



KSCAA[®]
Karnataka State Chartered Accountants Association (R)

NEWS BULLETIN

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Dear Readers,

From the President



December brings Christmas, a time that prompts us to reflect on the significance of generosity and sharing with loved ones. It serves as a lesson in mutual love, brotherhood, and benevolence.

Embracing this year's theme, "Recraft Yourself," let's center our attention on the subsequent crucial "D" which stands for deliberate. This involves prioritizing our choices with intention and purpose.

Over the recent months, we delved into the significance of self-discovery and self-introspection. Now, the immediate subsequent phase involves deliberating on choices, demanding both clarity and courage.

As professionals ascend to leadership roles, it is quite common to encounter diverse opinions from our peers and team members. The success on the job depends on the quality of relationships we share with our colleagues or team members or seniors, off the job. No individual can win a game by himself. A good leader is simply another member of their team. As said by Henry Ford,

"If everyone is moving forward together, then success takes care of itself".

Let's catch up on the recent events that are relevant to our profession:

1. Events within the professional sphere:

- 1.1. ICAI organized a three-day conference in Gandhinagar, Gujarat, centered around the theme of "Connecting the Globe and Creating Value."
- 1.2. The Indian Navy has marked a historic milestone by appointing its first woman commanding officer aboard a Naval ship, aligning with its philosophy of "All roles - all ranks."
- 1.3. The growth of the Indian economy is evident in the Real Estate sector, with realtors strategically focusing on Tier-II & Tier-III cities. Notably, several reputable builders have concluded land transactions, leading to an increase in customer demand and buying power. This development could potentially create a ripple effect, opening up increased opportunities for CA members in the Real Estate Regulatory Authority (RERA). As the Real Estate sector expands, the demand for financial expertise and regulatory compliance, areas where CAs excel, is likely to see a surge.

2. Events at KSCAA:

- 2.1. On the 20th of November 2023, AWAKE, an organization dedicated to Women Entrepreneurs, extended an invitation to a subject expert from KSCAA to conduct a training session for their members. The focus of the session was on the practical aspects of Goods and Services Tax (GST).
- 2.2. On the 21st of November 2023, the Corporate Law Committee of KSCAA took the initiative to organize a 5-day faculty development program on "Emerging Trends in Finance: Teaching & Research." The program received commendation from the management and the entire team.

2.3. On the 22nd of November 2023, the Directorate General of Taxpayer Services (DGTS) - CBIC, Bangalore Zonal Unit, collaborated with KSCAA to organize a program focusing on the recommendations from the 52nd GST Council Meeting. The webinar drew attendance from regulators, government officials, and professionals in the field.

2.4. On the 3rd of December 2023, the monthly GST study circle meeting was conducted, with a specific focus on the "Impact Study on the Education Sector." The Deep Dive Series, coupled with mentorship and an intensive preparation model, has proven to be exceptionally beneficial, providing participants with a profound sense of clarity and bolstering their confidence.

2.5. On 5th December 2023, The Direct tax committee organised a webinar focusing on "Income tax implication on Issue of Securities".

2.6. On the 8th of December 2023, the FKCCI's Banking and Finance Committee collaborated with KSCAA to organize a program on "IT Security for Business Growth." This initiative delved into the information security aspects relevant to business owners, professionals, and technology users.

2.7. Sports & Cultural Committee:

Box Cricket:

The box cricket event has captivated the interest of CA cricket enthusiasts aged 40 and above. The innovative approach of involving members in a fun-filled cricket game infused with a competitive spirit resulted in registrations closing within a day. Many participants commended the event's classic location and its unique and enjoyable nature.

Badminton Tournament:

The Badminton tournament for KSCAA members and their family, held on December 9th, 2023, saw an overwhelming response. The event concluded as a grand success, highlighting the enthusiasm and participation from the members and their families.

3. The RERA Practice enabler RRC program is scheduled to be held on 15th & 16th of December 2023.

4. Members are encouraged to register for the Residential Refresher Course on GST scheduled to be held from 2nd to 4th of January 2024.

Please stay connected with us through our Website and WhatsApp to actively participate in every event organised by KSCAA.

Before I sign off, let me extend my warm wishes to everyone for a Merry Christmas and a Happy New Year!!!

Happy Reading!

Yours' Faithfully,
CA. Sujatha G
President

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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.

Email: journal@kscaa.com | Website: www.kscaa.com

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INCOME TAX UPDATES

A. ITAT Judgements

1. Delhi ITAT holds that the enhancement made by CIT(A) on a new source of income was not sustainable. [*Net Agri Co. (P.) Ltd.*, [2023] 157 taxmann.com 6 (Delhi - Trib.)]
2. Mumbai ITAT holds that reopening on the basis of statements of third party not sustainable in the eyes of law. [*Prashant Rameshchandra Samdani*, [2023] 157 taxmann.com 8 (Mumbai - Trib.)]
3. Delhi ITAT holds that the addition under section 69A on account of jewellery found in search of assessee is not warranted since assessee had shown sufficient income in its return for preceding years which showed wealthy status of assessee and jewellery was received on occasions from relatives, excess jewellery was very much reasonable. [*Chandra Pal*, [2023] 156 taxmann.com 472 (Delhi - Trib.)]
4. Amritsar ITAT holds that addition under section 69A on account of difference in cost of construction of hotel by relying on time barred DVO valuation report is unsustainable. [*Golden Tulip Hospitality (P.) Ltd.*, [2023] 156 taxmann.com 511 (Amritsar - Trib.)]
5. Delhi ITAT holds that where corpus specific voluntary contribution received by trust not registered under section 12AA is in the nature of capital receipt and outside the scope of income under section 2(24)(iia) and same could not be brought to tax. [*Financial Inclusion Trust*, [2023] 156 taxmann.com 415 (Delhi - Trib.)]
6. Delhi ITAT holds that assessment order passed without DIN is invalid and subsequent separate communication of DIN would be a superfluous exercise. [*Rhone Associates (P.) Ltd.*, [2023] 156 taxmann.com 638 (Delhi - Trib.)]
7. Delhi ITAT holds that revenue cannot question TRC without establishing the foreign company as a conduit. [*CPI India Ltd.*, TS-717-ITAT-2023(DEL)]
8. Mumbai ITAT condones 33 months' delay in filing appeal before CIT(A) subject to payment of Rs. 51,000 cost to Prime Minister's National Relief Fund. [*General Lifescience Distributors*, TS-705-ITAT-2023(Mum)]
9. Bangalore ITAT holds that section 43B applicable on service tax not paid to Govt irrespective of the fact that it was not charged to P&L A/c. [*Ashraf Nafisa Althaf*, TS-691-ITAT-2023(Bang)]
10. Vizag ITAT allows section 80P deduction on interest income since it is attributable to co-op society's activities. [*Yendagandhi Large Sized Co-operative Society Ltd*, TS-703-ITAT-2023(VIZ)]
11. Delhi ITAT quashes rectification by holding that section 115BBE is inapplicable on income voluntarily surrendered which is undoubted by the revenue. [*Tapesh Tyagi*, TS-642-ITAT-2023(DEL)]
12. Mumbai ITAT holds that Shree Sai Baba Sansthan is a charitable & religious trust and thus, anonymous donations are not taxable. [*Shree Sai Baba Sansthan Trust (Shirdi)*, TS-645-ITAT-2023(Mum)]

B. High Court Judgements

1. Bombay High Court holds that the amount of settlement received by assessee firm for relinquishing all her rights and claims as a partner in partnership firm was related to her retirement from firm and was not in nature of income chargeable to tax. [*Ramona Pinto*, [2023] 156 taxmann.com 282 (Bombay)]
2. Gujarat High Court holds that once ITAT's examined the appeal threadbare on merits considering the case laws, rectification u/s 254(2) is not permissible. [*Hitesh Ashok Vaswani*, [2023] 156 taxmann.com 200 (Gujarat)]
3. Bombay High Court upholds the constitutional validity of amendment to section 2(24)(xviii) while holding that the legislature enjoys a wide latitude in matter of taxation and legislative assumption cannot be condemned as irrational. Further holds that whether mere excessiveness of a tax leading to diminution of earnings or profits does not, per se, constitute violation of rights under Article 19(1)(g) and under Part III of Constitution of India and that power to tax and its extent is a matter of legislative discretion and Courts cannot consider its propriety or justness. [*Serum Institute of India (P.) Ltd.*, [2023] 157 taxmann.com 107 (Bombay)]

4. Bombay High Court holds that if a dispute is pending before Civil Court, no income can be said to have accrued or arise to an assessee pending adjudication of said dispute for purpose of section 5. *[T.V. Patel (P.) Ltd., [2023] 157 taxmann.com 108 (Bombay)]*
5. Madras High Court quashes reassessment proceedings as there was no failure on the part of the assessee to fully and truly disclose all material facts. *[S. Uttam Chand, TS-707-HC-2023(MAD)]*
6. Calcutta High Court quashes reassessment proceedings by holding that AO's personal opinion on 'businessman's prudence' not tangible material. *[Dinesh Kumar Goyal HUF, TS-704-HC-2023(CAL)]*
7. Calcutta High Court upholds section 148 notice issued by jurisdictional AO instead of NFAC by analysing CBDT OM. *[Sanghi Steel Udyog Private Limited, TS-693-HC-2023(CAL)]*
8. Madras High Court strikes down Clause 7(ii) of CBDT Circular prescribing 12 months for filing compounding application. *[Jayshree, TS-694-HC-2023(MAD)]*
9. Delhi High Court holds CBDT's time travel theory as ultra vires to section 149(1). *[Ganesh Dass Khanna & Ors., TS-674-HC-2023(DEL)]*
10. Bombay High Court holds that having an active PAN is no justification for initiating reassessment against a merged entity. *[Diversey India Hygiene Private Limited, TS-673-HC-2023(BOM)]*
11. Delhi High Court quashes the demand recovery notices issued to Tata Steel for the period preceding the date of resolution plan (RP) of Bhushan Steel by holding that dues for the period prior to the date when the RP was approved cannot be recovered. *[Tata Steel Limited, TS-648-HC-2023(DEL)]*

C. Supreme Court Judgements

1. Supreme Court holds that the gains from foreign exchange fluctuations in EEFC account would not fall within meaning of 'derived from' export of garments by assessee and, therefore, could not be included in profits of business while calculating deduction under section 80HH. *[Shah Originals, [2023] 156 taxmann.com 695 (SC)]*

2. Supreme Court dismisses SLP against order passed by High Court holding that where assessee had merely granted licence to permit construction on land to such developer but not given any possession in land as contemplated under section 53A of T.P. Act, 1882, there was no transfer as per section 2(47)(v) giving rise to any capital gain in hands of assessee. *[Bharat Jayantilal Patel, [2023] 156 taxmann.com 308 (SC)]*

CBDT Updates

1. CBDT relaxes the time-frame prescribed in second proviso to section 143(1) and directs that all returns of income validly filed electronically with refund claims for AYs 2018-19 to 2020-21, for which date of sending intimation has lapsed, subject to the exceptions, can be processed now with prior approval by 31.01.2024 vide Order F. No.225/132/2023/ITA-II dated 01.12.2023.
2. CBDT revises timelines and monetary limits in respect of withholding of refunds under section 245(2) vide Instruction No. 02/2023 dated 10.11.2023.

Representation

Representation regarding High Pitched Assessments based on Statement of Financial Transaction ("SFT") reporting by institutions, particularly regarding transactions involving immovable properties, cash deposits, and activities in the Capital Gains to the Commissioner of Income Tax, CPC, Bengaluru.



CA. Sowmya C A

INDIRECT TAX UPDATES

The Government reported a 15% year-on-year increase in GST collections, totalling ₹1.68 lakh crore, as of Nov-2023, as announced by the Ministry of Finance recently. The GST collection is seeing a consistent surge and has set new records, indicating the economic resilience and growing emphasis on audits which in turn has led to a significant increase in compliance across states. The increased collections are also partly attributable to the ongoing festive seasons and consumer spending.

The department has commenced the issuance of notices industry verticals-wise – The airline industry being the recent addition to this list. The spike in the number of notices being issued can be attributed to the integration of technology in compliance procedures and the deployment of AI and data analytics leading to the widening of tax scrutiny on a host of interpretational matters leading to tax demand. There is an ongoing upgradation of the portal in an endeavour towards auto-population of data with prefilled data with a view to reduce errors, mismatches and bring about ease in the filing process.

On the legal front, following the ratio in the SC decision in the case of M/s. Northern Operating Systems Private Limited [CA No. 2289-2293/2021] (NOS), several companies have received demand notices on employees seconded by their overseas entity as 'Import of Services' liable to GST under RCM. Though many companies have discharged tax on such demand, ITC on such RCM payments have been denied by the department under section 16(4) based on the time of supply of the underlying transaction. However, it is the contention of the taxpayer that RCM is eligible on payment basis and from the date of self-invoice as per the provisions of GST law. This has become a contentious issue which requires clarification to prevent disputes and future litigations.

As we await the constitution of the State Benches of the much-awaited GST Appellate Tribunals, the number of pending taxpayer appeals, has risen significantly due to the cumulative effect of Orders passed under the normal period of limitation period for FY: 2017-18, FY: 2018-19 coupled with amnesty scheme extended to time-barred orders issued upto Mar 2023.

Further, the department has issued a number of advisories over the past few months, significant of them being the online compliance relating to ITC Mismatch in DRC1C, reversal for Rule 37A, amnesty scheme etc. The compilation of notifications, circulars, and advisories issued during this month has been summarized for an interesting read.

Recent Notifications :

- A **GST Amnesty Scheme** has been notified for taxable persons who could not file an appeal on Orders passed on or before 31st Mar 2023 by the proper officer under section 73 or 74 of the said Act within the period specified under section 107(1) read with section 107(4) of the CGST Act as the case may be or who application was rejected solely on the ground that the application was barred by limitation.

It is to be noted in this case, the appeal is admissible only in respect of demand involving tax and the pre-deposit amount to be paid for the admission of the appeal would be 12.5% of the disputed tax amount subject to a maximum of twenty-five crore rupees, of which at least twenty per cent should have been paid by debiting from the Electronic Cash Ledger. The appeal under the scheme needs to be filed on or before 31st Jan 2024.

Further, an advisory issued by CBIC has clarified that in case an appeal has been already filed and is pending and the taxpayer wishes to avail amnesty scheme, the additional 2.5% needs to be paid using the "Payment towards demand" facility available on the GST portal. The navigation step for making this payment is provided: Login >> Services >> Ledgers >> Payment towards Demand.

(Notfn No. 53/2023-CT dated 02 Nov 2023)

- Biometric-based Aadhaar authentication for GST registration is notified and extended to the State of Andhra Pradesh, wherein the registration application will be considered complete only after biometric-based Aadhaar authentication and after taking a photograph of the applicant, as well as the verification of the original copy of the documents uploaded at one of the facilitation centres.

(Notfn No. 54/2023-CT dated 17 Nov 2023)

Recent Circulars:

- **Action for non-issuance of e-invoices by notified class of taxpayers who are mandatorily required to issue e-invoices as per legal provisions:** Under Rule 48(4) of the CGST Rules, e-invoicing has been made mandatory for taxpayers having aggregate turnover of more than Rupees Five Crore in any financial year from 2017-18 onwards, with effect from 01 Aug 2023. The facility of e-invoicing has been introduced with the intent to automate tax processes thereby reducing compliance procedures on taxpayers and also ensuring higher tax compliance and avoidance of any tax evasion or fraud.

Accordingly, it is directed that taxpayers, who have exceeded the prescribed threshold of aggregate turnover but are exempted from issuance of e-invoice, need to file a declaration on the common portal vide a recently introduced functionality to make a self-declaration regarding the category under which they are exempted from issuance of e-invoices. Again, if the taxpayer is not covered by exemptions, then any invoice issued by such taxpayers in contravention of Rule 48(4) shall not be treated as a valid invoice Rule 48(5) of CGST Rules and additionally, they will be liable to penal provisions under the Act and hence are advised to ensure compliances as applicable to them.

(Instruction No. F. No. CBIC- 20006/15/2023-GST dt. 18 Oct.2023)

- **Serving of Summary notice in Form DRC01 and summary order in Form DRC07 electronically on the common portal:** Where notices/orders are issued for demand and recovery of unpaid or short paid taxes, incorrect availment of ITC or erroneous refund- issued under the various provisions of the Central GST Act, Rule-142 mandates service of a summary form of the notice/order electronically specifying the amounts payable. The department has taken cognizance of the manual issuance of notices alone by certain field formations and has instructed vide this instruction to ensure service of summary notice/order on the online portal.

(Instruction No. 04/2023-GST dt. 23 Nov.2023)

Recent Advisories :

- **ITC Reversal on account of Rule 37(A):** Under Rule 37(A) of the CGST Rules, taxpayers must reverse ITC claimed on invoices for which suppliers

have filed GSTR-1/IFF, but not furnished returns in GSTR-3B by September 30 following the relevant financial year. Taxpayers need to reverse this ITC in GSTR-3B by 30th November following the end of such financial year. System-computed ITC reversal details for FY 2022-23 are being communicated via email to tax recipients. Taxpayers are required to comply by reversing ITC in Table 4(B)(2) of GSTR-3B before the relevant date.

(GSTN update dated 14 Nov 2023)

- **Difference in Input Tax Credit (ITC) available in GSTR-2B & claimed in GSTR-3B:** The common portal has implemented an automated issuance of intimation in Form DRC1C for credit claimed in GSTR3B exceeding the predetermined limit or the percentage to the available ITC in GSTR-2B. Upon receipt of this intimation, taxpayers are required to respond with payment for such discrepancy or a suitable explanation for the said difference. If no response is filed, subsequent GSTR1 cannot be filed.

(GSTN update dated 14 Nov 2023)

DGFT Notifications:

- **Amnesty Scheme for EPCG/Advance Authorisation** - Where applications have been filed with PRC/EPCG Committee for relaxation in policy/procedure on grounds of genuine hardship/adverse impact on trade and pending hearing/decision and not filed an application under amnesty scheme are urged to submit their application for amnesty before the deadline for submission of application viz. 31 Dec 2023 as an application for amnesty will not be entertained beyond the prescribed date.

(Trade Notice No. 35/2023-24 dated 05 Dec 2023)

- **Pilot launch of upgraded e-BRC system for self-certification by exporters** – As part of ongoing trade facilitation measures, the directorate is in the process of implementing an enhanced and more streamlined process for the generation of e-BRC for self-certification by exporters. A soft launch of the revamped eBRC system is proposed with effect from 15th November 2023. Both the upgraded and legacy eBRC systems will operate simultaneously until all banks transition to the upgraded eBRC system. The new system is proposed to reduce transaction time and costs by simplifying reconciliations of IRMs with shipping bills, SOFTEX, invoices, etc. and promote ease of doing business in general.

- i. Banks receiving Export Remittances will push the IRM message to the DGFT IT system electronically except for capital account transactions;
- ii. IRM details will be accessible to the relevant IEC holder upon logging onto the DGFT Website (<https://dgft.gov.in>).
- iii. Exporter will create eBRCs by matching IRM with relevant shipping bills, SOFTEX, or invoice details. Multiple IRMs may be grouped under one eBRC or one IRM can be split amongst several eBRCs
- iv. eBRCs can be generated for Goods Exports, Services Exports, and Deemed Exports.
- v. The RBI Purpose Code and other fields mentioned in the IRM shall be used to validate the eBRC fields being certified by the Exporter.
- vi. Banks will have access to all eBRCs created from the IRMs they input. Banks would have the option to flag any eBRC for further examination or request input from the exporter concerned.

(Trade Notice No. 33/2023-24 dated 10 Nov 2023)

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Income Tax Savings Schemes

54EC	 REC Capital Gains Bonds आर ई सी REC 5 years, 5% Annual Interest
80C	ELSS, PPF, Life Insurance
80CCD	National Pension Scheme

Fixed Income

Trust u/s 11(5)	Trust Deposits Eligible u/s 11(5) 
RBI	 Reserve Bank of India Bonds 7 years, Floating rate 7.15% Half-yearly Interest
FD NBFC	
	Sovereign Gold Bonds 8 years, 2.50% Half-yearly Interest, Maturity 'Tax-free'

Growth Option

Mutual Funds

Large Cap / Mid Cap / Small Cap / Flexi Cap / ELSS Funds











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FINANCIAL REPORTING AND ASSURANCE



CA. Vinayak Pai V

KEY UPDATES A. AS|Ind AS

1. ICAI Exposure Draft – Amendment to Ind AS 21, Lack of Exchangeability

On 1st November, 2023, the Institute of Chartered Accountants of India (ICAI) issued an **Exposure Draft, Lack of Exchangeability – Amendment to Ind AS 21** that proposes amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.

It may be noted that the International Accounting Standards Board (IASB) had earlier (15th August, 2023) issued Lack of Exchangeability which amended the IFRS Accounting Standard IAS 21, The Effects of Changes in Foreign Exchange Rates. It requires an entity to apply a **consistent approach to assessing whether a currency is exchangeable** into another currency and, **when it is not**, delves into **determining the exchange rate to use** and the **disclosures to provide**.

Now, corresponding changes to Ind AS has been proposed. Key amendments as per the Exposure Draft issued by ICAI include: Definition - “A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations”; An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose; and an entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency at that date.

The ED was open for comments till 1st December, 2023.

Link to the ED -
<https://resource.cdn.icai.org/76933asb61951.pdf>

2. EAC Opinion – Residual Value of as Transmission Pipeline under Ind AS

The December, 2023 edition of the ICAI Journal has carried an Expert Advisory Committee (EAC) **Opinion – Residual Value of Gas Transmission Pipeline under Ind AS Framework**.

Background –A Company in the business of procuring, transmission, processing and marketing of natural gas sought the EAC’s opinion as to whether its accounting policy to keep residual value of pipelines at 5% is in order and in line with the applicable Ind AS and Companies Act, 2013.

A summary of **key takeaways** from the opinion:

- The contention of the querist to keep the residual value of pipelines at standard 5% as per Schedule II requirements is not appropriate.
- The EAC’s view is that **providing depreciation and estimation of useful life as well as residual value is an asset-specific process**. The basic purpose of charging depreciation is to allocate depreciable amount of an asset over its useful life. For each individual asset(s), the conditions (in which it is operating) during the useful life may be different leading to a different residual value. The Company’s accounting policy to keep a standard residual value of 5% without considering all the facts and circumstances is not appropriate.
- The Company **should determine the residual value** of its various pipelines **considering its facts and circumstances** at the **beginning of their useful life**, which **should be reviewed at each financial year-end**. Further, the estimated costs of disposal should also be considered as per the definition of residual value given in Ind AS 16, Property, Plant and Equipment.

Link to the Opinion –
<https://resource.cdn.icai.org/77464cajournal-dec2023-32.pdf>

B. NFRA

3. Order u/s 132(4) – MAN Industries (India) Ltd.

On 22nd November, 2023, the National Financial Reporting Authority (NFRA) issued an order (No. 62/2023) u/s 132(4) of the Companies Act finding the Engagement Partner (EP) of the Audit Firm that conducted the statutory audit of MAN Industries (India) Ltd. for F.Y.2017 guilty of professional misconduct. **The EP was imposed a monetary penalty of ₹5 lakhs and has been debarred for five years.** NFRA's investigations, inter-alia, found:

- The EP Qualified his opinion on the Consolidated Financial Statements (CFS) stating that the Financial Statements reflected 'true and fair view' except for the effect of non-consolidation of a subsidiary. The assets and liabilities of the subsidiary constituted about 19% and 29% respectively of the assets and liabilities of the parent. As per SA 705, the EP was required to give an adverse opinion where the effect is material and pervasive.
- The Financial Statements did not contain required disclosures mandated by Ind AS 24 and the Companies Act, in respect of critical and sensitive information pertaining to Related Party Transactions and non-disclosure of full particulars of loans etc.
- Disclosures in respect of Credit Risk Profile of Trade Receivables were erroneous and were not in compliance with requirements of Ind AS 107.
- The EP **did not obtain Sufficient Appropriate Audit Evidence in several critical areas of audit** namely, non-consolidation of a material subsidiary, credit risk evaluation of Trade Receivables and failure to perform risk assessment procedures and response to such risks.
- The EP **failed to demonstrate sufficiency and appropriateness of audit work** in virtually every critical building block of an audit of Financial Statements i.e., Audit Strategy, Planning, Analytical Procedures, Determining Materiality, identification and assessment of ROMM through an understanding of the entity's environment and internal control resulting in non-compliance with SAs.

Link to the Order -

<https://cdnbbsr.s3waas.gov.in/s3e2ad76f2326fbc6b56a45a56c59fafdb/uploads/2023/11/20231122150257956.pdf>

C. ASSURANCE

4. ICAI Exposure Draft – Standards on Auditing for LLPs

On 22nd November, 2023, the Auditing and Assurance Standards Board (AASB) of ICAI has issued Exposure Drafts of **35 standards on Auditing (SAs) for Limited Liability Partnerships (LLPs)** for public comments.

It may be noted that Section 34A of the Limited Liability Partnership Act, 2008 prescribes that the Central Government may, in consultation with NFRA, prescribe the Standards of Auditing as recommended by ICAI for class/classes of LLPs. The ICAI had submitted its recommendations to the NFRA regarding 35 Standards on Auditing for their notification u/s 143(10) of the Companies Act, 2013 for audit of companies. ICAI is of the view that the aforesaid SAs applicable to audit of companies recommended by ICAI to NFRA, should apply mutatis mutandis to audit of LLPs.

Link to the Announcement and EDs -

<https://www.icaai.org/post/ed-standards-on-auditing-for-limited-liability-partnerships>

5. QRB – Report on Audit Quality Review, 2022-23

On 21st November, 2023, the Quality Review Board (QRB), established under the Chartered Accountants Act, 1949 released its **Report on Audit Quality Review, 2022-23**.

The report **highlights the key findings observed in the audit quality reviews** conducted by the QRB in respect of audits of private limited companies upto 31st March, 2023. It also highlights overall trends, key findings, analysis of reviewed audit files in terms of technical standards, analysis of observations in audit files under major industries, findings in major focus areas for reviews, summary of observations in other areas, matters of general guidance for Audit Firms etc.

Link to the Report -

<https://www.qrbca.in/wp-content/uploads/2023/11/qrb62039.pdf>

6. IFAC – 'Quality Management Toolkit for Small and Medium-sized Firms' and 'Illustrative Risk Matrix'

On 6th November, 2023, the International Federation of Accountants (IFAC) released a **Quality Management Toolkit for Small and Medium-Sized Firms** and a companion **Illustrative Risk Matrix** to help small- and medium-sized practices (SMPs) implement the

International Auditing and Assurance Standards Board’s (IAASB) suite of quality management standards.

The toolkit includes a suite of **illustrative documents, policies, checklists, sample letters and forms** to help SMPs establish their **quality objectives, identify and assess quality risks, and design and implement responses to address their identified quality risks**. The toolkit is designed to require each SMP to adapt the content to its nature, circumstances, and engagements.

Link to the Toolkit -

<https://www.ifac.org/news-events/2023-11/new-ifac-ca-anz-quality-management-toolkit-will-help-small-and-medium-sized-practices-globally>

D. IFRS

7. IASB Exposure Draft – Financial Instruments with Characteristics of Equity

On 29th November, 2023, the IASB proposed amendments to address the challenges in companies’ financial reporting on **instruments that have both debt and equity features**. To address the challenges arising from the evolution of financial instruments since the standards were issued, an **Exposure Draft (ED), *Financial Instruments with Characteristics of Equity – Proposed Amendments to IAS 32, IFRS 7 and IAS 1*** has been issued.

The IASB has proposed: to clarify the **underlying classification principles** of IAS 32 to help companies **distinguish between debt and equity**; to require companies to **disclose information to further explain the complexities of instruments** that have both debt and equity features; and to issue **new presentation requirements** for amounts—including profit and total comprehensive income—**attributable to ordinary shareholders separate to the amounts attributable to other holders of equity instruments**.

The ED is open for comments till 29th March, 2024.

Link to the ED –

<https://www.ifrs.org/content/dam/ifrs/project/fice/exposure-draft/iasb-ed-2023-5.pdf>

E. USGAAP

8. FASB Accounting Standards Update Improvements to Segment Reporting

On 27th November, 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07, ***Segment Reporting (Topic 280) – Improvements to Reportable Segment***

Disclosures that improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses.

The amendments, inter-alia, require that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss (collectively referred to as the **“significant expense principle”**).

Link to the Accounting Standards Update –

<https://www.fasb.org/Page/ShowPdf?path=ASU+2023-07>

F. SELECT PUBLICATIONS

1. International Accounting Standards Board (IASB) – ***Compilation of Agenda Decisions – Volume 9***. [7th November, 2023.] [<https://www.ifrs.org/content/dam/ifrs/supporting-implementation/agenda-decisions/agenda-decision-compilations/compilation-agenda-decisions-vol-9-may23-oct23.pdf>]
2. Institute of Internal Auditors (IIA) – ***Global Perspectives and Insights – The Artificial Intelligence Revolution***. [9th November, 2023.] [<https://www.theiia.org/globalassets/site/content/articles/global-perspectives-and-insights/2023/q3-gpi-ai.pdf>]
3. International Federation of Accountants (IFAC) – ***Small Business Sustainability Checklist***. [14th November, 2023.] [<https://ifacweb.blob.core.windows.net/publicfiles/2023-11/Small%20Business%20Sustainability%20Checklist.pdf>]
4. UK Financial Reporting Council (FRC) – ***Thematic Review – IFRS 17 ‘Insurance Contracts’ Interim Disclosures in the First Year of Application***. [15th November, 2023.] [https://media.frc.org.uk/documents/IFRS_17_Insurance_Contracts_Interim_Disclosures_in_the_First_Year_of_Application.pdf]
5. UK Financial Reporting Council (FRC) – ***Thematic Review – Audit Sampling***. [24th November, 2023.] [https://media.frc.org.uk/documents/Thematic_Review_Audit_Sampling.pdf]

G. Select Global Enforcement Actions/Inspection Reports

Enforcement Actions

1. SEC – Royal Bank of Canada charged with Internal Accounting Controls Violations

On 2nd November, 2023, the US Securities and Exchange Commission (SEC) charged Royal Bank of Canada (RBC) with a \$6 million penalty to settle charges that it violated the books and records and **internal accounting controls provisions** of the securities laws relating to its **accounting for its costs of internally developed software**. The SEC's order finds that, from 2008 through 2020, RBC's accounting controls failed to ensure that the firm accurately accounted for its internally developed software project costs. The order finds that, for a portion of its internally developed software projects, RBC applied a single rate to determine how much of those projects' costs to capitalize, but it lacked a reliable method for determining the appropriate rate to apply, in part because it could not adequately differentiate between capitalizable and noncapitalizable costs. This resulted in, among other things, the bank using the same capitalization rate each year without a sufficient basis and capitalizing certain costs that were ineligible under the appropriate accounting methodology. [Release No. 2023-232]

2. PCAOB – Audit Firm imposed penalty of \$ 3 million for violating Quality Control Standards

On 30th November 2023, the US Public Company Accounting Oversight Board (PCAOB) censured an Audit Firm and imposed a civil money penalty of \$ 3 million for **violating PCAOB rules and quality control standards** related to **integrity and personnel management** by failing to establish appropriate policies and procedures for administering and overseeing internal training tests, including tests designed to help the Firm's audit professionals satisfy the requirements for maintaining their professional certifications. Those quality control failures prevented the Firm from identifying that hundreds of Firm professionals were involved from 2018 to 2019 in improper answer sharing – either by providing or receiving access to answers through unauthorized technology – in connection with online tests for mandatory internal training courses. [Release No. 105-2023-044]

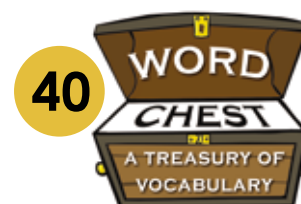
Extracts from US PCAOB Inspection Reports of Audit Firms

3. Inspection report of an Audit Firm Headquartered in New Delhi

Audit Deficiencies Identified - During the year, the client entered into several significant transactions and engaged a specialist to determine the fair value of certain assets. The following audit deficiencies were identified: The Audit Firm did not identify that one of the valuation reports prepared by the company's specialist was used for a different purpose than its stated intention and evaluate its use for that purpose; The Audit Firm did not perform substantive procedures to determine whether the issuer identified and recorded all aspects of the transactions; The firm did not perform substantive procedures to test certain estimates related to these transactions beyond testing the mathematical accuracy of the client's documentation; it did not perform any substantive procedures to evaluate the reasonableness of certain significant assumptions developed by the company's specialist; and the Audit Firm did not identify and evaluate a GAAP departure related to the issuer's omission of certain required disclosures.

With respect to Journal Entries, for which the firm identified a fraud risk: The Audit Firm did not perform any procedures to identify and select journal entries and other adjustments for testing. [PCAOB Release No. 104-2023-178]

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Power BI is an interactive data visualization software product developed by Microsoft with a primary focus on business intelligence.^[2] It is part of the Microsoft Power Platform. Power BI is a collection of software services, apps, and connectors that work together to turn various sources of data into static and interactive data visualizations. Data may be input by reading directly from a database, webpage, PDF, or structured files such as spreadsheets, CSV, XML, JSON,^[3] XLSX, and SharePoint.^[4]

LIMITED LIABILITY PARTNERSHIP (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES 2013



C. S. Shrinath Bhat

Introduction:

Ministry of Corporate Affairs vide its notification dated 09/11/2023 issued The Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 (LLP SBO Rules). These rules are applicable to all the LLPs and issued in consonance with section 90 of the Companies Act, 2013 as the provisions of Section 90 of the Companies Act 2013 were made applicable to LLPs vide notification dated 11th February 2022.

Objectives/Rationale: These Rules are issued to strengthen the Significant Beneficial Interest Disclosures. MCA by issuing notification G.S.R 110(E) some of the provisions of Companies Act, 2013 applicable to LLPs. One of such provisions were related to Disclosure of Significant Beneficial Ownership. However, there were no Separate Rules under Limited Liability Partnership Act, 2008.

Applicability: The provisions of these rules shall apply to any Limited Liability Partnership.

Non-applicability:

LLP SBO Rules are applicable to all the LLPs except to the extent the contribution of the reporting limited liability partnership is held by:-

- a. the Central Government, State Government or any local authority;
- b. (i) a reporting limited liability partnership, or
(ii) a body corporate, or
(iii) an entity, controlled by the Central Government or by one or more State Government, or partly by the Central Government and partly by one or more State Government;
- c. an investment vehicles registered with, and regulated by the Securities and Exchange Board of India, such as mutual funds, alternative investment funds (AIF), Real Estate Investment Trusts (REITs), Infrastructure Investment Trust (InVITs).

- d. an investment vehicles regulated by the Reserve Bank of India, or the Insurance Regulatory and Development Authority of India, or the Pension Fund Regulatory and Development Authority.

► Important Definitions:

Some of the important definitions of the terms defined in the LLP SBO Rules are as follows:

Control:

“Control” shall include the right to appoint majority of the designated Partners or control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their contribution or management rights or limited liability partnership agreements or other agreements or in any other manner;

Significant Influence:

"significant influence" means the power to participate, directly or indirectly, in the financial and operating policy decisions of the reporting limited liability partnership but is not control or joint control of those policies.

Majority stake:

“Majority Stake” means:

- (i) holding more than one-half of the equity share capital in the body corporate; or
- (ii) holding more than one-half of the contribution in a partnership entity; or
- (iii) holding more than one-half of the voting rights in the body corporate; or
- (iv) having the right to receive or participate in more than one-half of the distributable dividend or distributable profits or any other distribution by the body corporate including a partnership entity as the case may be;

Significant Beneficial Owner (SBO):

"significant beneficial owner" in relation to a reporting limited liability partnership, means an individual who acting alone or together or through one or more persons or trust, possesses one or more of the following rights or entitlements in such reporting limited liability partnership, namely:-

- (i) holds indirectly or together with any direct holdings, not less than ten per cent of the contribution;
- (ii) holds indirectly or together with any direct holdings, not less than ten percent of voting rights in respect of the management or policy decisions in such limited liability partnership;
- (iii) has right to receive or participate in not less than ten per cent of the total distributable profits, or any other distribution, in a financial year through indirect holdings alone or together with any direct holdings;

(iv) has right to exercise or actually exercises, significant influence or control, in any manner other than through direct-holdings alone:

If an individual does not hold any right or entitlement indirectly, he shall not be considered to be a significant beneficial owner.

► **Identification of Indirect holding of SBO**

Identification of Indirect Holding plays major role in identifying individual who is SBO because a person holds Direct control or shareholding is not considered as SBO.

According to LLP SBO Rules an individual shall be considered to hold a right or entitlement indirectly in the reporting LLP, if he satisfies any of the following criteria, in respect of a partner of the reporting limited liability partnership, namely:

Sl. No.	Partner	SBO
1.	body corporate (whether incorporated or registered in India or abroad) other than a limited liability partnership, and the individual	Individual who: (a) holds majority stake in that partner; or (b) holds majority stake in the ultimate holding company (whether incorporated or registered in India or abroad) of that partner;
2	Hindu undivided family (through Karta)	Kartha
3	partnership entity (through itself or a partner)	Individual who (a) is a partner; or (b) holds majority stake in the body corporate which is a partner of the partnership entity; or (c) holds majority stake in the ultimate holding company of the body corporate which is a partner of the partnership entity.
4	Trust (through trustee)	Individual who (a) is a trustee in case of a discretionary trust or a charitable trust; (b) is a beneficiary in case of a specific trust; (c) is the author or settlor in case of a revocable trust.
5	(a) a pooled investment vehicle; or (b) an entity controlled by the pooled investment vehicle,	An Individual who (A) is a general partner; or (B) is an investment manager; or (C) is a chief executive officer where the investment manager of such pooled vehicle is a body corporate or a partnership entity.

➤ **Duty of the reporting limited liability partnership.-**

1. Every reporting LLP shall take necessary steps to:
 - find out if there is any individual who is a SBO, and
 - if so cause such individual to make a declaration in Form No. LLP BEN-1.
2. Every reporting LLP shall in all cases where its partner (other than an individual), holds not less than
 - a) ten per cent. of its-
 - b) contribution; or
 - c) voting rights; or

right to receive or participate in the distributable profits or any other distribution payable in a financial year,-

give notice to such partner in **Form No. LLP BEN-4**, seeking information in accordance with sub-section (5) of section 90 of the Companies Act, 2013 as applied to the limited liability partnership as per the notification.

➤ **Declaration of significant beneficial ownership:**

1. Every individual who is a SBO in a reporting LLP, shall file a declaration in **Form No. LLP BEN-1 within 90 days** from commencement of these Rules.
2. Every individual, who subsequently becomes a significant beneficial owner, or where his significant beneficial ownership undergoes any change shall file a declaration in **Form No. LLP BEN-1** to the reporting LLP, within **thirty days** of acquiring such significant beneficial ownership or any change therein.

Return of significant beneficial owners in contribution.-

The reporting limited liability partnership shall file a return in Form No. LLP BEN-2 within a period of 30 days from the date of receipt of Form LLP BEN - 1.

➤ **Register of significant beneficial owners.-**

The limited liability partnership shall maintain a register of significant beneficial owners in **Form No. LLP BEN-3**.

➤ **Application to the Tribunal.**

The reporting limited liability partnership shall apply to the Tribunal:

- a) when a person fails to give information of significant beneficial ownership as required under law or

- b) has provided unsatisfactory information.

for order directing that the contribution in question be subject to such restrictions as Tribunal deems fit, including-

- a) restrictions on the transfer of interest attached to the contribution in question;
- b) suspension of the right to receive profits or any other distribution in relation to the contribution in question;
- c) suspension of voting rights in relation to the contribution in question;
- d) any other restriction on all or any of the rights attached with the contribution in question.

Conclusion:

The new LLP SBO Rules brings the similar provisions which Companies follow to identify and uncover the individual who ultimately holds the beneficial interest.

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(SEBI Permanent Registration Certificate No. INR000004041)

**RTA Services offered to
Corporate Clients & Investors:**

- Electronic Connectivity with Depositories (NSDL/CDSL) for obtaining ISIN for securities issued by Companies.
- Conversion of physical shares into demat (Demat of Shares).
- Investor services for retrieval of dividends and shares transferred to IEPF Authority.
- Maintenance of Share holder's Data and Records.
- Daily Reconciliation of share capital.
- Weekly Benpos (Beneficiary Position) to clients.
- Corporate Actions for allotment/mergers/amalgamations/conversions/redemption etc.,
- Facilitating e-Voting for AGM/EGM/Postal Ballot etc.,
- Dividend payment/reconciliation and handling of queries related to shares/dividend transferred to IEPF Authority.
- MIS Reports to Clients and Compliances relating to Regulatory.
- Shareholder queries relating to Transfer / Transmission / Deletion of Name / Issue of Duplicate Certificate etc.,
- KYC updating as per latest SEBI notifications.

Please contact us at above address or visit our website www.bfsi.co.in



CA. Aditya Kumar S

ESG FRAUD RISKS

Background: Environmental, Social and Governance ('ESG') related regulations, reporting, investments and other facets are gaining importance every day. The ESG is also becoming much discussed topic in the board rooms today and there are expectations from the Corporates to align their business objectives to ESG compliance and integrate in their strategic and operating decision making process. As it would happen anywhere else, there is always somebody with an ill intention to circumvent the system and ESG seems to be the new ground.

Fraud Triangle: ESG related fraud could include deliberate misreporting in financial and other information, non-compliance with regulations operationally and otherwise, fraud conducted by value chain partners, etc., Donald Cressey, criminologist, published a model called 'fraud triangle' in 1970s which is still relevant.² Opportunity, Incentive and Rationalization remains the three predominant reasons for the fraud. Opportunity could arise due to deficiencies in control environment and lack of governance and supervision. Incentive to commit a fraud could be lucrative or could be due to pressure of seniors and the junior may have to comply with it, by force. Rationalization is a fraudulent act which is justified or the person gives a reasoning to it, may be for money or for gaining recognition or other reasons.

ESG Fraud: Frauds are taking different dimensions and different colors, at least in ESG space. Let's look at some of them:

Greenwashing: This refers to misleading or misinforming the stakeholders about the company and its value chain impact on environmental aspects. Similarly, green-blushing involves underplaying the

communication on the company's environmental performance or initiatives. Whether this would also amount to fraud is debatable. (Suggested reading: <https://www.inverse.com/science/deepwater-horizon-oil-spill-fish>). An advertisement from British Petroleum had a case against them for 'greenwashing' its image that promotes oil company's environmental credentials. For example, adverts on billboards, newspapers and television in the UK, US and Europe as well as on social media and online, describe gas as "cleaner burning". They also state that British Petroleum is "working to make energy cleaner". However, more than 96 per cent of BP's capital expenditure is on oil and gas.³

Blue Washing: This refers to non-compliance with UN Global Compact (UNGC) on the principles relating to corporate ethics and sustainability especially when it is relating to coastal, oceanic and marine development initiatives.

Pink Washing: This refers to having prejudice or discriminating or harassing against communities or employees especially those who have LGBT rights etc.,⁴ Adidas, for example, has a Pride shoe collection that is only available during Pride Month. Despite this, it was a key sponsor of the 2018 World Cup in Russia, a country where anti-LGBTQ+ legislation makes fans and athletes unsafe. That inconsistency is a prime example of the duplicity that can be found at the heart of business "support" for the LGBTQ+ community.⁵

Purple and Brown Washing: This refers to deliberately attempting to appeal to diversity and inclusion of women which may not be the case. Similarly, where there is discrimination based on color its known as Brown washing.

1. https://www.acfe.com/-/media/files/acfe/pdfs/grant-thornton/esg2022/acfe_gt_esgreport-digital.ashx
2. https://en.wikipedia.org/wiki/Donald_Cressey#:~:text=Cressey%20is%20credited%20with%20the,this%20term%20during%20his%20lifetime.
3. <https://www.independent.co.uk/news/business/news/bp-greenwashing-climate-crisis-client-earth-oil-company-a9232986.html>
4. <https://theconversation.com/the-rise-of-pride-marketing-and-the-curse-of-pink-washing-30925>
5. <https://esg.conservice.com/how-esg-helps-expose-rainbow-washing/>

Red Washing: This refers to those practices where an organization (including local government) may indulge in practices relating to diverting the attention from public on their environmental and social issues including pollution, depriving the rights of the community etc.,

Misrepresentation: The information provided by the company could be misleading in case of false labelling or reporting either on the product or website or annual report or any other official literature (say, manufactured by 100% recycled materials, or no forced labor used, compliance with certain standards) including social media. This lead people to believe that the company is complying which in reality is not. Similarly, not considering significant or material issues of ESG in financial statements could also be treated as financial statement fraud which includes improper disclosures, assets not being impaired (prone for erosion due to environmental issues and hence expected not to last long etc.), not providing for constructive obligations (claims made by the company to comply with certain requirements but actually no provision is made in the accounts) or claiming accounting is based on certain contracts or agreements (like Paris Agreement) but not have being made.

Management Responsibilities:

1. Corporate Governance: The ‘tone at the top’ needs to put in place good governance practices including ESG dimension in their Code of Ethics, aligning ESG to the organization’s objectives, rewarding ethical practices and discouraging / taking action for non-compliances; laying emphasis on being transparent in their operations and showcasing the same to the stakeholders. It is the responsibility of the management also to have a separate committee named ESG Committee to monitor all the ESG activities including reporting of financial and non-financial information to the stakeholders, strategizing, having robust management information system to constantly review the operations, etc.,
2. ESG is not a paper filling exercise of forms and templates, it has to be followed in letter and spirit. The management should ensure that they follow the laid down Standards or principles scrupulously. It is for the good of the organization that government

or regulators require information to be provided to them, which is expected to be followed, reviewed independently by a professional. Audit of Business Responsibility and Sustainability Reporting (BRSR) is also being made mandatory by SEBI for listed entities in a phased manner.⁶

3. Control Environment: Never forget the COSO Cube. ⁷Control environment (Company values, Board Oversight, Policies and Procedures), Risk Assessment (Fraud Risk, Financial and Non-Financial Risks, Compliances), Control activities (IT Controls, overseeing third party processing ESG information), Information & Communication (Training, Internal MIS) and Monitoring (periodical review, KPI Monitoring etc.,).
4. Enlarge the scope of internal audit to also include ESG KPI and other requirements. IA also to report on deficiencies in compliance, governance, controls and support the company in strengthening them.
5. Benchmarking: Benchmark what the company is doing when compared to the industry or peers. Evaluate how company can be a leader in its group in showcase the initiatives taken with the results achieved, which will inspire others. At the same time, critical evaluation or benchmarking can also help in company in identifying where they lack the capabilities and focus on such deficiencies.

Risk Factors:

1. Reputation Risk: Business builds on reputation. If the customer becomes aware of that the brand that they are loyal to are not doing the things the right way or not actually standing for the values they are known for the customers may desist to be associated further. Thanks to the concept of having the entire value chain also being reported, it is essential that the ‘external fraud’ risk factors impacting, viz., fraud from the vendor, customer, franchisee, distributor, etc., are also factored in any decision making process.
2. Compliance Risk: It is beyond reporting to SEBI or other regulatory reporting. On the environmental side there could be regulations relating to pollution control, land and natural resources usage, treatment

6. https://www.sebi.gov.in/sebi_data/meetingfiles/apr-2023/1681703013916_1.pdf

7. <https://www.coso.org/sustainability-essg>

of waste etc.,; and on the Social side it could be non-compliance with labor and other laws, industry regulations and other rules which may impact the society; on the governance side possibility of mis-reporting, providing misleading information and not having sufficient governance and controls may risk company to face legal cases.

3. **Financial Risks:** Financial Risks could include both the monetary loss arising out of misrepresentation of financial and non-monetary information. Monetary losses could be due to facing penalties and charges because of non-compliances, contractual arrangements where the ESG principles are not followed and thereby company has to pay for the penalties. Financial reporting issues could be arising out of preparing and presenting financial statements which is not in sync with the ESG Framework or commitments that the management has made or misstatement of facts which are material and which may impact the primary users of the financial statements and other stakeholders.

Risk Mitigating Measures:

1. **Corporate Governance:** The ‘tone at the top’ needs to put in place good governance practices including ESG dimension in their Code of Ethics, aligning ESG to the organization’s objectives, rewarding ethical practices and discouraging / taking action for non-compliances; laying emphasis on being transparent in their operations and showcasing the same to the stakeholders. It is the responsibility of the management also to have a separate committee named ESG Committee to monitor all the ESG activities including reporting of financial and non-financial information to the stakeholders, strategizing, having robust management information system to constantly review the operations, etc.,
2. **Materiality Considerations:** Ensuring that the materiality used in the preparation of financial statements also includes the impact of ESG and where ESG reporting is applicable ensuring the relevant impact on the financial statements is also considered (‘double materiality’). This would ensure that ESG aspects are considered in terms of says impairment, provisions, disclosures etc.,
3. **Due Diligence of Value Chain Partners:** The

business should ensure that the due diligence being done when choosing the vendor or evaluating a customer and other business partners also include how they rate on ESG related commitments and whether their ESG objectives are largely aligned to that of the business. The due diligence would also have to be (at least for major business partners) on a periodic basis to ensure there are no material non-compliances or deviations from ESG principles.

4. **Validation of Value Chain Partners Disclosures:** In case of BRSR or such other reporting, the business would also need the information provided by value chain partners; as part of leadership controls (in case of BRSR). Where the company is subject to independent validation of the BRSR information or such other reporting then it becomes all the more imperative to ensure that the details provided by the value chain partners are also validated appropriately, or the value chain partner may also provide such independent audit / review report (as appropriate) to the company to facilitate the overall reporting. Say for example, A Ltd., is in the business of manufacturing and B Ltd., is a vendor and as part of the requirement of BRSR Leadership indicators B Ltd., provides information to A Ltd., The independent reviewer of A Ltd., would have to ask B Ltd., to provide the validation of the information furnished. B Ltd. is also a vendor for various other companies as well; and hence they can have the audit or review (as appropriate) done by an independent professional and share the same with all the vendors (akin to how auditors seek Part B report in compliance with SA 402 – Audit Considerations Relating to an Entity Using a Service Organization).
5. **Whistleblower Mechanism:** To ensure that the whistleblower reporting and similar reporting mechanisms are in place and the respective policies also include ESG related non-compliances and fraud. The team handling the Whistleblower complaints should also be trained in ESG related issues.
6. **Enhance Training Programs:** Where the company is giving training to staff on anti-bribery or anti-corruption programs, they may also include ESG related fraud and corruption risks as well. This

would help to build in-house competencies towards mitigating ESG related fraud risks.

7. Use Technology: Data Analytics would help the company to analyze and identify any possible ESG Fraud risks. Similarly, use of AI would also help in preventing or detecting frauds going forward. Fraud Detection Machine Learning Algorithms would use advanced techniques including extracting data, recognizing complex patterns, etc., to identify and prevent fraud behaviors.
8. Internal Audit and Certified Fraud Examiners: The role of the internal auditor to be extended even to review various ESG initiatives taken and comment on the effectiveness of the design of the controls and its operating effectiveness. The internal audit team should also be supplemented with skill sets required to identify ESG frauds, if need be, appoint experts and provide training to the internal auditor. Use of the services of Certified Fraud Examiners

with Internal Auditors would also help in not only detecting ESG related frauds but would also help in designing better controls to prevent frauds.

Conclusion:

As professionals, we have a responsibility towards the stakeholders and our knowledge on internal controls, financial reporting and compliances. ESG Fraud risk is an emerging area where the management, auditors and stakeholders are to be aware of. Concerted efforts of all the professionals will help protect the stakeholder from frauds. Suitable risk management framework needs to be adopted every organization to ensure that ESG related frauds are prevented and if occurred, are detected at an early stage and mitigation measures taken.

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8. <https://www.thomsonreuters.com/en-us/posts/investigation-fraud-and-risk/esg-tech-data-analytics-solutions/>
9. <https://omdena.com/projects/empowering-sustainable-trade-ai-driven-esg-monitoring-and-fraud-prevention-in-trade-finance/>
10. <https://finscience.com/en/blog/alternative-data/ai-fraud-prevention/>

Solution to Sudoku - 39 November - 2023

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

SUDOKU-40

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

INTELLECTUAL PROPERTY RIGHTS AND PROTECTION IN INDIA CUSTOMS ENFORCEMENT UNDER INDIAN LAWS



Adv. M. G. Kodandaram

(PART - XL OF IPR SERIES)

India possesses a robust intellectual property (IP) regime that complies with TRIPS standards, ensuring both fairness and adaptability. The nation boasts of a comprehensive legal, administrative, and judicial framework specifically designed to protect intellectual property rights. In the realm of global trade, particularly in addressing IP infringements, the TRIPS Agreement introduces 'Special Requirements Related to Border Measures' (Article 51 to 60), commonly referred to as Customs Border Enforcement Measures. The unique aspects of these provisions are explored in the earlier part of the discussion. The procedural intricacies that a rights holder must observe to secure mandated protection by Customs in cases of IP violations during international trade is deliberated in this part.

Customs law Framework

The Indian Customs Act of 1962 (hereinafter 'Act' for brevity) grants Customs Department the authority to interdict (suspend clearance), examine, seize, and confiscate goods that are counterfeited or pirated (infringing goods) at the point of entry of such goods into India (Imports) or at point of dispatch of goods out of India (Exports). Section 2(33) of the Act defines "prohibited goods" as any goods whose import or export is subject to prohibition under the Customs Act or any other prevailing law of India. Empowered by Section 11(2)(n) of the Act, the Central Government can prohibit the import or export of goods for the protection of patents, trademarks, copyrights, designs, and geographical indications. Sections 111 and 113 of the Act empower Customs to confiscate improperly imported and exported goods that violate any prevailing law and impose penalty as per section 112 and 114 respectively.

The Enforcement Rules of 2007, built into the Act, in pursuance of TRIPS border measures, impose prohibitions regarding infringements of IPRs granted under the Copyright Act of 1957 (Copyrights), the Trademarks Act of 1999 (Trademarks), the Designs

Act of 2000 (Industrial Designs), or the Geographical Indications of Goods (Registration and Protection) Act of 1999 (Geographical Indications) at the stage of importation of infringing goods. It is important to note that only registered IPs with the appropriate Indian IP authorities are eligible for protection by Customs under enforcement rules (hereinafter merely 'rules'). These rules establish a practical legal regime for the effective management of protection required for IPR holders during import at Indian Customs ports, international airports, and at land Customs stations.

The Customs Enforcement Rules, inter alia, provide for

- (i) the filing of a notice by the right holder – for this purpose digital facility has been created, the details of which are narrated in the subsequent part.
- (ii) registration of said notice by the Commissioner of Customs.
- (iii) conditions for registration with Customs.
- (iv) a single point for registration of the notice filed by the right holder.
- (v) deemed Prohibition for import of goods infringing IPRs.
- (vi) suspension of clearance of infringed imported goods.
- (vii) time limits prescribed for right holders to join proceedings.
- (viii) adequate protection to the rightful importer.
- (ix) Examination of goods by right holder.
- (x) Supply of information to the right holder and importer.
- (xi) adequate protection to the Customs for Bonafide act.
- (xii) Suo-moto action by the Customs in specified circumstances.

Filing of Notice by Right Holder

The Indian Government has established a digital system at <https://ipr.icegate.gov.in/IPR/homePage> to facilitate the submission of a single notice for the recordation of Intellectual Property Rights (IPRs) for violations at all ports across the country. This automated system enables targeting of infringing goods more effectively. A software module called Automatic Recordation & Targeting System (ARTS) has been developed for this purpose, which integrates the custom clearance procedures with specific function relating to detection of infringement. ARTS has provision for recording and targeting of Trademarks, Copyright, Patents (now omitted), Designs and Geographical Indications. ARTS seek to integrate IPR enforcement with the Customs clearance procedure being done using the Risk management System (RMS). The consignments suspected to be infringing the rights of the IPR holders are interdicted through the RMS.

An on-line, system driven, centralized bond management module is attached as a part of ARTS. This provides for a single centralised bond and surety/security account that can be used at all ports in India, so that the IPR holders do not have to execute consignment specific bonds and sureties/securities upon receipt of information about an interdiction of allegedly infringing consignment.

Each IPR requires a separate notice, with necessary fee pre-paid for each application.

The form of notice is as follows:

Notification No. **47/2007-CUSTOMS (N.T.) dated 08.05.2007** -ANNEXURE (see sub-rule(2) of rule 3) - Format for notice in respect of goods infringing intellectual property rights under Intellectual Property Rights(Imported Goods) Enforcement Rules , 2007

1. Name of the Applicant:
2. Contact Details of the applicant:
 - (A) Office address:
 - (B) Residence address
 - (C) E-mail address
 - (D) IEC No
3. Applicant's Telephone numbers (including mobile number)
4. Name and contact details of authorized representative of the right holder. (please attach authorization from the right holder)
5. Proof of the existence and ownership of a valid intellectual property right by the right holder

6. A statement of the grounds for the notice of suspension of release of the goods allegedly infringing intellectual property rights
7. In the case of a specific consignment of goods allegedly infringing intellectual property rights, details of the consignment and a statement of the ground for the notice including prima facie evidence of infringement
8. Detailed description of the goods with Customs Tariff Heading in respect of which an intellectual property right applies, together with a sample, model or photograph of a genuine product.
9. Name of customs airport/ customs port/land customs station to be covered.

I/We declare that the particulars furnished above are true to the best of my/our knowledge and the documents enclosed herewith are genuine.

Signature of the right holder or his authorized representative

Office Seal

Place:

Date:

Alongside the notice, the following documents must be submitted:

- (i) Proof of ownership of the IPRs and a scanned copy of the registration certificate issued by the concerned Authorities.
- (ii) Serial number of the demand draft of INR 2000/-. The demand draft must be issued by any nationalized or scheduled bank in India and made out in favour of the Commissioner of Customs of the opted location.
- (iii) Scanned copy of power of attorney in favour of counsel / advocate / agent who is filing the Application.
- (iv) A statement of exclusivity outlining the scope of the IP right sought to be recorded.
- (v) Digital images of genuine goods (for trademarks and designs).
- (vi) Statement of grounds of suspension of infringing goods.
- (vii) Digital images of infringing goods (if applicable/ available).
- (viii) Differentiating features of genuine and infringing goods (not mandatory but advisable for trademarks and designs).

- (ix) The IEC code of the rights holder and/or other authorized importers (not mandatory but advisable).
- (x) Customs Tariff headings of the applicable goods (if available).
- (xi) In case of geographical indications, description of the geographical indications, geographical area of production and map.
- (xii) The General Bond or Centralised Bond.

Execution of Bond and Bank Guarantee

The RH must execute a bond, along with an indemnity bond, with the Commissioner for such amount with such surety and security as determined, undertaking to protect the importer, consignee and the owner of the goods and the competent authorities against all liabilities and to bear the costs towards destruction, demurrage, disposal and detention charges and expenses on account of suspension of the release of allegedly infringing goods. The bond amount determinable is 110% of value of goods and security is 25% of such bond value.

The main objective of the ARTS is to provide for a single centralized bond account with security that can be used at all ports in India, so that the right holders do not have to rush to different Customs formations to execute consignment specific bonds with securities in case of interdiction of allegedly infringing consignments at the different Customs formations. The ARTS has been so designed that while the creation of Centralized Bond account, credit (top-up) of the amounts to the bond and the security and cancellation thereof are operated only by the officers of the Customs formation where the Centralised Bond is executed, the debit of amounts and re-credit of the amounts pertaining to those debits can be done only by officers at the ports where the allegedly infringing goods are interdicted. The re-credit shall be done after verification of the fact that no legal proceedings and dues are pending in relation to the debit. It shall be responsibility of the right Holders to ensure that that the Centralized Bond and security account has sufficient balance. In case of inadequate balance, the same can be supplemented by executing a supplementary bond with necessary security at the Custom House where registration has taken place.

Interception of Infringing Goods

Following registration, Customs is mandated to halt the import of goods suspected to be counterfeit or infringing, either proactively or based on information provided by the rights holder. Upon receiving notice from the Rights Holder (RH), the Deputy Commissioner of Customs or

Assistant Commissioner of Customs (referred to as AC for brevity) must suspend the clearance of goods if there is reason to believe they infringe intellectual property rights (IPRs). Simultaneously, the importer and the rights holder are promptly informed of the suspension, along with the reasons behind it.

In cases where the clearance of alleged infringing goods has been suspended, the Rights Holder (RH) or their authorized representative must engage in the proceedings within ten working days from the suspension date. For goods suspected of infringing intellectual property rights and are perishable, the suspension period is limited to three working days. If the RH or their representative fails to participate in further proceedings within the specified timeframe, Customs authorities will release the suspected goods.

Upon the RH or their authorized representative joining the proceedings within the stipulated time frame, the AC, with grounds to believe that the detained goods infringe intellectual property rights and are subject to confiscation under Section 111 (d) of the Customs Act, carries out a seizure under Section 110 of the Customs Act.

The Customs officer facilitates the examination of the goods by the rights holder and the importer or their duly authorized representatives. Representative samples may be provided for examination, testing, and analysis to determine whether the goods are pirated, counterfeit, or otherwise infringe on intellectual property rights, ensuring the protection of confidential information. Additionally, upon the right holder's request, the Customs officer may disclose the importer's name and address, along with any pertinent information about the consignment, without compromising confidentiality. Likewise, at the importer's request, the Customs officer provides information about the rights holder's name and address, along with additional relevant details about the consignment.

Post-Seizure Proceedings and Disposal of Infringing Goods

Following the seizure of alleged infringing goods, Customs authorities undertake quasi-judicial proceedings in accordance with the provisions outlined in the Act. During the adjudication process, both the Importer and the Right Holder are afforded a fair opportunity to present their cases, and a Customs officer issues an appealable order based on the merits of the case. If the infringed goods are determined to violate intellectual property rights (IPRs), they are

confiscated under Section 111 (d) of the Customs Act, 1962, through the issuance of a well-reasoned order.

In instances where the Customs officer finds that the detained or seized goods have indeed infringed IPRs and have been confiscated under Section 111 (d) of the Customs Act, 1962, with no other legal proceedings pending, the officer may order the destruction of such goods under official supervision or their disposal outside the normal channels of commerce. This action requires obtaining the 'no objection' or concurrence of the right holder or their authorized representative. The Right Holder is granted a twenty-working-day opportunity to file any objection to the proposed mode of disposal recommended by Customs.

The demurrage and detention charges incurred until the time of destruction or disposal, as applicable, are the responsibility of the Right Holder. Furthermore, the confiscated goods are not eligible for re-exportation. The Customs officer, either independently or at the request of the Right Holder, may retain samples of goods infringing intellectual property rights before their destruction or disposal. These retained samples can be provided to the right holder or importer if needed as evidence in pending or future litigations.

The way forward

As discussed, Intellectual Property (IP) serves as a crucial safeguard for authentic assets integral to a business's core services. The imperative to extend protection of IP rights beyond national borders has become a prominent concern. In alignment with TRIPS and the World

Customs Organization Model, the Enforcement Rules of 2007 were introduced to fortify border measures for IP protection. These rules establish a mechanism called Customs Recordal, enabling Rights Holders to register their rights with Customs Authorities. Once recorded, Customs Authorities possess the authority to seize and detain goods suspected of infringing on IP.

To facilitate the effective implementation of IP laws, the departments and authorities responsible for administering IPR laws are to be adequately equipped to provide essential services to rights holders. Nevertheless, promoting greater collaboration between policymakers, organizations, and the trade and industry sectors before introducing additional policy measures is advisable. Successful implementation requires raising awareness among field officers about the applicable laws' scope and the necessity of robust enforcement to combat any infringements.

It is crucial for Customs to enhance efforts in securing and facilitating legitimate trade while concurrently combating counterfeiting and the illicit use of Intellectual Property for unauthorized gains by individuals or companies. This proactive stance is vital in addressing present challenges and ensuring the integrity of trade while safeguarding intellectual assets.

In the coming part latest development in the IP related issues in India and around globe are deliberated.

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RERA – IMPORTANT DEFINITIONS AND REFERENCES IN ALL OTHER STATUTES



CA. Vinay Thyagaraj

2(e) Apartment	2(f) Appellate tribunal	2(g) Appropriate Government	2(h) Architect
2(i) Authority	2(j) Building	2(k) Carpet area	

Definitions in a statute are vital as they provide clarity and precision to legal language, ensuring uniform interpretation. They serve as a compass, guiding courts, lawyers, and users to understand the legislator's intent. Clear definitions mitigate ambiguity, reducing the risk of misapplication or legal disputes. By establishing the meanings of key terms, definitions contribute to the statute's consistency and effectiveness. This precision promotes fair enforcement, fosters legal predictability, and enhances the rule of law. In essence, definitions are the foundation of legal certainty, offering a solid framework for the application and understanding of statutes in the legal system.

The Real Estate (Regulation and Development) Act, 2016 (RERA) is a comprehensive regulatory statute that governs the real estate sector in India. It provides unambiguous definitions for various terms related to real estate, ensuring consistency and clarity in the interpretation and application of the law.

The importance of RERA's definitions is further emphasized by the fact that other statutes, such as the Income Tax Act, GST, FEMA, and PMLA, rely on RERA for any definitions related to real estate. This ensures that there is a uniform understanding of these terms across different legal frameworks, which is crucial for effective enforcement and compliance.

Sec	Definition	Sec	Definition	Sec	Definition
2(a)	Adjudicating officer	2(p)	Competent authority	2(ze)	Notification
2(b)	Advertisement	2(q)	Completion certificate	2(zf)	Occupancy certificate
2(c)	Agreement for sale	2(r)	Day	2(zg)	Person
2(d)	Allottee	2(s)	Development	2(zh)	Planning area
2(e) Apartment		2(t)	Development works	2(zi)	Prescribed
2(f) Appellate tribunal		2(u)	Engineer	2(zj)	Project
2(g) Appropriate Government		2(v)	Estimated cost of real estate project	2(zk)	Promoter" means
2(h) Architect		2(w)	External development works	2(zl)	Prospectus
2(i) Authority		2(x)	Family	2(zm)	Real estate agent
2(j) Building		2(y)	Garage	2(zn)	Real estate project
2(k) Carpet area		2(z)	Immovable property	2(zo)	Regulations
2(l)	Chairperson	2(za)	Interest	2(zp)	Rule
2(m)	Commencement certificate	2(zb)	Internal development works	2(zq)	Sanctioned plan
2(n)	Common areas	2(zc)	Local authority	2(zr)	Words and expressions
2(o)	Company	2(zd)	Member		

Section 2(e) "apartment" whether called block, chamber, dwelling unit, flat, office, showroom, shop, godown, premises, suit, tenement, unit or by any other name, means a separate and self-contained part of any immovable property, including one or more rooms or enclosed spaces, located on one or more floors or any part thereof, in a building or on a plot of land, used or intended to be used for any residential or commercial use such as residence, office, shop, showroom or godown or for carrying on any business, occupation, profession or trade, or for any other type of use ancillary to the purpose specified;

In real estate legal contexts, the term "apartment" can indeed have a more encompassing definition than what is commonly understood in everyday language. When we hear the word apartment, we always relate to a residential unit/flat. However, the definition of apartment under the Real Estate (Regulation & Development) Act 2016 is wider. The definition of the apartment includes the categories of residential, commercial, mixed development in the real estate projects.

Further reference of apartment is made throughout the Act, the word apartment referred to in the other definitions in the RERA Act viz., Real estate project, Real Estate Agent, Promoter, Carpet Area, Allottee, advertisement.

Promoters, Professionals and stakeholders to aware, understand the legal definition of the apartment while drafting the documents and giving the references.

Section 2(f) "Appellate Tribunal" means the Real Estate Appellate Tribunal established under section 43;

An Appellate Tribunal, in a legal context, is a body that hears appeals against decisions made by lower courts or administrative agencies. Its primary function is to review the judgments or orders of lower courts/officers/authority to ensure that they were made correctly and in accordance with the law. The establishment and functioning of Appellate Tribunals are often prescribed by statutes or laws enacted by the legislative authority.

Under RERA the appropriate government (i.e., State of Karnataka) shall, within a period of one year from the date of coming into force of this Act, by notification, establish an Appellate Tribunal to be known as the (name of the State/Union territory) Real Estate Appellate Tribunal.

The Appellate Tribunal under RERA shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908 but shall be guided by the principles of natural justice and shall also not be bound by the rules of evidence contained in the Indian Evidence Act, 1872 (Section 53). Further for the purpose of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908.

Under RERA Act 2016 under Chapter VII, starting from Section 43 to Section 45 detailed about the Real Estate Appellate Tribunal.

Section 2(g) - "appropriate Government" means in respect of matters relating to —

- (i) the Union territory without Legislature, the Central Government;
- (ii) the Union territory of Puducherry, the Union territory Government;
- (iii) the Union territory of Delhi, the Central Ministry of Urban Development;
- (iv) the State, the State Government;

RERA Act 2016 being the Central Act, the power to administer, regulate is given to the Appropriate Government's. Accordingly, the Appropriate government shall -

1. Frame the Rules and notify
2. Notify the regulations so framed by the Authority
3. Appropriate Government considers it necessary, it may, reduce the threshold below five hundred square meters or eight apartments, as the case may be, inclusive of all phases, for exemption from registration under this Act
4. Shall establish the RERA Authority
5. Shall Appoint the RERA Chairperson and its members
6. Shall establish the Real Estate Appellate Tribunal
7. Shall Appoint the Real Estate Appellate Tribunal Chairperson and its members
8. Shall Appoint the Adjudication officer to adjudicate the compensation
9. Appropriate Government shall constitute a fund to be called the 'Real Estate Regulatory Fund'

Section 2(g) - "architect" means a person registered as an architect under the provisions of the Architects Act, 1972;

1. The RERA Act recognizes the pivotal role of architects in monitoring and certifying the progress of the development of a project.
2. Architects are responsible for issuing necessary certificates that indicate the status of the project.
3. Reliance on Architect Certificates by Authorities: Regulatory authorities rely on the certificates issued by architects when making decisions on project approvals, adjudication, and other relevant matters.
4. Mandate Under Section 4 (2) (l) (D) of RERA Act: Section 4 (2) (l) (D) of the RERA Act mandates the architect to issue certificates related to financial aspects, specifically for the withdrawal of funds from the designated bank account.
5. Architect Certificates at Various Stages: Architect certificates are required at different stages of the project, including during project registration, quarterly updates, extension of the project end date, and any changes or modifications to the plans.
6. Qualifications and Licensing: The RERA Act specifies that architects involved in the certification process must hold a valid certificate of practice.
7. Additionally, architects are required to have a valid license from the Council of Architects, ensuring that they meet the professional standards set by the regulatory body.
8. The authority relies on the certificate issued by the architect and consider the contents while deciding on the registration of project, adjudication, extension, change or modification of plan etc
9. In summary, architects play a crucial role in the RERA Act's framework by providing certifications that are relied upon by regulatory authorities for various approvals and decisions. The Act also mandates specific responsibilities for architects, emphasizing the need for professional qualifications and licensing to ensure the integrity of the certification process.

Section 2(i) -"Authority" means the Real Estate Regulatory Authority established under sub-section (1) of section 20;

RERA Authority refers to the regulatory body's established under the Real Estate (Regulation and Development) Act, commonly known as RERA.

Under RERA, each state and union territory in India is required to establish its own Real Estate Regulatory Authority (RERA Authority) to oversee and regulate the real estate sector within its jurisdiction. The RERA Authority functions as a regulatory body to ensure that real estate developers, builders, and other stakeholders comply with the provisions of the RERA Act.

Key functions of the RERA Authority include -

1. Registration of Projects: Real estate developers are required to register their projects with the RERA Authority before advertising or selling them. This ensures that all projects are transparently presented to potential buyers.
2. Regulation of Real Estate Agents: RERA regulates real estate agents and mandates their registration with the authority. This helps in bringing professionalism and accountability to the real estate brokerage industry.
3. Adjudication of Disputes: The RERA Authority has the power to adjudicate disputes between homebuyers and developers. This is intended to provide a quick and efficient mechanism for resolving conflicts.
4. Monitoring Project Progress: RERA Authorities monitor the progress of registered projects to ensure that developers adhere to timelines and complete projects on schedule.
5. Imposition of Penalties: The authority has the authority to impose penalties on developers for non-compliance with the provisions of the RERA Act. These penalties are intended to discourage malpractices and protect the interests of homebuyers.
6. Ensuring Transparency: RERA promotes transparency by requiring developers to provide accurate project information, including details about the project, land status, approvals, and possession dates. It's important to note that the structure and specific functions of RERA Authorities may vary slightly from one state or union territory to another, as the implementation of RERA is within the purview of individual states and union territories in India. Stakeholders of the industry are encouraged to familiarize themselves with the specific rules and regulations of the RERA Authority in their respective states.

Section 2 (j) -"building" includes any structure or erection or part of a structure or erection which is intended to be used for residential, commercial or for the purpose of any business, occupation, profession or trade, or for any other related purposes;

Section 2 (k) - "carpet area" means the net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, but includes the area covered by the internal partition walls of the apartment.

Explanation - For the purpose of this clause, the expression "exclusive balcony or verandah area" means the area of the balcony or verandah, as the case may be, which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee; and "exclusive open terrace area" means the area of open terrace which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee;

Carpet area, as defined under RERA, is the net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area, and exclusive open terrace area. It essentially represents the actual area within the walls of the apartment that can be used by the allottee / home buyer.

The exclusion of certain areas ensures that only the actual living space is considered when calculating the carpet area, providing greater transparency to homebuyers about the space they are purchasing. The carpet area is significant because it is used to determine the cost of the property and is also considered while specifying the dimensions of rooms.

Developers are required to provide accurate information about the carpet area in their projects to prospective buyers under RERA. This is part of the broader objective of RERA to promote fairness, transparency, and efficiency in the real estate sector in India. It's important for all the stakeholders of the real estate industry to be aware of the carpet area to make informed decisions about their property purchases.

Carpet Area is a transformation practice in the Real Estate Business. Prior to RERA the industry practice the business based on Saleable Area or Super built up Area or Builtup Area etc. further saleable Area not being defined anywhere (like building bye laws, etc..) the ambiguity in terms of the area built up area being developed was always exploited to the disadvantage of a home buyer by the small section of the group.

Further the requirement of a Promoter of the Real estate project to disclose the number, type and the carpet area of apartments for sale in the project along with the area of the exclusive balcony or verandah

areas and the exclusive open terrace areas apartment with the apartment in accordance with Sec 4(2)(h) of the Act, makes it that much more transparent for a home buyer while purchasing an apartment.

Allottees/Customers do understand, appreciate when they have common comparison - lets understand the sensitivity of Carpet Area with a small Example -

To conclude RERA's definitions is further emphasized by the fact that other statutes, such as the Income Tax Act, GST, FEMA, and PMLA, rely on RERA's definitions. This will ensure uniform understanding of these words across different legal frameworks, which is decisive for effective enforcement and compliance

Details	Project A	Project B	Other factors
Apartment	2 BHK Unit	2 BHK Unit	
Super-built Up Area	1200 Sft	1200 Sft	Both are good, similar location equally good
Total Price	54 Lacs	60 Lacs	Generally, everyone tries to compare the price. Lower one would be considered
Carpet Area	800 Sft	900 Sft	
Rate per Sft of Carpet Area	Rs. 6,750 per sft	Rs. 6,666 per Sft	Given the details of Carpet Area, one would prefer Project B, even though the total price is more. As the price per square feet of carpet area is less and the purchaser gets more area in the apartment.

In summary CARPET AREA = NET USABLE FLOOR AREA + INTERNAL WALLS

To conclude RERA's definitions is further emphasized by the fact that other statutes, such as the Income Tax Act, GST, FEMA, and PMLA, rely on RERA's definitions. This will ensure uniform understanding of these words across different legal frameworks, which is decisive for effective enforcement and compliance.

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POWER OF GOAL SETTING



CA. Rajat Rashmi

Think of a nail-biting, high-strung, suspenseful, gripping football match. Every eye is on the ball, players sweating, jostling, navigating, outwitting and competing to get the ball to the goal. These are your dream teams playing against each other. You are thrilled, excited, exhilarated, enthused and overpowered by the magical experience. And then something happens. The goal goes missing. There are no goal-posts. Players have no choice but to keep playing for 90 minutes. And then the match goes into extra time, still no result. Penalty shootout is the ultimate comedy. No matter where the players kick the ball, there will be no goals. So even after the penalty shootout there are no winners. Finally the match concludes, with the referee dismissing both teams as incompetent!

This sounds quite ridiculous on the football field. Think about it. Isn't this how we lead our lives more or less? Better health, better relationships, more money: whatever the aspiration they are never set on stone, apparently to avoid eventual disappointment of not achieving them. If there are no goals, we will retire from the game unfit, won't we?

What is a goal? I know this is the millennium's most hated question. So I just removed the goal post from the football field. Every year starts with an effort to set things right through new year resolutions and then it turns into a tapestry of failed commitments, eventually with us choosing to remove the goal-posts.

A bunch of trainers realised that goals need a relook. A different perspective maybe... Not to blame people for not achieving them, but as a lifestyle process. Sort out the lifestyle and consequently solve the problem of poor goal navigation.

It is difficult NOT to achieve a goal which is set correctly. But it is impossible to achieve goals which are set with vague ideas of how they can be achieved. One of the training programs I conduct is regarding goal setting: 'Champion Level Goal Setting'. This is a signature program of BSTA and has helped people win olympic gold medals and businesses generate millions.

The program helps people realise their purpose, their value system and then set a goal based on their life's purpose.

It's a goal set in stone and therefore achieving it is also easy. Quite so because it is a natural progression of our own life purpose.

Don't start getting scared of the process already. Chill! Most of us do not need drastic lifestyle alterations to achieve some of the most elusive goals of our lives. All we need is to calibrate the goals with our lives and then pursue them.

Goals or no goals, we covet achievements, don't we? Often we don't chart the map for ourselves to get to those achievements. Stuck between a rock and a hard place, we complain about the shortage of time. There is no time vending machine which can give us as much time as money can buy. I have observed 2 important things about time:

The size of the days and the months are constant for all.

Number of days, months and years we live, doesn't guarantee anything.

These two things make managing time quite an occult thing, like magic. Some go to the heights of achievement in a short period of time and some live to be over a 100 years and still don't get anything much done. Some achieve success early on like Mark Zuckerberg at age 23 and some later like Charles Darwin who published his Theory of Evolution at age 50. So there is no time limit to a consistent approach towards a goal. It's not the time that's in short supply. Often it is the intent. Intent is like the transformer which powers up lives based on its capacity and its utilisation. And both can be enhanced.

Capacity enhancement requires energy management of one's own self. And utilisation enhancement requires clarity of goal, so energy does not get wasted in things that don't add value. Energy management is a separate topic of discussion, one that involves a high level of physical, mental, emotional and spiritual discipline. Let's focus at the moment on utilisation. The persuasion

of Goals. The goal itself has the capacity of creating the resonance which brings about higher energy levels.

For a lot of us, setting goals is the surest way to torture ourselves. I have experienced that the easiest goals are those which are being driven by others. The most difficult are those which are driven by us. This is because of the concept of the Locus of control, a theory propounded in the 50ies by Psychologist Julian B. Rotter.

In order to create successful goals we need to understand where our locus of control is located: external locus of control would result in statements like: “I would have done it but...” Internal locus of control would sound like this: “I am responsible, I did not get it right.” It's not necessary to fix your locus of control within to achieve your goals; though it's an ideal situation. We all lack the capacity to strongly place the locus of control within, in the beginning of our careers. The locus moves closer within as we grow in our careers. However when setting the goals, we need to be sure of where our locus of control lies. It will help us to create a plan ‘B’ more carefully.

No matter where your Locus of control is, goal setting requires that we ensure an accountability partner is there to push us in the right direction. 5 things to keep in mind when setting a goal are:

Your own value system.

Your priorities in various areas of your life (Personal, Professional and Family)

Your present status in relation to the goal

What you need (Skill, people, resources) to achieve the goal.

Upper time limit you want to set for the achievement of the goal.

The above need to be clearly identified, defined and visualised. The accountability partner needs to be entrusted with the task of keeping a tab on you. Best accountability partners are those who also are in the same journey with you. This way you can both help the other to achieve success. However if you are gifted with an authority figure who is willing to invest in your progress, please do approach them. If you can't find any accountability partner to your satisfaction, you probably need a coach. Someone who can guide you professionally to get a grip of your Locus of Control and your energy management.

I used to pride myself in being the champion in firefighting. “When going gets tough,” I'd brag, “I get cooler, calmer and more collected.” But I began to realise the need to weed off the fire itself. I realised that firefighting around something that has totally gone wrong is a very poor way to exist. The best way would be to live in a nothing's wrong world. And that world appears when we have the skill of perfect goal setting. And believe me it is possible.

Just one word of caution: when you reach that ‘nothing's wrong’ world, you must remove the pride and work with it like a rookie. Have a great New Year and good luck with all your new year's resolutions. May you achieve them all.

*Author can be reached at :
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**KARNATAKA STATE
CHARTERED ACCOUNTANTS ASSOCIATION**

**2 Days
Residential Course
-RERA Enabler Program**

Organized by
Corporate & Allied Laws Committee of KSCAA

Key Takeaways:

- Acquiring practical understanding on RERA Act 2016 and Karnataka RERA Rules 2017
- You can plan and start advise on RERA Registration and CA Certifications to the promoters
- Professional Opportunities under RERA
- Sessions by Eminent speakers

DATE: 15.12.2023 & 16.12.2023

VENUE: Ramee Guestline Hotel, KIADB Industrial Area Attibele, Bengaluru

Early bird closes on : 15th Nov. 2023 – Rs.7,500/-+ GST
Last date for Registration : 30th Nov. 2023 – Rs.9,000/- + GST

Ethics from Epics - 4



CA Allama Prabhu M S

Wisdom springs from the bed of arrows

Part - 2

By virtue of the boon granted by Krishna, Bhishma feels that he has become young again; his memory razor sharp and perceptions keen. Krishna confers greatest celestial understanding to Bhishma and chooses him to narrate & thereby attain eternal fame. He wishes that the opinions of Bhishma be regarded as authoritative pronouncements by kings to come. Bhishma thanks Krishna for choosing him and thereby granting him the opportunity.

Yudhishtira seizes Bhishma's foot and wipes it with his tears. Bhishma, with his affectionate words, consoles him and encourages him to ask him anything, without fear or hesitation.

Yudhishtira inquires on variety of topics.

A few fascinating conversations are stated here.

1. Destiny or actions - which one is more influential?

A king has to act on time. Those who act late will not be supported by fate. Bhishma says, since action determines destiny, action is more effective than destiny & thus action(exertion) is superior to destiny.

Mere fate never brings about the goals the King desires to accomplish without action (ಪ್ರಯತ್ನ) and manliness (ಪೌರುಷ). One who works is more valuable than one who merely speaks.

"A king should essentially be a man of action. You might have heard from many that destiny rules a king. It is a fallacy in reasoning if you think so. Destiny does play a part. I grant that. But without action, a king can never help destiny to play her part. Destiny is powerful but action is equally powerful. Both are potent. But to me, it seems that action is the more potent of the two. It is action which shapes the destiny."

(from Mahabharata, by Kamala Subramaniam)

2. Arts & Science of Royal Duties

The core responsibility of the King is to protect all citizens. A king should protect his citizens as a mother protects the unborn child she is carrying in her womb. Those rulers who fail to carry out their responsibility of protection live in vain.

A good king will always seek the good of his subjects, and in doing so, he will get good for himself.

By setting spies and secret agents, a King should always seek to find out the acts and thoughts of all the segments of his subjects and accordingly plan his strategies for the betterment of his kingdom.

*"Protecting others from thy own,
and thy own from others,
as also others from others,
and thy own from they own,
do thou always cherish thy people"*

(Exact Poetic words from Vedavyas's *Shanthiparva*)

He is the greatest of all the Kings, where ALL the people of his Kingdom live fearlessly, just like sons in their father's home and they don't have to be dishonest, conceal their wealth or evade tax.

In order to get religious merit, a King must dedicate himself to the welfare of his subjects and safeguard them to the best of his ability and knowledge while taking into account regional as well as temporal factors.

Many sages have drawn inspiration from the ideas presented in Shanthi Parva, restating, refining, and reiterating them in order to strengthen, abridge, and make them practical and useful for the future.

Furthermore, throughout the millennia, all kings have adhered to these values, even when multiple faiths existed. Their future generations also invariably followed the same philosophy.

ಸರ್ವಧರ್ಮವಾತ್ಸಲ್ಯ

ಶ್ರೀ ಡಿ.ವಿ.ಜಿ ರವರ “ಅನ್ಯತಾಪರಗೀತೆ” ಪುಸ್ತಕದಲ್ಲಿ ಬರುವ ‘ಬೇಲೂರು ಗುಡಿ ಚರಿತ್ರಾಂಶ’ ಟಿಪ್ಪಣಿಯಲ್ಲಿ,

ರಾಜ ವಿಷ್ಣುವರ್ಧನನ ನಾನಾ ಧರ್ಮವಾತ್ಸಲ್ಯದ ಪರಿಕಲ್ಪನೆಯನ್ನು ಕೊಂಡಾಡುತ್ತಾ:

“ಶುದ್ಧ ಲೌಕಿಕತೆ ಎಂದರೆ ಮತವಿರೋಧವೆಂದಲ್ಲ; ಮತವಿಷಯದಲ್ಲಿ ಉದಾಸೀನವೆಂದೂ ಅಲ್ಲ; ಮತ ಪಕ್ಷಪಾತವಿಲ್ಲವೆಂಬುದಷ್ಟೇ ಆ ಮಾತಿನ ಅರ್ಥ; ಪ್ರಜೆಯಲ್ಲಿ ಯಾವ ಯಾವ ಮತಗಳಿಗೂ ಅಪ್ಪಣೆ ರಾಜ್ಯದ ಮತಗಳೆ; ಅವೆಲ್ಲವೂ ರಾಜನವೇ. ರಾಜ್ಯವು ಅಥವಾ ರಾಜನು ಯಾವುದೋ ಒಂದು ಮತ ಮಾತ್ರ ತನ್ನದು, ಮಿಕ್ಕದ್ದು ತಡ್ಡಿರುದ್ದವಾದದ್ದು ಎಂದು ಭಾವನೆಯಿಟ್ಟುಕೊಳ್ಳತಕ್ಕದ್ದಲ್ಲ. ಪ್ರಜೆಯ ಎಲ್ಲ ಮತಗಳನ್ನೂ ಏಕರೀತಿ ಪರಿಪೋಷಿಸತಕ್ಕದ್ದು ರಾಜ್ಯದ ಧರ್ಮ” ಎಂದು ವಿವರಿಸಿರುತ್ತಾರೆ.

While admiring Hoisala King *Raja Vishnuvardhana* for his attitude of universal acceptance of all religions, Dr. DVG asserts in his book *Anthahpurageete*:

“Secularism does not imply disregard for religions. It simply refers to religious impartiality. The king ought to uphold all religions that are practiced in his kingdom. He should not claim any particular religion as his own and adopt a hostile stance toward others. Every faith in the kingdom should have equal support and nourishment from its sovereign.”

3. Collection of Taxes

The first recorded tenets on tax collections can be found here.

Like a bee collecting honey from plants, a king ought to milk his realm. He ought to behave like the caretaker of a cow, milking from her without boring her udders or depriving the calf of nourishment (without starving the calf).

He should treat his people like a tigress holding her cubs, stroking them with her teeth but never piercing or penetrating them.

The king should never levy taxes out of season or on people who are unable to pay them (unseasonable and unreasonable).

In fact, the analogy of a bee gathering honey from blossoms is also found in Chanakya’s *Artha shastra*.

It’s very interesting to note that in the Karnataka High Court Judgement in *Wipro Ltd vs. Commissioners of Income Tax* [Writ Petition No.20040/2019 (T-IT)], Judgement dated 25.08.2021, Honourable Mr. Justice Krishna S Dixit relevantly quotes several legal principles and morals which are to animate levy of taxes.

Extracts from his judgement are given below:

A great Indian poet Kalidasa (500 CE) in his epic poem “*Raghuvamsham*” (1-18) states:

1. *“The King Dilip collects from his subjects only 1/6th of their income as tax for the welfare of State, indeed like the sun taking earthly water drops, only to indemnify her with multiples of rain-drops...”*
2. *Chanakya in his acclaimed work “Arthashastra” advises the Rulers: “Collect taxes from the citizens as honeybees collect nectar from the flowers, gently and without inflicting pain...”;*

He further continues to quote our favourite Nani Palkhivala and says:

“Mr. Nani Palkhivala, in the concluding paragraph of Preface to the Eighth Edition of “The Law and Practice of Income Tax” said “Every Government has a right to levy taxes. But no Government has the right, in the process of extracting tax, to cause misery and harassment to the taxpayer and the gnawing feeling that he is made the victim of palpable injustice.”

More fascinating information regarding our taxation history can be found on the Income Tax India website, which may be accessed by clicking on the following link:

<https://incometaxindia.gov.in/Pages/about-us/history-of-direct-taxation.aspx>

(To be concluded)

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KARNATAKA STATE
CHARTERED ACCOUNTANTS ASSOCIATION



Intensive GST Residential Course

Concept and Delivery

- Revenue Perspective of issues in GST
- Teams size of 10-12
- Presentation by Team
- Group Discussion
- Participative Approach
- Value add by Chair

Date:
2nd to 4th Feb 2024
Friday to Sunday

Venue:
Ramee Guestline
Bangalore

Who should attend?

- ◆ Members who wants to Understand the revenue Perspective to better appreciate and get deeper understanding of subject.
- ◆ Members into GST Practice and attending notices
- ◆ Young members aspiring to learn the right ways to handle notices
- ◆ Members who want to refine and prune their litigation representation skills
- ◆ Members willing to take a deeper dive into nuances of GST provisions

HURRY!

LIMITED

SEATS

Close of registration: 21st Dec

Register @ www.KSCAA.com

Schedule - Friday, 2nd Feb

- Check-in at 1 pm
- Registration and Inauguration : 3 pm
- Time for preparation and group discussion
- Networking & Fellowship

Last date to register:
15th Dec Early bird

KSCAA Members -
Rs. 9,000 +GST
Non KSCAA Members -
Rs.10,000 +GST

Schedule - Saturday, 3rd Feb

- 9 am to 6 pm - Paper Presentation from teams and Views of the Chair
- 6 pm to 8 pm - Tracing provisions of GST to Articles of Constitution

Registration:
Post 15th Dec

KSCAA Members -
Rs. 10,000 +GST
Non KSCAA Members -
Rs.11,000 +GST

Schedule - Sunday, 4th Feb

- 10 am to 11 am - Prepping up for GST Tribunal and essentials to know

Members below the age of 30 years to get 5% discount [Code:<30]

Chair:

1. CA Jatin Christopher
2. CA Rajesh Kumar T R
3. Adv Sai Prasad
4. Awaiting confirmation

CA. Sujatha G, President, KSCAA CA. Sunil Bhandary, Secretary, KSCAA

Indirect Tax Committee

CA. Subramanya B L - Chairman CA. T N Raghavendra
- Program Coordinator

For enquiry contact: +91 95357 15015

Photo Gallery



Eloquent Professional Meetings on Saturdays at the KSCAA Office
Organized by the Leadership and Skill Development Committee of KSCAA



Webinar on Income Tax implications on Issue of Securities Organized by the Direct Tax Committee of KSCAA on 5th December 2023

Upcoming Events



KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION

“Untapped Opportunities for CAs in Serving MSME”
Webinar
by 'Women Empowerment Committee'

■ A Comprehensive Understanding on MSME

Date :
22nd Dec 2023, Thursday
Time :
6.00 pm to 7.30 pm

“Everything, you must know about MSME”

No fees



Speaker:
CA, Venkatesh Bhat
Managing Partner, Astravise LLP

CA. Sujatha G, President, KSCAA

CA. Sunil Bhandary, Secretary, KSCAA

CA. Abhilasha Chaturvedi - Chairperson

CA. Padmaja Sunkad - Convenor

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[Karnataka State Chartered Accountants Association](https://www.youtube.com/channel/UC...)

[kscaa.com](https://www.kscaa.com)

For Online Registration Visit:
www.kscaa.com

For enquiry contact: +91 96208 98670



KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION

Sports & Cultural Committee

KSCAA ಕ್ರೀಡಾ ಹಬ್ಬ
Sports & Cultural Meet 2023

Date: 17th Dec 2023, Sunday
Time: 9am Onwards
Venue: KGS Club, Cubbon Park

- ◆ Carrom
- ◆ Chess
- ◆ Lawn Tennis
- ◆ Table Tennis
- ◆ Pick & Act
- ◆ Singing
- ◆ Drawing
- ◆ Funny Family Games



ಕನ್ನಡ ರಾಜ್ಯೋತ್ಸವ
Time: 2.30pm Onwards
Special invitees
CA. Pannaraj, Chairman SIRC
CA. Shivram Bhat

FOR CA & CWS FRABLY

CA. Sujatha G, President, KSCAA

CA. Sunil Bhandary, Secretary, KSCAA

CA. Herambha Hegde - Chairman

CA. Akash Hegde - Convenor

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BOMBAY CHARTERED ACCOUNTANTS' SOCIETY

Reimagine

4th - 6th January 2024

Jio World Convention Centre, BKC, Mumbai

ABOUT THE EVENT

On 6th July 2023, BCAS entered its Platinum Jubilee, marking 75 years of service to the community of Chartered Accountants and Society at large. To celebrate this landmark year, events and initiatives are planned throughout the year. The jewel in the crown will be a grand 3-day mega event on *Reimagining the Profession* which will be held at the prestigious Jio World Centre, Mumbai on January 4, 5 and 6 of 2024. Around 1500+ participants are likely to attend the Mega Conference.

TOPICS	THOUGHT LEADERS
Reimagine India - Key note address	Padma Bhushan Shri Kumar Mangalam Birla
One Giant Leap - Start-ups Importance of Professionals in Start up Journey	Startup Founders/ Venture Catalyst/ Investor
Use of Technology & AI Direct and Indirect Taxes	CA Pinakin Desai Adv. Nishith Desai
Digital Infrastructure – A Game Changer How Digitisation is Impacting the Common Man	Fireside Chat with Mr. Ashish Chauhan Triologue - Mr. Dilip Asbe Mr. Deepak Sharma CA Ninad Karpe - Moderator
The Future of Audit Profession Technology Revolution – Existential Threat or Game Changing Opportunity	CA Girish Paranjpe CA P R Ramesh CA Akhilesh Tuteja
Reimagine the New Age Professional Firms	CA Jamil Khatri
One World - One Tax (Vasudhaiva Kutumbakam)	Mr. Philip Baker Mr. Pascal Saint Amans CA Gautam Doshi Adv. Mukesh Butani - Moderator
The Victorious A Model for Leadership	Padma Vibhushan Viswanathan Anand, Indian Chess Grandmaster
New Age Economic Wars – Future of the World Role of Professional - Currency War, Cyber War, Tech War, Economic War, etc.	Eminent Thought Leader*
Ride the Capital Market Take the Bull by its Horns	CA Nilesh Shah CA Raamdeo Agarwal Mr. Utpal Sheth Mr. Mangalam Maloo - Moderator
Changing Corporate Landscape Professional Opportunities	CA Raj Mullick Mr. Satyam Kumar Eminent Thought Leader*
Interchanging Role Reimagining One's Comfort Zone CA to Nation Building CFO to Practice Practice to CFO	Padma Shri T N Manoharan CA Milind Sarwate CA Charanjit Attra

Obligated to Confirmation*



Miles has now **cracked the puzzle** for **Indian Chartered Accountants** to **work in the US for 3 years!**



Why the Miles US Pathway

There's a huge shortage of accountants in the US.



What's in it for you

- Starting salary in the US of **\$60,000+** (₹ 50 lakh+)
- Executive Alumni Status of IIM Indore
- Masters from top US Universities
- 3 years of work experience with top US public accounting firms
- Setting up your own off-shoring practice in India

How did Miles crack the puzzle

- Indian engineers do B.Tech in India
- Pursue MS in Computer Science (STEM) from a US university for 1 year
- Get a 3-year work permit after completing the STEM program

*STEM stands for Science, Technology, Engineering, Maths

Miles has worked with US universities to convert the MS Accounting into STEM by adding business analytics into the curriculum. So it becomes **MS Accounting with Analytics** – a STEM program – which now allows accountants the same 3 year work permit like engineers.

Top recruiters in the US



and many more

Contact us: **CA Apoorva Agarwal** - apoorva.agarwal@mileseducation.com | usp.mileseducation.com

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