



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

NEWS BULLETIN

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**ANNUAL
REPORT 2023-24**



From the President

My dear KSCAA members,



It is a pleasure to reconnect with you through this monthly newsletter.

After general election, the newly formed Government brings with it a sense of hope and anticipation for the future. The vision of “Viksit Bharat” encompasses aspirations for growth, innovation, and inclusive development. Having a woman as the Finance Minister for a consecutive term is a remarkable achievement, reflecting the progress towards gender equality and empowerment in leadership roles.

July is exceptionally burdensome for our members due to Income Tax and GST deadlines. Additionally, CBIC issued 16 GST circulars in a single day, demanding in-depth study and interpretation. Furthermore, the upcoming Budget may introduce new changes to the taxation laws.

This edition will encapsulate the achievements and progress made over the past 11 months of my term. As we look ahead, I am pleased to inform you that our Annual General Meeting is scheduled for 12th August 2024. This AGM will provide us with an opportunity to review and reflect on our accomplishments and set the stage for the future endeavors of our association. I request all members to participate actively in the AGM and contribute to the discussions that will shape the path forward for our esteemed association.

I was delighted to be part of the **CA Day 2024** celebration, representing KSCAA at the event organized by Tally Solutions Pvt Ltd. The topic, “**Navigating the Future of Chartered Accountancy: Embracing AI, Tech Innovation, and Skilling,**” allowed me to express my views on collaboration and networking, resonating with this year’s theme,

“Recraft Yourself.”

Events at KSCAA:

- Representation committee submitted 5 representations during the month of June:
- DGTS, CBIC, BZU organised a webinar in association with KSCAA on GST Registration and maintenance of records.
- The Corporate and allied laws committee organised a webinar on New Labour Code.

Stay updated on our programs by following us on WhatsApp and visiting our website.

Let me conclude with a key takeaway from India’s T20 World Cup. The triumph exemplified how effective leadership skills like decisiveness, understanding team strengths, analytical thinking, empathy, and team building could contribute to success.

Thank you

**Best Regards,
CA G Sujatha.
President.**

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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Disclaimer

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INCOME TAX UPDATES



CA. Aditya Bharadwaj

A. CBDT UPDATES

• SPECIFYING FORMS PRESCRIBED UNDER THE INCOME-TAX RULES, 1962 TO BE FURNISHED ELECTRONICALLY

With the approval of Board, the Director General of Income Tax (Systems), hereby specifies that the following Forms shall be submitted electronically with effect from 27 June 2024:

Form	Description
3CN	Application for notification of affordable housing project as specified business under section 35AD of the Income-tax Act
3CS	Application for notification of a semiconductor wafer fabrication manufacturing unit as specified business under section 35AD of the Income tax Act
3CEC	Application for a Pre-filing meeting
3CEFB	Application for Opting for Safe Harbour in respect of Specified Domestic Transactions
59	Application for approval of issue of public companies under section 80C(2)(xix) of the Income-tax Act
59A	Application for approval of Mutual funds investing in the eligible issue of public companies under section 80C(2)(xx) of the Income-tax Act

(Notification number 1/2024-25 dated 24-Jun-24)

B. RECENT JUDICIAL PRONOUNCEMENTS –

1. High Courts

- The licensee was operating a hotel owned by the licensor, managing it alongside the licensor's employees under an operating license agreement. When the licensor terminated the license, the licensee received compensation as part of a settlement, based on an arbitrator's award and consent terms

resolving all disputes related to the agreement. This compensation was specifically intended to cover the loss of revenue from operating the hotel under the agreement, rather than compensating for the loss of any enduring asset. Hence, it is classified as a revenue receipt rather than a capital receipt.

Principal Commissioner of Income Tax -3 v ITC Limited [2024] 164 taxmann.com 88 (Calcutta)

The assessment could not be reopened because the Assessing Officer did not have any documentation to verify that the assessee, a medical professional who filed their return using ITR-3 and claimed benefits under section 44ADA, was an employee of the hospitals from which they received remuneration for their services on a monthly basis. Additionally, deductions were erroneously made under section 194J instead of section 192. Therefore, there was insufficient basis to reopen the assessment.

Sankarnaryanasamy Selvanarayanan v Income Tax Officer [2024] 164 taxmann.com 169 (Madras)

After the assessee-company obtained approval for its resolution plan from the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC), it underwent revitalization under new management. However, the Assessing Officer proceeded to issue an assessment order under section 143(2) and a demand notice under section 156.

Given that the successful resolution, applicant began operating the business of the assessee-company anew, the assessment order and demand notice issued based on the previous management's activities should be rescinded or set aside..

National Sewing Thread Co Ltd v Deputy Commissioner of Income Tax 163 taxmann.com 768 (Delhi)

Due to delays in the State Government's fee reimbursement for 90% of students admitted under a



reimbursement scheme, an education institute deducted TDS but deposited it late. Despite this delay, the institute established reasonable cause as per Section 278AA, showing that criminal prosecution was unwarranted.

Aditya Institute of Technology and Management v State of Andhra Pradesh 163 taxmann.com 738 (Andhra Pradesh)

The Assessing Officer was not justified in treating the unsecured loan taken by the assessee from two companies as fake and making an addition to the assessee's income. The assessee had provided all necessary evidence to substantiate the loan, including confirmations from the creditors, and the loan transactions were conducted through banking channels. Therefore, there was no valid reason for the Assessing Officer to disregard the authenticity of the loan and include it as income in the assessee's assessment.. **Principal Commissioner of Income Tax v Bairagra Builders Private Limited 164 taxmann.com 162 (Bombay)**

In cases where the assessee's request for a personal hearing was denied due to the inability to conduct it via video conferencing, the subsequent order making additions should have considered the guidelines provided in the Circular dated September 6, 2019. According to this Circular, if personal hearing cannot be technically conducted through video conference, arrangements should be made for the assessee to attend a designated area within the Income-tax office for the personal hearing.

Fusion Granito Private Ltd v Assistant Commissioner of Income Tax 164 taxmann.com 5 (Gujarat)

The assessee was unable to file its income tax return under section 139(1) due to circumstances beyond their control. Specifically, the accountant fell ill and subsequently resigned, causing delays in finalizing the books of account necessary for filing. This unforeseen chain of events resulted in the delayed filing of the return. Given that the delay did not stem from any negligence or malicious intent on the part of the assessee, and considering the accountant's illness and subsequent resignation constituted genuine hardship, the delay in filing the return should be condoned under the provisions of section 119(2)(b).

Anmol Feeds Private Limited v Union of India 163 taxmann.com 407 (Calcutta)

II ITAT

- If a penalty notice under section 271(1)(c) does not clearly state the specific reason for imposing the penalty, it is considered invalid. The notice must specify the exact charge or grounds for initiating the penalty. Without this clarity, the penalty imposed may be deleted or cancelled because the notice did not properly inform the assessee about the nature of the penalty.

Ritu Multitrade Services (P.) Ltd.v Income Tax Officer 164 taxmann.com 121 (Mumbai - Trib.)

- Expenditures incurred by the assessee related to its discontinued business cannot be allowed as business expenses, especially when there is no possibility of reviving that business.

Shanmugam Ravi v DCIT 164 taxmann.com 122 (Bangalore - Trib.)

- The difference in turnover or gross receipts between the Income Tax Return (ITR) and the service tax return filed by the assessee arose because the assessee used different accounting methods. The assessee followed the cash accounting method for income tax purposes, where income is recorded when received. In contrast, service tax and GST are based on invoices issued, regardless of when the income is received. Since these are legitimate accounting differences and the assessee complied with each tax requirement correctly based on their respective methods, the Assessing Officer should remove any adjustments made to reconcile the turnover or gross receipts reported in the ITR with those in the service tax return.
- **Deloitte Haskins and Sells LLP v National E Assessment Centre, Assistant Commissioner of Income-tax 163 taxmann.com 717 (Mumbai - Trib.)**

The addition made under section 68 should be deleted because the assessee, a foreign portfolio investor, sold shares of an Indian company and claimed them as exempt under the Indo-Mauritius Double Taxation Avoidance Agreement (DTAA). The assessee had acquired these shares and held them for nearly 10 years from the date of acquisition. Moreover, the assessee provided all relevant transaction details. Given these factors, the sale of shares by the assessee cannot be considered bogus. Therefore, the addition made under section 68, which



implies that the income is unexplained or deemed to be income of the assessee, should be deleted

Elara India Opportunities Fund Ltd v Deputy Commissioner of Income Tax (International Taxation) 163 taxmann.com 566 (Mumbai - Trib.)

There is no concurrent jurisdiction between the Jurisdictional Assessing Officer (JAO) and the Faceless Assessing Officer (FAO) regarding the issuance of a reopening notice under section 148 or the authority to pass assessment or reassessment orders. Specifically, only the FAO has the authority to issue a notice under section 148.

Swarn Singh v Income Tax Officer 163 taxmann.com 745 (Amritsar - Trib.)

The assessment order for the year 2010-11 should be quashed as void ab initio because the Assessing Officer reopened the assessment based on information from the Annual Information Return (AIR) regarding deposits in a Jammu & Kashmir Bank account purportedly belonging to the assessee. The assessee contested this by presenting a certificate from J&K Bank stating that the account did not belong to them. However, the Commissioner (Appeals) did not consider this evidence.

Given that the reopening of the assessment was based on incorrect facts, specifically the mistaken belief that the bank account in question belonged to the assessee, the assessment order is deemed void from the beginning.

Lateef Ahmad Gujree v Income Tax Officer 163 taxmann.com 742 (Amritsar - Trib.)

The addition made by the Assessing Officer should be deleted because the Tax Collected at Source (TCS) amount collected by the assessee on sales of scrap does not qualify as a sum payable by the assessee. This amount represents income tax of the buyers, which the assessee collected and retained. Consequently, it cannot be debited in the profit and loss account or claimed as a deduction by the assessee. Therefore, the provisions of section 43B, which typically require certain statutory dues to be deposited to the government account to claim deduction, do not apply in this case. Hence, the addition made by the Assessing Officer should be deleted.

Aay Kay Manufacturing Co. v Income Tax officer 163 taxmann.com 333 (Amritsar - Trib.)

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SUDOKU - 47

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

**Solution to Sudoku - 46
June - 2024**

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



CA. Sowmya C A

INDIRECT TAX UPDATES

The 53rd Council meeting, held on June 22, 2024, was the first council meeting after formation of the new government and held after a gap of almost 9 months. The Council has recommended several changes aimed at facilitating trade, streamlining procedures and to reduce litigation related to past transactions. These recommendations will be given effect to through issuance of relevant circulars, notifications/law amendments in due course. Some of the key recommendations of the 53rd GST Council meeting were as follows.

Highlights of recommendations made in 53rd GST Council Meeting

- Waiver of interest and penalties for demand notices issued under section 73 of the CGST Act for the FY 2017-18, 2018-19 and 2019-20 in case the taxpayer pays the full amount of tax demanded in the notice up to 31.03.2025.
- Section 107 and 112 would be amended to provide that maximum amount of pre-deposit for filing appeal before first appellate authority is reduced to Rs. 20 Crore CGST Rs. 20 Crore SGST from the present limit of Rs. 25 Crore each CGST SGST. Also, the amount of pre-deposit for filing appeal before GSTAT is reduced to 10% from the present limit of 20%. Further, Mechanism to be prescribed for adjustment amount paid through FORM GST DRC-03 against the amount to be paid as pre-deposit for filing appeal.
- Extended time limit under Section 16(4) to avail ITC for initial years of GST (i.e., FY 2017-18 to 2020-21) would be deemed to be 30 November 2021 and to relax the time limit to avail ITC for returns which have been filed after the revocation of GST registration.
- Extending the due date for filing of return in FORM GSTR-4 for composition taxpayers from 30 April to 30 June effective from financial year 2024-25.
- Amount in electronic cash ledger on the due date of filing GSTR3B will not be considered when calculating interest under section 50 for delayed filing of return under Rule 88B.
- New Section 11A which empowers Govt. to regularize any past levy/non-levy on 'as is where is' basis. Refund of past taxes is restricted due to unjust enrichment
- Mechanism for Refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to export
- Issuance of a circular to clarify various issues regarding valuation of Corporate Guarantee between related persons
- Amendment to Section 140(7) of the CGST Act to provide Transitional credit to be allowed in respect of services provided before and received before 01 July 2017, by ISD
- Introduction of a new statement in Form GSTR-1A to allow addition/ amendment of details reported in FORM GSTR-1, before filing of return in FORM GSTR-3B for the said tax period.
- Exemption from filing annual return for FY 2023-24 for taxpayers having aggregate annual turnover upto INR 2 crores.
- Retrospective amendment (w.e.f 1 October 2023) providing that penal provision for defaults by e-commerce operators, shall apply only to those ECOs who are required to collect tax under section 52 of CGST Act.
- New GST registration: Rolling out of bio-metric based Aadhaar authentication on pan-India basis in a phased manner

- New Section 74A - Uniform Time Limit for SCN and Adjudication from FY: 2024-25
- Time limit to settle tax with interest to avoid S-CN to be extended to 60 days (present 30 days)
- Section 9(1) would be amended for not levying GST on Extra Neutral Alcohol used for manufacture of alcoholic liquor for human consumption.
- Time limit of 3 months for filing appeal before GSTAT shall start from the date to be notified by the Government in this regard.
- Sunset clause for receipt of new application for anti-profiteering by 1 April 2025. Further, existing anti-profiteering cases to be handled by Principal bench of GST Appellate Tribunal (instead of CCI).
- Exemption on renting of hostels, PG, Guest house, Rental is less than Rs. 20,000/- pm taken for a period of not less than 90 days
- Exemption from Compensation Cess leviable on imports in SEZ for authorized operations with retrospective effect from 01 Jul 2017
- There is a recommendation that no late fee be charged for delayed filing of a NIL FORM GSTR-7 return.
- Threshold for reporting of B2C inter-State supplies invoice-wise in Table 5 of FORM GSTR-1, to be reduced from Rs 2.5 to Rs 1 Lakh
- Rate Rationalisation on a number of items of Goods and Services (MRO activities pertaining to aircraft, goods such as milk cans, solar cookers, carton boxes, fire water sprinklers etc.).

Notifications/Circulars:

Fixing of monetary limits for appeals by Revenue to reduce government litigation subject to certain exclusions as follows: GSTAT: Rs. 20 lakhs; High Court: Rs. 1 Crore; Supreme Court: Rs. 2 Crores to reduce Government litigation.

(Circular No. 207/1/2024-GST dated 26-Jun-2024)

Clarification on Special Procedure for Manufacturers of certain goods on account of new reporting

requirements including declaring the year of purchase for old/second-hand machines, and exclusion of manual packing from the specified procedure

(Circular No. 208/2/2024-GST dated 26-Jun-2024)

Place of Supply of Goods with different “Bill to”, “Ship to” to ‘Unregistered Persons’ in cases of supply through E-commerce platforms: Clarification issued Place of supply will be the delivery address if it differs from the billing address in the invoice pursuant to provisions in section 10(1)(ca) of the CGST Act.

(Circular No. 209/3/2024-GST dated 26-Jun-2024)

Valuation of import of services from related parties: It is clarified that where the foreign affiliate is providing certain services to the related domestic entity, and where full input tax credit is available to Recipient:

- o any value declared in the invoice issued under section 31(3)(f) of the CGST Act would be accepted as the open market value and
- o if no invoice is issued by recipient, the value may be deemed to be declared as NIL

(Circular No. 210/4/2024-GST dated 26-Jun-2024)

Clarification issued wrt. Time limit for availing ITC on RCM supplies received from Unregistered Persons to be computed u/s 16(4) from the date of self- invoice issued under section 31(3)(f) of CGST Act on RCM

(Circular No. 211/5/2024-GST dated 26-Jun-2024)

Reversal of tax credit notes by recipients on account of post-sale discount, Proof of to be obtained by supplier: - The supplier to procure a certificate from the recipient of supply, certifying that the recipient has made the proportionate reversal of input tax credit duly certified by a CA/CMA for discounts above INR 5 Lakhs. However, for amounts below INR 5 lakhs, self-certified declaration would be sufficient compliance.

(Circular No. 212/6/2024-GST dated 26-Jun-2024)

Taxability of ESOP/ESPP/RSU provided by a Company to its Employees through its Overseas Holding Company: Clarification issued that no GST is applicable on issue of such shares to employees by



the foreign holding company or on any reimbursement made by the Indian subsidiaries on account of the said transaction.

(Circular No. 213/7/2024-GST dated 26-Jun-2024)

No Common ITC Reversal of insurance premium not includible in the taxable value on account of methodology provided in Rule 32(4) as the said reversal is neither exempt supply nor a Nil rated supply.

(Circular No. 214/8/2024-GST dated 26-Jun-2024)

Deduction of salvage value from claim amount is not a consideration in the hands of the insurance company for any supply and hence the insurance company is not liable to pay any GST on such deductions.

(Circular No. 215/9/2024-GST dated 26-Jun-2024)

Clarification on GST liability and ITC in cases involving warranty/extended warranty: No GST applicable on entire goods replaced under warranty and ITC reversal is not required applicable to both distributors and manufacturers replacing the goods. Further, when extended warranty is by supplier of goods sold along with the original supply, it will be a composite supply of goods. However, if it is by a person other than the supplier, it will be a distinct supply of services.

(Circular No. 216/10/2024-GST dated 26-Jun-2024)

Entitlement to ITC on Repair Expenses by Insurance Companies in Reimbursement Mode: It is clarified in two scenarios:

- o **Separate Invoice is issued** for approved claim cost to the Insurance company ITC is available based on invoice issued to Insurance Company
- o **Consolidated Invoice is issued** - ITC proportionate to reimbursement to approved claim cost may be available to the insurance Company. ITC on the balance portion is a blocked credit to Vehicle owner

(Circular No. 217/11/2024-GST dated 26-Jun-2024)

Clarification on transactions involving loans by an overseas affiliate or related person: clarified that No-

GST on loans provided by or on any interest payments made to overseas affiliate/related persons. No GST by imputation of any administrative charges unless actually paid by the domestic company.

(Circular No. 218/12/2024-GST dated 26-Jun-2024)

Availability of input tax credit on ducts and manholes used in network of optical fiber cables (OFCs) under section 17(5) of the CGST Act: clarified ducts and manholes are basic components of OFC used in telecommunication services are covered under the definition of 'Plant and Machinery', as they are used for the purposes of the business and are not hit by the exclusions under section 17(5) (c) or (d) of the CGST Act.

(Circular No. 219/13/2024-GST dated 26-Jun-2024)

Place of supply applicable for custodial services provided by banks to Foreign Portfolio Investors (FPI): has been clarified to be the location of the recipient (i.e. the FPI) and to be determined under the default provision, which is section 13(2) of the IGST Act

(Circular No. 220/14/2024-GST dated 26-Jun-2024)

Clarification- 'time of supply' of Road Construction Service under Hybrid Annuity Model : is a continuous supply of service as defined under section 2(33) of the CGST Act and the time of supply would be earliest of issuance of invoice or receipt of payment or when no invoice is issued be the earliest of due date for payment under contract or date of receipt of payment

(Circular No. 221/15/2024-GST dated 26-Jun-2024)

Clarification on 'time of supply' of Spectrum Usage and similar Services where deferred payment is made by the recipient in specified installments, GST would be payable as and when the payments are due or made, whichever is earlier.

(Circular No. 222/16/2024-GST dated 26-Jun-2024)

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FINANCIAL REPORTING AND ASSURANCE



CA. Vinayak Pai V

KEY UPDATES A. AS | Ind AS

1. IASB Announcement – Proposed revisions to IFRS Practice Statement 1

On 19th June, 2024, the International Accounting Standards Board (IASB) announced its **decision** to proceed with finalizing the **revision of IFRS Practice Statement 1, Management Commentary**. This initiative is aimed at improving the extant Practice Statement in response to demand for better information about the factors that have affected or could affect a company's ability to create value and generate cash flows, including in the long term. This IASB's project **codifies innovations in reporting**, including **concepts from the IFRS Foundation's Integrated Reporting Framework**, in a set of standard-like requirements for management commentary designed to support investor-focused best practice.

It may be noted that the *IFRS Practice Statement 1* was issued in 2010. It provides a broad, non-binding framework for the presentation of management commentary that relates to financial statements that have been prepared in accordance with IFRS Standards. It outlines the main elements of the information that should always be included in a management commentary.

Link to the Announcement -

<https://www.ifrs.org/news-and-events/news/2024/06/iasb-finalises-revision-management-commentary-practice-statement/>

A. NFRA

2. Orders u/s 132(4) – Statutory audit of DHFL branches

On 21st June, 2024, the National Financial Reporting Authority (NFRA) issued two orders (No.016/2024 and 017/2024) u/s 132(4) of the Companies Act finding two partners of the Audit Firm that conducted the statutory audit of five branches of Dewan Housing Finance

Corporation Limited (DHFL) for F.Y.2018 guilty of professional misconduct.

The five branch audit reports issued were examined by NFRA from the standpoint of compliance with the applicable Standards on Auditing (SAs) in the performance of branch audit and it was found that both partners had not complied with SA requirements and had **not maintained proper audit documentation as per the standards**. A major lapse noted pertains to **acceptance of the audit engagement without valid authorization** and without complying with ethical requirements and issue of audit reports by the audit firm in violation of applicable Act.

NFRA imposed a **monetary penalty of ₹1 lakh each** on both the partners apart from **debaring them for 1 year**.

Link to the Orders -

<https://cdnbbsr.s3waas.gov.in/s3e2ad76f2326fbc6b56a45a56c59fafdb/uploads/2024/06/202406211115088640.pdf>

<https://cdnbbsr.s3waas.gov.in/s3e2ad76f2326fbc6b56a45a56c59fafdb/uploads/2024/06/202406212101761437.pdf>

B. RBI

3. Monetary penalty imposed on certain Co-operative Banks

On 3rd June, 2024, the Reserve Bank of India (RBI) imposed a monetary penalty of ₹75,000 on the **Ron Taluka Primary Teachers Co-operative Bank Ltd**, Ron, Karnataka for non-compliance with certain directions issued by RBI on *Frauds monitoring and reporting mechanism* and *Policy and Practice regarding Nominal Membership*. Based on its statutory inspection (31st March 2022) the RBI found the Bank had (i) **not reported frauds to RBI**, and (ii) **exceeded the limit prescribed for the total number of nominal members as a proportion of the total number of regular members**. [Release No.2024-2025/427]



On 10th June, 2024, the RBI imposed a monetary penalty of ₹25,000 on **Vishwakalyan Sahakara Bank Niyamit**, Hubli, Karnataka for non-compliance with certain directions issued by RBI on *Exposure Norms & Statutory/Other Restrictions-UCBs*. Based on its statutory inspection (31st March, 2022), the RBI found **non-adherence to prudential inter-bank (Gross) and counter party exposure limit**. [Release No.2024-25/476]

And on 13th June, 2024, the RI Imposed a monetary penalty of ₹75,000 on **Ramanagaram Urban Co-operative Bank Limited**, Karnataka for non-compliance with certain provisions of RBI directions on *Exposure Norms & Statutory/Other Restrictions-UCBs*. [Release No.2024-25/494]

Links to the Press Releases -

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58024

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58072

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58091

C. US GAAP|ASSURANCE

4. PCAOB Updated Standard – Auditor Responsibilities When Using Technology-assisted Analysis

On 12th June, 2024, the US Public Company Accounting Oversight Board (PCAOB) issued **amendments** to PCAOB auditing standards **AS 1105, Audit Evidence**, and **AS 2301, The Auditor’s Responses to the Risks of Material Misstatement**, addressing aspects of audit procedures that involve technology-assisted analysis of information in electronic form.

The amendments are designed to improve audit quality and enhance investor protection by addressing **aspects of designing and performing audit procedures that involve technology-assisted analysis** of information in electronic form. The changes adopted bring greater clarity to auditor responsibilities in the following areas: 1) **Using reliable information in audit procedures:** emphasizes auditors’ responsibilities

when evaluating the reliability of such information used as audit evidence; 2) **Using audit evidence for multiple purposes:** specifies that if an auditor uses an audit procedure for more than one purpose, the auditor should achieve each objective of the procedure; and 3) **Performing tests of details:** clarifies that the auditor’s investigation should include determining whether the identified items individually or in the aggregate indicate misstatements or control deficiencies.

The new standard will apply to all audits conducted under PCAOB standards of financial statements for fiscal years beginning on or after 15th December, 2025.

Link to the Amendments -

https://assets.pcaobus.org/pcaob-dev/docs/default-source/rulemaking/docket-052/2024-007-adoptingrelease.pdf?sfvrsn=28f44e9e_2

D. SELECT GLOBALENFORCEMENTACTIONS/INSPECTION REPORTS

Enforcement Actions

5. PCAOB Order - Audit Firm and three CPAs charged for Quality Control violations and audit failures

On 10th June, 2024, the US Public Company Accounting Oversight Board (PCAOB) by an Order, censured an Audit Firm and 3 CPAs. A civil money penalty of \$ 75,000 was imposed on the Audit Firm apart from imposition of monetary penalties on two associated CPAs. The matter concerns the Engagement Partner and Engagement Quality Reviewer’s (EQR) violation of PCAOB rules and standards during an audit where they **failed to: obtain sufficient appropriate audit evidence supporting the existence, valuation, and presentation and disclosure of a purported intangible asset representing over 50% of the Clients total assets;** and (2) accurately describe in the Firm’s audit report **how the engagement team addressed a CAM**. The EQR partner failed to perform his engagement quality review with due professional care and in accordance with AS 1220, *Engagement Quality Review*.



An extract - In its financial statements for F.Y.2021, the auditee reported ‘intangible asset, net’ totalling \$10.65 bn, of which \$10.64 bn related to a ‘cannabis cultivation license’. However, the EP failed to plan and perform sufficient audit procedures to test the existence of the purported cannabis cultivation license. The only procedures it appears the engagement team performed were to obtain the agreement and plan of merger for the Acquisition, which did not purport to convey a cannabis cultivation license, and make management inquiries. Those procedures were insufficient to evidence the existence of the license under PCAOB standards. In fact, the cannabis cultivation license, reported by the Company, did not exist as of fiscal year-end 2021. While the land acquired in connection with the Acquisition had been zoned for potential cannabis cultivation, neither the acquired company nor the reporting entity had applied for a cannabis cultivation license for the property as of the date of the Acquisition, or as of the date of audit report and the filing of Form 10-K. [Release No. 105-2024-033]

Extracts from US PCAOB Inspection Reports of Audit Firms

6. Inspection report of an Audit Firm Headquartered in California

Audit deficiency identified - Discontinued Operations
 - The Audit Firm did not identify and evaluate that the Client **did not present the results of discontinued operations as a separate component of income** in the issuer’s statements of operations [FASB ASC Topic 205, *Presentation of Financial Statements*]. In addition, it did not identify and evaluate that the Client did not present certain assets and liabilities related to discontinued operations as current in the balance sheet after it committed to complete the sale of these assets within the next year [FASB ASC Topic 210, *Balance Sheet*].

E. SELECT PUBLICATIONS

7. International Ethics Standards Board for Accountants (IESBA) – **2023 Annual Report, Respecting the Past, Planning for the Future.** [4th June, 2024] [https://www.ethicsboard.org/publications/2023-iesba-annual-report]

- 8. CDP Worldwide – **The State of Play – 2023 Climate Transition Plan Disclosure.** [19th June, 2024] [https://cdn.cdp.net/cdp-production/cms/reports/documents/000/007/783/original/CDP_Climate_Transition_Plans_2024.pdf?1718706278]
- 9. International Federation of Accountants (IFAC) – **Professional Accountancy Organization (PAO) Strategy Planning Toolkit.** [25th June, 2024] [https://www.ifac.org/knowledge-gateway/professional-accountancy-organization-pao-development/publications/professional-accountancy-organization-pao-strategy-planning-toolkit]
- 10. International Federation of Accountants (IFAC) – **Sustainability Assurance: What to Expect.** [26th June, 2024] [https://www.ifac.org/knowledge-gateway/audit-assurance/publications/sustainability-assurance-what-expect]
- 11. Global Reporting Initiative (GRI) – **GRI 14: Mining Sector 2024 – Implementation Guide for Report Preparers.** [26th June, 2024] [https://www.globalreporting.org/media/n1wjac1/gri14_implementation_guide_for_reporters.pdf]

F. WHAT THEY SAID

We might be tempted to salute these commitments with nothing but enthusiasm, but unfortunately not all that glitters is gold. Despite the positive overtones, the summit lacked the ambition to propose any new – and much-needed – actions against climate change. Yet **how can the corporate world contribute where international policy setters fall short?** Here, we can draw inspiration from the G7 communiqué: **‘Availability, comparability, and credibility of robust information in the financial sector and real economy’**, which underscores the importance of **effective sustainability reporting practices by the private sector.**

Margherita Barbieri, Global Reporting Initiative (GRI) Standards Manager

Author can be reached at :
 vinayakpaiv@hotmail.com



Since 1957



ANNUAL REPORT

2023-24

KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R)

ANNUAL GENERAL MEETING NOTICE



Notice is hereby given to the members of the Karnataka State Chartered Accountants Association(R) for the Fifty First Annual General Meeting of the Association scheduled at 4 PM on Monday, the 12th of August 2024, at Maple Hall, Pai Vista, No.3, 27th Cross, K.R. Road, Opp: Sevakshetra Hospital, Near Monotype, Banashankari 2nd Stage, Bengaluru 560070, Karnataka, to transact the following business:

AGENDA

1. To confirm the proceedings of the Fiftieth Annual General Meeting held on 18th August 2023.
2. To consider & adopt the Annual Report of the Executive Committee.
3. To consider & approve the audited accounts for the year ended 31st March 2024.
4. To Appoint the Auditors for the year 2024-25 and fix their remuneration.
5. To elect Thirteen Members to the Executive Committee for the year 2024-2025.
6. To transact any other business for which a special notice is given under Rule 16 (e) of the Rules & Regulations of the Association.

Place: Bengaluru
Date: 9th July 2024

By order of the Executive Committee
Sd/-
CA. Sunil Bhandary
Secretary

Notes

- i. Members who wish to send their nominations for the Executive Committee are required to submit the Nomination Form, duly filled in, at the Association Office. Nomination Form is provided at the end of this Annual Report.
- ii. Last date for submission of nomination: Before 5.00 pm on Saturday, 3rd August, 2024.
- iii. Last date of withdrawal of the nominations: Before 5.00 pm on Wednesday, 7th August, 2024.
- iv. Announcement of final list of candidates contesting for election: At 6.00 pm on Wednesday, 7th August, 2024.
- v. The Final list of the Candidates shall also be uploaded at our website www.kscAA.com
- vi. Members are requested to bring their copy of Annual Report to the AGM; Extra copies will not be provided at the Meeting.

The present auditors M/s.Hegde Hegde & Associates LLP, Chartered Accountants retire at the ensuing Annual General Meeting.

We propose to appoint M/s.NSSA & Associates Chartered Accountants as the auditors of the Association till the conclusion of next Annual General Meeting

LEADERSHIP THROUGH THE DECADES

ROLL OF HONOUR

TERM	PRESIDENT	SECRETARY
1957-61	CA. S Kaleeswaran (Late)	CA. M R Rangarathnam (Late)
1961-62	CA. B K Ramadhyani (Late)	CA. M R Rangarathnam (Late)
1962-68	CA. A Ramaswamy Iyengar	CA. J Gopalakrishnan
1968-69	CA. M R Rangarathnam (Late)	CA. P Shivaramakrishnan
1969-71	CA. J Gopalakrishnan	CA. A R Vishwanathan (Late)
1971-75	CA. K Y Shreshty (Late)	CA. J J Madan
1975-78	CA. O R Pandurang (Late)	CA. K Rahaman Khan
1978-79	CA. Premraj Singhvi (Late)	CA. D L Suresh Babu
1979-80	CA. K V Shanmukhaiah (Late)	CA. M R Krishnamurthy
1980-82	CA. A R Vishwanathan (Late)	CA. A K Subramaniam
1982-84	CA. M S Ranganath (Late)	CA. A K Subramaniam
1984-85	CA. J G Ostwal	CA. A K Subramaniam
1985-86	CA. K R Kumar (Late)	CA. N P Shivashankar
1986-87	CA. S Amarlal (Late)	CA. N Nityananda (Late)
1987-88	CA. N P Shivashankar	CA. R Ananda
1988-89	CA. M C Ramakrishna (Late)	CA. K Ramanath
1989-90	CA. R Ananda	CA. S A Narayana Setty
1990-91	CA. N C S Raghavan (Late)	CA. S Gowthamchand
1991-92	CA. SA Narayana Setty	CA. C Ganapathraj
1992-93	CA. R Subramanian	CA. Ravindra Raj Bhandari
1993-94	CA. A S Vishnu Bharath	CA. K Y Ningoji Rao
1994-95	CA. M Goutham Prakash Khariwal	CA. K Ravi
1995-96	CA. K Y Ningoji Rao	CA. D C Chhajer
1996-97	CA. C Ganapathraj	CA. D R Venkatesh
1997-98	CA. S Prakash Chand	CA. I S Prasad
1998-99	CA. D R Venkatesh (Late)	CA. Lalit M Sharma
1999-00	CA. K Ravi	CA. R Venkatakrishna
2000-01	CA. I S Prasad	CA. V Dwarakanath
2001-02	CA. Lalit M Sharma	CA. Ravi Prasad
2002-03	CA. H B M Murugesh (Late)	CA. P R Suresh
2003-04	CA. T R Anjanappa	CA. H C Gulecha (Late)
2004-05	CA. P R Suresh	CA. A B Shivasubramanyam
2005-06	CA. S Krishnaswamy (Late)	CA. M V Lakshmikantha
2006-07	CA. Mallinath S Nainegli	CA. G Nataraj
2007-08	CA. M V Lakshmikantha	CA. K S Sreedhara Murthy (Late)
2008-09	CA. A B Shivasubramanyam	CA. Ravindra Beleyur

TERM	PRESIDENT	SECRETARY
2009-10	CA. M Marulasiddaiah	CA. Manoj Kumar G
2010-11	CA. Allama Prabhu M S	CA. Maddanaswamy B V
2011-12	CA. Anant H Mutalik	CA. Basavaraja H M
2012-13	CA. Maddanaswamy B V	CA. Raveendra S Kore
2013-14	CA. C R Dhavalagi	CA. Virupakshappa M Tuppada
2014-15	CA. Raveendra S. Kore	CA. Raghavendra Puranik
2015-16	CA. Dileep Kumar T M	CA. Raghavendra T N
2016-17	CA. Raghavendra Puranik	CA. Nagappa B Nesur
2017-18	CA. Raghavendra T N	CA. Chandrashekara Shetty
2018-19	CA. Raghavendra Shetty	CA. Kumar S Jigajinni
2019-20	CA. Chandrashekara Shetty	CA. Chandan Kumar Hegde A
2020-21	CA. Kumar S Jigajinni	CA. Pramod Srihari
2021-22	CA. Chandan Kumar Hegde A	CA. Sujatha G
2022-23	CA. Pramod Srihari	CA. Vijaykumar M Patel
2023-24	CA. Sujatha G	CA. Sunil Bhandary



PRESIDENT & SECRETARY'S MESSAGE



and conference topics that emphasized the importance of mental and physical health, every endeavor was designed to equip us with the tools needed to thrive in a rapidly changing world.

Ralph Waldo Emerson once said, *"The only person you are destined to become is the person you decide to be."* This profound insight encapsulates the essence of our theme. **"RECREATE YOURSELF"** is a call to action, urging each one of us to continually refine our skills, adapt to new realities, and strive for excellence. It's about embracing change with an open heart and mind, recognizing that the process of self-improvement is a lifelong endeavor.

Let us carry forward the lessons learnt and the momentum gained into the coming year. Let us continue to recreate ourselves, pushing the boundaries of our capabilities and making meaningful contributions to our profession and society.

Dear members,

Our journey this year has been nothing short of remarkable. As we get closer to another enriching year, it's our pleasure to share with you the reflections and achievements that have defined our journey. The theme for this year, "Recreate Yourself," has been our guiding star, inspiring us to embrace transformation, resilience, and growth in the face of evolving challenges.

As we look back on this transformative year, we are filled with immense pride and gratitude. The collective efforts of our Office Bearers, the dedication of Executive Committee members with the guidance of mentor have been the pillars of our success. Together, we have exemplified the spirit of "Recreate Yourself," demonstrating that our potential is boundless when we embrace change and pursue excellence with unwavering determination. From workshops, seminars,

The theme for the term 2023-24 is "Recraft Yourself". As we know, humans are the only species to have this special gift of being able to introspect and change themselves. Our hands sculpt and chisels, and our mind gives the shape. As members of an open society, life throws lot of opportunities and choices. But those choices have to be made by us. As Buddha declared, "The mind is everything. What you think you become".

The first step in recrafting is our inner conviction that we need to change. This is the toughest bridge to cross. It prefers to excuse and sway away from responsibilities and accountability. There must be a clear intent and inner call for action to recraft and should not be an escape mechanism or a coverup for existing failures. The inner conviction should release us from the inner prison that we lay trapped in.

The second step in recrafting is to decide how far from the tree should the apple fall. There is a general fear that, after certain years of professional practice, embarking on a new path is difficult. Should we stick to incremental changes or should we take a deep breath and jump into the big unknown? In many cases, a safe choice is a warm refuge. We end up sticking on to what we are familiar with,

with minor changes. We often take a long run-up, but as we come closer to the line, we hesitate, and refuse to plunge into new terrain, do unfamiliar things, or build new skills.

I would like to draw reference of the words of S.S. Lewis, "You can't go back and change the beginning, but you can start where you are and change the ending."

Based on this reference of "Recraft" and the first two steps, we focused our activities for the year 2023-24 "from here to where?". We defined a process template of 5 Ds for achieving this.

As part of this year's theme, "Recraft Yourself", we used the template of 5 Ds, to achieve the same.



Recraft yourself

1. Discover – Mine the landscape for new opportunities
2. Deliberate -Prioritize, rank the opportunities
3. Determine - Pick your choices with help of a mentor and with available tools
4. Develop – Polish and sharpen your Mindset, Skillset and toolset.
5. Deliver – Actions speak louder than words

ABOUT KSCAA



Since 1957

We are excited to share some great news: KSCAA now boasts a membership of over 3900 individuals. This remarkable achievement is a testament to the dedicated efforts of #TeamKSCAA, which has consistently organized various programs for the benefit of our members.

Let us reaffirm our unwavering commitment and unwritten preamble: KSCAA is of the members, by the members and for the members.

One significant milestone was the 36th Annual Conference, aptly titled “Jnanottirnata,” held in March 2024. This event witnessed the participation of over 1000 members from across India, showcasing its wide and strong connection with members.

In response to valuable feedback from our members and stakeholders, the Association made 16 representations before relevant authorities, amplifying the members' voices and demonstrating KSCAA's commitment to their concerns.

Furthermore, we have undertaken unique initiatives such as the intense Study Circle on GST, starting Young Members Club for the benefit of young members, Residential programme on RERA, setting up of Legal Cell for the benefit of members in ICAI disciplinary matters proceedings and organizing an international Trip to Malaysia for the members and their families. Additionally, we organized health camps for members, their staff and families throughout Karnataka, focusing on the well-being of our members. KSCAA remains dedicated to its core values, fostering knowledge creation, and upholding social responsibility within our member community. KSCAA remains dedicated to its core values, fostering knowledge creation, and upholding social responsibility within our member community.

This report highlights KSCAA's 2023-24 fiscal year, which ended on March 31, 2024. In order to provide an up-to-date picture of the Association, it also includes information on major activities and initiatives, as available, updated till July, 2024.

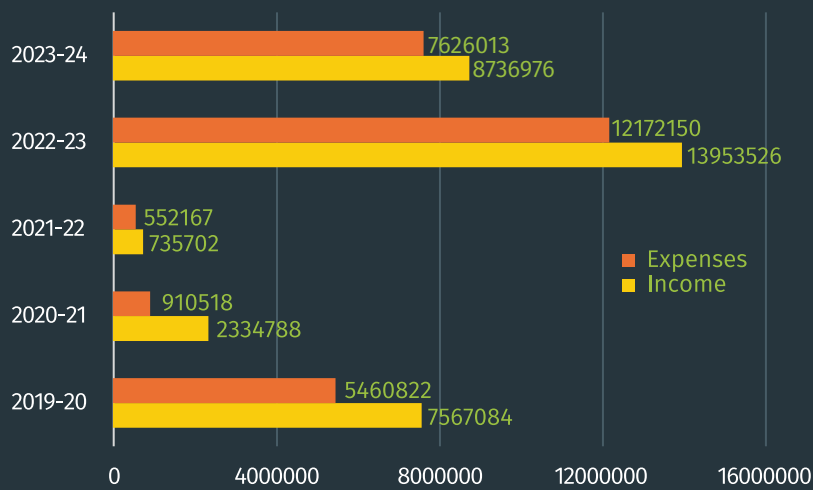


KSCAA has created numerous platforms for speakers, professionals and the public to share and exchange their knowledge for better life and profession.

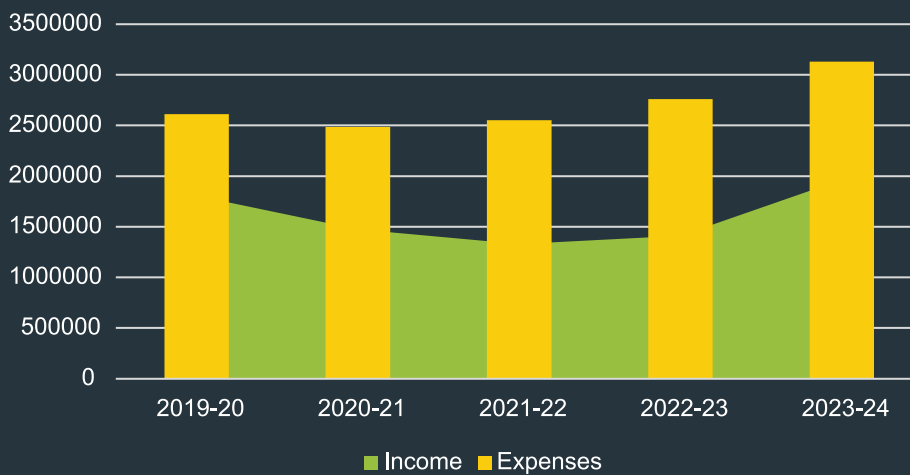
The activities of KSCAA create a bonding between members and families and instigate to believe in oneness.

FINANCIAL TRENDS

TREND OF INCOME AND EXPENSES OF CONFERENCE, SEMINARS AND PROGRAMS



OTHER INCOME AND OTHER EXPENSES



*Other Income includes Bank Interest, Sale of Publications, Advertisements and Admission Fees.

*Other Expense includes Bulletin and publication Printing charges and Administrative Expenses

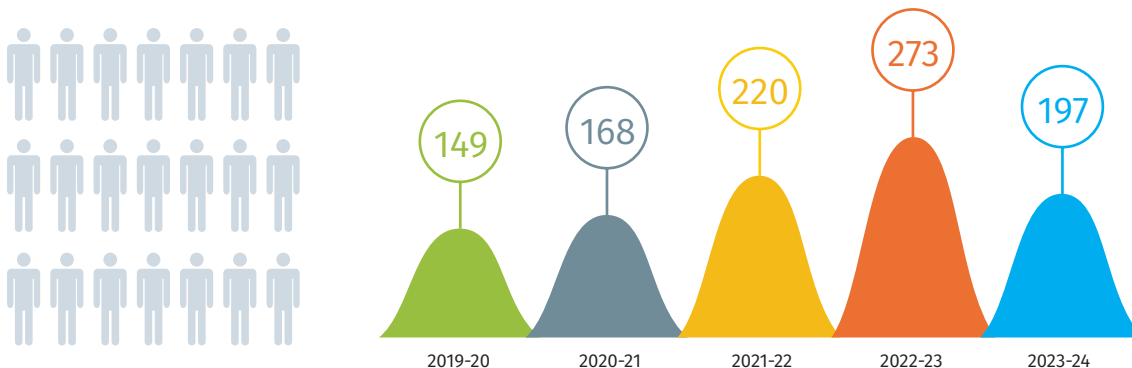
FINANCIAL TRENDS

STATEMENT OF FINANCIAL POSITION

in Rupees

	as at 31 Mar 2024	as at 31 Mar 2023
SOURCES OF FUNDS		
Corpus Fund	49,46,672	46,13,672
General Fund	1,60,81,171	1,62,19,135
Restricted and other Funds	38,78,799	38,32,973
Other Current Liabilities	17,74,606	16,29,728
Short Term Provisions	13,90,670	6,30,343
Total	2,80,71,918	2,69,25,851
APPLICATION OF FUNDS		
Fixed Assets	35,79,812	26,61,050
Other Non-Current Assets	1,73,43,103	1,26,73,521
Stock of Publications and Materials	2,91,440	32,220
Receivables	6,90,535	7,35,701
Cash and Bank Balances	61,02,441	1,04,63,048
Loans and Advances	64,587	90,166
Other Current Assets	-	2,70,145
Total	2,80,71,918	2,69,25,851

ADDITION OF NEW MEMBERS



MEDIA AND TECHNOLOGY INITIATIVES 2023-24



718 Followers; 208 New followers
1553 Page views; 427 Unique visitors
245 Reactions; 42 Posts;



1477 followers; Reach of 2500
840 Visits; 76 Posts



114877 Visitors; 330267 Views
71 Posts (from 01.08.2023)



3810 Followers; 326 New followers
49 Tweets



140 followers; Reach of 800
800 Visits; 39 Posts



5090 Subscribers; 396035 Views
643 Subscribers added (from 01.08.2023)
74304 Views (from 01.08.2023)



384 Campaigns
492197 Email Recipients

PUBLICATIONS



NEWS BULLETINS



EXECUTIVE COMMITTEE MEETINGS

The Executive Committee and Sub-Committee members, commonly referred to as 'Team KSCAA,' have consistently prioritized the welfare of association members. With the evolving dynamics and challenges in our profession, it is crucial for the Association to respond promptly. The committee has regularly convened meetings to discuss matters concerning the profession and its members, aiming to achieve favorable results. The frequency of Executive Committee Meetings held throughout their tenure reflects their commitment and care. These meetings were conducted online and in-person formats.

EC Meetings held during the year

Sl No	Name	Designation	1	2	3	4	5	6	7	8	9	10	11	12	13	Total No. of Meetings attended
			18-08-2023	19-08-2023	09-09-2023	26-10-2023	21-11-2023	23-12-2023	19-01-2024	16-02-2024	23-03-2024	30-04-2024	25-05-2024	29-06-2024	08-07-2024	
1	Sujatha G	President	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
2	Vijaykumar M Patel	Vice President	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
3	Sunil Bhandary	Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
4	Praveen Shettar	Joint Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
5	Mohammed Yusuf	Treasurer	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓	11(13)
6	Subramanya B L	E. C Member	✓	✓	✗	✓	✗	✓	✓	✓	✗	✗	✓	✓	✗	8(13)
7	Siddartha S Javali	E. C Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	12(13)
8	Nagarjun K R	E. C Member	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	12(13)
9	Yerriswamy C	E. C Member	✓	✓	✗	✓	✗	✓	✓	✓	✗	✗	✓	✗	✓	8(13)
10	Deepak Chopra	E. C Member	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✗	10(13)
11	Deepak T Jain	E. C Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	11(13)
12	Babitha G	E. C Member	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓	✓	✓	11(13)
13	Naveen S Hegde	E. C Member	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓	11(13)
14	Herambha Hegde	Co-Op Member	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	12(13)
15	Vishranth B L	Co-Op Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13(13)
16	Pramod Srihari	Imm Past President	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗	✓	✗	✓	9(13)

EXECUTIVE COMMITTEE 2023-24



CA. SUJATHA G
President



CA. VIJAYKUMAR M PATEL
Vice President



CA. SUNIL BHANDARY
Secretary



CA. PRAVEEN S SHETTA
Joint Secretary



CA. MOHAMMED YUSUF
Treasurer



CA. DEEPAK CHOPRA
Chairman
Direct Tax Committee



CA. SUBRAMANYA B L
Chairman
Indirect Tax Committee



CA. NAVEEN HEGDE
Chairman
Corporate and Allied Laws
Committee



CA. DEEPAK JAIN
Chairman
Mofussil Members Empowerment
Committee and Membership and
Members Services Committee



CA. VISHRANTH B L
Chairman
Media and Technology Initiative
Committee



CA. HERAMBHA HEGDE
Chairman
Sports and Cultural Committee



CA. SIDDHARTHA S JAVALI
Chairman
Leadership and Skill
Development Committee



CA. BABITHA G
Chairman
Representation Committee



CA. YERRISWAMY C
Chairman
Co-operative and NPO Committee



CA. NAGARJUN K R
Chairman
Journals Committee



CA. PRAMOD SRIHARI
Immediate Past President

SUB COMMITTEES

2023-24

Direct Tax Committee

Mentor

CA. Naveen Khariwal

Chairman

CA. Deepak Chopra

Convenor

CA. Vignesh K

Members

CA. Abhishek Murthy R

CA. Adithya Bharadwaj S P

CA. Aditya Bellur Nagaraj

CA. Hemant Pai

CA. K Kaushik Raj

CA. Naina Matta M

CA. Rahul Roonwal

CA. Rani. N. R

CA. Shashikala S

CA. Tharun Kothari

Indirect Tax Committee

Mentor

CA. T. R. Rajesh Kumar

Chairman

CA. B. L. Subramanya

Convenor

CA. Mukul Sringeri

Members

CA. Akash A Parmar

CA. Amaresha K

CA. Bharath

CA. Ganesh Joshi

CA. Kusumadevi R H

CA. Mohana A

CA. Prakash Nagaraju

CA. Rajashekar Gouda Sr

CA. Shriram S S

CA. Vishal Govindprasad Poddar

Co-Operative & NPO Committee

Mentor

CA. Pannaraj S

Chairman

CA. Yerriswamy C

Convenor

CA. Chandrakant S Kapatakar

Members

CA. Chandargi Basappa B

CA. Chandrashekar Patel

CA. Ganesh Y

CA. Madhukar G Hegde

CA. Nagappa B. Nesur

CA. Pankaj Kasat

CA. Raghavendra Puranik

CA. Sangamesh Desai

CA. Sanjeevkumar S Hadimani

CA. Srikakulam Ramesh Tejasvi

CA. Subrahmanya G Hegde

Corporate & Allied Laws Committee

Mentor

CA. Ravi Prasad

Chairman

CA. Naveen S Hegde

Convenor

CA. Shareesh Gadde

Members

CA. Aditya Kumar S

CA. Darshan K R

CA. Gururaaja Shetty

CA. Kishor Shetty

CA. Manjunath N

CA. Nikhil C P

CA. Sai Rakshith M S

CA. Santhosh Raj S

CA. Shriganesh Hegde

CA. Uma H N

Journals Committee

Mentor

CA. T. N. Raghavendra

Chairman

CA. Nagarjun K R

Convenor

CA. Shivaswaroop H P

Members

CA. Akshata A Mathali

CA. Bhuvaneswari S

CA. Jaykumar A S

CA. N. A. Manoj

CA. Nagesh Hegde

CA. Pramod Kulkarni

CA. Shanmuga Sundar
Mohanakrishnan

CA. Sivaraman V

CA. S. Ragunathan

Leadership and Skill Development Committee

Mentor

CA. Siddesh Nagaraj Gaddi

Chairman

CA. Siddartha Javali

Convenor

CA. Alpa Shah

Members

CA. Bharati Bhat

CA. Prabhava P Hegde

CA. Pramod Kulkarni

CA. Prishita Agarwal

CA. Vaibhav N Kalbhairav

CA. Vinodraj R

SUB COMMITTEES

2023-24

Media & Technology Initiative Committee

Mentor

CA.Venugopal Gella

Chairman

CA.Vishranth B L

Convenor

CA.Vineet N Shetty

Members

CA.Anmol Lohia

CA.Anwesh Shetty

CA.Ashwin Chopra

CA.Dungar Chand U Jain

CA.Kurubara Honnur Swamy

CA.Manish Bhansali

CA.Narasimhan Elangovan

Representation Committee

Mentor

CA.Vinayak Pai

Chairman

CA.Babitha G

Convenor

CA.Shreehari Ullody

Members

CA.Chetna A

CA.Disha Banthia

CA.Hari Kishan Kumar P Chhajer

CA.Nagendra M P

CA.Narendra KV

CA.Pratik T

CA.Rajat Nahata

CA.Sandesh S

CA.Sujay K N

CA.Vijaya B

Membership & Member Services Committee

Mentor

CA.Raghavendra Shetty

Chairman

CA.Deepak T Jain

Convenor

CA.Gowrish Bhargav K.V

Members

CA.Amit Babaji

CA.Lokesh Shetty

CA.Mahendra

Publications Committee

Mentor

CA.Annapurna Kabra

Chairman

CA.Raghavendra Puranik

Convenors

CA.Deepak Jain

CA.Naveen Hegde

Members

CA.Pramod Srihari

CA. T N Raghavendra

CA.Shivaprakash Viraktamath

Mofussil Members Committee

Mentor

CA.Kumar S Jigajinni

Chairman

CA.Deepak T Jain

Convenor

CA.Pradeep Jogi

Members

CA.Ajisab

CA.Anil Kumar D V

CA.Ramakant Yatiraj Marda

CA.Sagar M Ghanti

CA.T G Arun

Women Empowerment Committee

Mentor

CA.Geetha A B

CA.Sudha Suresh

Chairman

CA.Abhilasha Chaturvedi

Convenor

CA.Padmaja Vikas Sunkad

Members

CA.Archana Sridhar

CA.Gowri B M

CA.Leena Kumari B

CA.Nandini C

CA.Preksha Bhandari

CA.Priya Kini K

CA.Saroja Bhat

CA.Shree Raksha

CA.Vinitha G

Sports & Cultural Committee

Mentor

CA.Subrahmanya Hegde

Chairman

CA.Herambha Hegde

Convenor

CA.Akash U Hegde

Members

CA.Avadhesh Bahety

CA.Darshan Kumar P S

CA.Jayaprakash Mundra

CA.Manohar Rao B M

CA.Ruchi Agrawal

CA.Sanketh Hegde

CA.Varun Gore

CA.Vinayaka N L

SNIPPETS 2023-24

FINANCIAL PERFORMANCE



Total Income for Fiscal year 2023-24

104.72 lakhs

MEMBERSHIP PROFILE

Members added from
1.9.2023 to 31.7.2024

197

Total Members

3933

REPRESENTATIONS MADE

16

Association activities /
Webinars and Seminars

50+

Professionals
Participated

8600+

Participation in
Annual Conference

1000+

Sessions

110+

REPRESENTATIONS

2023-24

Representation is crucial in advocating for the interests and concerns of our profession, and throughout the year, we have been actively involved in engaging with various authorities and government bodies. The main objective of our representation efforts has been to tackle urgent issues, seek clarity on intricate matters, and exert influence on policy decisions that benefit our members. As a result of some of these representations, we have achieved immediate and positive outcomes.

We have made sixteen representations addressing a diverse range of subjects, including but not limited to Income Tax, GST, Companies Act, Karnataka Co-operative Department, Registrar of Firms, and Professional Tax Department.

Sl. No.	Topic	Issue connected to
1	Extension of due date for submission of submission of Audit Report	Co-operative Audit
2	Representation Regarding Incorrect Processing Of Income Tax Returns Filed For The AY 2023-24 [Denial Of Deduction Even In Cases Where It Has Not Been Claimed] Impact: The error was acknowledged and corrective measures were taken	Income Tax
3	Representation Regarding Adjustments of Demand By CPC Despite Assessments Pending Before Appellate Authorities	Income Tax
4	Clarification on Admission of Indian Trusts as Partners in Limited Liability Partnership Firms ("LLP")	Corporate and Allied Laws
5	Representation Regarding Delayed Availability of Income Tax Forms 10B/10BB and Complications/Issues In Filling Particulars In Such Forms Impact: Few issues were addressed and relief was given. The due date for filing got extended from 30.09.2023 to 31.10.2023	Income Tax
6	Representation on inadequately concluded assessments and subsequent penalty proceedings	Income Tax

REPRESENTATIONS 2023-24

Sl. No.	Topic	Issue connected to
7	Representation regarding processing of updated return filed under section 139(8A) of the Income-tax Act, 1961	Income Tax
8	Representation Regarding Disallowance Under Section 43B(h) Of The Income-Tax Act, 1961	Income Tax
9	Representation Regarding Incorrect/Delay In Submitting Application U/S 12A(1) (ac) Impact: The Central Board of Direct Taxes (CBDT), has issued Circular No.07/2024 dated 25.04.2024 further extending the due date for filing Form 10A/ Form 10AB under the Income-tax Act, 1961 (the 'Act') upto 30th June, 2024.	Income Tax
10	Representation on Matters relating to Profession Tax Impact: Due date for payment extended to 31.05.2024	Profession Tax
11	Representation on issues relating to Profession Tax	Profession Tax
12	Representation on reduction of mandatory pre-deposit and ambiguity regarding pre deposit requirement for appeal before GST Tribunal Impact: Predeposit amount reduced vide circular	Indirect Taxes - GST
13	Representation on Changes in Relation to Goods and Services Tax Act, 2017 Impact: Few points have been considered and relief has been granted vide various Circulars dated 26.06.2024	Indirect Taxes - GST
14	Representation Regarding Appeals filed with The Commissioner of Income Tax (Appeals) Under Section 246A of The Income-Tax Act, 1961	Income Tax
15	Representation Regarding Reconsideration of Tax Residency Certificate Application for Companies Registered under The Companies Act, 2013	Income Tax
16	Representation regarding the glitches in the Income Tax portal	Income Tax

ANNUAL CONFERENCE

Jnanottirnata Transcendence Through Knowledge



As a professional, it is very imperative to understand what our Upanishads explain about knowledge and the way of acquiring knowledge. Mundaka Upanishad says that there are two different kinds of knowledge to be acquired

Apara Vidya is the faculty of self-knowledge or logical reasoning which is acquired using the senses and the mind. This sort of knowledge is susceptible to corruption or distortion.

Para Vidya refers to higher learning or learning related to the Self or the Ultimate Truth i.e. transcendental knowledge. It is achieved through intuition, self-realization and higher order inward thinking.

Para Vidya is transcendent of the Apara Vidya and aims at realizing Reality as it is and not as it appears, and it supplants and corrects conventional knowledge and conventional belief.

Ancient Indian gurus were not interested in knowledge for knowledge sake, but in seeking an inward journey of self-realization of its highest kind.

In the modern world, we rarely deal with Para Vidya. We gain our knowledge through perception and senses. We make inductive reasoning from this knowledge. We use this rational knowledge to discriminate between truth and falsehood. This knowledge is the "external knowledge"

There are some of us, who use intuition and an inner wandering to gain the "inner wisdom".

And there are a few who gain the third form of knowledge from the experience, which we gain from the words of our gurus, rishis and wise men. This is called the "written or past wisdom".

But, it's the fusion of this Para Vidya with Apara Vidya, and its synthesis with the written wisdom, that help

achieve the transcendence of knowledge. This is our journey. Our journey through lives. Even though, our ancient sources were not written, keeping in mind the modern systems and practice of learning, we can build a model that is founded on these ancient, and timeless principles.

It's with these in mind, we arrive at these principles

- Build your knowledge with what you see, hear and sense around you
- Achieve your wisdom by using an inner journey to intuitively assess the facts, and correct the conventional knowledge and conventional belief
- Apply what has been written by our previous gurus who have walked this path before us.

As Chartered Accountants, what is our takeaway, or application of Indian philosophical foundations in our material pursuits? It seems a conflicting or contrasting journey. How do we apply the concept of transcendence in our profession with its own ocean of knowledge, wisdom, intuition and reasoning? Our careers go through these three phases.

We spend the first quarter of our professional lives just making sense of the vast corners of commercial, mercantile law and its procedures, then we intuitively understand the purpose, objectives and history of the activities we do, and then we blend this expertise with the experience and wisdom which has been collected by our past gurus to achieve the completeness and fulfilment that we seek from this profession. We call this, the Transcendence of Knowledge as it applies to all of us, fellow Chartered Accountants.

This two-day conference with the theme "Jnanottirnata" is going to give you experiential wisdom for your professional practice.

AGENDA

Friday, 1st March 2024

INAUGURAL SESSION

10.00 am Inaugural Address by Chief Guest
Shri A S Kiran Kumar, Former Chairman, ISRO
Guest of Honour
Smt. C Shikha, IAS, Commissioner, Department of Commercial Taxes, Govt. of Karnataka
Release of Souvenir and Publications

11.15 am Inauguration of Exhibition

FIRST TECHNICAL SESSION

11.45 am Panel Discussion - **CA PROFESSION IN AMRIT KAAL**
Moderator: **CA P R Ramesh**, Hyderabad
Panelists: **Prof. R Narayana Swamy**, Member, NFRA
CA Kamlesh Vikamsey, Mumbai
CA Amarjit Chopra, Past President, ICAI

CA TALK

12.45 pm Journey within - **A TRANSFORMATIVE EXPERIENCE**
CA H Padamchand Khincha

SECOND TECHNICAL SESSION

1.45 pm Panel discussion - **AI ENABLED PROMPT ENGINEERING IN ACCOUNTING AND AUDITING**
Moderator: **CA Narasimhan Elangovan**
Panelists: **CA Anand Jangid**
CA Patabhi Ram V, Chennai

THIRD TECHNICAL SESSION

2.45 pm Panel Discussion - **PRACTICAL ISSUES AND CHALLENGES IN CO-OPERATIVE AUDIT**
Eminent Speakers and Co-operative Audit Department Officials

FOURTH TECHNICAL SESSION

4.15 pm **CHANAKYA'S WISDOM: ELEVATING CA PROFESSION THROUGH ANCIENT STRATEGIES**
Dr. Radhakrishnan Pillai, Mumbai, Renowned Author

Saturday, 2nd March 2024

SPECIAL SESSION

9.45 am **ZEN IN CHAOS: NURTURING HAPPINESS AND HEALTH AMIDST LIFE'S CHALLENGES**
Dr. Devi Prasad Shetty, Chairman and Founder, Narayana Health

CA TALK

11.15 am Journey within - A **TRANSFORMATIVE EXPERIENCE**
CA Sarika Jain, IRS, DCIT, Mumbai

FIFTH TECHNICAL SESSION

11.30 am Panel discussion - **TRANSFORMATIVE INFLUENCE OF WOMEN IN ORGANIZATIONAL DEVELOPMENT**
 Moderator: **CA Roopa Venkatesh**
 Panelists: **CA Sandhya Sriran**, CFO, Narayana Health
CA Aparna C Iyer, CFO, WIPRO
Ms. M V Roopa, Scientist, ISRO
Mrs. Jeyasree Ravi, Founder, Palam Silks

CA TALK

12.45 pm Journey within - A **TRANSFORMATIVE EXPERIENCE**
CA Chetan Venugopal

SIXTH TECHNICAL SESSION

21.45 pm Panel Discussion - **FISCAL FUSION: INTEGRATING CROSSROADS OF IT, GST, ACCOUNTS AND AUDIT**
 Moderator: **CA Sanjay Dhariwal**
 Panelists: **Adv. Narendra Jain**
CA Jatin Christopher
CA K Gururaj Acharya

CULTURAL PROGRAM AND VALEDICTORY SESSION

FAMILY ENTERTAINMENT PROGRAM: PERFORMANCE BY BARFI INDIA

THEME DINNER

AsknXpert

Friday, 1st March 2024

11.15 am to 11.45 am RERA - Issues in Real Estate (Regulation and Development) Act

12.00 noon to 12.30 pm FEMA - Issues under Foreign Exchange Regulations

1.45 pm to 2.15 pm GST - Real Estate Issues

2.30 pm to 3.30 pm Technology - ZOHO: Practice Management Software

4.00 pm to 4.30 pm Issues under Income Tax

Saturday, 2nd March 2024

9.30 am to 10.00 am Co-op Societies - Issues in audit of Co-operative Societies

11.15 am to 11.45 am Companies Act - Issues in Secretarial Compliances

12.00 noon to 12.30 pm GST - Issues in notices, limitation, jurisdiction, service of notices/orders

1.45 pm to 2.15 pm Issues under Income Tax

Jnanottirната



Transcendence Through Knowledge



Jnanottirnata



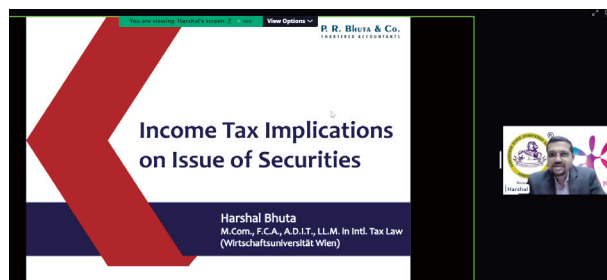
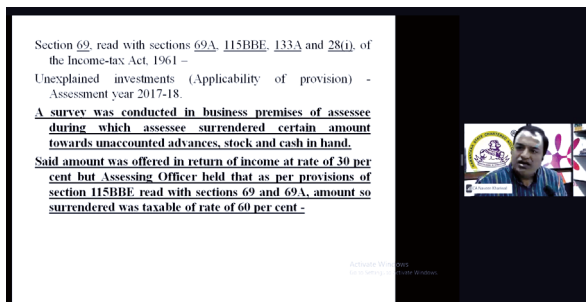
Transcendence Through Knowledge



ACTIVITIES

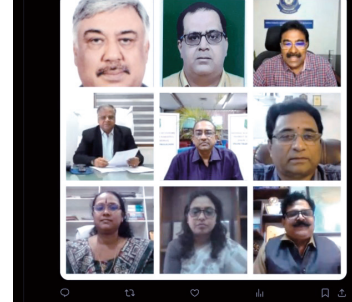
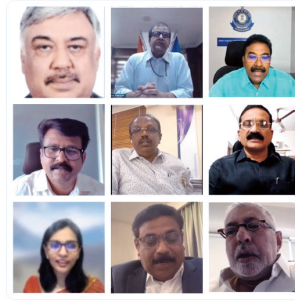
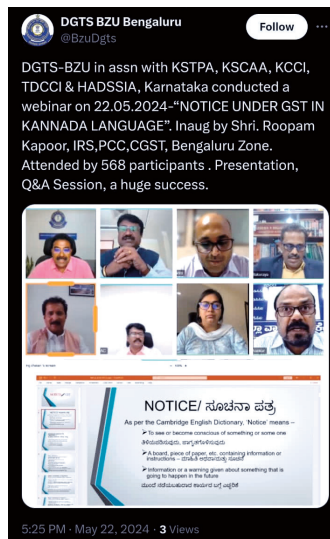
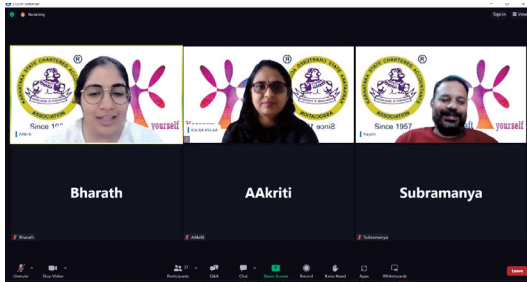
DIRECT TAX COMMITTEE

- Recent Amendments Relevant to tax audit
- Recent judicial pronouncements relevant to tax audit
- Disclosures, Disclaimers and observations in tax audit report
- Recent judicial pronouncements by Supreme Court under The Income-tax Act, 1961.
- Steering through the Recent trends on Transfer Pricing
- Webinar on Income Tax implications on issue of securities
- Rewind 2023: Unraveling Direct Tax Verdicts of 2023
- 43B(H) Unveiled: From Confusion to Clarity in Expense Disallowance
- Unwrapping the issues on taxation of Digital Transaction
- Reassessment provisions under Income Tax Act - Law and Practice
- Changes in Income Tax Returns and Form 3CD for AY 24-25
- Registration/Re-registration of Charitable Trusts
- Ask N Xpert Clinic at KSCAA Annual Conference
- Direct Tax Home Refresher Course (DTHRC) with BCAS and other sister associations
- Income Tax for the real World
- Webinar on Disclosures, Disclaimers & Observations in Tax Audit Report



ACTIVITIES INDIRECT TAX COMMITTEE

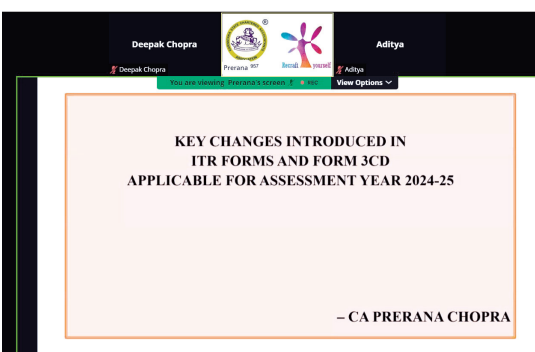
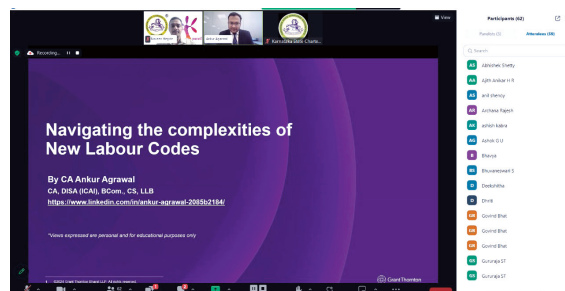
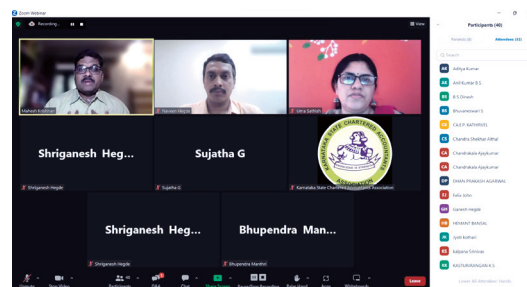
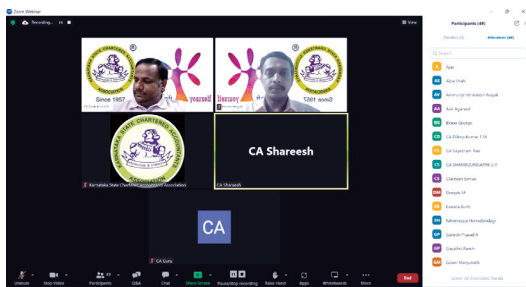
- Intensive GST residential course
- Regular Study Circle Meetings
- Navigating Section 16(4): Unraveling a checkered Legal Landscape
- Courtroom Series on GST
- Webinars conducted by DGTZ BZU in association with KSCAA and other Associations on the following topics:
 - Registration & Maintenance of Records Under GST
 - 52nd GST Council Meeting Recommendations - An Overview
 - Essential aspects of Works Contract Services
 - Notices issued under GST - In Kannada Language



ACTIVITIES

CORPORATE AND ALLIED LAW COMMITTEE

- Common Errors in preparation of Financial Statements
- Navigating the Complexities of New Labour Codes and its impact on industry
- Common Errors in preparation of Audit Reports
- Equity linked Funding Instruments & Special Terms in Funding Agreements
- 2 Days Residential Course - RERA Enabler Program
- MCA Compliances Calender for Companies & LLPs
- Bank Audit using Excel



ACTIVITIES

LEADERSHIP COMMITTEE

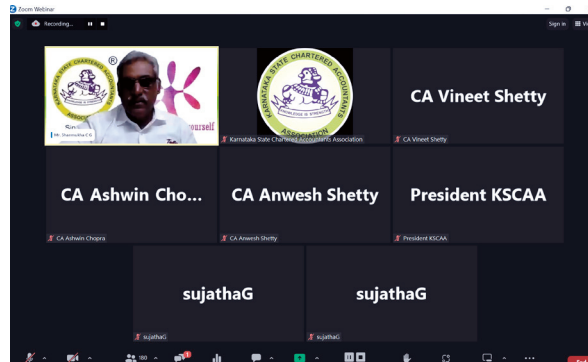
- Regular Eloquent Professionals Meet
- Launch of Young Members Club
- Trip to Galibore Nature camp
- International Trip to Malaysia



ACTIVITIES

MEDIA AND TECHNOLOGY INITIATIVE COMMITTEE

- Simplify your CA Practice
- Empowering CA with Artificial Intelligence



ACTIVITIES

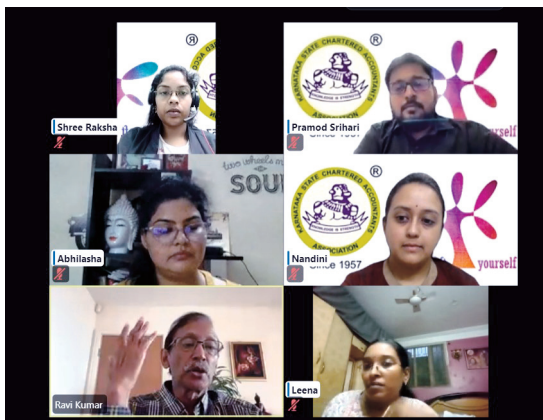
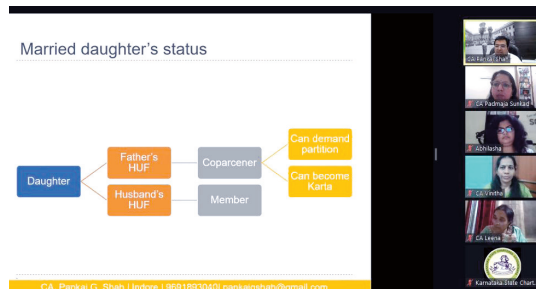
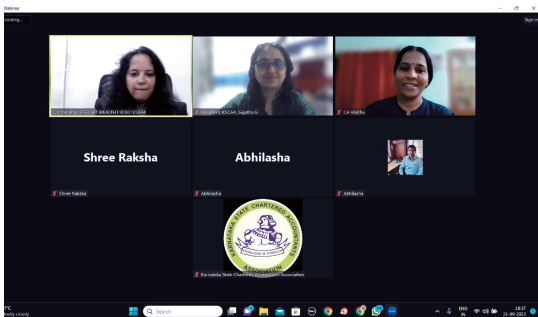
REPRESENTATION COMMITTEE



ACTIVITIES

WOMEN EMPOWERMENT COMMITTEE

- Wealth Management for Professionals
- Succession planning -Let's all successfully pass the baton
- Untaped oppurtunities for CA's in serving MSME
- CA in the Era of Digitalisation
- Issue shares to non resident-valuation,accounting and taxation
- Remittances Abroad-An Interplay between Income tax and FEMA
- Fireside Chat with CA Ravi Kumar Ramanan



ACTIVITIES

SPORTS COMMITTEE

- Sports & Cultural Meet was arranged on December 2nd, 9th and 17th, 2023, to commemorate Kannada Rajyotsava and promote indoor sports. The cultural and family-oriented activities fostered strong emotional bonds among the members.
- On 28 January 2024, a Cricket Tournament was organized. Approximately 10 teams from across Karnataka participated in the event, generating momentum and allowing members to channel their sporting energy.
- Shooting Training and Competition



ACTIVITIES

SPECIAL EVENTS

- Launch of Young Members Club
- KSCAA Kreedha habba - Sports & Cultural meet
- KSCAA collaborated with ASSOCHAM to host a program titled "Insolvency & Bankruptcy Conclave 2023."
- Meeting with Officials of Co-Operative Audit - Karnataka - Discussion on Format of Audit Report and Financial Statements
- Meeting with CIT(Exemptions) Mr. Manian Mathivanan to discuss issues relating to Trusts.
- Meeting with JCCT, Minority Acts, Ms. Sonala Nayak to discuss issues relating to Professional Tax Payment.
- Meeting with Principal Chief Commissioner of Central Taxes, Bengaluru to discuss issues relating to GST.



EXPRESSION OF GRATITUDE

ASSOCIATIONS & BRANCHES

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

SPONSORS

Sadhguru audit and GRC Solutions Pvt Ltd
Bemax Pro Software Solutions Pvt Ltd
Embassy Services Private Limited
Canfin Homes Limited
Adarsh Developers
Zoho Corporation Private Ltd
Taxmann Allied Services Private Limited
Tally Solutions Private Limited
Karnataka Bank Ltd
One Shell Solutions Private Limited
Start Up Zone
V Sign India
MFA Wealth Pvt. Ltd
Buildwealth Technologies Private Limited
Alchemist Calchemist Consulting
Stock Holding Corporation Of India Limited
Madrecha Solutions Pvt Ltd
Greytip Software Private Limited
PDS Infotech Pvt Ltd
Anand Rathi Share And Stock Brokers Limited

RZPX Private Limited
Relyon Softech Limited
IDFC First Bank
AIM Tooling
Lakshmi Vacuum Heat Treaters Private Limited
SBM Bank (India) Limited
Trishul Communications
RERA Consultants LLP
KSDL
LIC Housing Finance Limited
All Like Marketing Private Limited (Advaith Hyundai)
Fortius Land Developers LLP
Karnataka College Group of Institutions
Ramaiah College
Rupeeboss Financial Services Pvt Ltd

DONORS

Dhariwal and Sreenivas
Hiremath and Co
Sundaresha and Co
Singhvi Dev and Unni LLP
Guru & Jana Chartered Accountants
N S V M & Associates
H C Khincha & Company
Manohar Chowdhry & Associates
Pierian Services
GPSVA & Co.,
NNR and Co
Sateesha Kalkur
Ledger Services Private Limited
Basavaraja and Dileep
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Nanjunda & Co

Ramesh Ashwin & Karanth
R Ramakrishnan and Co
B.R.V.Goud & Co
Shekar & Yathish
Chandan Hegde & Associates
Babitha G & Co.,
K P M S & Associates
Raghavendra M N & Co.
Vishranth & Karthik
Annapurna & Associates
Anant Mutalik
Srinivasa and Co.
Patil Kabbur & Associates
Virupaxi Vantagitti & Co
G S Associates
Rakchamps & Co LLP
K Rajasekhar & Co LLP
Murali Krishna K S
L K S S & Associates
Latha Vijay Patel & Co

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C.S. Shrinath Bhat
CA. Aditya Kumar S
CA. Arun Chintopanth
CA. Vikas Shenoy
CA. Aditya Bharadwaj

OBITUARIES

We at KSCAA mourn the passing of respected fellow members and many other members of our profession during the year. It is a huge loss not only for the bereaved family members but also to the association and society at large as these departed souls left an indelible imprint on all our minds. KSCAA expresses solidarity with the family members of the deceased and offers sincere gratitude for the exemplary services and contributions made by these departed souls.



CA. VENKATESH D R
Past President (1998-99)



**CA. SANJEEVKUMAR S
HALDIMANI**
Member - Co-operative &
NPO Committee



CA. SHAMJI L PATEL



CA. SWAROOP KHINCHA



CA. SACHITANANDA



CA. K S RAVISHANKAR



CA. YASHWANT DAGLIYA



CA. V R NATARAJAN

FINANCIAL
REPORT

2023-24



INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Karnataka State Chartered Accountants
Association (R)

Opinion

We have audited the financial statements of M/s Karnataka State Chartered Accountants Association (KSCAA) ("the Association"), which comprise the Balance Sheet as at 31st March 2024, the Income and Expenditure Account for the year ended on that date, and a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the schedules and notes thereto, are prepared in all material respects, in accordance with the Karnataka Societies Registration Act, 1960 and give a true and fair view of the State of Affairs of the Association as at 31st March 2024 and its deficit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities

in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Association's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.

Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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

Report on Other Regulatory Requirements

Further, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account have been kept by the Association so far as appears from our examination of those books.

c) The Association's Balance Sheet and Statement of Income and Expenditure dealt with by this Report are in agreement with the books of accounts.

Hegde Hegde & Associates LLP
Chartered Accountants
FRN : S000039

Sd/-
CA. Nagaraj Hegde
Partner
M.No: 245892
UDIN: 24245892BKFQWZ4740

Date : 9th July 2024
Place: Bengaluru

BALANCE SHEET

AS AT 31.03.2024

in Rupees

Particulars	Notes	as at 31 Mar 24	as at 31 Mar 23
I CORPUS, OTHER FUNDS AND LIABILITIES			
i Corpus and other funds			
a. Corpus fund	2	49,46,672	46,13,672
b. General fund	3	1,60,81,171	1,62,19,135
c. Restricted and other funds	4	38,78,799	38,32,973
		2,49,06,642	2,46,65,780
ii Non current liabilities			
iii Current liabilities			
a. Other current liabilities	5	17,74,606	16,29,728
b. Short term provisions	6	13,90,670	6,30,343
		31,65,276	22,60,071
Total		2,80,71,918	2,69,25,851
II ASSETS			
i Non current assets			
a. Property, plant and equipment	7	35,79,812	26,61,050
b. Long-term loans and advances	8	8,96,350	14,85,402
c. Other non-current assets	9	1,64,46,753	1,11,88,119
		2,09,22,915	1,53,34,571
ii. Current assets			
a. Stock of publications and materials	10	2,91,440	32,220
b. Receivables	11	6,90,535	7,35,701
c. Cash and bank balances	12	61,02,441	1,04,63,048
d. Short-term loans and advances	13	64,587	90,166
e. Other current assets	14	-	2,70,145
		71,49,003	1,15,91,280
Total		2,80,71,918	2,69,25,851

Notes 1 to 24 form an integral part of the Financial Statements

As per our report of even date
Hegde Hegde & Associates LLP
 Chartered Accountants
 FRN : S000039
 Sd/-
CA. Nagaraj Hegde
 Partner
M.No: 245892
UDIN:24245892BKFQWZ4740

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

Sd/-
CA Sujatha G
 President

Sd/-
CA SUNIL BHANDARY
 Secretary

Sd/-
CA MOHAMMED YUSUF
 Treasurer

Date : 9th July 2024
 Place: Bengaluru

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31.03.2024

in Rupees

Particulars		Notes	Year Ended 31 Mar 24	Year Ended 31 Mar 23
A	INCOME			
	a. Conference, seminar and programs	15	87,36,976	1,39,53,526
	b. Other income	16	17,35,861	14,12,401
	Total Income (A)		1,04,72,837	1,53,65,927
B	EXPENDITURE			
	a. Conference, seminars and programs	17	76,26,013	1,21,72,150
	b. Bulletins and publications	18	9,88,261	9,01,415
	c. Employee benefits expense	19	6,46,884	5,56,357
	d. Other expenses	20	15,12,253	13,01,733
	e. Depreciation	7	71,394	81,221
	Total Expenditure (B)		1,08,44,804	1,50,12,876
C	SURPLUS/(DEFICIT) BEFORE EXCEPTIONAL ITEMS (A-B)		(3,71,967)	3,53,051
D	EXCEPTIONAL ITEMS			
	a. Provision no longer required -written back	22	2,34,003	-
E	SURPLUS/(DEFICIT) FOR THE YEAR TRANSFERRED TO GENERAL FUND(C-D)		(1,37,964)	3,53,051

Notes 1 to 24 form an integral part of the Financial Statements

As per our report of even date
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 Treasurer

Date : 9th July 2024
 Place: Bengaluru

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Overview of the Association.

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

The Association is registered under Section 12A of the Income Tax Act, 1961, vide unique registration no AAAAK1146LE20219 dated 31.08.2021 (old registration no. Trust/718/10A Vol.AII/K.503/90-91/CIT II dated 10.12.1990).

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

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

1.2 Governance

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

1.3 Significant Accounting Policies

A. Basis of Preparation of Financial Statements

a. Accrual Basis

The financial statements have been prepared under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles and the accounting standards prescribed for the non corporate entities issued by the Institute of Chartered Accountants of India. The accounting policies, in all material respects, have been consistently applied by the Association and are consistent with those in the previous year.

Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. Difference between the actual and estimates are recognized in the period in which the results are known / materialized.

b. Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

B. Revenue Recognition

- a. Income from conferences, seminars, workshops and sports and cultural programs are recognized as income as and when conferences, seminars, workshops and sports and cultural programs are organized and held.
- b. Admission / Entrance Fee charged is recognized as income in the year of receipt.
- c. Ordinary Membership fee received is recognized as income in the year of receipt.
- d. Interest on Term Deposits is recognized on a time proportion basis subject to the interest which is transferred to the Restricted Funds as per note 4 of the Financial Statements.
- e. Income from Sale of publications is recognized as income, as and when the publications are sold.
- f. Income from advertisement in bulletins is recognized as income as and when the advertisements are published in the bulletins.
- g. Interest on tax refunds is accounted on receipt basis.

C. Life Membership Fees

- a. Life Membership Fees received is credited to Corpus Fund.

D. Expenses

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

E. Allocation/Transfers to Activity Funds

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

F. Prior Period Items

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

G. Property, Plant and Equipment

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

Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit or other tax credit admissible to the Association.

Also, the cost of an item of property, plant and equipment is recognized as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the enterprise; and (b) the cost of the item can be measured reliably.

H. Depreciation

The Association has a policy of computing depreciation as well as gain or loss on disposal of assets and adopts the concept of Block of Assets as

per the provisions of Income tax Act, 1961. The rates of depreciation specified under the Income tax Rules, 1962 are considered for computing depreciation.

A leased asset is depreciated on a straight-line basis over the useful life of the asset assessed by the management.

I. Stock of Publications and Materials

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

J. Investments

The current investments are valued at lower of the cost or fair value, whereas the long-term investments are carried at cost unless there is diminution in the value of the investment for reasons other than temporary.

K. Income Tax

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

L. Impairment of Assets

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

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

M. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	in Rupees	
	as at 31-Mar-24	as at 31 Mar 23
2 CORPUS FUND		
Opening Balance	46,13,672	42,24,672
Add: Life membership fee received during the year	3,33,000	3,89,000
	49,46,672	46,13,672
3 GENERAL FUND		
Opening Balance	1,62,19,135	1,58,66,084
Add: Surplus/(deficit) for the year	(1,37,964)	3,53,051
	1,60,81,171	1,62,19,135

Particulars	in Rupees				
	balances as at 01-Apr-23	Receipts during the year	Add: transferred during the year	Less: utilised/ transferred	Balances as at 31-Mar-24
4 RESTRICTED AND OTHER FUNDS					
A RESTRICTED FUNDS					
Endowment fund	70,000	-	-	-	70,000
Late S. Narayanan's memorial prize award account	1,00,000	-	-	-	1,00,000
Professional development fund	5,06,488	-	-	-	5,06,488
Student welfare fund	1,13,102	-	-	-	1,13,102
A	7,89,590	-	-	-	7,89,590
B ACTIVITY FUNDS					
Endowment fund	1,55,464	-	4,063	-	1,59,527
Late S. Narayanan's memorial prize award account	1,07,155	-	5,804	-	1,12,959
Professional development fund	5,774	-	29,395	-	35,169
Student welfare fund	56,126	-	6,564	-	62,690
Legal fund	2,97,268	-	-	-	2,97,268
B	6,21,787	-	45,826	-	6,67,613
C UTILISED FUNDS					
Library fund	1,44,360	-	-	-	1,44,360
Permanent project	2,47,500	-	-	-	2,47,500
Building fund	50,000	-	-	-	50,000
S. Amaralal golden jubilee hall fund	2,50,000	-	-	-	2,50,000
Professional lounge fund	2,29,736	-	-	-	2,29,736
Golden jubilee project fund	15,00,000	-	-	-	15,00,000
C	24,21,596	-	-	-	24,21,596
GRAND TOTAL (A+B+C)	38,32,973	-	45,826	-	38,78,799
PREVIOUS YEAR	38,16,340	-	42,454	25,821	38,32,973

NOTES FORMING PART OF FINANCIAL STATEMENTS

in Rupees

Particulars	as at 31 Mar 24	as at 31 Mar 23
5 OTHER CURRENT LIABILITIES		
Employee payables	200	44,600
Audit fees payable	45,000	36,000
GST Payable	2,38,080	-
Rent payable	-	28,350
TDS payable	1,30,833	2,51,605
Professional tax payable	200	-
Other payables	13,60,293	12,69,173
	17,74,606	16,29,728
6 SHORT TERM PROVISIONS		
Provision for property tax*	3,96,340	6,30,343
Provision for KIADB Payment**	9,94,330	-
	13,90,670	6,30,343
* Refer Note No.22		
Opening balance of provision	6,30,343	5,30,343
Add: Provision created / (written back) during the year	(2,34,003)	1,00,000
Closing balance of provision for property tax	3,96,340	6,30,343
** Refer Note No.21		
Opening balance of provision	-	-
Add: Provision created during the year	9,94,330	-
Closing balance of provision for KIADB Payment	9,94,330	-

(This space is intentionally left blank)

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 7. PROPERTY, PLANT AND EQUIPMENT										
Particulars	Freehold Land *	Buildings	Leasehold Improvements	Furniture and Fixtures	Library Books	Computer, Printers & Software	Office Equipments	Total		
Rate of Depreciation	0.00%	10.00%	33.33%	10.00%	40.00%	40.00%	15.00%			
Gross block										
Opening Balance as on 01-Apr-2023	19,97,630	7,80,288	37,800	13,61,319	94,018	2,09,054	4,31,307	49,11,416		
Additions	9,90,155	-	-	-	-	-	-	9,90,155		
Deductions / Adjustments	-	-	-	-	-	-	-	-		
Balance as on 31-Mar-2024	29,87,785	7,80,288	37,800	13,61,319	94,018	2,09,054	4,31,307	59,01,571		
Opening Balance as on 01-Apr-2022	19,97,630	7,80,288	37,800	13,61,319	94,018	2,09,054	4,31,307	49,11,416		
Additions	-	-	-	-	-	-	-	-		
Deductions / Adjustments	-	-	-	-	-	-	-	-		
Balance as on 31-Mar-2023	19,97,630	7,80,288	37,800	13,61,319	94,018	2,09,054	4,31,307	49,11,416		
Accumulated depreciation										
Opening Balance as on 01-Apr-2023	-	6,70,773	37,800	8,80,709	94,018	2,03,511	3,63,555	22,50,365		
Additions	-	10,953	-	48,061	-	2,217	10,163	71,394		
Deductions / Adjustments	-	-	-	-	-	-	-	-		
Balance as on 31-Mar-2024	-	6,81,726	37,800	9,28,770	94,018	2,05,728	3,73,718	23,21,759		
Opening Balance as on 01-Apr-2022	-	6,58,604	37,800	8,27,308	94,018	1,99,816	3,51,599	21,69,144		
Additions	-	12,169	-	53,401	-	3,695	11,957	81,222		
Deductions / Adjustments	-	-	-	-	-	-	-	-		
Balance as on 31-Mar-2023	-	6,70,773	37,800	8,80,709	94,018	2,03,511	3,63,556	22,50,366		
Net block(WDV)										
Balance as on 31-Mar-2024	29,87,785	98,563	-	4,32,549	-	3,326	57,589	35,79,812		
Balance as on 31-Mar-2023	19,97,630	1,09,516	-	4,80,610	-	5,543	67,751	26,61,050		

* Refer Note No. 21

NOTES FORMING PART OF FINANCIAL STATEMENTS

in Rupees

Particulars	as at 31 Mar 24	as at 31 Mar 23
8 LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Tax deducted at source*	8,96,350	14,85,402
	8,96,350	14,85,402
*The refund for AY 2015-16 of Rs. 1,38,579 and AY 2021-22 of Rs.1,99,139 has been adjusted against the demand. The Association has filed an application for rectification on 13.07.2022, which is pending due to technical issues. During the year a sum of Rs.8,67,870 is received including interest.		
9 OTHER NON-CURRENT ASSETS		
Security deposits	4,26,585	3,91,585
Bank deposits with more than 12 months maturity	1,57,00,000	1,07,00,000
Accrued interest on bank deposits with more than 12 months maturity	3,20,168	96,534
	1,64,46,753	1,11,88,119
10 STOCK OF PUBLICATIONS AND MATERIALS		
KSCAA publications	1,97,081	-
Other materials	94,359	32,220
	2,91,440	32,220
11 RECEIVABLES		
(Unsecured, Considered Good)		
Outstanding for a period less than 6 months from the date they are due for receipt	5,24,685	6,90,701
Outstanding for a period exceeding 6 months from the date they are due for receipt	1,65,850	45,000
	6,90,535	7,35,701
12 CASH AND BANK BALANCES		
A. Cash and cash equivalents		
a) On Current accounts of banks	12,51,774	10,92,301
b) On Savings accounts of banks	5,130	5,130
c) Cash on hand	3,180	26,769
	I 12,60,084	11,24,200
B. Other Bank balances		
a) Bank deposits with original maturity for more than 3 months but less than 12 months from reporting date	44,48,349	91,27,630
b) Accrued Interest On Term Deposits	3,94,008	2,11,218
	II 48,42,357	93,38,848
	I+II 61,02,441	1,04,63,048

NOTES FORMING PART OF FINANCIAL STATEMENTS

in Rupees

Particulars	as at 31 Mar 24	as at 31 Mar 23
13 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
GST input tax credit	64,587	90,166
	64,587	90,166
14 OTHER CURRENT ASSETS		
Advance to suppliers*	2,70,145	2,70,145
Less : Adjusted during the year	(2,70,145)	-
	-	2,70,145
15 INCOME FROM CONFERENCE, SEMINARS AND PROGRAMS		
Annual conference	63,48,047	1,19,41,911
Seminars, workshops, sports and cultural programs	23,88,928	20,11,614
	87,36,976	1,39,53,526
16 OTHER INCOME		
Interest income		
Interest on bank term deposits	11,60,054	10,50,576
Less: Transferred to activity fund	45,826	42,454
	11,14,228	10,08,122
Add: Interest on saving bank accounts	11,834	14,106
Interest on IT Refund	1,76,367	-
	I 13,02,429	10,22,228
Advertisement in news bulletins	3,66,000	2,73,298
Admission / entrance fee	66,600	77,800
Miscellaneous income	261	218
Sale of publications	571	38,857
	II 4,33,432	3,90,173
	I+II 17,35,861	14,12,401
17 CONFERENCE, SEMINARS AND PROGRAMS		
Annual conference expenses*	59,99,200	1,05,98,300
Seminars, workshops, sports and cultural and programs Expenses	18,86,033	14,72,299
Decrease /(increase) in stock of publications	(1,97,081)	1,21,545
Decrease /(increase) in stock of materials	(62,139)	(19,994)
	76,26,013	1,21,72,150

*out of Rs.59,99,200/- , an amount of Rs.2,01,083/- relates to 35th Annual Conference

NOTES FORMING PART OF FINANCIAL STATEMENTS

in Rupees

Particulars	as at 31 Mar 24	as at 31 Mar 23
18 BULLETINS AND PUBLICATIONS		
Printing charges of news bulletins	9,88,261	9,01,415
	9,88,261	9,01,415
19 EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	5,84,800	5,24,000
Conveyance	30,892	6,000
Staff welfare expenses	31,192	26,357
	6,46,884	5,56,357
20 OTHER EXPENSES		
Rent	3,78,000	3,75,000
Email, SMS & Other Subscription charges	2,70,449	2,64,094
Printing and stationery	1,70,696	1,55,901
Annual general meeting expenses	1,23,225	1,02,014
Property tax	-	1,00,000
Audit fee	50,000	40,000
Office maintenance expenses	37,770	38,807
Professional expenses	86,000	38,382
Postage and courier charges	1,06,766	38,037
Telephone and internet charges	24,069	30,904
Professional lounge maintenance expenses	30,000	30,000
Website charges	35,654	28,864
Commission on online payment services	12,591	10,591
Rates and taxes	2,500	6,600
Electricity charges	18,510	6,452
Pooja expenses	13,500	6,080
Miscellaneous expenses	35,695	5,949
Executive committee meeting expenses	33,534	5,190
Water charges	7,464	4,020
Membership expenses	-	4,000
Bank charges	3,351	3,898
Repairs and maintenance expenses	-	3,646
Interest paid to KIADB	4,175	-
Locker rent	3,304	3,304
Assistance to Dist. CA Associations	50,000	-
Legal Charges	15,000	-
	15,12,253	13,01,733

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 21 The Association received a letter dt 12.02.2024 from KIADB for Rs.9,94,330/- to be paid on or before 4th August 2024. It is towards recovery of compensation for land acquisition and infrastructure facilities by KIADB. The same has been capitalised in the books of accounts to the extent of Rs.9,87,483 and the balance as interest in the Income & Expenditure
- 22 The provision for property tax relates to the SJP Road property of the Association and payable annually to BBMP against Property Identification Number (PID). The Association has paid the arrears of property tax from 2007-08 to 2023-24 using One Time Settlement (OTS) scheme on 21.05.2024. Therefore, the excess provision outstanding in the books has been written back in the current year.
- 23 Bank deposits includes deposit of Restricted Funds amounting to Rs.7,89,590/- (FY 2022-23: Rs.7,89,590/-)
- 24 Prior year amounts have been regrouped/reclassified wherever necessary, to conform to the current years' presentation.

Notes 1 to 24 form an integral part of the Financial Statements

As per our report of even date
Hegde Hegde & Associates LLP
 Chartered Accountants
 FRN : S000039
 Sd/-
CA. Nagaraj Hegde
 Partner
M.No: 245892
UDIN:24245892BKFQWZ4740

For and on behalf of the Executive Committee of
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 President

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CA SUNIL BHANDARY
 Secretary

Sd/-
CA MOHAMMED YUSUF
 Treasurer

Date : 9th July 2024
 Place: Bengaluru



Karnataka State Chartered Accountants Association (R)

No. 67, 1st Floor, 2nd Stage, West of Chord Road, Mahalaxmipuram, Next to Rajajinagar Metro Station, Bengaluru-560 086 • Phone 95357 15015 • info@kscaa.com • www.kscaa.com

NOMINATION FORM

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

Dear Sir,

I wish to contest as a candidate for election to the Executive Committee of the Association for the year 2024-25 to be held during the 51st Annual General Meeting on Monday, the 12th of August, 2024.

Yours faithfully,

(Signature of the Candidate)

Name:

Telephone No:

KSCAA Membership No.:

Mobile No.:

Address:

Email ID:

Proposer's Name :

Secunder's Name :

Proposer's Signature:

Secunder's Signature:

Address:

Address:

KSCAA Membership No.:

KSCAA Membership No.:

NOTES:

- Members who wish to send their nominations for the Executive Committee are required to submit the Nomination Form, duly filled in, at the Association Office.
- Last date for submission of nomination: Before 5.00 pm on Saturday, 3rd August, 2024.
- Last date of withdrawal of the nominations: Before 5.00 pm on Wednesday, 7th August, 2024.
- Announcement of final list of candidates contesting for election: At 6.00 pm on Wednesday, 7th August, 2024.
- The Final list of the Candidates shall also be uploaded at our website www.kscaa.com

IPR AND PROTECTION IN INDIA IP MANAGEMENT AND MARKET SUPPORT TO MSMEs.

(PART - XLVII OF IPR SERIES)



Adv. M G Kodandaram

Role of IP in Marketing

In today's fast-paced, competitive market, intellectual property (IP) plays a crucial role in distinguishing businesses and their offerings. The strategic use of IP in marketing undoubtedly enhances a company's brand, provides a competitive edge, and ensures legal protection for unique innovations.

The IP as a Marketing Tool enhances the Product Appeal in the market. Patents and copyrights can be used to highlight the innovation and uniqueness of a product. For instance, a tech company can market a new gadget by emphasizing its patented technology, thereby appealing to consumers looking for cutting-edge products. Similarly, a fashion brand can leverage copyright protection for its designs to market its exclusivity. The Trademarks are significant in creating and maintaining brand identity. A strong trademark along with providing quality product and service can evoke trust, quality, and reliability among consumers. Companies like Amul, Nandini, Mahindra, Tatas etc., have leveraged their trademarks to build global brand recognition.

Consumers are more likely to trust and invest in entities that protect their IP. This trust is built on the perception that a company investing in IP protection is serious about quality and authenticity. Marketing campaigns can emphasize IP protection to assure consumers of the product's originality and value. In a crowded market, differentiation is key to capturing consumer attention and the IP helps in creating distinct market positioning. Geographical indications, for example, can be used to market products like Darjeeling tea, Mysore Betel Leaf, Byadagi chilli, Coorg Orange, Sirsi supari, Gulbarga Tur Dal, Kamalapur Red Banana etc., emphasizing their unique qualities tied to their place of origin.

Handling Costs in IP Management

IP is a powerful asset in marketing goods and services. The digital age has transformed marketing strategies,

and IP plays a critical role in online brand protection and promotion. While IP offers significant benefits, businesses must steer certain challenges like **Cost, Global Protection and Enforcement**. Securing and maintaining IP rights can be expensive, particularly for startups and small businesses. Despite these challenges, the strategic use of IP in marketing can yield substantial rewards, including increased brand value, customer loyalty, and market share.

The MSME sector plays a crucial role in providing large employment opportunities at comparatively lower capital costs than large industries. They also help in the industrialization of rural and backward areas, reducing regional imbalances, and ensuring a more equitable distribution of national income and wealth. The fast-changing global economic scenario has presented various opportunities and challenges to the MSMEs in India. While many opportunities have opened up for this sector to enhance productivity and seek new markets at both national and international levels, MSMEs are also obligated to upgrade their competencies to meet the competition, as new products are launched at an astonishing pace and are available worldwide in a short time. However, managing IP can be a significant challenge for these enterprises due to the associated costs. MSMEs should develop a strategic IP plan that aligns with their business objectives. This involves Prioritizing IP Assets and Perform a cost-benefit analysis to determine whether the potential benefits of protecting an IP asset outweigh the costs.

Many governments offer support programs and incentives to help MSMEs with IP management costs. These include Subsidies and Grants, Tax Incentives and Government-Funded IP Services. MSMEs can adopt cost-effective strategies for filing IP applications © i) Start with a provisional patent application to secure an early filing date and defer costs; (2) Use regional and international filing systems like the Patent Cooperation Treaty (PCT) and the Madrid Protocol for trademarks

to streamline the process and reduce costs when seeking protection in multiple jurisdictions; (3) File for protection incrementally based on market priorities and financial capacity. Licensing and monetizing IP assets can generate revenue to offset IP management costs. By prioritizing IP assets, leveraging government support, and adopting cost-effective filing and enforcement strategies, MSMEs can protect their innovations and maximize the value of their IP assets without overwhelming their financial resources.

Marketing support for MSMEs

Marketing support is pivotal for the growth and survival of MSMEs. By enhancing their marketing capabilities, showcasing their competencies, and providing platforms for interaction with buyers, these initiatives help MSMEs compete in the global market. Marketing, a strategic tool for business development, is critical for the growth and survival of MSMEs. It is the most important factor for the success of any enterprise.

The Ministry of Micro, Small & Medium Enterprises, through the National Small Industries Corporation (NSIC), a Public Sector Enterprise of the Ministry, has been providing marketing support to Micro & Small Enterprises (MSEs) under the Marketing Assistance Scheme. The NSIC has been a vital catalyst in the growth and development of small enterprises since its establishment in 1955. Through a diverse array of support schemes, NSIC has enabled MSMEs to thrive in a competitive market. Among its many initiatives, the Marketing Assistance Scheme stands out as a cornerstone for enhancing the market presence and competitiveness of small enterprises.

Credit Support from NSIC

To ensure that small enterprises have the necessary financial backing to operate and expand, NSIC provides various forms of credit support like -

(1) The Raw Material Assistance (RMA) scheme: This supports MSMEs by helping them procure raw materials at competitive rates. By extending financial assistance against a bank guarantee, NSIC ensures that small enterprises can maintain a steady supply of essential raw materials, thereby reducing their financial burden and improving production efficiency.

- (2) Assistance for Working Capital (AWRT) Against Bank Guarantee: This scheme provides financial assistance to MSMEs for their working capital needs. By offering this support against a bank guarantee, NSIC helps businesses manage their day-to-day operational expenses, ensuring smooth business operations and uninterrupted growth.
- (3) Bill Discounting Against Bank Guarantee: NSIC facilitates bill discounting services against a bank guarantee, allowing MSMEs to access immediate funds against their outstanding invoices. This service aids in maintaining a healthy cash flow, enabling small enterprises to meet their financial obligations on time.

Further the NSIC has partnered with various banks to facilitate credit to small enterprises. By acting as a mediator, NSIC helps MSMEs secure loans and other financial products from banks, ensuring they have the necessary capital to invest in their growth and development.

Marketing Support

NSIC's Marketing Assistance Scheme is designed to enhance the market reach and competitiveness of small enterprises through a variety of initiatives.

- (1) Consortia & Tender Marketing: NSIC forms consortia of small enterprises to enable them to collectively bid for large government and institutional tenders. This approach not only increases their chances of winning contracts but also enhances their market presence and credibility. (visit <https://www.nsic.co.in/schemes/consortia-tender-marketing.aspx>)
- (2) Single Point Registration: The Single Point Registration Scheme (SPRS) facilitates the registration of MSMEs with various government departments and agencies. This registration simplifies the procurement process, giving small enterprises greater access to government contracts and business opportunities. (Visit <https://www.nsic.co.in/schemes/Single-Point-Registration.aspx>)
- (3) The A Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship (ASPIRE) aims to create a conducive environment for the growth of rural industries and entrepreneurship. NSIC supports this initiative by providing various services and resources to rural enterprises, fostering innovation

and sustainable development. (Visit <https://www.nsic.co.in/Schemes/ASPIRE>)

- (4) **E-Marketing Services:** NSIC offers e-marketing services to small enterprises, helping them establish and enhance their online presence, reach a wider audience, and increase their sales. NSIC provides Information and Communication Technology (ICT) services to small enterprises, enabling them to leverage digital tools and technologies for business growth. These services include website development, digital marketing, and e-commerce solutions.
- (5) **Marketing Intelligence:** To stay competitive, MSMEs need to stay informed about market trends and customer preferences. NSIC offers marketing intelligence services that provide valuable insights and data, helping small enterprises make informed business decisions and strategies.
- (6) **Space Marketing:** NSIC assists small enterprises in marketing their products and services by providing them with physical spaces in exhibitions, trade fairs, and other marketing events. This support helps businesses showcase their offerings to potential customers and clients. In addition to credit and marketing support, NSIC offers a range of other services to facilitate the growth of small enterprises. For details visit <https://nsic.co.in/Corporate/QualityPolicy> .

NSIC engages in international cooperation activities to promote the global expansion of small enterprises. Through partnerships with foreign organizations, NSIC facilitates technology transfer, joint ventures, and business collaborations for Indian MSMEs.

GOK Incentives to Support Startups

The Karnataka government offers marketing incentives to support startups in their international marketing efforts. Startups can receive reimbursements of 30% of the actual costs, including travel expenses, for international marketing activities such as trade show participation. The maximum reimbursement amount is Rs. 5 Lakhs per year per company.

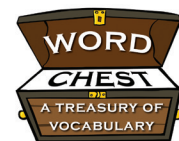
To be eligible for the reimbursement, the applicant must be a startup registered with the Karnataka Startup Cell and have a valid registration number. The incentive applies to activities related to trade show participation

and associated travel expenses. Marketing incentives can be claimed on a half-yearly basis, within 6 months of incurring the expense.(visit Karnataka Startup Portal - Marketing Incentives)

The Karnataka government offers reimbursement for the cost of filing and prosecuting patent applications to support startups. For Indian Patents reimbursement up to Rs. 2 lakh per Indian patent awarded and up to Rs. 10 lakhs for patents awarded abroad. To be eligible for the scheme, the applicant must be a startup registered with the Karnataka Startup Cell and have a valid registration number. The startup should be incubated either physically or virtually. Only patents filed by the startup within the validity of the policy are eligible for reimbursement. The patents must be for a technology-based service or product or use technology to enhance the functionality or reach of an existing product or service. The applicant should have already filed or been granted a patent with the concerned authority and the applicant should have paid the mandatory government and attorney fees related to the patent. (visit Karnataka Startup Portal - Patent Reimbursement Incentives)

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Vocabulary

“**Amicus curiae**,” Latin for “friend of the court,” refers to a person or organization not party to a case who offers expertise, information, or insight to assist the court in deciding a matter. These submissions, often in the form of written briefs, provide additional perspectives on legal issues that the court might not otherwise consider. Although not binding, the contributions of an amicus curiae can significantly influence the court’s understanding and rulings on complex cases, ensuring more informed and comprehensive judicial decisions.

IN PURSUIT OF TRUTH - PART VII AND CONCLUDING PART



CA. Arun Chintopanth

The concept of Dharana as an advanced technique where the mind is not only trained to focus only on a particular object but be also be able to return to other thoughts and objects at will has been previously discussed.

In Dhayana which is the last remaining step to be taken, the Sadhak trains his mind to completely destroy or eliminate all other distractions. In other words, while Dharana enables distractions at will, no such possibility exists in Dhayana.

In Dhayana the movement of the mind is continuously focused without any break for distractions.

While on the subject of the mind and dhyana, on a lighter vein, a small anecdote:-

Mulla Nasruddin heard of meditation and dhyana as a solution to his problems and went to a Guru and asked for this technique. The Guru gave him a Mantra and said, “you go home and meditate on this mantra. But be sure not to be distracted.”

Mulla went home, sat down in his drawing room and as instructed started his new experiment at meditation to solve his problem. He closed his eyes and thought of this Mantra. After some time his wife called him. Mulla did not reply. He pretended not to hear her. The wife got irritated. She started shouting at him. But Mulla would not respond. Still, she screamed at him. He was unmoved. She threw things at him. He however remained in his ‘meditation’. Finally, quite exasperated, she threatened to leave him.

Mulla was unperturbed and he was still in deep ‘meditation’. She began to pack. He was still meditating. She said, “if this is the treatment I am getting at this place I am leaving for my mother’s place. Enough is enough”. Mulla however would not be disturbed. He would not even open his eyes. Finally, she went to the gate and said “I am going”,. He was unmoved. She banged the gate, made a lot of noise and made her way out. Finally she went out of the gate and on to the road.

After a few seconds Mulla Nasaruddin opened his eyes and said, “My God it works!”.

Coming back to our serious discussions on dhyana, a profound expression used in the context of dhyana is ‘Nirodha Parinama’.

Nirodha Parinama is the process of transformation of the mind through dhyana.

In a number of passages in the Srimad Bhagwad Gita, Bhagawan Krishna advocates dhyana. He even prescribes the methodology for this. He advocates fixing of the gaze of the eyes between the eyebrows to the tip of the nose as a means to dhyana.

However, as Jagadguru Sri Vidhusekhara Mahaswamiji of Sri. Sringeri Mutt observes, “It is not the nose or the eyebrows that matter so much as the effect of the concentration of the physical gaze on the abstraction of thoughts and their deflection from outer concerns, so as to result in inner stability and peace.”

Thus, in dhyana, the mind is in a state of detachment and yet watchful. In the state of detachment, the mind works as a witness of both the inner self and the outer world.

A parallel can be drawn here to the concept narrated in the Mundaka Upanishad of two birds living together both friends to each other and perched upon the same tree one active while the other remains a witness.

So, we have by now climbed the steps starting from Yama to go to Niyama to asana to pranayama to pratyahara proceeding to Dharana and we have now reached Dhayana.

Thus the stage is set to slip into the final destination – Samadhi.

In an esoteric sense Samadhi constitutes consciousness ascending into higher and higher levels of existence itself. It takes the practioner to a different dimension of existence altogether.



However, to many of us who are gruhastas engaged in day to day living, Samadhi simply means a state of consciousness that is not jarred by external happenings or non happenings. It is a state of bliss, of surrender, of acceptance, even as we live in our present environment and surroundings.

I read a beautiful Zen parable of two small stalks of a plant that are floating in the current of a river in force. One stalk has placed itself crosswise against the currents; it is tense and anxious. It is always fighting against the current.

The other stalk has placed itself lengthwise in line with the Current. This stalk is floating effortlessly with the current. The stalk is in tune with the current. It is relaxed and not fighting the current.

This is the difference between an ordinary mind and one which is in the state of Samadhi.

Bhagawan Krishna refers to this in the Bhagawad Gita as a state of stitapragna or state of equanimity. Such a state is a state of enlightenment. By conditioning the mind to a state of Sat and Chit, Ananda results i.e. the Samadhi state,

There is a method of drawing water from a well in our villages in which a wheel pulled by a horse or bull brings up the water.

A horseman riding through a forest once got tired and thirsty. He wanted his horse to drink water. He went to such a well. The wheel that draws water from the well was making a lot of noise and this noise was very annoying. As the horseman took his horse there, the horse tried to run away because of the noise.

The horseman went to the person there and said, "Please stop this sound as my horse is scared and is running away." The person replied, "If the sound stops, the water will also stop."

To which the horseman asked, "What am I to do"?

The other man replied, "Create a condition for your horse so that the horse will drink water even in this situation."

Similarly, Samadhi for us is in creating such a state of mind; or if I may say a state of no mind where there is only tranquil or peace quite oblivious to external disturbances.

A man in such a state becomes a strong man and is able to take blow after blow.

Lao Tzu compares such a man with the anvil. An anvil bears blow after blow. It does not break. It is the hammer that breaks!

So too is a man in a state of Samadhi.

I read somewhere that an American author wrote a book, "Peace of Mind". A reader, it appears wrote to him saying that "If you are sincere and honest, you should withdraw the book from the market because there is no such thing as peace of mind." Mind is the problem. When there is a mind then there can be no peace.

In a state of Samadhi there is no mind as we generally know of it.

Normally our mind is conditioned to act only in certain ways. Samadhi opens up and gives the freedom to bask in bliss i.e. Ananda.

A bear would pack up and down the twenty feet that was the length of his cage in a zoo.

After five years, the cage was removed. However, the bear continued to pace up and down those twenty feet as if the cage was there.

This is how our mind is normally conditioned.

Samadhi is the state of getting out of this conditioning and being totally content without being disturbed nor distracted. The innumerable thoughts with which one's mind is normally active dissolve into one feeling of calm and bliss. One is in a state of extreme peace with himself as with the outside World.

Thoughts that were the reasons for various emotions such as fear, pleasure, joy, anxiety and so on all disappear into one peaceful existence of acceptance.

A King once offered a prize to the artist who would paint the best picture of peace. Many artists tried. The King looked at all the pictures and shortlisted two from which he had to choose. One picture was of a calm lake.

The lake was a perfect picture of peace. It had peaceful mountains all around it. Overhead was a blue sky with fluffy white clouds. All who saw this picture thought it was a perfect picture of peace.

The other picture also had mountains. But these were rugged and bare. Above was a stormy sky from which rain fell, and in which lightning was depicted. Down the side of the mountain was a forceful waterfall.

This did not look peaceful at all. But when the King looked, he saw behind the waterfall a tiny bush growing in a crack in the rock. In the bush a mother bird had built her nest. There, in the midst of the rush of angry water, sat the mother bird on her nest.

The King chose the second picture as the winner. The king justified his selection saying that “peace does not mean to be in a place where there is no noise, trouble, or hard work. Peace means to be in the midst of all those things and still be calm in your heart. That is the real meaning of peace.”

Vedanta speaks of this state of peace. Since such a state cannot be destroyed it is called ‘SAT’. Since it is all pervading and is everywhere it is called ‘CHIT’. The nature of such consciousness being absolute happiness it is Ananda. So this is the state of Samadhi also called SAT CHIT ANANDA swarupa.

In conclusion let me mention that most of us are trapped in emotions influenced by outer surroundings and events. It is within our capacities to get out of this through the journey of the six steps that has been discussed and reach the final destination of Samadhi. Until then we will be slaves.

A concluding story that I once read :- A student asked his Master, “Sir, I am caught up in this world. I do not know how to get out of it. Can you teach me to get out?” The Master asked the student to join him in his walk. The Master was walking briskly with this student behind him. Soon the Master went for ahead and suddenly the student heard the Master shouting for help,. The student hurried in the direction the Master had gone and found the Master holding on to a tree and shouting. “Please help me. The tree is not leaving me”. The student was stunned and he said to the Master, “Sir, you are the one holding on to the tree. If you just let go of the tree you will be free.” The Master smiled and said, “Son, that is precisely what I want to tell you. You say that you are caught up in the world. Which part of the world is holding on to you?”

Let us follow the path to Samadhi laid down and enjoy the bliss of life.

Salutations to the great sage Patanjali.

योगेनचतितस्य पदेन वचनं ।
मलं शरीरस्य च वैद्यकेन ॥
योऽपाकरोत्तमं प्रवरं मुनिनां ।
पतञ्जलिं प्राञ्जलरिनतोऽस्मि ॥

“I bow to that exalted sage Patanjali, who cleared the impurities of our minds through yoga, of our speech through grammar and of our bodies through Ayurveda.”

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ROLE OF NON-PROFIT ORGANIZATION (NPO) OR NON-GOVERNMENTAL ORGANIZATION (NGO) IN ESG:



CA. Aditya Kumar S

Background : The Non-Profit Organization are incorporated to provide social services without profit or commercial motive. In Indian context, the NPO could be in the form of a Trust (established for education, health care, public welfare), Society or company formed under Section 8 of the Companies Act 2013. The NPO would be funded by contribution by various people and is expected to be used for a stated purpose. These NPOs are generally covered by laws (not limited to) viz., Income Tax Act 1961, Trust Act as per the regulations, Societies Registration Act 1860, Foreign Contribution Regulation Act 2010 etc., Similarly, Non-Governmental Organizations like trade associations or industry groups is expected to play a pivotal role in embracing ESG.

The Natural Partner : NPO, by nature, have an objective of doing good for the society; which takes care of the 'S' in ESG pack and there are largely other NPO who are also formed¹ for the cause of environment like the Climate Foundation, Greenpeace, Rainforest Alliance, Fairtrade International and others; which form the 'E' in the ESG pack. NGO by nature are designed to facilitate good governance and deliberate policy related matters in a collective manner for the overall benefit of the economy. They are like natural partners in ESG implementation. In my personal view, they give that additional thrust required by many industries and businesses to recognize ESG as one of the business essentials.

NPO as an Influencer : The NPO are the ones who always on the forefront for any cause. NPO's like Greenpeace (focusing on climate change, sustainable agriculture etc.), Doctors Without Borders (focusses on health care), World Wildlife Fund (WWF – conservating

nature and protecting biodiversity) and there are many more NPO helping the cause to preserve nature, fight for human rights, and other general causes. The movements or actions taken by the NPO could lead to a larger dimension and many more stakeholder(s) could also get involved or influenced to work for the cause. And when many people from different quarters join the movement, it is a force to reckon with.

Role of a Facilitator: Organization like The Associated Chambers of Commerce and Industry of India ('ASSOCHAM')² a non-governmental trade association and advocacy group or Confederation of Indian Industry ('CII')³ or Confederation of Indian Industry ('CII')³, The Federation of Indian Chambers of Commerce and Industry ('FICCI')⁴ are non-governmental and advocacy groups help in promoting trade, represents government on various policy matters on behalf of the industry, arrange for study groups etc., Wherever industry is facing significant challenges in implementing a policy framework or has structural issues in terms of application, non-availability of resources or information, or apparently they are impractical to do or policies not in favor of industry at large, collective discussions with the respective regulators can facilitate information exchange and the objective of implementing policies for the overall growth can be achieved.

Let's look at some domestic and international examples of these organizations are so vital in the ESG Ecosystem.

Get the expertise: NPO and NGO have the power to get the expertise with collaborations across various professionals, similar institutions. Professionals from various backgrounds have seminars and other training

¹ <https://donorbox.org/nonprofit-blog/20-global-nonprofits-environment>

² <https://www.assochem.org/about-us.php>

³ <https://www.wbcscd.org/Overview/Global-Network/Regions/Asia-Pacific/India/Confederation-of-Indian-Industry-CII#:~:text=CII%20is%20a%20non%2Dgovernment,role%20in%20India%27s%20development%20process.>

⁴ https://ficci.in/api/allied_organisation



programs customized to a particular industry or line of business which may be helpful for the respective businesses to implement ESG. There are NGO who also conduct certification programs on ESG related matters which would be useful for all levels of management. Further, the knowledge sharing initiatives would help each from their learning including capacity building, best practice sharing and other matters.

Research and Innovation : Research and Innovation is the key in implementing ESG initiatives. Business need information on where to invest to ensure that their ESG objectives are met. For example, Greenpeace conducts research and innovation in renewable energy, sustainable agriculture, and impact of climate change fisheries. Similarly, Oxfam conducts research on various social issues including poverty, inequality, etc., These research reports would be used by various groups to see how they can contribute to bring in the solution. Playing the role of identifying the issue is also important; since it supports the research activities of the business and they can focus on where the money should be invested in for a more meaningful cause. These research reports would help businesses to focus specifically on pain areas and work in that direction.

Partnering for a cause : Ladles of Love⁵ a food relief organization invited public to purchase tickets for Mandela Day celebrations in South Africa. The organization provides food and relief material to people. Per Ladlesoflove.org.za the organization helps in providing food to all those who need it, help farmers grow wholesome food in a sustainable manner and help food entrepreneurs to grow business which adds job to the country. They help in mobilizing resources for community kitchen, schools, etc., Their famous Sandwich Drive helped get 6 million sandwiches to people through network of NPOs. They support close to 200 beneficiaries including NPO, community farmers etc., through various programs and also invest in their projects which are sustainable and would uplift the vulnerable communities. There are similar examples in our country where the NGO help to unite people

for a cause. In India Akshayapatra foundation provide mid-day meals to lakhs of students and also involve in providing food during disasters and other emergency situations. Companies partner⁶ with Akshayapatra as part of their Corporate Social Responsibility objectives and also that they do their bit for the society.

Shareholder Activism⁷ : NGO's campaign influences the decisions of the shareholders. Classic example is ShareAction influenced the shareholders of British Petroleum and Royal Dutch Shell to vote against extracting oil from tar sands which had severe environmental implications and financial risks. Similarly, Interfaith Centre on Corporate Responsibility ('ICCR') calls for elimination of forced labor in supply chain and to align with Paris Climate Agreement etc., In fact companies are facing risk of litigation by NGO where there are non-compliances relating to ESG aspects. NGO⁸ like Oxfam, Friends of the Earth, Notre Affaire a' Tous have filed case against BNP Paribas on non-compliance with environmental laws and human rights violation. Similarly, ClientEarth have filed cases in UK against Financial Conduct Authority challenging its decision to approve the prospectus of Ithaca Energy Plc, a UK oil and gas company, on the basis that Ithaca's prospectus failed to provide adequate climate risk related disclosures. ClientEarth also has questioned the accounting standards being applied by the auditors on disclosures relating to climate in the financial statements.

Business Partner in Disguise : NGO collaborate with Corporate to support their ESG initiatives including some of the Corporate Social Responsibility ('CSR') related work as well; and at times help build business as well. For example, the unique partnership between Bata, a footwear company and CARE, an INGO in rural Bangladesh that trained women as salespeople to be economically independent, shows that NGOs can also help businesses in building a customer base in a market where they have minimal coverage⁹. Similarly, Lifebuoy (brand owned by Unilever), partners with various NGO including London School of Hygiene & Tropical Medicine, The Global Public-Private Partnership for

⁵ <https://www.bizcommunity.com/Article/196/700/239096.html>

⁶ <https://www.akshayapatra.org/corporate-partners/>

⁷ <https://academic.oup.com/book/39548/chapter/339410289#>

⁸ <https://www.matheson.com/insights/detail/esg-litigation-a-new-dawn-for-shareholder-activism>

⁹ <https://www.tbsnews.net/thoughts/businesses-should-partner-ngos-fulfil-their-social-commitments-518534>



Handwashing with Soap, USAID, Millennium Village Project, Oxfam, Populations Services International Red Cross, Save the Children, UNICEF and others.¹⁰ This not only helps the community but also indirectly builds the name of the brand and also their business naturally. Partnering with the right NGO who has the expertise in dealing with specific issues would also help business in their general risk mitigation of getting into newer markets on their own.¹¹ Social Impact business seems to be the new concept where the model addresses on long term social and economic developments.¹²

Fight the Fraud¹³ : Money laundering has become a global issue. Financial Action Task Force (FATF) includes 37 member nations and 2 regional organizations who help in providing money laundering type of information to various authorities, of course these are at international or national level'. The International Consortium of International Journalists (ICIJ) did the investigation of the famous Panama Papers, similarly Transparency International (TI) conducts research on the quality of governance, bribery, corruption related matters and gives rating.

Protecting Consumer Interest : Why is consumer interest important in ESG? Consumers are becoming more aware of the implications of climate change, labor and governance issues and hesitate to buy the brands which are currently not providing sustainable products or services or may have issues in terms of depriving their employees' minimum wages and workspace. NPO like Consumer Guidance Society of India, Common Cause, VOICE and various other similar agencies help in launching campaigns or spreading awareness about the products. Recall Umang Foundation¹⁴ which filed a case against Nestle on Maggi Noodles and it's contents which shook the consumers who relied on the brand for a quite a long time. Nestle also defended their case with laboratory results etc., NGO like Consumer Education and Research Centre, Consumer Guidance Society of

India, etc., help consumers to get redressal for their issues and help them to get justice for faulty product or service being sold. There are NGO which conducted awareness programs, do quality test and bring out reports and help consumers to take informed decisions further provide legal assistance.¹⁶ From the 'Society' point of view in the ESG framework, Consumers are part of the society and the very reason for the existence of business. Hence, it is important role that NGO are playing for the protection of consumer interests.

Better Corporate Governance: Taking leaf out of how the NGO helped or helping in better corporate governance in Europe. The European Commission presents an initiative on Sustainable Corporate Governance in 2021 which would support both mandatory human rights and environmental due diligence related legislations. Various forums like Common Good, European Coalition for Corporate Justice, ShareAction, etc., provided recommendations to reform the corporate governance which include topics on Board Oversight over sustainability strategies, risks and impacts and Alignment of incentives with sustainability objectives and Board Composition.¹⁶

These are some of the areas where we are seeing NGO contributing positively in ESG framework and beyond. There would be more opportunities coming up wherein the NGO would have to marshal resources to remain relevant and support the overall ESG initiatives at every level.

Conclusion: NGO surely have a pivotal role of implementing ESG by itself or in collaboration with various industries. With their expertise in various roles, as indicated above, they can endeavor to bring a positive change to ESG landscape.

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¹⁰ <https://www.lifebuoy.com/arabia/en/mission/global-partners.html>

¹¹ <https://www.foodbeverageinsider.com/food-beverage-operations/engaging-ngos-as-a-strategic-business-partner>

¹² <https://www.validnutrition.org/social-impact-business/>

¹³ <https://www.sigma360.com/knowledge-center/the-role-of-international-ngos-in-the-fight-against-financial-crime#:~:text=In%20addition%20to%20providing%20crucial,against%20crime%20and%20money%20laundering.>

¹⁴ <https://www.financialexpress.com/business/industry-ngo-demands-ban-on-sale-of-maggi-in-shimla-78157/>

¹⁵ <https://www.toppr.com/guides/business-studies/consumer-protection/consumer-organisations-and-ngos/>

¹⁶ <https://corporatejustice.org/wp-content/uploads/2021/11/NGO-policy-briefing-on-Sustainable-Corporate-Governance.pdf>

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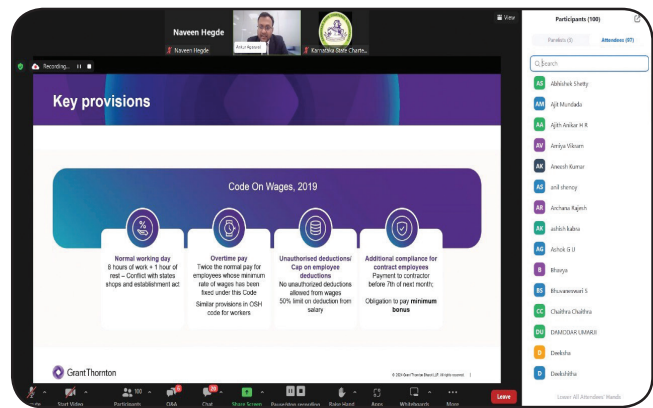
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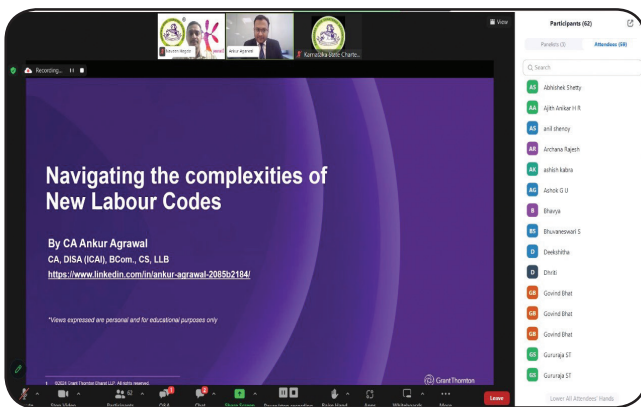
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What you
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become.

