensitive Data.

Precautions: Passcode locks, 2 factor authentication for mobile devices; GPS Tracking and option of remotely wiping of device; use of encryption software etc.,

Pro Tip: Ensure data always resides only in one premise. Office Servers or on Cloud Storage such as Google Drive, Microsoft OneDrive, SharePoint, Zoho WorkDrive, Dropbox etc. It is very critical to ensure that the download / sync access is restricted to the personal computers or laptops. Alternatively, Data Loss Prevention (DLP) tools can be installed in all the end user machines which have capabilities to detect potential data breaches / data ex-filtration transmissions and prevents them by monitoring, detecting and blocking sensitive data while in use, in motion, and at rest.

4. Hacking:

Hacking refers to activities that seek to compromise digital devices, such as computers, smartphones, tablets, and even entire networks. It is often done on publicly facing computers or those systems which are exposed to internet. For instance, if an office server is exposed to the internet where people can access on remote basis, there is certainly a risk of hacking.

Impact: Outsiders may gain access to bank account information or credit card databases, office data including accounting and tax information, intellectual property and any other source of value.

Precautions: Use of Network Firewalls; Data access security; procedures for providing and removing access, and user awareness and training; ensuring usage of encrypted connections or Virtual Private Networks (VPNs) etc.

Pro Tip: It is highly recommended to use end to end encrypted connections or applications which provide such features. Zoho Assist and Unattended Access, for instance provides such a facility there by protecting the entire set up. In case the organization has set up a VPN connectivity, it is highly recommended to have a Firewall in place which can monitor the traffic and also prevent unauthorized users.

5. Insider threat:

Insider threats in cyber security are threats posed by individuals from within an organization, such as current or former employees, contractors and partners. These individuals have the potential to misuse access to networks and assets to disclose, modify and delete sensitive information willingly or unwillingly.

Impact: Financial Loss; Reputational Damage; Loss of Sensitive Data; etc

Precautions: Proactively manage permissions and privileges; Implement a device management policy; Regular Staff training; Continuous Monitoring; Develop an Incident Response Plan; Regular Backups, etc.

Pro Tip: Keep a track of the access each employee has to the various IT resources and the privileges in place. Enable a log feature, which is available

in most of the software. These should be regularly reviewed, by senior management. Further, the access to applications should also be disabled, on the last working day of the employees. It is also critical for professional firms to use password Vault Managers such as 1Password, Zoho Vault, LastPass etc., which enables to store credentials of clients safely without sharing them over excel sheets and unencrypted methods.

Importance of Data Protection:

1. Loss of Sensitive Information:

There is the risk that a hacker might obtain sensitive information from systems such as confidential reports of clients and other highly sensitive data of clients. There are open markets for such information on the 'dark web'. Considering professional firms deal with significant amount of confidential information this is very critical to secure the data.

2. Legal violations:

Failure to protect the data may result in certain legal actions in case any compliance related were compromised. This may lead to hefty penalties considering the impact. Further Sec 43A of the Information Technology Act, 2000, read with Sec 72A of the said Act, explicitly provides that whenever an entity possesses or deals with any sensitive personal data or information, and is negligent in maintaining a reasonable security to protect such data or information, which thereby causes wrongful loss or wrongful gain to any person, then such entity shall be liable to pay damages to the person(s) so affected. The penalty can further go up to Rs. 5 Lakhs in case of such violation. In addition, contractual requirements, professional standards make it mandatory for professionals to ensure adequate protection of data.

3. Reputation in stake:

When a hacker obtains sensitive information, the reputation is always at stake. Few small businesses can survive the damage to its reputation that such lost data might cause. The damage to business reputation and goodwill might be more crippling than the actual data loss itself.

4. Client action and other third parties:

A third party might sue your business as they have themselves made a loss. In some cases, even if the court action against your business ultimately fails, the cost of defending against the action – and the associated distraction that causes – is a significant problem and a cost. Data loss may also result in a need to notify affected individuals under the proposed Personal Data Protection Bill.

5. Dent on Financial Capabilities:

The increasing trend of ‘ransomware’ might pose as a significant threat. Once all data is encrypted by the virus, you will be contacted and asked to pay a ransom within a brief period. The key is sufficiently strong that ‘cracking’ the key instead of paying the ransom is uneconomic. Some estimate that an average desktop computer would take thousands of years to decrypt the data without the key.

How to protect Data in Offices?

A few regular and simple practices can prove to be effective on safety from Cyber Attacks and Risks. Following are practices:

1. Password Management:

- Ensure your passwords are strong and secure and use multi factor authentication where possible.
- Regularly change passwords, and do not share them.
- Consider using password Vaults for remembering multiple passwords for clients or self.

2. System Access:

- Remove system access from people who no longer need it, and limit access to only those needed to do their role.
- Administrator privileges are provided on an “need to have” basis.
- Regularly review the access

3. Secure Wi-Fi & Devices

- Secure your wireless network and be careful when using public wireless networks with mobile devices.
- Avoid transacting online where you are using public or complimentary Wi-Fi.

- Never leave your information physically unattended – secure your electronic devices.
- Ensure employees have secured their home Wi-Fi devices.
- Restrict guest access to only internet and not to the entire IT infrastructure of your office. A separate Wi-Fi profile may be created for the same.

4. Legitimate Software:

- Only download/install programs from a trusted source.
- Consider using application whitelisting so only authorised software applications run on your computer.
- Disable untrusted Microsoft Office macros and block or uninstall Flash and Java.
- Use only licensed software, as free software may open pandora’s box.

5. Patches and Anti-Virus:

- Ensure all mobile devices/operating systems/software have the latest software updated.
- Only legitimate and genuine licenses should be in place, and auto update features must be enabled.
- Certain Anti-virus software or End point management software have facilities to track application updates and inform the administrator.

6. Clean devices:

- Do not use USB or external hard drives from an unfamiliar source.
- Preferably block USB usage and use only in restricted machines for the purposes of digital signature and encrypted USBs.
- Prefer sharing data over encrypted channels such as Secured file transfer protocols, or secure Cloud applications.

7. Social Media:

- Be vigilant about what you share on social media – try to keep personal information private and know with whom you interact online.
- Disable locations sharing, third party access to your profile and regularly verify your Privacy controls.

8. Email:

- Use a spam filter for your email and use email carefully - be wary of downloading attachments or opening links in emails you have received in case it is a 'phishing' attempt.
- Using paid and encrypted email accounts can be more beneficial.

9. Regular Backups:

- Use off-line, incorruptible, and disconnected backups.
- Prefer the usage of automated back up in addition to external hard disks backing up the data.

10. Bring Your Own Devices (BYOD):

- In case of employees bringing their own device, it is highly recommended that a thorough checks are performed on those systems prior to giving access. Such checks include checking if the laptop is genuine, the operating system, anti-virus software is in place and unsolicited software are not downloaded.
- Declaration may be taken from employees regarding the careful usage of the data and adherence to office policies.
- Separate user account may also be used, and data loss prevention tools may be deployed.

How to secure work from remote locations?

The pandemic times has made the work from remote locations, the new normal. To ensure that remotely work is secured, the following measures can be followed:

Virtual Private Network (VPN): Using a VPN will bypass geographic restrictions on streaming sites and other location-specific content. A VPN encrypts all of your internet traffic, making it unreadable to anyone who intercepts it. Make sure employees exclusively use the VPN when working and when accessing company information systems remotely.

Wi-Fi Connections: Most Wi-Fi systems at home these days are not fully secure. Enable encryption of home Wi-fi connections, changing default username (admin, 12345, user etc.), hiding Wi-Fi from view or visibility, Enabling MAC Address Filtering are few things worth considering. In case of accessing outside the home, employees should be aware that unsecured public Wi-Fi networks in restaurants and public spaces are prime spots for malicious parties to spy on

internet traffic and collect confidential information.

Home Routers: Many people don't change their home router password when it is first installed, leaving their home network vulnerable. It's important for employees to take simple steps to protect their home network in order to prevent malicious parties having access to connected devices. Changing the router password and firmware updates are necessary.

Passwords: It's as important as ever to ensure that all accounts are protected with strong and different passwords.

Two - factor Authentication: Two - factor authentication and two - step verification involve an additional step to add an extra layer of protection to an employee's accounts. The extra step could be an email or text message confirmation, or a biometric method such as facial recognition or a fingerprint scan.

Firewalls: Firewalls act as a line of defence to prevent threats from entering your company's system. They create a barrier between your employees' devices and the internet by closing ports to communication.

Antivirus Software: A good, advanced antivirus software can act as the next line of defence by detecting and blocking known malware. Even if malware does manage to find its way onto an employee's device, an antivirus may be able to prevent it.

Locking Devices - If employees have to work in a public space, then it's important for them to keep their device secure. Password protecting their device will usually protect its contents until someone enters the password. A policy requiring them to do this should be in place.

Conclusion:

The significance of Cybersecurity is almost inevitable across all domains of the industry considering the pace and requirement of the needs of digitization. On a statistical note, *The Kaspersky Security Network (KSN) report showed that its products detected and blocked 52,820,874 (37% Increase) local cyber threats in India between January to March 2020.* So, cybersecurity risk management is vital for professionals and to be secure.

Stay Safe. Stay Protected.

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INTELLECTUAL PROPERTY RIGHTS AND PROTECTION IN INDIA

GEOGRAPHICAL INDICATION – PROTECTOR OF TRADITIONAL SKILLS AND ASSETS (PART-XI OF IPR SERIES)



▪ **Adv. M G Kodandaram, IRS, Assistant Director (Retd.), NACIN**

Traditional Knowledge and GI

In the previous part, the ways and means to be practiced for the restoration and protection of the diminishing Traditional Knowledge (TK), commercialization of the same to derive wealth to the owning community and to the originating country have been deliberated. By resorting to such ways in a proactive manner, not only one will be guarding the property and prosperity of the land, but also prevent it from being hijacked by fraudsters. For one such category of TK, there is a sui generis legal route of protection exists, which is deliberated in the following parts.

The law in place is Geographical Indications (GI) of Goods (Registration and Protection) Act, 1999. It enables the much wanted legal protection for preservation of the traditionally endured agricultural, food, handcrafted or manufactured goods that are produced, processed or prepared in a particular territory / area. It is mandatory that such products seeking GI protection should have attained the unique quality, reputation and/or other characteristics due to the supporting elements from such place of origin. Since the quality depends upon the geographical place of production, there is a clear link between the product and the place of production. The GI as an Intellectual property right, acts as a mechanism that helps the producers differentiate their products from competing goods in the market. Further it enables the producers to build the reputation and goodwill around their goods that will fetch a better price in the national and international market. By encouraging GI movement, one could avoid the dilution or loss of TK

in an effective manner as well as protect the skill and knowledge from piracy. This also provides necessary income and the wealth to the community /locality that possessed the skill / knowledge.

Origin of GI

The concept of GI as an IP had its origin in the 19th century Europe, enabled to protect products like wine and scotch, and has been considerably evolving since then. The present international legal framework is laid down through Article 22 of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement. The TRIPS defines the GIs as '*indications which identify a good as originating in the territory of a member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin*'. The agreement mandates that the member countries are to provide for the protection of all GIs, where the obligation is for members to provide the '*legal means for interested parties*' to secure protection of their GIs. Under the provision, the scope of protection is spread out to principally to three aspects, viz., (i) the protection against the use of indications that mislead the public or are deceptive; (ii) the Protection against the use of indications in a manner that are acts of unfair competition; and (iii) the refusal or invalidation of trademarks that contain or consist of indications, where it may mislead the public. GIs registered as collective and certification marks are generally protected for renewable ten-year periods.

Indian GI of Goods (Registration and Protection) Act, 1999

As a party to the TRIPS Agreement, India is required to protect the GI through proper legislation. In order to fulfill that obligation, the Geographical Indications of Goods (Registration and Protection) Act, 1999 (GI Act for brevity) was enacted. One of the salient features of the GI Act is the comprehensive definition of the term GI. As per Section 2(1) (e), the "geographical indication", in relation to goods, means 'an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be'. The main benefits which accrue to the registrants from registration under the GI Act are: (a) It confers legal protection to GI in India; (b) It prevents unauthorized use of a registered geographical indication by others; (c) It enables seeking legal protection in other WTO member countries.

The number of goods registered as products eligible for GI protection as on date with the Indian GI registry is 370, which includes wide variety of goods ranging from the agricultural products like *Kashmir Saffron (Jammu & Kashmir)*, *Kangra Tea (Himachal Pradesh)*, to handicraft goods like *Telia Rumal (Telangana)*, *Aranmula Kannadi (Kerala)* food products like *Bikaneri Bhujia (Rajasthan)*, *Tirupathi Laddu, (Andhra Pradesh)*, *Dharwad Pedha (Karnataka)* and manufactured goods like *Dindigul Locks (Tamil Nadu)*, *Mysore Agarbathi (Karnataka)*. But the number of registered GIs as against the available rich TK and Bio-diversity in India are certainly very less and only a meagre. The data as published by WIPO in respect of 54 national / regional authorities reveal the existence of approximately 42,527 protected GIs around the Globe. The Germany has the largest number of GIs in force (9,499), followed by China (7,566), the EU (4,914), the Republic of Moldova (3,442) and Bosnia and Herzegovina (3,147). The top five authorities accounted for 67% of the total (2016). From the start till 2010, the number of registered GIs in India was

only 120 and from 2010 till 2020, another 250 have been added to the list.

India, as compared to those nations, being the home for the oldest civilization and rich culture and natural bio-diversity, has huge unexplored sources and potentiality and possibilities for generating thousands of GI. It is saddening to inform that the efforts of the people, the organizations and the Government in India, in this direction till the last decade were very poor. However there is a new awakening dawning in the minds of the stake holders and the administration recently. It must be noted that unless the due process of identification, registration and commercialization of GIs are geared up and accelerated, the entire TK gets looted by the pirates. In this the Academicians, educationists, entrepreneurs and industrial houses and owners of TK should play vital role by joining hands with the Government, lending the necessary support so that the TK is preserved and protected for posterity. The complete list of GIs of India is accessible @ https://ipindia.gov.in/writereaddata/Portal/Images/pdf/GI_Application_Register_10-09-2019.pdf

Out of the above 370 registered GIs of India, 46 GIs are owned by organizations / areas from Karnataka. Some of the famous GIs from Karnataka are: *Mysore Silk*, *Bidriware*, *Channapatna Toys & Dolls*, *Mysore Sandalwood Oil*, *Coorg Orange*, *Nanjanagud Banana*, *Mysore Malligae*, *Ilkal Sarees*, *Ganjifa Cards of Mysore*, *Navalgund Durries*, *Monsooned Malabar Robusta Coffee*, *Appemidi Mango*, *Kamalapur Red Banana*, *Devanahalli Pomello*, *Bangalore Blue Grapes etc.* Out of this, the number of products in the agricultural category are 22, in the handicrafts are 20, in the manufactured sector are 3, and the food category is only one. There is a huge scope existing for exploration of GI products in Karnataka especially in food, manufacture and agricultural sectors.

Among the registered names, the volume of presence in the market and the yield are not encouraging. More efforts to publicize the GI Products, in India and abroad are needed to be done on a large scale. However it is heartening to mention here that recently the Government of Karnataka has come out, for the first time, with a unique GI policy covering all aspects

of generation, registration and for commercialization of the GI products. The policy has been implemented with an objective to formulate many integrated programmes for infrastructure, marketing and skill development for GI clusters representing the artisans / units / Industries working GI related products in the state. More of the measures initiated will be made known in the coming part of the series, so that it is utilized as a best practice for popularizing GIs by others.

Recently in the Loksabha, the Union Government while answering the questions viz., (a) whether the Union Government has received any proposal from the State Government of Karnataka for recognition of GI tag and if so, the details thereof; (b) the details of GI tag products of Karnataka and their export potential; and (c) the steps taken by the Union Government for promotion of export of GI tag Products?, offered the following answer: *“GI products are those products which are distinguished by the uniqueness, reputation and link to the definite geographical area and are registered in relation to agricultural, natural or manufactured goods, including food stuff, handicrafts & handlooms originating from a definite geographical territory. While the legislative framework for registration and protection of GIs is provided by the GI Act, 1999, there is a need to create awareness to promote, protect and enhance the marketability of these GI goods. As GIs represent our rich culture and collective intellectual heritage and most of these GI products are created by rural communities / tribes living in remote areas, therefore, promoting these products supplements the incomes of our rural artisans, weavers, craftsmen and farmers. A total of 48 GI Applications have been received from the State of Karnataka as on 09.03.2021, of these 46 applications have been granted GI registration”.*

Role of Indian government in Brand GI

While replying to the cited question, the union minister for state in the ministry of commerce & industry listed the developed regime of the Union Government in strengthening the GI as an IP clearly indicate the concerns and action by the government to make GI as a strong IP. The extracts from the reply are as follows:

“The Department for Promotion of Industry and Internal Trade (DPIIT) has been taking various initiatives and

steps in consultation with other ministries/ departments / organisation for promoting as well as increasing the export potential of Geographical Indications (GI) products, with a focus to improve the livelihood of the artisans and producers:

1. *Launch of GI logo and tagline for branding and promotion of all Indian GIs irrespective of their categories. Opening of exclusive GI store at the Goa airport in January 2019.*
2. *Launch of GI web portal <http://wahgi.ncog.gov.in>, to promote and disseminate information about various GIs of India.*
3. *APEDA has organized Virtual Buyer Seller Meets on GI products with USA in October 2020. A GI promotion programme and exhibition was also organized by APEDA in Varanasi to promote GI products of the state of Uttar Pradesh in December, 2020.*
4. *Social Media Initiatives post laying interesting stories and factoids on GIs are being shared on CIPAM's social media handles (Twitter, LinkedIn, Facebook) using #LetsTalkIP and people are encouraged to buy and use GI as gifts, souvenirs at conferences, corporate gifting and government events and on special occasions, etc. via “Gift a GI” campaign.*
5. *Participation in various events for promotion of GIs, such as WTO@20 Conference, etc.,”*

Conditions for registration of GI

The Section 11 of the GI Act provides that any association of persons, producers, organization or authority established by or under the law can apply for registration of a GI. The Section 25 of the Act, by prohibiting the registration of a GI as a trademark, prevents appropriation of a public property in the nature of a GI by an individual as a trademark, leading to confusion in the market. According to section 24 of the Act, a GI cannot be assigned or transmitted or licensed or pledged or mortgaged or contracted for transferring the ownership or possession as the GI is a public property belonging to the producers of the goods concerned.

A GI right enables those who have the right to use

the indication to prevent its use by a third party whose product does not conform to the applicable standards and origins. For example, the *Bababudangiri Coffee* as a GI protected for the benefit of coffee growers of that area. Here the producers of Coffee have been vested with the rights to exclude others from the use of the term “Bababudangiri” for Coffee that are not grown in the hilly locations of *Bababudangiri*, of Chikmagalur district in Karnataka. It must also be noted that the qualities, characteristics or reputation of the product are essentially due to the geographical locations and environment existing in the place of origin. The protection rights under GI Act are granted to the undertakings and establishments located in that particular area, which alone are permitted to use the 'GI' on the exclusive goods produced by them in that area. The right to use a protected GI belongs to producers in the geographical area defined, who comply with the specific conditions of production for the product.

Such a protection may be requested by a group of producers of the product identified by the geographical indication. The producers may be organized as an entity, such as a cooperative or association, which represents them and ensures that the product fulfils certain requirements which they have agreed upon or adhered to. In some jurisdictions, protection may also be requested by a national competent authority (for example, a local government authority or coffee board). Any association of persons, producers, organization or authority established by or under the law can be a registered proprietor. Their name should be entered in the Register of GIs as registered proprietor for the Geographical Indication applied for.

A producer of goods can apply for registration as an authorized user, with respect to a registered Geographical Indication. A producer could be a person dealing with the four categories of goods, viz., (a) Agricultural Goods including the production, processing, trading or dealing; (b) Natural Goods including exploiting, trading or dealing; (c) Handicrafts or industrial goods including making, manufacturing, trading or dealing; and (d) the traditionally endured food product category. Such producer should apply in writing in the prescribed form along with prescribed

fee.

Like all intellectual property rights, the rights to GI are enforced by the application of GI legislation in a court of law. The remedies provided for infringements as per the GI Act could be civil (injunctions restraining or prohibiting unlawful acts, actions for damages, etc.), criminal, or administrative.

Geographical Indications that are not registrable

For registrability, the indications must fall within the scope of section 2(1)(e) of GI Act, 1999. Further it has also shall satisfy the following conditions as listed in the Section 9 of the GI Act, viz., “A GI - (a) *the use of which would be likely to deceive or cause confusion; or (b) the use of which would be contrary to any law for the time being in force; or (c) which comprises or contains scandalous or obscene matter; or (d) which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India; or (e) which would otherwise be disentitled to protection in a court; or (f) which are determined to be generic names or indications of goods and are, therefore, not or ceased to be protected in their country of origin, or which have fallen into disuse in that country; or (g) which, although literally true as to the territory, region or locality in which the goods originate, but falsely represent to the persons that the goods originate in another territory, region or locality, as the case may be, shall not be registered as a GI*”.

Registration of a GI is not compulsory. However the Registration of a GI has the benefits viz., (i) The Legal protection: This enables to IP holder to secure protection against infringement of the registered GI; (ii) Exclusive rights: Prevents unauthorised use of a registered GI by others and assures safety of individuality; (iii) Demand: Boosts exports of the registered GI products since they receive their individual identification on every legal platform and also invite media coverage; (iv) Economic Growth: Promotes economic prosperity of producers of goods produced in a geographical territory.

Registering a GI is also a wiser way to prevent registration of the indication as a trademark by a third party and to limit the risk of the indication becoming a generic term. In general, GIs, backed up by solid

business management, can bring with them: (i) the competitive advantage, (ii) more value addition to the product; (iii) increased export opportunities; and (iv) creation of a stronger brand. The registration allows the owners of GI to take prompt action against any potential or real violation of a registered Geographical Indication.

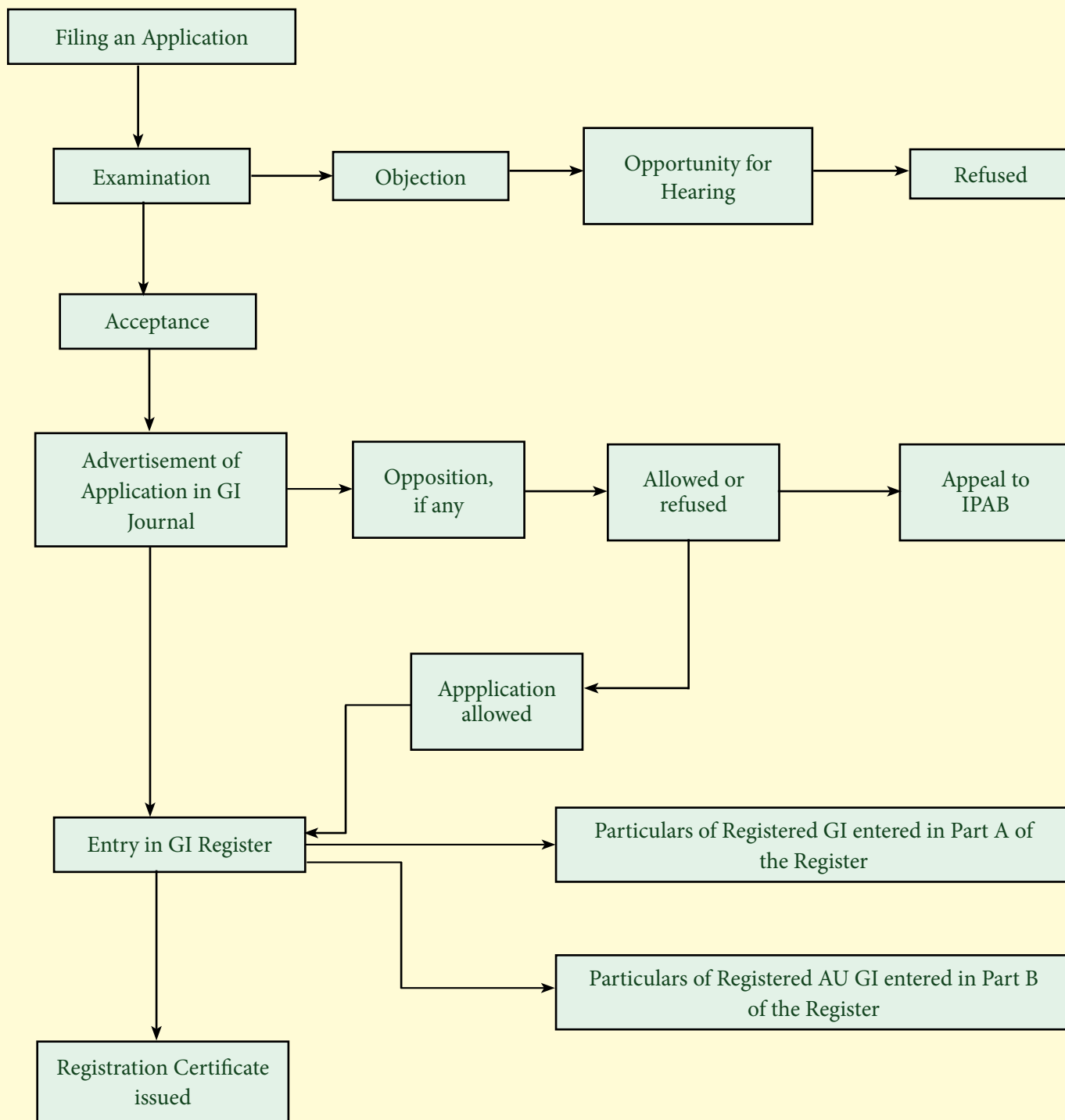
Procedure for Filing G.I Application

The application for the registration of a GI, duly signed by the applicant or his agent shall be made in the prescribed form (GI-1A to ID) along with the statement of case, accompanied by the prescribed fee of Rs.5, 000. Every such application for registration of a GI shall state the principal place of business in India. Foreign applicants and persons having principal place of business, in their home country should furnish an address for service in India. Every application shall be made in the prescribed forms and shall contain: (1) A statement as to how the GI serves to designate the goods as originating from the concerned territory in respect of specific quality, reputation or other characteristics; (2) three certified copies of class of goods to which the geographical indication relates; (3) The geographical map of the territory; (4) The particulars of the appearance of the geographical indication words or figurative elements or both; (5) A statement containing such particulars of the producers of the concerned goods proposed to be initially registered, including a collective reference to all the producers of the goods in respect of which the application is made; (6) An affidavit as to how the applicant claim to represent the interest of the association of persons or producers or any organization or authority established under any law; (7) The standards benchmark for the use of the geographical indication or the industry standard as regards the production, exploitation, making or manufacture of the goods having specific quality, reputation or other characteristic of such goods that is essentially attributable to its geographical origin with the detailed description of the human creativity involved, if any or other characteristic; (8) The particulars of the mechanism to ensure that the standards, quality, integrity and consistency or other special characteristic are maintained by the producers, or manufacturers of the goods; (9) Certified

copies of the map of the territory, region or locality; (10) the particulars of special human skill involved or the uniqueness of the geographical environment or other inherent characteristics associated with the geographical indication; (11) The full name and address of the association of persons or organization or authority representing the interest of the producers of the concerned goods; Particulars of the inspection structure; (12) In case of a homonymous indication, the material factors differentiating the application from the registered geographical indications and particulars of protective measures adopted.

The steps involved in the entire procedure in brief are: step 1 - filing of application; step 2 - preliminary scrutiny; step 3- examination by the GI office; step 4- show cause notice in case of objection; step 5- publication in the geographical indications Journal; step 6: opposition to Registration; step 7- Registration -where the application for a GI has been accepted, the registrar shall register the GI. If registered the date of filing of the application shall be deemed to be the date of registration. The registrar shall issue to the applicant a certificate with the seal of the Geographical indications registry; step 8: renewal of a registered GI shall be valid for 10 years and can be renewed on payment of renewal fee.

The GI Act is administered by the Controller General of Patents, Designs and Trade Marks, who is the Registrar of GIs. The Geographical Indications Registry is located at Chennai. The Register of Geographical Indication is divided into two parts. Part 'A' consists of particulars relating to registered Geographical indications and Part 'B' consists of particulars of the registered authorized users. The registration process is similar to both for registration of geographical indication and an authorized user. The process of registration at the Office is illustrated in the following flow-chart.



More details could be accessed from @ <https://ipindia.gov.in/the-registration-process-gi.htm>

In the coming part, the making of a GI application for registration, opportunity for exploration and commercializing GI as a IP together with the efforts by the union Government and Karnataka state Government to strengthen the GI, will be deliberated.

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ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸಹಕಾರ ಸಂಘಗಳ ಲೆಕ್ಕಪರಿಶೋಧನಾ ನಿರ್ದೇಶಕರ ಕಛೇರಿ

ನಂ.17, "ಜಯನಿವಾಸ", ಶಂಕರಮಠ ರಸ್ತೆ, ಬಸವನಗುಡಿ, ಬೆಂಗಳೂರು-560004.



ಸಹಕಾರ ಸಂಘಗಳ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಇಲಾಖೆಯು ರಾಜ್ಯದಲ್ಲಿರುವ ಸಹಕಾರ ಸಂಘಗಳ ಲೆಕ್ಕಪರಿಶೋಧನೆಗೆ ಅರ್ಹ ಸನ್ನದು ಲೆಕ್ಕಪರಿಶೋಧಕರುಗಳ ಹೆಸರು ಮತ್ತು ಫರ್ಮ್‌ಗಳನ್ನು ನೋಂದಣಿ ಮಾಡಿ ಪ್ಯಾನಲ್ ನಿರ್ವಹಿಸುತ್ತಿದೆ. ರಾಜ್ಯದಲ್ಲಿರುವ 44,767 ಸಹಕಾರ ಸಂಘಗಳ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು ಪ್ರತಿವರ್ಷ ಆಗಸ್ಟ್ 31 ರೊಳಗಾಗಿ ಪೂರ್ಣಗೊಳಿಸಬೇಕಿರುತ್ತದೆ. ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ರಾಜ್ಯದಲ್ಲಿ ಸನ್ನದು ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿರುವವರು ತಮ್ಮ ಹೆಸರು / ಫರ್ಮ್‌ಗಳನ್ನು ನಿರ್ದೇಶಕರು, ಸಹಕಾರ ಸಂಘಗಳ ಲೆಕ್ಕಪರಿಶೋಧನಾ ನಿರ್ದೇಶಕರ ಕಛೇರಿ, ಇಲ್ಲಿ ನೋಂದಾಯಿಸಿಕೊಳ್ಳಲು ಅರ್ಜಿಯನ್ನು ಇಲಾಖೆಯ ವೆಬ್‌ಸೈಟ್ (sahakaradarpana.kar.nic.in)ನಿಂದ ಪಡೆದು, ಭರ್ತಿಮಾಡಿ ಕೆಳಕಂಡ ದಾಖಲೆಗಳ ಸ್ಕ್ಯಾನ್ ಪ್ರತಿಯನ್ನು ಅರ್ಜಿಯೊಂದಿಗೆ ಲಗತ್ತಿಸಿ ಇ-ಮೇಲ್ (ddca-audit-ka@nic.in) ಗೆ ಕಳುಹಿಸಲು ಕೋರಿದೆ.

Eligibility Criteria: Chartered accountants / firms within the meaning of Chartered Accountants Act 1949, having minimum 03 years experience and functioning knowledge of Kannada.

List of Documents to be produced along with application form:

Individual Chartered Accountants / Personal Practice:*

1. Certificate of Membership
2. Certificate of practice
3. Document Pertaining Kannada Knowledge
4. Member card (downloaded from icai website)
5. RBI Unique code document (If applicable)
6. DISA Certificate(if available)

Proprietary Firm:*

1. Certificate of Membership
2. Certificate of Practice
3. Document Pertaining Kannada Knowledge
4. Firm Registration Certificate
5. Latest Firm Constitution Certificate (downloaded from icai website)
6. RBI Unique code document (If applicable)
7. DISA Certificate(if available)

Partnership Firm (All Partners Documents):*

1. Certificate of Membership
2. Certificate of Practice
3. Document Pertaining Kannada Knowledge
4. Notarized Partnership deed
5. Firm Registration Certificate
6. Latest Firm Constitution Certificate (downloaded from icai website)
7. RBI Unique code document(If applicable)
8. DISA Certificate(if available)

*All the documents must be attested with seal.

*For further details contact 080-26610326, 080-26604493

ERGONOMIC INJURIES-AN AYURVEDIC PERSPECTIVE



■ **Dr. Sri Nagesh K.A., MD (Ayu), MA (Sanskrita), PhD (Ayu)**

India has seen a considerable increase among professionals in last two decades across all sectors be it financial or healthcare. Our country has seen a steady growth in its economy thus, office spaces also have increased in tier-1 and tier-2 cities since then. The desk top work has its own impact on the health of a professional. Working for long hours, vigorous office activities, mental strain, lack of physical activity and haphazard timings for food have taken toll on one's health.

Ergonomic injuries are falling under the occupational hazard which are characterized by repetitive strain, consistent postural defects, exertion of pressure on any specific body parts, prolonged exposure to abnormal temperature etc., which would lead to the musculo-skeletal injuries, nervous injuries etc, to name few. Such problems would occur when there is a mismatch between the work place and nature of the job with the capabilities of a worker.

The conventional way to treat these health issues are the muscle relaxants, health supplements and pain killers etc. at certain point of time, the person would require physiotherapy, consistent medical interventions etc.

Many offices have made a gymnasium or have brought in the relaxation techniques but the actual focus on the issue cannot be made with these measures. Change of the job cannot be an alternative always, warm-up exercises also could do a little. Athlete training at work place would pose an inconvenience for the professionalism of the worker. Change of chairs, headsets,

As Ayurveda has made itself in to the main stream in the health sector now, it is the time to focus on the benefits Ayurveda can offer on the ergonomic injuries which would be useful for the professionals in every sector.

It is undoubtedly true that prevention shall always be a priority over the treatment, but balancing between the job and personal health is a challenge. Following certain principles of *Ayurveda* would bring in some balance and would help in countering certain health issues.

***Ayurveda*, a new age health science:**

Ayurveda is an ancient science with a resilient background. It dates back to the pre Christ era when veda, Upanishads were in their zenith. It seems as if there were stringent ways of analysis and discussions for the theories before they are brought in to the practice and in the form of documentary evidence. Thus, the theories which *Ayurveda* proposed are sustaining even today.

There are certain preventive measures proposed in *Ayurveda* literatures which can be used on daily basis which are called *Dinacharya*, the daily regimens and *Ritucharya*, the seasonal regimens. Along with these, certain general instructions also have been mentioned which would make suitable for professionals to incorporate effectively.

A minimal scheduling of the daily routine would make a remarkable difference in one's life. For example, getting up early, having food only when hungry etc.

Ayurvedic management for ergonomic injuries:

Ayurveda offers substantial management techniques for ergonomic injuries. It makes an approach on many aspects which would make the person avoid and manage the injuries.

Vyayama, a premeditated physical activity often compared and conventionally followed as gymnasium. However, the focused *vyayama* would make it more beneficial based on the vulnerable areas of the body. A focused exercise on upper limbs, upper and lower back, neck and lower limbs in accordance with the action of the (spasmodic) muscle would be more ideal than an unwarranted activity.

A sudden or jerky movement after a prolonged single posture would trigger a sudden muscle spasm, commonly called as muscle cramps. Involuntary and forceful contractions of muscles lead to the cramps. *Abhyanga*, an organized way of application of oil and massaging in the direction of the 'body hairs' would avoid any probable muscle spasm, even after a prolonged posture. It is known in *Ayurveda* to be the action of *Vata dosha*, by which the cramps trigger, which could be well controlled by the use of oils.

A change in the profession would seldom be ideal to be suggested in such cases however, a general conscious behavior about the avoidance of any jerky movements, frequent breaks from the idle postures, regular and timely food, getting sufficient sleep at night would add to the general preventive measures. A consistent posture is not advisable, a repetitive change in postures, simpler daily exercises, avoidance of constant exposure to any modified temperatures (proximity to A/C vents), avoidance of prolonged use of headphones etc are the essential steps to avoid ergonomic injuries.

A therapeutic use of *Ashwagandha* (*Withania somnifera*) would avoid any probable nerve injuries, use of the drugs like *Nirgundi* (*vitex negundo*), *Langali* (*Gloriosa superba*), *Sahachara* (*Nilgiranthus ciliatus*), *Parijata* (*Nyctanthes Arbotristis*) etc would help to get rid of such injuries.

The therapeutic procedures like *Basti karma* (medicated enema), *Kati basti*, *shirobasti*, *grevabasti*, *Sarvanga abhyanga* (Oil application and systematized massage), *Swedana karma* (Sudation therapy) would bring a long term benefits such as flexibility of the joints and muscles, pacification of pains, strengthening of the nerves, bones and joints to name a few.

Specific *Swedana karma* (Sudation therapy) such as *Pinda sweda* (using a pack of medicines), *Avagaha sweda* (partial submersion in a tub) would specifically act on the affected muscle or organ.

Outfits shall be slack enough to allow the blood circulation into the limbs. Chairs used shall be comfortable enough and accommodative for the movements.

Ayurveda based home remedies for the ergonomic injuries:

- Application of warm oil (Coconut oil/Gingelly oil) over the affected area at least one hour before bath would be ideal. May add little camphor/ Nilgiri oil with it.
- Make a simple and non-vigorous exercises after the application of the oil.
- Apply a hot pack (with crystal salt) / hot water bag on the affected area, cover the area with a thick blanket soon after. (Avoid sudden exposure of the area to cold wind)
- Always take hot/warm water bath and avoid cold bath.
- Avoid sleeping under fan/ avoid direct exposure to air conditioner (AC Vent)

- Use comfortable and soft pillow and avoid too soft bedding and ensure sufficient sleep.
- Apply Castor oil over navel in case of constipation at bed time.

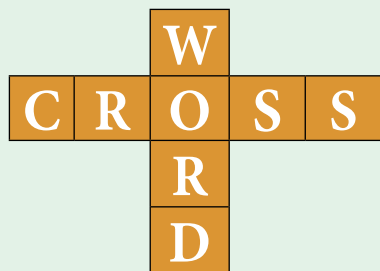
A treatment shall always be followed by a disciplined and essential lifestyle modifications. The treatment taken along with persistent cause for the disease would not yield any benefits. Thus, a frequent postural modifications, organized physical exercise etc along with the suggested abhyanga, vyayama etc would help in preventing the injuries.

The Ayurveda medicines shall always be used under a supervision of a qualified Ayurveda physician as a supervised treatment may not bring any side effects but unscrupulous use can do.

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KSCAA Welcomes New Members July 2021

Sl. No.	Name	Place
1	Yellappa Sangappa Kabble	Bagalkot
2	Reena Gandhi	Bangalore
3	Nidhish	Bangalore
4	Sudhakar Thamankar	Bangalore
5	Samuel	Bangalore
6	Rathan Kumar M.S.	Bangalore
7	Santosh Magavi	Haveri
8	Laxmi Garlapati	Bangalore
9	Subhaschandra Salian	Mangalore
10	Bharath S Shetty	Bangalore
11	Goutham Kini	Udupi
12	Sudheer Kumar Kotapati	Hyderabad
13	Ashok kumar Agrawal	Bangalore
14	Veeresh Bailwal	Uttara Kannada
15	Maletira KaveriappaThammaiah	Bangalore
16	Vijay Sagar Vishnu R	Bangalore
17	Naveena Mathangam Aswathanarayana	Bangalore



11

DOWN

1. A loan that the borrower uses to purchase or maintain a home or other form of real estate and agrees to pay back over time, typically in a series of regular payments (8)
7. A non-governmental trade association and advocacy group based in New Delhi, founded in 1895 (abbreviation)(3)
9. Themarket is an economic system based on supply and demand with little or no government control (4)
10. A retirement plan that requires an employer to make contributions to a pool of funds set aside for a worker's future benefit (7)
11. An individual, a public or private group, or a financial institution that makes funds available to a person or business with the expectation that the funds will be repaid (6)
12. Refers to a division, facility or department of an organization (abbreviation)(2)
13. An official proclamation of the adjudication by the judge explaining the rights of the parties concerned with respect to the suit (6)

sudoku-11

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											13
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		6					7				
8											

ACROSS

1. An entity that has total or near-total control of a market (8)
2. The process of revising and replacing the terms of an existing credit agreement, usually as it relates to a loan or mortgage (9)
3. A bank certificate that is most commonly used when the issuer is raising capital in the local market as well as in the international and US markets, either through private placement or public stock offerings (abbreviation)(3)
4. A mode of electronic funds transfer from one bank account to another bank account using the services of a Clearing House (abbreviation)(3)
5. A type of security that tracks an index, sector, commodity, or other asset, but which can be purchased or sold on a stock exchange the same as a regular stock (abbreviation)(3)
6. A company that owns, operates, or finances income-generating real estate (investment is mostly in real estate property types, including apartment buildings etc) (abbreviation)(4)
7. A continuing commitment by businesses to integrate social and environmental concerns in their business operations (abbreviation)(3)
8. This type of analytics encompasses a variety of statistical techniques from data mining, predictive modelling, and machine learning that analyze current and historical facts to make predictions about future or otherwise unknown events (10)

Answers will be published in next month's News Bulletin.

Answers to "Cross Word 10" (June 2021)

Across

1. Libor, 2. Quasi, 3. SWOT, 4. Director, 5. CAPEX, 6. PAN, 7. Notary

Down

1. Liquidation, 5. CAAT, 6. PEG, 8. Bearer, 9. RBI, 10. Ether, 11. Malware, 12. Custodian

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