



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

# NATIONAL CONFERENCE OF CA STUDENTS 2023

Date : 23<sup>rd</sup> and 24<sup>th</sup> December 2023



ज्ञानगम्य  
ज्ञानं परमं सत्यं

Venue

**Vardhaman Sanskrutik Kendra**

S. No. 651/1/2+3, Gangadham,  
Kondhwa Road, Near Aaimata Mandir, Bibwewadi, Pune

Organized by  
SSEB, Board of Studies-Operations, ICAI

Hosted by  
Pune Branch of WIRC of ICAI

Jointly with  
Pune Branch of WICASA of ICAI

ज्ञानं परमं सत्यं



## OUR TORCH BEARERS



**CA. Aniket Sunil Talati**  
Hon. President, ICAI



**CA. Ranjeet Kumar Agarwal**  
Hon. Vice President, ICAI



**CA. Vishal Doshi**  
Chairman, Board of Studies (Academic), ICAI



**CA. Dayaniwas Sharma**  
Vice-Chairman, Board of Studies (Academic), ICAI



**CA. Mangesh Kinare**  
Chairman, SSEB (BOS-Operation), ICAI



**CA. Sridhar Muppala**  
Vice-Chairman, SSEB (BOS-Operation), ICAI



**CA. Chandrashekhar V. Chitale**  
Central Council Member, ICAI



**CA. Arpit Jagdish Kabra**  
Chairman, WIRC of ICAI



**CA. Pinki Kedia**  
Chairperson, WIRC WICASA



**CA. Yashwant Kasar**  
Regional Council Member



**CA. Ruta Chitale**  
Regional Council Member





## PUNE BRANCH MANAGING COMMITTEE



**CA. Rajesh Agarawal**  
Chairman



**CA. Amruta Kulkarni**  
Vice-Chairperson



**CA. Ajinkya Ranadive**  
Secretary



**CA. Hrishikesh Badve**  
Treasurer



**CA. Sachin Miniyar**  
WICASA-Chairman



**CA. Kashinath Pathare**  
Immediate Past- Chairman



**CA. Pritesh Munot**  
Member



**CA. Pranav Apte**  
Member



**CA. Moushmi Shaha**  
Member



# ज्ञानगम्य

ज्ञानं परमं सत्यं

**“KNOWLEDGE IS FINAL TRUTH.”**

The CA Students National Conference has thoughtfully embraced the theme **ज्ञानगम्य** (Dnyanagamya), a profound expression of the belief that **ज्ञानं परमं सत्यं** (Knowledge is the ultimate truth). This thematic choice serves as a powerful tribute to the sacred significance of knowledge, positioning it as the pinnacle of truth in the realm of Chartered Accountancy. It signifies a collective acknowledgment of the transformative potential inherent in the pursuit of wisdom, underscoring its vital role in the pursuit of excellence within this esteemed profession.

The chosen theme not only encapsulates the reverence for knowledge but also celebrates the relentless quest for insights that define the journey of every aspiring Chartered Accountant. By doing so, it establishes a narrative that exalts the pursuit of wisdom as a noble endeavor within the intricate tapestry of this field. It emphasizes the indispensable role of insights in shaping the trajectory of excellence, acknowledging their transformative power as catalysts for professional growth and mastery.

The tagline, **ज्ञानं परमं सत्यं** encapsulates a fundamental principle that resonates with the core values of the Chartered Accountancy profession. It articulates an unwavering belief in the notion that knowledge stands as the cornerstone on the path to unraveling truth and achieving unparalleled mastery in the field. This profound understanding serves as an inspirational beacon for conference attendees, reinforcing the enduring commitment to knowledge as the driving force behind their journey toward professional distinction.

The theme and tagline collectively create an environment that fosters intellectual curiosity, collaboration, and a shared commitment to the relentless pursuit of excellence in the dynamic world of Chartered Accountancy.

ज्ञानं परमं सत्यं



**PROGRAMME SCHEDULE – DAY 1 (23<sup>rd</sup> December, 2023)**

TIME	PARTICULARS
7.00 am to 9.00 am	Registration and Breakfast
9.00 am to 9.45 am	Inaugural Session Chief Guest – Dr. Ajit Ranade
10.00 am to 11.00 am	Special Session: I Interaction with SSEB, Board of Studies- Operations, ICAI and BOS (Academic)- CA. Mangesh Kinare
11.15 am to 12.30 pm	Technical Session: I – Indirect Taxes Session Moderator – CA. Umesh Sharma a] GST on Real Estate Transactions b] GST on Virtual Digital Asset & Gaming Industry c] Digital Transformation & Automation in GST
12.45 pm to 1.45 pm	Lunch Break
2.00 pm to 2.45 pm	Motivational Session: I Dr. Deepak Shikarpur
3.00 pm to 4.15 pm	Technical Session: II – Audit and Accounts Session Moderator – CA. Dayaniwas Sharma a] AI tools use in audit and its reliability b] ESG Requirements c] Opportunities in Offshore Accounting
4.15 pm to 4.30 pm	Tea Break
4.30 pm to 5.30 pm	Special Session: II Development in Accounting Profession – CA. C. M. Dixit Profession to Perfection – CA. (Dr.) S. B. Zaware





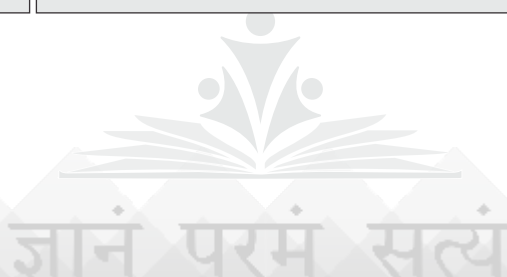
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CONFERENCE**  
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**PROGRAMME SCHEDULE – DAY 2 (24<sup>th</sup> December, 2023)**

TIME	PARTICULARS
7.30 am to 8.30 am	Registration and Breakfast
8.30 am to 9.00 am	Motivational Session: II Physical Health for Excellence – CA. Abhay Mate
9.00 am to 9.45 am	Panel Discussion– Monetizing Financial Expertise: Leveraging Social Media for Financial Consulting CA. Sumit Mehta CA. Sakchi Jain Mr. Karan Lohiaa
10.00 am to 11.15 am	Technical Session: III – Direct Taxes Session Moderator – CA. Chandrashekhar V Chitale a) Fake Invoicing, PMLA & Benami Transactions b) Tax on Notional Income c) Taxation of Non-Residents
11.30 am to 12.15 pm	Special Session: III On any topic pertaining to Accounting profession by Reputed Session Expert – CA. Paul Alvaris
12.30 pm to 1.30 pm	Lunch Break
1.45 pm to 2.30 pm	Motivational Session: III Dr. Radhakrishnan Pillai
2.30 pm to 3.45 pm	Technical Session: IV – Startups Session Moderator – CA. Parag Kulkarni a) Is AI the next growth Barometer? b) Startup & 5 TN Economy c) Hurdles faced by Startups and Opportunities for CA for the same.
4.00 pm to 4.45 pm	Motivational Session: IV – CA. Charanjot Singh Nanda
5.00 pm to 5.30 pm	Valedictory Session





## **CA. Aniket Sunil Talati**

**Hon. President ICAI**

### **PROFILE**

A man with strong professional ethics, refined thought process, technical expertise and vision to embrace technology to lead the profession. On 12th February 2023, CA. Aniket S. Talati was elected as 71st President of The Institute of Chartered Accountants of India (ICAI) for the term 2023-24.

While serving the ICAI Council as a member since 2016 and then as Vice-President of the Institute in 2022-23, he earned respect for his formidable organizational skills and deep insight into the affairs of the profession. CA. Aniket S. Talati has contributed to the cause of the profession from various professional perspectives and is widely commended and credited for leading the Digital Transformation within ICAI. Numerous digital Initiatives launched under him stand testimony to this fact. His penchant for inspiring new ideas and innovations is evident in conceptualizing and devising a new futuristic CA Curriculum.

As President of ICAI, CA. Aniket S. Talati is also the Chairman of all the Standing Committees, i.e., Executive, Finance, and Examination Committees, as well as ex-officio members of all Non-standing Committees and Editor of ICAI Journal, The Chartered Accountant. During 2022, he was the Vice-Chairman of the Working Committee of the World Congress of Accountants, ICAI. He successfully hosted the most magnanimous and historic World Congress of Accountants in Mumbai in 2022.

He also Chairs the ICAI research wing Accounting Research Foundation (ICAI ARF), Extensible Business Reporting Language (XBRL) India. He is the Director on the Board of the Indian Institute of Insolvency Professionals of ICAI (IIPI). He also represents the Institute as a member of the Insolvency Law Committee and as a Standing Committee of MCA for review of the implementation of the Insolvency & Bankruptcy Code, 2016.

CA. Aniket has been passionately representing India and the profession on international forums at several global meetings and conferences, striving to position India as Global Accounting Hub. Currently, he is the Technical Advisor to the ICAI's Nominee on the IFAC Board, PAIB Advisory Group of IFAC, besides being a Board member of SAFA (South Asian Federation of Accountants). Also, he represents ICAI on the Integrated Reporting and Connectivity Council (IRCC) and Board meetings of the Pan African Federation of Accountants (PAFA) and ASEAN Federation of Accountants (AFA).

Moving ahead with ICAI's role as a partner in Nation building being President ICAI, CA. Aniket S. Talati is supporting the Government and Regulators as a member of the Government Accounting Standards Advisory Board (GASAB) & Audit Advisory Board formed by the C&AG of India, Insurance Advisory Committee and Board of Insurance Regulatory & Development Authority of India (IRDAI) and SEBI's Primary Market Advisory Committee.

With his exceptional understanding, skills to blend new age thinking with the traditional approach, and ability to connect with all, CA. Aniket has an outstanding capability to pursue the agenda of inclusive growth, dealing with issues of Small and Medium Practitioners and taking the Institute and Indian accountancy profession to much greater heights on a global pedestal. During his stints with the ICAI, he led the cause of the profession from the front through various Committees of the Ahmedabad Branch & Western India Regional Council of the ICAI.

Bachelor of Commerce from Mumbai University and a Rank holder from Gujarat University, CA. Aniket S. Talati also holds a Master of Commerce. With strong expertise in technical matters, he has written numerous articles in various magazines and publications and addressed hundreds of seminars and conferences.







## CA. Aniket Sunil Talati

Hon. President ICAI

### MESSAGE

सी.ए. अनिकेत सुनील तलाटी  
अध्यक्ष  
CA. Aniket Sunil Talati  
President



भारतीय सनदी लेखाकार संस्थान  
(संसदीय अधिनियम द्वारा स्थापित)  
THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA  
(Set up by an Act of Parliament)

15<sup>th</sup> December 2023

### Message

Dear Students,

It gives me immense pleasure to extend my warmest greetings to all the participants of the National CA Students Conference, 2023 organized by the Students Skills Enrichment Board (SSEB) of the Institute of Chartered Accountants of India (ICAI) and hosted by Pune branch of Western India Regional Council (WIRC) & Pune branch of Western India Chartered Accountants Students' Association (WICASA) of WIRC. This conference, scheduled to take place on 23<sup>rd</sup> and 24<sup>th</sup> December, 2023 at Pune, promises to be an enriching and enlightening event for all the attendees.

The theme of the conference “ज्ञानगम्यः ज्ञानं परमं सत्यं” holds profound significance in our lives. As aspiring Chartered Accountants, each one of you has embarked on a transformative journey to develop your skills, knowledge, and character. This conference aims to fuel that inner flame and equip you with the tools and inspiration to shine brightly in the professional world.

In the dynamic and ever-evolving business and economic environment, it is crucial to stay ahead of the curve and remain abreast with the emerging trends and challenges. The CA Students Conference provides a platform to explore contemporary topics, exchange ideas, and learn from eminent professionals and experts in the industry. The carefully curated sessions, interactive workshops, and engaging panel discussions will broaden your horizons, enhance your technical acumen, and foster a holistic understanding of the diverse facets of the profession.

I compliment the organizers, the SSEB, Pune Branch of WIRC of ICAI, and Pune Branch of WICASA, for all their efforts in putting together this remarkable event. Their commitment to fostering the growth and development of young minds is truly commendable.

To all the attendees, I urge you to make the most of this conference. Immerse yourself in the wealth of knowledge and expertise that will be shared during these two days. Embrace the theme “ज्ञानगम्यः ज्ञानं परमं सत्यं” and let it guide you as you illuminate your path to success. Remember that your dedication, perseverance, and continuous pursuit of excellence will be the foundation of your achievements.

I wish the Conference a resounding success. I am sure all the participants will emerge more inspired, motivated, and ready to conquer new horizons in their professional journey.  
Best Wishes!

(CA. Aniket Talati)



## **CA. Ranjeet Kumar Agarwal**

**Hon. Vice-President ICAI**

### **PROFILE**

A thorough academician, with a consistent pursuit towards achieving excellence and a technically affluent professional who has been significantly contributing to the cause of the profession, CA. Ranjeet Kumar Agarwal has been elected as the Vice-President of the Institute of Chartered Accountants of India for the term 2023-24.

CA. Ranjeet Kumar Agarwal is a practicing Chartered Accountant since last 24 years. He graduated from the prestigious Calcutta University. He is also a Company Secretary & DISA from ICAI. He was elected to the 23rd, 24th & 25th Central Council of the Institute of Chartered Accountants of India 3 times in a row. During his Chairmanship in 2013-14, the Eastern India Regional Council (EIRC) received the coveted award for the Best Regional Council.

During his distinguished stint, he has chaired many committees and has several accomplishments to his credit. As a visionary reformist, he had chaired the Professional Development Committee of ICAI, implemented Bank Branch Audit Software and conceptualised and implemented UDIN which was indeed a landmark initiative of ICAI. He was also the Convenor of Group constituted to implement UDIN concept in all SAARC Countries (Sri Lanka, Pakistan, Nepal, Bhutan, Bangladesh, Afghanistan & Maldives). He had also led the ICAI Group that presented the FRRB Bill before Joint Parliamentary Committee (JPC).

An expert in Professional Ethics, he as the Chairman of the Ethical Standard Board of ICAI, was instrumental towards bringing the revised the Code of Ethics after a gap of 10 years and implemented the New Code of Ethics considered to be the guiding light for the accounting profession.

As the Vice Chairman, Board of Studies, he steered major refinements in the processes and their implementation. Out of the various groups formed for the dealing with the various aspects of CRET for the year 2021-22, he was the Convenor of the Group for Examination related matters. The ICAI Mobile App, which has become the most renowned online learning platform for students, was also launched under his tenure. In 2019 he was the Convenor of the Group Constituted for Review of the entitlement for engaging Articled Assistant(s).

Under his dynamic leadership as the Chairman of Committee for Members in Industry & Business (CMI &B) in 2022, both the Campus Placement Programmes for Newly Qualified Chartered Accountants and Experienced CAs secured an unprecedented success and witnessed the participation by highest number of recruiters and secured the largest number of offered vacancies. The committee had also organised first placement programme exclusively for women CAs. A new campaign titled CA Business Leaders 40 under 40 was also commenced wherein 40 CA achievers in Industry and Business under the age of 40 will be awarded. By the virtue of his able guidance, the committee had published two noteworthy publications namely the Coffee Table Book- 'Milestones- A Chronicle of Activities' and 'Tales of Triumph- Stories of Successful Chartered Accountants' which were highly appreciated by the fraternity.

He has also chaired Tax Audit Quality Review Board (TAQRB) of ICAI wherein he led the steps towards improvising the quality of Tax Audit conducted by members and during the year 2022-23, 80 reports were reviewed by the Board.

He has been nominated as the Technical Advisor to ICAI's Board Member on the Government Accounting Standards Advisory Board (GASAB) and as the ex-officio nominee of ICAI on the Standing Committee on Accounting Issues(SCAI) of Insurance Regulatory and Development Authority of India (IRDAI). He has also been elected as the ICAI's representative on the Dedicated Cell on Services Trade Restrictiveness Index (STRI) constituted by Ministry of Corporate Affairs for possible reform measures under STRI and monitor developments in this regard in coordination with Department of Commerce.

Other recent nominations include his nomination as ICAI's representative on Regional Direct Taxes Advisory Committees formed under Central Board of Direct Taxes (CBDT) at New Delhi and Kolkata and as an Ex-Officio Member in the Committee on Corporate Governance Guidelines for Insurers in India.

His accomplishments at International Front also include his recent appointment as the Technical Advisor to the Board member of SAFA (South Asian Federation of Accountants).

CA. Agarwal is a passionate leader and firmly believes in the inclusive development of the society.



## **CA. Ranjeet Kumar Agarwal**

**Hon. Vice-President ICAI**

### **MESSAGE**

Dear Students,

A well-rounded education system provides the students with a robust academic foundation that helps them succeed professionally and personally on all fronts. Using its effective multifarious educational philosophy, the Institute of Chartered Accountants of India (ICAI) seeks to empower its students to face the challenges of the dynamic world effectively. Regular guidance and consistent hand holding certainly helps students to sharpen their abilities.

I would like to further draw your attention to the 70:20:10 learning and development model. The model elaborates that 70% of learning happens through Experiential Learning or On the Job Training (with workplace and leadership support), 20% happens through social interactions with others (including mentoring and team collaboration) and 10 % through formal learning (such as courses and conferences). Our curriculum is offering you learning in all the above three modes through Practical Training, Conferences and Seminars and Study Material respectively. You can allocate your time and resources in the above manner to maximise your efforts.

We are delighted to mention that the New Scheme of Education and Training was launched by Smt. Draupadi Murmu, Hon'ble President of India at the celebration of the 75th Foundation Day of the Institute on 1st July, 2023 at New Delhi. We are hopeful that the new methodology shall be extremely beneficial and shall go a long way in shaping the capabilities of our students.

The Student Skills Enrichment Board- Board of Studies (Operations) of ICAI organises CA Student Conferences across the country whereby opportunities are provided for refining their oratory and presentation skills. CA Students can present their papers on contemporary professional topics and subject areas. Moreover, Seminars, workshops counselling sessions and Industrial Visits are helpful towards upgrading the capabilities.

I am pleased to note that Board of Studies (Operations), SSEB is organising the "National Conference for CA Students 2023 on 23rd & 24th December 2023 at Pune. The same is being hosted by Pune Branch of WIRC of ICAI and Pune Branch of WICASA of WIRC of ICAI. The theme of the conference is "ज्ञानगम्य : ज्ञानं परमं सत्यं" which truly signifies the importance of updating our capabilities and determined efforts towards success.

The student conferences specifically provide an excellent opportunity for networking and vibrant discussions on contemporary areas pertaining to the profession. Moreover, the topics chosen for discussion shall provide comprehensive coverage of all important subject areas supplemented by the latest developments worldwide.

Your main goal as the aspiring members of this prestigious profession should be to learn theory and develop experience in practice. The aforementioned conference will provide you an opportunity to interact with professionals from business and academia and will update your knowledge pertaining to the significant happenings around the globe.

I extend my best wishes for the success of the conference and compliment the Student Skills Enrichment Board- Board of Studies (Operations), Chairman, Vice Chairman of Pune Branch of WIRC and the Pune Branch of Western India Chartered Accountants Students Association of our Institute for hosting the conference.

I wish to share with you that this year, your alma mater shall be completing 75 years of its existence and the Institute is going to celebrate this milestone in a grand manner across the country. Students being the future of the profession, I urge you to contribute and participate actively in the endeavors planned and contribute towards their success.





### **CA. Vishal Doshi**

**Chairman, Board of Studies (Academic), ICAI**

#### **PROFILE**

CA. Vishal Doshi is a member of the Central Council of ICAI for the period 2022-2025. With over 25 years of professional expertise, he holds a leadership position in the Audit & Assurance division at K. C. Mehta & Co., Chartered Accountants in Vadodara. Additionally, he holds Diplomas in Information System Audit (ICAI) and Insurance and Risk Management (ICAI).

CA. Vishal Doshi oversees the Assurance functions for various entities, including listed companies, government organizations, multinational corporations, and large corporates. He specializes in guiding the transition from Indian GAAP to Ind-AS/IFRS with expertise in Convergence.

Currently, CA. Vishal Doshi holds several key positions within ICAI. He serves as the Chairman of the Board of Studies (Academic), Vice Chairman of the Auditing & Assurance Standards Board, Convenor of the Centre for Audit Quality Directorate, and member of various committees for the period of 2023-24.

To his credit CA. Vishal Doshi has been awarded Rashtrapati Scout Award by Shri K. R. Narayanan, Hon'ble President of India. Presently, he is appointed Expert Member on the Board of Studies in Accounting & Financial Management (Faculty of Commerce) for the term 2020-23 by the Maharaja Sayajirao University of Baroda.



### **CA. Dayaniwas Sharma**

**Vice-Chairman, Board of Studies (Academic), ICAI**

#### **PROFILE**

CA. Dayaniwas Sharma, a distinguished professional with exceptional academic achievements, successfully qualified in 2005 and currently serves as the Managing Partner of Laxminiwas and Co., Chartered Accountants. He holds certifications as an Information System Auditor (ISA) and a Certified Forensic Auditor, having completed Diploma and Certification courses offered by ICAI.

With an extensive background spanning 23 years in auditing, accounting, corporate re-structuring valuations, and related services, CA. Dayaniwas Sharma has been re-elected for a second term to the Central Council of ICAI for the period 2022-2025. He has played a pivotal role in implementing various projects within ICAI, including the Self Service Portal (SSP), Digital Learning Hub, UDIN, and many more.

He is a member of Federation of Telangana Chamber of Commerce and Industries (FTCCI), Indo American Chamber of Commerce (IACC), TIE – Hyderabad and CEO/ CFO Forum – Hyderabad.

Currently, for the year of 2023-24, CA. Dayaniwas Sharma holds the position of Vice Chairman of the Board of Studies (Academic) and serves as a valued member of several other committees within ICAI.







**CA. Vishal Doshi**

Chairman,  
Board of Studies (Academic), ICAI

**CA. Dayaniwas Sharma**

Vice-Chairman,  
Board of Studies (Academic), ICAI



### Dear Students

On behalf of the Board of Studies (Academic), we extend our warmest wishes to all the participants for the 2-day National Conference of CA Students at Pune on 23rd & 24th December 2023 organised in association with Pune Branch of Western India Regional Council (WIRC) and Pune Branch of Western India Chartered Accountants Students Association (WICASA).

The theme “ज्ञानगम्य : ज्ञानं परमं सत्यं” signifies the pursuit of knowledge. It emphasizes the profound truth that knowledge is the ultimate reality. This conference is a celebration of the transformative power of knowledge and the pursuit of truth as foundational principles in the life and career of every Chartered Accountancy student.

We believe that your active participation in this Conference is highly beneficial as subject experts will share their invaluable insights and experiences, providing you with a deeper understanding of the latest trends and challenges in the field. The various technical sessions at the Conference are designed to enhance your skills and broaden your knowledge base.

As you are aware that the Board of Studies (Academic) of ICAI officially launched the New Scheme of Education and Training on the auspicious occasion of CA Foundation Day, July 1st. We urge each one of you to embrace this new curriculum with enthusiasm and dedication.

We encourage you to make effective use of the Study Material and other publications of BoS (A) like Mock Test Papers (MTPs), Revisionary Test Papers (RTPs) and Saransh – Last Mile Referencers. Attending free Live Learning Classes and BoS For Your Success sessions will be of immense help in understanding the concepts and preparing for your exams. All these publications and lectures as well as the Students' Journal and e-Books are available on the ICAI BOS Mobile App and BoS Knowledge Portal.

We strongly encourage all CA students to actively participate in this enlightening conference, as “ज्ञानगम्य : ज्ञानं परमं सत्यं” is a guiding principle that underscores the significance of knowledge as the ultimate truth in the pursuit of excellence.





## **CA. Mangesh Pandurang Kinare**

**Chairman, Students Skills Enrichment Board (BOS-O), ICAI**

### **PROFILE**

CA. Mangesh Pandurang Kinare is an eminent Chartered Accountant with over three decades of practice experience. He has garnered a distinguished reputation in the profession for his extensive knowledge in Audits, GST, and Business Consultancy. With a B.Com. degree and LL.B. (Gen) from the prestigious University of Mumbai, he is also a Fellow Member of The Institute of Chartered Accountants of India, highlighting his exceptional academic prowess. He has further honed his skills with a post-qualification course in Information System Audit by The Institute of Chartered Accountants of India - D.I.S.A. (ICAI).

His accomplishments are not just limited to his practice, but he has also played a pivotal role in the growth and development of the Institute of Chartered Accountants of India (ICAI). As the Chairman of Western India Regional Council of ICAI, he was instrumental in implementing Mock Tests, which has been a significant boon for the students. He is well-known for his knowledge, command and passion for professional ethics. His contribution as chairman of Ethical Standards Board of ICAI in last year was revered by one and all. Similarly, his upright approach as member of Disciplinary Committee for three years has earned him great respect in fraternity. His current role as the Central Council Member of ICAI, and the Chairman of the Students Skill Enrichment Board (Board of Studies – Operations) is a testament to his unwavering commitment to the growth of the CA fraternity. He is also a member of various non-standing committees of ICAI and the Vice Chairman of the Professional Development Committee and Committee on Commercial Laws, Economic Advisory, & NPO-Cooperatives, showcasing his exceptional leadership abilities. With academic flair, he has also worked as a member of Board of Studies of few autonomous colleges in Maharashtra. He is also known for his key role in formulating and implementing the CA Curriculum which was launched by Hon'ble Prime Minister Shri Narendra Modi on 1st July 2017.

CA. Mangesh's involvement in government committees, such as the Committee for Scrutiny of Self-Finance Private Universities in Maharashtra and Fees Regulation Authority (FRA), further highlights his contribution to the betterment of society. He was appointed by the Government of India as an Independent Director on MOIL Ltd., where he served as the Chairman of the Audit Committee of the Company.

His achievements are not limited to the professional realm; he is an erudite speaker on ICAI and other forums on various subjects, ranging from ICAI Code of Ethics to Economy related subjects such as Atmanirbhar Bharat, Union Budget, etc. He has authored many articles in newspapers and has been a sought-after expert on television channels on Union Budget and GST. He is also an active Trustee of NGOs and other Educational/Social Institutions, further highlighting his commitment to social causes.

In conclusion, CA. Mangesh Pandurang Kinare's contributions to the Chartered Accountancy profession are enormous. His vast experience, exceptional leadership, and unwavering commitment to society have made him a role model and an inspiration to many in the fraternity.







## **CA. Mangesh Pandurang Kinare**

**Chairman, Students Skills Enrichment Board (BOS-O), ICAI**

### **MESSAGE**

**Dear Esteemed Participants,**

I extend my warm greetings to each one of you as we embark on a journey of knowledge and enlightenment at the National Conference of CA Students, organized by the Students Skills Enrichment Board (SSEB) and graciously hosted by the Pune branch of ICAI. It is my honor to welcome you all to this intellectually stimulating event, scheduled to take place on the 23rd and 24th of December 2023.

The theme of this conference, “ज्ञानगम्य : ज्ञानं परमं सत्यं” (“Knowledge: The Supreme Truth”), reflects our commitment to the pursuit of knowledge as the ultimate path to truth. In the dynamic landscape of accountancy and finance, the role of knowledge cannot be overstated. It is the beacon that guides us, the fuel that propels us forward, and the cornerstone upon which our professional foundation rests.

As professionals and students in the field of Chartered Accountancy, we recognize the ever-evolving nature of our industry. The conference provides a unique platform for all of us to come together, share insights, and delve into the latest developments that shape our profession. It is a celebration of the intellectual curiosity that drives us to explore new horizons and push the boundaries of our understanding.

Throughout the two days, we have curated a diverse and enriching program that includes keynote addresses, panel discussions, and interactive sessions, all aimed at fostering a spirit of collaboration and learning. Esteemed speakers from various domains will share their experiences and expertise, providing valuable perspectives that will contribute to our collective growth.

I would like to express my sincere gratitude to the Pune branch of ICAI for their warm hospitality in hosting us. Together, we create an environment where knowledge becomes accessible, and truth becomes a guiding light for the aspiring minds that will shape the future of our profession.

I encourage each participant to actively engage, exchange ideas, and make the most of this opportunity for personal and professional development. May this conference be a source of inspiration and empowerment as we navigate the intricate pathways of our chosen field.

Thank you for being a part of this enriching experience. I look forward to insightful discussions, meaningful connections, and a truly transformative conference.





## **CA. Sridhar Muppala**

**Vice-Chairman, Students Skills Enrichment Board (BOS-O), ICAI**

### **PROFILE**

CA. Sridhar Muppala is an outstanding leader and distinguished professional who has made an indelible impact on the profession, leaving an outstanding legacy in every role he has served. He currently serves as the Central Council Member of ICAI from the southern constituency. As Vice Chairman of the Students Skills Enrichment Board and Public Relations Committee, and Deputy Convenor of the Digital Re-Engineering and Transformation Directorate of ICAI, in addition to being a member of various Standing and Non-Standing Committees of ICAI, he exemplifies his unwavering commitment to progress and innovation in the profession. A true visionary, CA. Sridhar has captivated audiences with his eloquent oratory skills at several national and international forums and well-known name in the field of commerce and management education in India.

CA Sridhar has extensive experience in audit, taxation, corporate finance, and related areas, and has worked with clients across various industries. In addition to his work in the accounting profession, CA Muppala Shridhar has been a passionate educator and has contributed significantly to the growth and development of the education sector in India. His exceptional leadership qualities have earned him the "Leadership award" for excellence in education from the then Chief Minister of Andhra Pradesh in 2013, and the "Times Education Icon Award" in 2017, in recognition of his outstanding work.

CA. Sridhar's journey from a humble farming family to becoming a distinguished Chartered Accountant is a testament to his unyielding spirit and resilience. Recognizing the transformative power of education, he secured the 4th rank in the state in his Intermediate (class XII) and an all-India rank in CA intermediate, setting a remarkable example for aspiring Chartered Accountants.

He is also actively involved in various social and community initiatives. He believes in giving back to society and has been associated with several organizations that work towards the betterment of society.

CA Sridhar is a respected professional, educator, community leader, and a valuable member of the ICAI fraternity. He has made significant contributions to the growth and development of the accounting profession, the education sector, and society at large, and continues to inspire and motivate others to achieve excellence in their respective fields.





## **CA. Sridhar Muppala**

**Vice-Chairman, Students Skills Enrichment Board (BOS-O), ICAI**

### **MESSAGE**

It is my pleasure to extend a warm welcome to all the distinguished participants, guests, and speakers at the National Conference of CA Students, organized by the Students Skills Enrichment Board (SSEB) and hosted by the Pune branch of ICAI. This conference, scheduled for the 23rd and 24th of December 2023, promises to be an enriching and enlightening experience for all involved.

The theme of this year's conference, “ज्ञानगम्य : ज्ञानं परमं सत्यं” (Knowledgeable: Knowledge is the Ultimate Truth), encapsulates the essence of our noble profession. As aspiring Chartered Accountants, we are not merely practitioners of financial expertise but seekers of knowledge, guardians of integrity, and champions of truth. The pursuit of knowledge is an everlasting journey, and this conference serves as a platform to delve into the depths of wisdom that will shape the future of our profession.

In the ever-evolving landscape of finance and business, staying abreast of the latest developments is imperative. The conference agenda is meticulously crafted to cover a spectrum of topics ranging from emerging trends in accounting and finance to ethical considerations that guide our professional conduct. Renowned speakers and industry experts have been invited to share their insights, providing you with a unique opportunity to broaden your perspectives and enhance your skills.

As the Vice Chairman of SSEB, I am confident that this conference will not only be intellectually stimulating but also foster meaningful connections among participants. Networking is an invaluable aspect of professional growth, and I encourage you to engage actively, exchange ideas, and build relationships that will serve you well in your journey as a Chartered Accountant.

I extend my gratitude to the organizing committee, the Pune branch of ICAI, who have worked tirelessly to make this conference a reality. Your dedication is commendable, and it is through such collaborative efforts that we can create platforms for continuous learning and development.

I wish you all a rewarding and insightful experience at the National Conference of CA Students. May this event contribute significantly to your knowledge base and inspire you to uphold the highest standards of our noble profession.





## **CA. Chandrashekhar V. Chitale**

**Central Council Member, ICAI**

### **MESSAGE**

**Dear Students,**

I am pleased to see you at the National Conference of Students' organised by Pune Branch of WIRC of the Institute of Chartered Accountants of India. The event is being held in Pune at a vintage location in a pleasant atmosphere. This conference will provide a platform for students to learn from their own colleagues and professional experts. This event affords opportunity to network with fellow students. Accomplished chartered accountants will also be visiting the conference and you can interact with them for gaining insights into the profession.

The conference will feature a variety of sessions, including panel discussions, and keynote presentations. Topics will range from technical updates to career development and personal growth. Additionally, there will be opportunities to interact with leading professionals in the field and explore potential career paths. We encourage all students interested in pursuing a career in chartered accountancy to attend this conference. It is a great opportunity to expand your knowledge, connect with peers, and gain valuable insights that will benefit your future career. To add spice to the Conference through an entertainment program.

You will be happy to note that this conference is being organised by the students and for the students. The student volunteers have left no stone unturned for satisfaction of your quest for knowledge, interaction and leisure. It will be a wonderful experience for all the participants. I look forward to seeing you at the National Conference in Pune. Stay tuned throughout the conference and also thereafter. Let's welcome 2024 with a promise to excel in career as also be a good human being. Sincerely, CA Chandrashekhar Chitale Conference Director and Member, Central Council of the ICAI





## **CA. Arpit Jagdish Kabra**

**Chairman, WIRC of ICAI**

### **MESSAGE**

**Dear Students,**

Warm greetings from WIRC!

I hope this message finds you in good health and eagerly anticipating the upcoming National Conference for CA Students. It brings me great pleasure to extend a heartfelt welcome to each one of you.

This significant conference is meticulously organized by the Student Skill Enrichment Board (SSEB) of the Board of Studies (Operations), ICAI. Hosted by the Pune Branch of WIRC of ICAI & Pune Branch of WICASA, the conference revolves around the theme “ज्ञानगम्यः ज्ञानं परमं सत्यं” providing a pivotal platform for students.

This National Conference for CA Students' is an exceptional opportunity for all aspiring CA students to engage in meaningful discussions, gain valuable insights, and establish lasting connections.

I commend your commitment to self-improvement and professional growth. Take advantage of every opportunity presented to you during these two days. Engage in meaningful conversations, challenge conventional thinking, and seek guidance from your peers and mentors. Remember, your journey towards becoming a Chartered Accountant is not just about acquiring technical knowledge, but also about developing critical thinking, ethical values, and leadership skills.

During this conference, you will have the privilege to listen to renowned speakers, actively participate in discussions and workshops, and network with accomplished professionals who have reached great heights in their accounting careers.

I would also like to take this opportunity to extend my gratitude to CA. Mangesh Pandurang Kinare, Conference Chairman & Chairman, SSEB, BOS (Operations) of ICAI and CA. Vishal Doshi, Chairman, board of Studies(academics) of ICAI for giving the Western Region the opportunity to host this National Conference for CA students.

I also thank CA. Rajesh Agrawal Chairman, Pune Branch of WIRC and CA. Sachin Miniyar WICASA Chairman for their dynamic efforts towards hosting this National Conference in Pune.

I extend my best wishes to each one of you as you embark on this transformative journey. May you leave this conference inspired, empowered, and equipped to create a lasting impact in the accounting profession. I encourage each one of you to adopt these sentiments as your guiding principles for a successful future.

**सफलता वो नहीं, जो माँगी जाए, सफलता वो है जो कड़ी मेहनत के बाद प्राप्त होती है**







**CA. Pinki Kedia**  
Chairperson, WIRC WICASA

## MESSAGE

### Dear Esteemed CA Students,

It is with great pleasure and honor that I extend my warmest greetings to each one of you as we converge for our National Conference, adorned with the theme “ज्ञानगम्य : ज्ञानं परमं सत्यं” As the Chairperson of the Western India Chartered Accountants Students' Association (WICASA), I am delighted to pen down this message for our cherished souvenir.

“ज्ञानगम्य : ज्ञानं परमं सत्यं” is a Sanskrit phrase that can be roughly translated to “attainable knowledge” or “knowledge that can be acquired.” The theme itself aligns with the profound philosophy that knowledge is the supreme truth and it can be gained or understood.

However, here is a famous quote that resonates with the theme:

**"Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family." — Kofi Annan**

This quote emphasizes the transformative power of knowledge and its role in shaping societies and individuals. It echoes the sentiment that knowledge is not just a pursuit but a force that empowers and enlightens, aligning with the theme “ज्ञानगम्य : ज्ञानं परमं सत्यं”

This conference represents more than just a gathering; it is a celebration of knowledge, a homage to truth, and a testament to the unwavering spirit of the CA community. In this spirit, our chosen theme echoes the essence of our profession - that knowledge is not just a pursuit but a sacred truth, a guiding force in our journey towards excellence.

**Your Presence Matters:** Your presence at the National Conference is of paramount importance. It is a celebration of your commitment to knowledge and professional excellence. We encourage you to actively participate, engage in discussions, and network with fellow students and professionals to make the most of this transformative experience.

**Importance of Pune:** As we come together in Pune, a city steeped in history and renowned for its educational vibrancy, let us take a moment to reflect on the significance of our chosen venue. Pune, with its cultural richness and academic brilliance, stands as a testament to the pursuit of knowledge. It provides an inspiring backdrop for our collective exploration of wisdom, echoing the sentiment that ज्ञानं परमं सत्यं permeates the very essence of this city.

**Motivation to CA Students:** To all the future torchbearers of our profession, I extend my heartfelt encouragement. The journey you have chosen is not an easy one, but it is a path that leads to personal and professional fulfillment. Our conference is not just an assembly of minds but a sanctuary for motivation and inspiration. Engage in the sessions, embrace the challenges, and let the stories of triumph shared by seasoned professionals fuel your own aspirations.

I extend my deepest gratitude to each participant, distinguished speaker, organizer and Pune Wicasa who are contributing to make this conference a memorable experience. May our time together be filled with enriching conversations, shared insights, and lasting connections.

Here's to a conference that transcends boundaries, embraces wisdom, and propels us towards the supreme truth that is knowledge.







**CA. Ruta Chitale**  
Regional Council Member

## MESSAGE

Dear Students and soon-to-be-professionals,

It gives me immense pleasure to pen this communicate on the occasion of Students conference since even I was a student once, of this great institution – ICAI. There are so many paths to knowledge which leads to only one God- i.e. Truth, however, what differentiates one from the other is how ethically we tread this path. One can't escape Truth which is the real knowledge.

Being CA is tough. However, even pursuing the CA course gives us the foundation that shapes our lives and makes us ready for all and each challenge. Do not mistake Education for Knowledge. What and how important is Knowledge, for that let me share a story (Credit Mr. Shaun Tatut):

A giant ship engine had failed and the ship's owners tried one expert after another, but none of them could figure out how to fix the engine. The engine was a complicated looking machinery, and the owners didn't know what to do until they were given the contacts of an old fellow that lived not too far from them.

The old man had been fixing ships since he was very young. He looked frail and needed a walking stick. The Old Ship Engineer had an apprentice, who, carried a large bag of tools for him, and when they arrived, the duo immediately went to work. The old man inspected the engine very carefully, top to bottom, side to side around and around again for about an hour or so.

Two of the ship's owners were there, watching the old man, hoping he would know what to do. After looking things over, the old man asked his apprentice to reach into his bag and pull out a small hammer. He then walked up to the engine and gently tapped something. Instantly, the engine sputtered and roared into life. He carefully put his hammer away. The engine was fixed! They left.

A week later, the owners received a bill from the old man for One Lakh rupees.

"What?!" the owners exclaimed. "He hardly did anything!"

So they wrote the old man a note saying, "Please send us an itemized bill.

The old man sent a bill that read:

Tapping with a hammer..... Rs. 2.00

Knowing where to tap..... Rs. 99,998.00

Knowledge is power!

Knowing how to do things right, efficiently and competently will open opportunity doors for you. Hope the conference inspires to reach out for the best inside you. Ultimately anything and everything is possible with real knowledge. It still remains the number one weapon which can change the world!!



**CA. Yashwant Kasar**  
Regional Council Member

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**MESSAGE**

**Dear CA Students,**

Greetings to each one of you who recently participated in the National Conference of CA Students in Pune!

Your active engagement and enthusiastic participation at the conference exemplified your commitment to learning and growing within the field of accountancy. The wealth of knowledge shared during this event undoubtedly serves as a cornerstone for your professional journey.

The collective experience, insightful sessions, and networking opportunities offered at the conference are invaluable assets that will enrich your understanding and enhance your skills in the dynamic landscape of accounting and finance.

Remember, learning is a continuous journey, and your dedication to being part of such an enriching event reflects your aspiration for excellence.

As you return from this enlightening experience, harness the wisdom gained and apply it fervently in your studies and professional endeavors. Stay curious, stay engaged, and keep pushing the boundaries of your knowledge.

Your enthusiasm and active participation are a testament to the bright future ahead for our accounting community. Continue to strive for excellence and make meaningful contributions to the profession.

Wishing you all continued success in your academic pursuits and future endeavors.



**CA. Rajesh Agarwal**  
Chairman, Pune Branch of WIRC of ICAI

## MESSAGE

**Dear Students,**

It is with great pleasure and honor that I as a Chairman of Pune Branch of WIRC of ICAI extend my warmest greetings to each one of you as we gather for the National Conference of CA Students. This annual event serves as a cornerstone in our shared commitment to excellence, professional growth, and the pursuit of knowledge.

The theme for CA Students National Conference is **ज्ञानगम्य** with the tagline **ज्ञानं परमं सत्यं** meaning thereby 'Knowledge is the ultimate truth'. This theme emphasized the significance of knowledge as the pinnacle of truth. It emphasises the importance of acquiring wisdom and insights as an integral part of the journey towards truth and excellence in the field of Chartered Accountancy.

As a chairman of one of the largest branch and Conference Coordinator, I am truly excited to witness the convergence of brilliant minds and future leaders in the field of Chartered Accountancy. Our profession stands at the intersection of precision, integrity and foresight, and it is your dedication that propels the accountancy landscape forward.

This year's conference promises to be an enriching experience, featuring distinguished speakers, interactive sessions, and invaluable networking opportunities. I encourage each of you to seize this occasion to broaden your horizons, engage in insightful discussions, and foster connections that will endure throughout your professional journey.

Remember that success is not a solitary pursuit but a collective achievement. Embrace the spirit of collaboration, learn from each other, and leverage the wealth of expertise present at this conference. As CA students, you are the torchbearers of the future, and your contributions will shape the trajectory of the profession.

I wish you all a rewarding and transformative experience at the National Conference of CA Students. May your passion for excellence be the guiding force in your endeavours and may you emerge from this conference with renewed inspiration and determination to excel.

I wish all the best for your results to those who are appeared in November or December 2023 Examination.

In my opinion, refined efforts, self-motivation and consistency in the efforts is must in our students to achieve any success.

Thank you for being part of this vibrant community, and I look forward to witnessing the outstanding accomplishments that will undoubtedly result from your active participation.

I would like to thank CA Aniket Talati, Hon. President of ICAI, CA. Ranjeet Kumar Agarwal, Hon. Vice-President, ICAI, CA. Mangesh Kinare, Conference Chairman & Chairman, Students Skills Enrichment Board (Board of Studies-Operations), ICAI, and CA. Chandrashekhar Vasant Chitale, Conference Director & CCM, ICAI and entire team from Students Skills Enrichment Board (Board of Studies-Operations) for allotting this National Conference of CA students.

I thank to all MCM and all WICASA Committee members and all Hardworking Volunteers who have worked to make this Conference a Grand Success.

So, lets Gear Up for having an wonderful time together in this action packed two days.

**Best wishes for a successful and fulfilling conference.**

***Last but not the least wishing you all a Merry Christmas and a Happy New Year 2024!!!!***





## **CA. Sachin Miniya**

Chairman, Pune Branch of WICASA of ICAI

### **MESSAGE**

**To all my Dear CA Aspirant Friends,**

As the festive spirit fills the air and Pune decks itself in joyous anticipation, I am delighted to extend a warm welcome to you all for our upcoming National Conference “ज्ञानगम्य : ज्ञानं परमं सत्यं”. This momentous occasion marks a significant milestone in our organization's journey, bringing together leading minds and passionate individuals from across the country under one roof.

By participating, you shall be gathering in the vibrant city of Pune, a melting pot of tradition and innovation, to engage in stimulating discussions and share valuable insights. The conference serves as a platform for learning and networking with fellow CA Aspirants, and I am confident that the two days will be enriched by the diverse perspectives and expertise you bring to the table.

#### **Gathering of Minds:**

We have curated a dynamic program featuring insightful keynote addresses, excellent paper presenters, motivational speakers and engaging panel discussions across different aspects of direct and indirect taxation, audit, AI tools and Technology. Whether you are a first year article or a CA final student, there is something for everyone at this conference.

#### **Connecting and Collaborating:**

Beyond the formal sessions, the conference provides ample opportunities for informal networking and relationship building. It is a space to forge connections, share experiences, and learn from each other, as we collectively strive towards a brighter future for our profession and the field we are passionate about.

#### **A Call to Action:**

This conference is not just about gathering information; it is about igniting action. Let us harness the collective wisdom and energy of this gathering to shape a brighter future for all aspirant CAs.

I eagerly await your arrival in Pune on 23rd and 24th December. Together, let us make this conference a landmark event, one that sparks fresh ideas, fosters meaningful connections, and propels us forward on the path towards becoming a better CA student.

I would like to thank CA Aniket Talati, Hon. President of ICAI, CA. Ranjeet Kumar Agarwal, Hon. Vice-President, ICAI, CA. Mangesh Kinare, Conference Chairman & Chairman, Students Skills Enrichment Board (Board of Studies-Operations), ICAI, and CA. Chandrashekhar Vasant Chitale, Conference Director & CCM, ICAI and entire team from Students Skills Enrichment Board (Board of Studies-Operations) for allotting this National Conference of CA students.

I thank to all MCM and all WICASA Committee members and all Hardworking Volunteers who have worked to make this Conference a Grand Success.

**See you in Pune!**





**Mr. Sairam Khond**

Vice- Chairman, Pune Branch of WICASA of ICAI

**MESSAGE**

**Hello Friends,**

Today is the day where we finally unite for the most awaited event of Pune that is the CA Students National Conference 2023 – “ज्ञानगम्य : ज्ञानं परमं सत्यं” - where we find knowledge packed technical sessions along with interesting, energetic, and special motivational sessions.

I definitely admit and recognize the hard work and efforts put forth by the Committee Members and volunteers to take this conference at greater heights. Furthermore I also appreciate the efforts put in by the managing staff of the branch who have been with us throughout.

I sincerely thank all the managing committee members of Pune Branch of WIRC especially CA Rajesh Agrawal Sir Chairman of Pune Branch of WIRC, Vice Chairperson CA Amruta Kulkarni & CA Sachin Miniyar Sir Chairman of Pune WICASA as our seniors who were guiding us throughout the process. I also extend my gratitude to the previous managing Committee Members of Pune branch of WIRC as well as of Pune WICASA who have continued to give us their support and guidance.

This year the Team Pune WICASA, along with the volunteers who were always hand in hand and shoulder to shoulder, have given in the extra 1% just for the benefit of the CA Students Community as a whole to leverage the maximum returns from the events or as I like to call it, 101% returns.

Gaining knowledge and networking are crucial aspects for students and I would proudly say that our Institute the Alma Mater for CA students the ICAI through its body SSEB (Students Skills Enrichment Board) and BOS- Operations has been providing this platform where we can be together and engage in such interesting events like these.

The WICASA which is of the students, for the students and by the students with each and every volunteer present have put in their precious time and hard-work to make this happen. I hope that you all thoroughly enjoy and have fun during the coming 2 days of the conference.

As our volunteers say that this conference ज्ञानगम्य is “Kisise Kaam nahi ab aarambh hai sangam ka!!” so let us all have a happy learning experience !!

I also wish you all Merry Christmas and a Very Happy New Year for 2024 ahead !!





**Mr. Madhvik Shah**

Secretary, Pune Branch of WICASA of ICAI

**MESSAGE**

**Dear Esteemed CA Students,**

I hope this message finds you in high spirits and great zeal!

Absolutely! Pune WICASA has been an incredible platform offering a diverse array of activities. From enriching educational sessions to insightful career counseling, thrilling sports events, adventurous trips, treks, and numerous other student-centric activities, we've created an enriching environment for holistic development. Kudos to entire Team WICASA for fostering such a fantastic range of opportunities for students!

The recent National CA Students Conference held in Pune was an unparalleled success, with an incredible turnout of 2000 enthusiastic participants like you! It was an absolute privilege to witness the collective passion and commitment toward excellence in the field of Chartered Accountancy.

Throughout the event, our journey was illuminated by multiple knowledge-sharing sessions that sparked intellectual curiosity and facilitated invaluable learning experiences. From in-depth discussions on contemporary accounting practices to insightful motivational sessions, every moment was designed to empower and inspire you on your professional journey.

Let's not forget the enchanting cultural night that added vibrant colors to our experience, fostering connections beyond the professional realm and celebrating the diverse tapestry of our community.

Your unwavering participation and eagerness to absorb knowledge exemplify your dedication and enthusiasm towards your career path. I express my deepest gratitude to each one of you for contributing to the conference's success.

Remember, the knowledge gained and the connections made during this conference are stepping stones toward your success as future Chartered Accountants. Keep that passion alive, continue to learn, and embrace the journey ahead with enthusiasm and determination.

Wishing you all the very best in your endeavors.







**Ms. Samiksha Shirsat**

Treasurer, Pune Branch of WICASA of ICAI

**MESSAGE**

Namskar,

In the Oxford of the East, we are always enlivened by the cogitation..... ***“Vidya Dhanam Sarva Dhanam Pradhanam”***

We have always borne in mind that the ultimate goal of PUNE WICASA is to fuel you with knowledge.

In the continuation of this legacy, our WICASA hosted the CA Students National Conference for the second time in a row, it is an extreme proclivity of dignity for us to witness this unprecedented event of the year with such a gentle audience.

Our theme **“ज्ञानगम्य : ज्ञानं परमं सत्यं”** which means "The one whose ultimate goal is Knowledge" which represents the significance to nurture the reliability in life and the knowledge with human values holds the power to create History.

The pinnacle of triumph for our event is the amalgamation of myriad endeavours and synchronization of the visionary minds, I want to express profound appreciation to our event architects who elevated our aspirations into tangible imprints.

With these, I anticipate that our future chartered's shall embark upon a journey, ensconced in the valuable treasure trove of profound knowledge for nation building.





**Mr. Omkar Phapal**

Joint Secretary, Pune Branch of WICASA of ICAI

**MESSAGE**

**Dear Future Leaders,**

Greetings from the team WICASA!

Pune WICASA is hosting national conference of CA students consecutively 2nd time. Such National conferences for CA students stand as vital milestones in our educational journey. They serve as platforms where aspiring chartered accountants converge to share insights, foster networks, and gain exposure to diverse perspectives. These conferences provide a unique opportunity to bridge the gap between theoretical knowledge and practical application, preparing us for the dynamic landscape of the accounting profession.

The theme of this year's conference, "Dnyangamya" — where 'knowledge is the end goal,' resonates profoundly. In the pursuit of excellence, we firmly believe that knowledge is the goal we want & it is the ultimate truth that guides our professional endeavors. This theme encapsulates the essence of our collective ambition as future leaders in the realm of accountancy. "Knowledge is the ultimate truth" serves as a guiding light, reminding us that the acquisition and application of knowledge are fundamental in shaping a successful career in the field of chartered accountancy.

As we gather at this prestigious event, let us immerse ourselves in the wealth of wisdom, experiences, and expertise shared by distinguished speakers and fellow participants. At the end I would like to share one line from *upanishads*, "**Uttisthat Jagarata Prapya Varannibodhat**" which means "**Arise, awake and stop not until the goal is reached**".

Here's to an enlightening and enriching conference!





**Mr. Suhas Sawant**

Joint Treasurer, Pune Branch of WICASA of ICAI

**MESSAGE**

**Hello All,**

Get ready to immerse yourselves in a most awaited event for the CA students which is full of knowledge, excellence of paper presenters, the experience of Industry experts and entertainment. This conference promises to be a rewarding experience for all participants.

A warm welcome to all participants and students attending the CA students National Conference 2023. In spite of busy office schedules, we had a great response from all the students, is truly commendable.

I extend my heartfelt appreciation to the dedicated staff whose tireless efforts have played a pivotal role in organizing the event. Their hard work has set the stage for a memorable and impactful conference.

A special acknowledgment goes to our enthusiastic and energetic pillars of WICASA, "the volunteers" whose dedication and efforts have been instrumental in ensuring the grand success of this event. Your passion and commitment are the driving force behind the seamless execution of the conference.

Let us come together to make the National Conference 2023 a platform for enriching discussions and collaborative learning.

Thank you and enjoy the conference!





**Ms. Sneha Vedpathak**

Editor Head, Pune Branch of WICASA of ICAI

**MESSAGE**

Hello CAs and CA Aspirants,

There is no other profession that provides you with a college life, without giving you an actual college, other than our Chartered Accountancy course. This is exactly where WICASA comes in. It allows you to live that college life through various seminars, treks, competitions, and sports events organised throughout the year. Also, the monthly newsletter serves as a reminder to everyone about the topics in trend and the views of students towards the same.

The biggest event for us will be the CA Students' National Conference wherein the efforts and participation are at their peak. This is where we get a positive outcome of the cost-benefit analysis. This is where we, as students, get a chance to showcase our talents, our interests, and our achievements. This is what Pune WICASA is – a platform for CA Students to unveil their talents. And this platform will always remain a special part of a CA student's life.

The theme for this year's conference is Dnyangamya: Dnyanam Parmam Satyam. I believe that knowledge is the only goal worth pursuing. It can take you places you could have never imagined and give you the life you always dreamt of. We have given most of our time from childhood to this very term but we never realise the importance of it until we reach a certain level. I would like to remind you all that all the students, speakers, and volunteers are at this level due to the knowledge they have gained over the years and this is the only thing that could upgrade us in life.

We are proud to be a part of this small but powerful community wherein we share our ideologies, our practices, and our faith with each other to achieve something unbelievable. It is my utmost honour to communicate with you through this platform.





**STUDENTS SKILLS ENRICHMENT BOARD  
(BOARD OF STUDIES-OPERATIONS)  
COMPOSITION FOR THE YEAR 2023-24**



**CA. Mangesh Pandurang Kinare**  
Chairman, SSEB (BoS-Operations)

102 YASHWANT TOWER CHS,  
DHARMAVEER MARG, PANCHPAKHADI,  
THANE - WEST - 400602 - MAHARASHTRA



**CA. Sridhar Muppala**  
Vice-Chairman, SSEB (BoS-Operations)

11-5-449, Opp. Shah Function Hall, Redhills  
Hyderabad-500004 - Telangana



**CA. Aniket Sunil Talati**  
President, ICAI

Ambica Chambers, Nr Old High Court Navrangpura  
Ahmedabad - 380009 (Gujarat)



**CA. Ranjeet Kumar Agarwal, FCA**  
Vice President, ICAI

Metro Tower, 4th Floor, 170, Central Avenue,  
Near M G Road Metro Station, Kolkata – 700 007



**CA. (Dr.) Rajkumar Satyanarayan Adukia**

Office No 3, Bldg No. 1, Ground Floor  
Meridien Apartments, Veera Desai Road  
Mumbai-400058, (Maharashtra)



**STUDENTS SKILLS ENRICHMENT BOARD  
(BOARD OF STUDIES-OPERATIONS)  
COMPOSITION FOR THE YEAR 2023-24**



**CA. Dheeraj Kumar Khandelwal**

511/512, Atlanta Estate, Near Virvani Estate, Opp. West In  
Hotel, Western Express Highway, Goregaon – East,  
Mumbai – 400 063



**CA. Durgesh Kumar Kabra**

803-804, Ashok Heights,  
Nicco Circle, Near Bhuta School,  
Old Nagardas 'X' Road, Gundavali,  
Andheri ( East ), Mumbai, 400069



**CA. Purushottamlal Khandelwal**

216 MADHUPURA VEPAR BHAVAN NEAR GANJ BAZAR  
MADHUPURA CHOWK, MADHUPURA,  
AHMEDABAD-380004, GUJARAT



**CA. Priti Savla**

1004 Level 10, Sunshine Tower, Senapati Bapat Marge  
Elphinstone, Mumbai-400013 - Maharashtra



**CA. Piyush S Chhajer**

101 HUBTOWN SOLARIS, NEAR EAST WEST FLYOVER  
N S PHADKE MARG, MUMBAI - 400069 (MAHARASHTRA)





**STUDENTS SKILLS ENRICHMENT BOARD**  
(BOARD OF STUDIES-OPERATIONS)  
**COMPOSITION FOR THE YEAR 2023-24**



**CA. Umesh Sharma**

2nd Floor, Block No 7 & 8, Shangrilla Complex, Samarth  
Nagar, Aurangabad-431001 Maharashtra

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**CA. Dayaniwas Sharma**

6-3-569, 4th Floor, Opp RTA Office, Above BMW Showroom,  
Khairatabad, Hyderabad – 500082 - Telangana

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**CA. Prasanna Kumar D**

Flat No:3C 47-9-39/17, Sai Sadan Apartments  
Dwarakanagar, Visakhapatnam-530016 (Andhra Pradesh)

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**CA. Sushil Kumar Goyal**

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**CA. Abhay Kumar Chhajer**

M/s S L Chhajer & Company, R-12 Zone - I M P Nagar  
Bhopal - 462011 -Madhya Pradesh

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**CA. (Dr.) Anuj Goyal**

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Ghaziabad – 201 002 (U.P.)

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**CA. Gyan Chandra Misra**

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**CA. Prakash Sharma**

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**COMPOSITION FOR THE YEAR 2023-24**



**CA. Kemisha Soni (Ms.)**

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**CA. Hans Raj Chugh**

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**CA. Charanjot Singh Nanda**

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**CA. Ashwani Kumar Jindal**

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**CA. Avinash Gupta**

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**CA. Hardik Harshadbhai Vyas**

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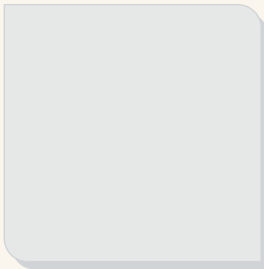
CNK Khandwala & Associates  
2nd Floor, Hrishikesh, Vasantbaug Society, Opp. Water  
Tank, Near CA Circle, Gulbai Tekra, Ahmedabad 380 006



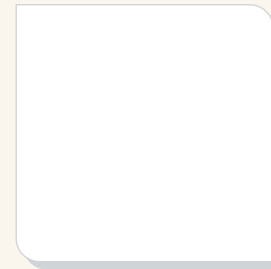
**CA. Pramod Kumar Boob, Jaipur**

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S C Road, Jaipur – 302001

### SPECIAL INVITEES



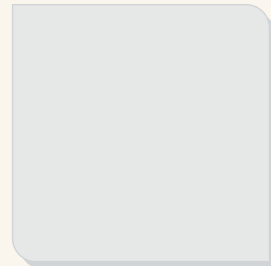
**CA. Rohit Sharma**



**CA Shagun Jhalani**



**CA. Utsav Dogra**



**CA. Krishan Gopal Agarwal**

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## **Students Skills Enrichment Board (Board of Studies - Operations)**

- To recommend to the Council the policies governing IT and Soft Skills training, Industrial training and extra co-curricular activities of the students undergoing Chartered Accountancy Course.
- To provide and monitor high quality practical education to students of Chartered Accountancy Course by make use of available recourses for benefit of the students.
- To take all possible steps on a continuous basis to motivate our students to be keen, dedicated and disciplined participants in the Institute's direct, correspondence and other coaching and educational programmes and processes.
- To organize directly as well as indirectly various educational activities and programmes for the benefit of our students.
- To enable students to acquire the latest technical skills using Information Technology in the areas such as Data Analytics, Block Chain, Artificial Intelligence, Robotics, Internet of things, Big Data etc.
- To develop and enrich Personality, Leadership and Communication Skills of our students.
- To upgrade the Soft Skills & IT Skills from time to time if required.
- To award scholarships to Meritorious students, Differently Abled and Needy students.
- To provide opportunities for networking with fellow students in India and abroad for sharing and learning through Student Conferences.
- Disbursing grants to Regional Councils and Branches for Seminars, Student Conferences, Quiz, and Elocution contests, and other related student activities as well as extra-curricular activities.
- Live/Physical classes for students.
- To consider such other matters as the Council or the President may consider appropriate.
- Industrial training, Mobile App, e-books, website, anything which is required for the enrichment of the students.
- To provide need-based suggestion on requirement basis to Students Skills Enrichment Board, BoS (Operations) for grant of CPE hours (recommendatory/ mandatory) and /or Structured/Unstructured in physical/ Virtual Mode for various educational activities/programmes conducted for the benefit of Students, organized by Students Skills Enrichment Board, BOS (O).
- To create, upgrade and refurbish IT & Soft Skill centres in addition to establishment of new reading rooms commensurating the requirements of the students on Pan India basis.
- To enhance quality of the training imparted to the students by organizing regular Quality Improvement Programmes for faculties of IT and Soft Skill Courses.





**NATIONAL  
CONFERENCE**  
OF CA STUDENTS 2023

## **TECHNICAL SESSION - I PERSONALITY DEVELOPMENT**





**Tejas Sunil Jagtap**  
WRO0709322

## GST ON REAL ESTATE

### Presenter:

I take immense pleasure to present a paper on such an interesting topic. I'm Tejas, a CA Final Student and a second year article student conducting my articleship in a mid-sized firm in Pune. It's great to learn new things during course of our articleship and such initiatives by our beloved organizers contribute more to student's professional growth. So without any further delay let's see what all we'll be discussing.

### Flow of our Discussion:

Introduction on real estate, Definitions, Affordable housing, RREP, etc.

Construction and sale of units before and after CC. Rates applicable thereon (1%,5%,12 ~ 1.5%, 7.5%, 18%)

Deduction in rates for Cost of land, Sale of Land and Joint Development Agreement (JDA).

Taxability of TDR for Residential units - On CC - on unsold units - on RCM.

Taxability of TDR for Commercial Units - Area sharing/Revenue sharing model.

### Introduction on Topic:

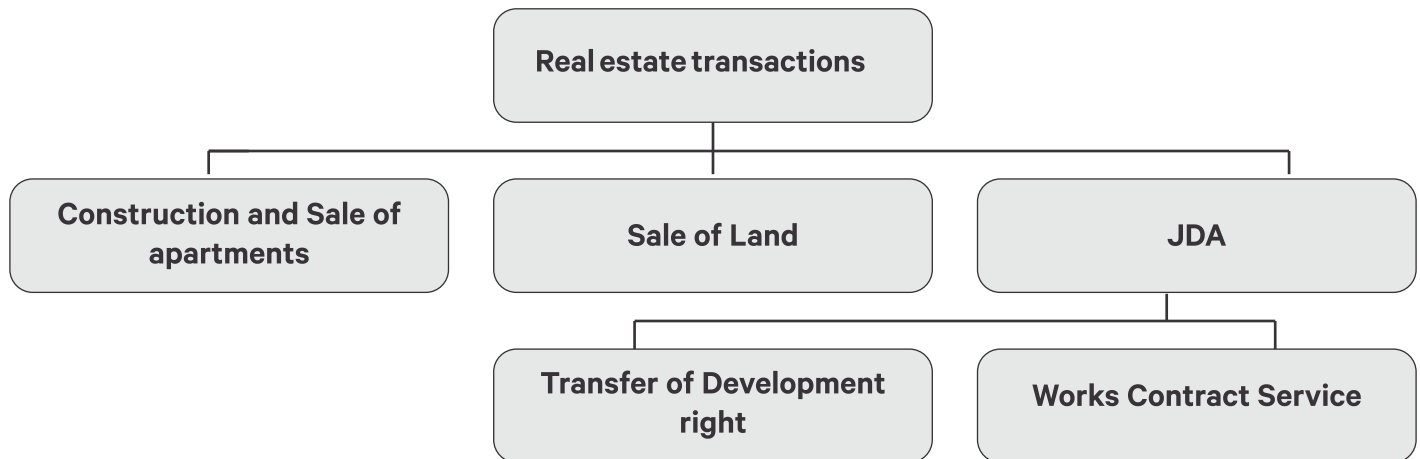
The Real estate is said to be the grey area for most of the practicing chartered accountants. The complexity involved in transactions, lack of proper interpretation of law, unorganized flow of money, etc all these things have more or less contributed to intricacies of the subject matter and also to the interest of students like me to dive deep into the area.

By the word Real estate one would interpret we're talking on transactions dealing with land, buildings, related rights and benefits. Absolutely! These transactions get covered under various laws like the Income Tax Act, RERA, GST Act, Stamp duty act, Contract Act, etc. Every law has its own implications on the transactions dealing with Real Estate. Likewise here we would go on a tour to understand the 'GST implications on the Real Estate'.

As we all are aware of the fact that GST had been implemented since July 2017, so how were these transactions taxed earlier then? Earlier the real estate transactions were covered under the ambit of VAT & Service Tax. Thereafter GST arrived. Customers and Builders were of opinion that GST is leading to Price rise in real estate. In old scheme the rates were higher though ITC was allowed. Thereafter, new scheme was put forth in 2019 by reducing the rates and restricting ITC. Certain transactions like TDR got covered under GST; so as of now we have proper mechanism to tax the most of transactions involved in Real estate. Let's cover up the aspects of Real estate under GST.



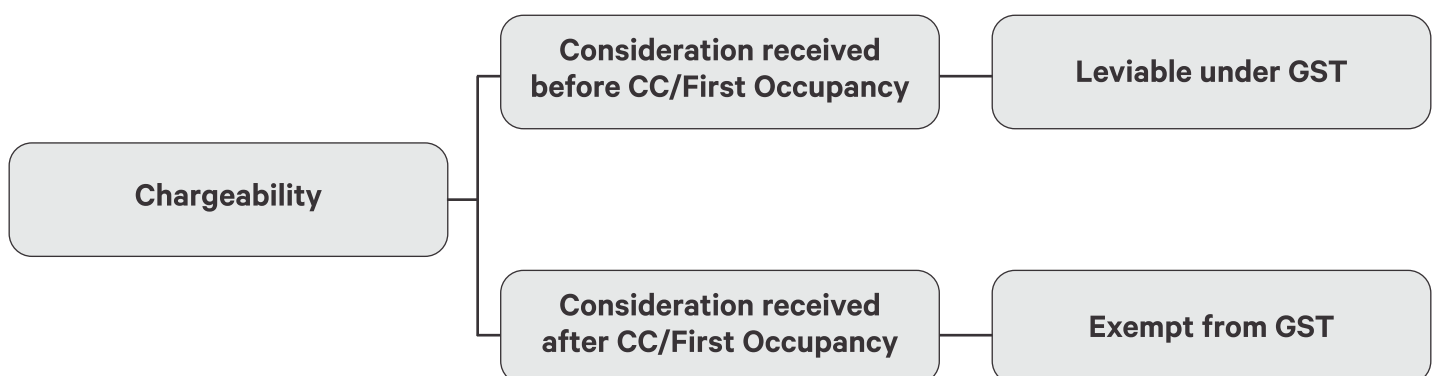
## Real Estate Transactions:



We will see the meanings of terms involved in our discussion as and when we encounter them. Having discussed all the terms at start will probably degrade your interest.

### A) Construction and Sale of Apartments:

- a. Here we would discuss the rate applicable to such transactions, exemptions granted by the GST department and certain relevant terms.
- b. So first let's understand the meaning of 'completion certificate' (CC). As per RERA, "completion certificate" means a certificate issued by the competent authority certifying that the 'real estate project' has been developed according to the sanctioned plan, layout plan and specifications, as approved by the competent authority under the local laws.
- c. So why discuss these terms? For EXEMPTION!! Any Consideration received for sale of apartment after issuance of completion certificate or first occupancy, whichever is earlier shall be exempt from levy of GST. For simplicity GST is leviable on Under construction building but not on completed buildings.



### d. Understanding the Rate Structure:

For the purpose of understanding rate structure we need to acknowledge ourselves with some more terms. I hope we need not discuss what is residential and commercial.

#### i. Metropolitan cities

Metropolitan cities are Bengaluru, Chennai, Delhi NCR (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad), Hyderabad, Kolkata and Mumbai (whole of MMR) with their geographical limits prescribed by Government. These are what GST department has prescribed.

#### i. Affordable Residential Apartments

They are such Residential Projects where:

- a. the value of apartment does not exceed 45 lakh rupees AND
- b. the carpet area in metropolitan cities is upto 60sq.mtr. or non metropolitan cities is upto 90 sq.mtr.



## i. Residential Real Estate Project (RREP)

It is a REP where the carpet area of commercial apartments does not exceed 15% of total carpet area of project. Eg. I am constructing an apartment of 1000 sq.mtr. for residential purpose. For being categorized under residential I can build maximum of 150 sq.mtr of commercial space only rest must be residential.

## ii. Carpet area

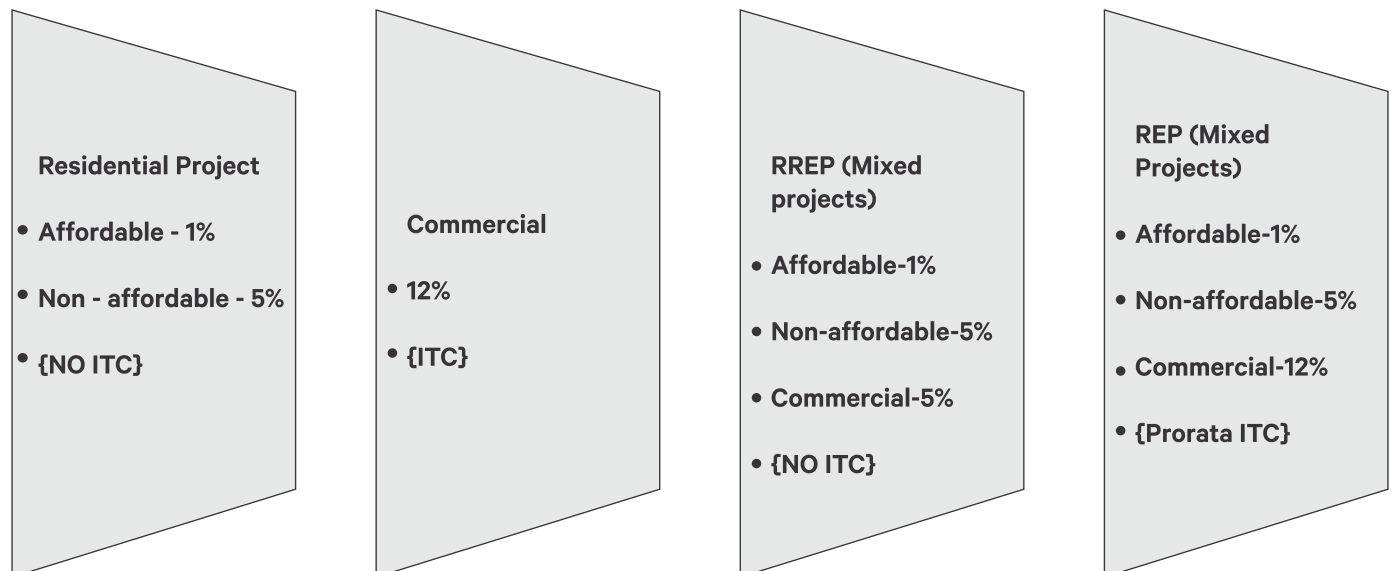
As per RERA, "carpet area" means the net usable floor area of an apartment.

It excludes:

- the area covered by the external walls,
- areas under services shafts,
- exclusive balcony or verandah area and
- exclusive open terrace area,

But includes the area covered by the internal partition walls of the apartment.

### Rate Structure:



Speaking more about the rate structure, the above specified rates are effective tax rates. What do you mean by effective tax rates?

### Conceptual Point-

See the Construction of building is Supply of Service under GST. Let's say you purchase a land construct it, develop and build apartments and sale them to third parties. Here you charge customers GST on consideration received for sale. But while you are transferring the flats you tend to transfer the relevant share of land too. In other words, you recover money from customer not only for the construction that you have made but also for the cost of land involved. Other point to note here that sale of land is exempt from the scope of GST. So when you charge GST on collection from customers you tend to pay tax on consideration received for transfer of share of land too which is exempt. So department considered this and allowed 1/3rd deduction for Cost of Land. So the comparison rates is as under:

NATURE	Affordable Residential	Other Residential	RREP	Commercial
Rate prescribed by GST Dept.	1.5%	7.5%	7.5%	18%
Deduction for land	1/3 <sup>rd</sup>	1/3 <sup>rd</sup>	1/3 <sup>rd</sup>	1/3 <sup>rd</sup>
Effective rate	1%	5%	5%	12%



Why 1/3rd? Department knows.

But on interpretation of law it is unjust to take 1/3rd deduction even if actual cost deduction proves beneficial. One may dare to claim actual deduction of cost and pay tax at prescribed rates however consultants are of view that it is a subject matter of litigation. Let's understand with an eg. Let's assume that in Case 1 we take land deduction of 1/3rd as prescribed by GST Dept and take actual cost of land as deduction in Case 2. Assume that we have built 2 flats upon said land.

Why 1/3rd? Department knows.

But on interpretation of law it is unjust to take 1/3rd deduction even if actual cost deduction proves beneficial. One may dare to claim actual deduction of cost and pay tax at prescribed rates however consultants are of view that it is a subject matter of litigation. Let's understand with an eg. Let's assume that in Case 1 we take land deduction of 1/3rd as prescribed by GST Dept and take actual cost of land as deduction in Case 2. Assume that we have built 2 flats upon said land.

Particulars	CASE 1	CASE 2
Land deduction	1/3rd	Actual Cost
Original Rate	18%	18%
Applicable Rate (A)	12%	18%
Cost of Land	5,00,00,000/-	5,00,00,000/-
Pro-rata Cost for 1 flat (B)	2,50,00,000/-	2,50,00,000/-
Sale Value of 1 flat (C)	4,00,00,000/-	4,00,00,000/-
GST Payable	48,00,000/- (C*A)	27,00,000/- [(C-B)*A]

Here one can see that the Case 2 seems beneficial for the taxpayer. However this way of paying taxes is not followed by anyone being litigative matter.

#### A) Sale of Land

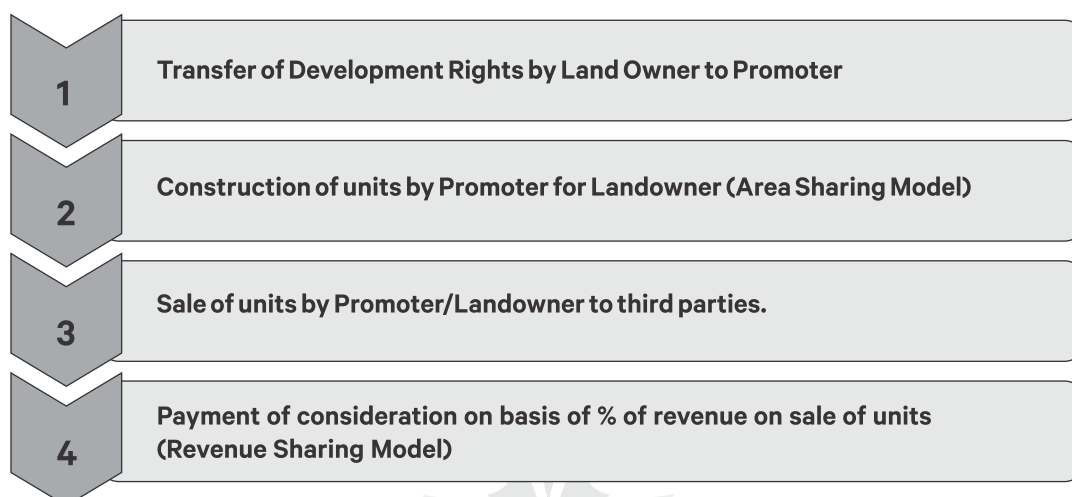
Sale of immovable property is a Schedule III item, i.e. it is neither supply of Goods nor supply of services.

Land includes benefits arising out of land. So this point of 'benefits arising out of land' takes us to further the part of our discussion i.e. Development Rights. It basically comes under Joint Development Agreement (JDA). We'll discuss it there itself.

#### B) Joint Development Agreement (JDA)

a. **Meaning:-** Joint Development Agreement means a registered agreement in which a person owning land or building agrees to allow another person to develop a real estate project on such land or building, in consideration of a share in such project, whether with or without payment in form of money.

#### Categories of transactions involved in JDA







## **b. History AND Concept:-**

So we discussed in earlier section that Sale of land is exempt under GST and Land includes benefits arising out of land. So the first part of JDA is transfer of Development rights to the Developer by Land owner. Now many court rulings prove that the development rights are nothing but benefits arising out of land. So why are they taxable?

So the taxability on TDR under GST got triggered on 25/01/2018 when GST dept. notified via Notification 04/2018 that the transfer of development rights will get covered under GST act henceforth. Thus prior to this if TDR's were transferred no liability of GST would have arisen. Now this makes it clear that why TDR is liable to GST though being a benefit arising out of land.

## **c. Taxability of TDR for Construction of Residential Apartments:-**

- Transfer of TDR used for sale of under construction residential units is exempt. However TDR is taxable to the extent of unsold residential flats on the date of issuance of completion certificate or first occupation, whichever is earlier.
- The rationale behind this is very clear. GST dept. gets tax on sale of under construction building, so TDR proportionate to that value is exempt. However once completion certificate is issued the completed buildings are exempt from GST and thus government won't be able to collect revenue. So at this moment government levies GST on TDR in respect of proportionate value of unsold units.
- Here service of TDR is supplied by landowner to builder. So logical interpretation would make landowner liable to collect GST. However tracking that would be little cumbersome and hence this service is included under RCM and person liable to pay tax is Promoter/Developer.
- Further the tax rate applicable is 18% and No ITC can be availed.
- How to determine value for paying Tax?
  - o Upfront payment – Value of monetary consideration paid
  - o Area Sharing – Value of similar apartments charged by promoter from independent buyers nearest to the date of transfer of TDR.
  - o Revenue share – Monetary consideration paid as revenue share.
- Relief Granted: GST department has granted some relief to taxpayers. The amount of tax on TDR as calculated above shall not exceed 1%/5% of value of unsold flats.
  - o Value of unsold flats – Value of similar apartments charged by promoter nearest to the date of completion certificate or first occupation, whichever is earlier.
- Eg. Money payable to land owner in consideration of TDR is 1 lacks. I built 4 apartments and sold 3 of them until I received completion certificate. The value of last flat sold is 5 lacks. I'm required to pay GST on RCM basis on pro-rata value of TDR i.e. 25,000/- (1 lac \* 1/4th \* 1 unsold flat). GST payable comes to be 18% of 25,000 i.e. 4,500/-. However it shall be restricted to 1%/5% of value of unsold flat. Since value of flat sold to the date nearest to CC is 5 lacks. Maximum amount payable is 1% of 5 lacks i.e. 5,000/- .(Assumed affordable housing so 1%)

## **d. Taxability of TDR on Construction of Commercial Apartments:-**

- The tax on TDR in case of commercial apartments is fully taxable under forward charge along with benefit of ITC.
- Time of Supply:
  - o Upfront payment – Date of actual payment for TDR.
  - o Area sharing – Earlier of Issuance of Completion Certificate or First Occupancy.
  - o Revenue sharing – Invoice or payment whichever is earlier.
- Valuation of TDR:
  - o Upfront payment – Value of monetary consideration paid.
  - o Area sharing – Value of similar apartments charged by promoter from independent buyers nearest to the date of transfer of TDR.
  - o Revenue sharing – Monetary consideration paid.

## **e. Other Notable Points:**

- I. 80 – 20 rule – Builders are required to purchase 80% of their inputs (goods and services) from registered persons. If it fails to do so then tax under RCM @ 18% needs to be paid by builder on shortfall. Also, cement is required to be purchased 100% from registered person, failing which tax on RCM is required to be paid on purchases from unregistered person @ 28%.
- ii. ITC for Landowners – In case of area sharing model builders will sell flats to landowner. If it happens prior to issuance of completion certificate builder is going to pay GST. However landowner if further sells them to third parties he would be required to collect GST from customers. In that case GST already paid by builder on those flats is allowed as ITC to the landowner.
- ii. Reversal of ITC – The ITC on 1%/5% class of units is not allowed. But we need to report ITC available and then reverse it.

It is a huge topic to discuss but let's restrict ourselves here itself.  
Thank You.



**Jay Jain**  
WRO0753699

## **GST on Virtual Digital Assets and Gaming Industry**

### **I. GST on Gaming Industry**

Gaming is an active and interactive source of entertainment leading to immersive engagement and socializing of people. With the rise of smartphones and increasing availability of high-speed internet, it has become easier for people to access the online games. Even the Government of India has recognized this sector as Animation, Visual Effects, Gaming and Comic ("AVGC") Industry which has proved to generate a lot of employment opportunities.

Let us have a look towards certain statistical data for the industry –

I. Industry Size – In FY 2016, the industry was worth US\$ 0.55 billion and has shown a growth up to US\$ 2 billion in FY 2022 and estimating a CAGR of 33% to reach US\$ 9 billion by FY 2027.

II. Employment – It involves a workforce of approx. 50,000 employees which includes esteemed developers, programmers, and customer support. With an aim to create a ripple effect in job creation, expects to generate more than 150,000 direct and indirect employment opportunities.

III. Start-ups – Let me shed a light on our countries vibrant gaming landscape. As of recent data, India boasts approx. 1,000-1,200 gaming start-ups and hosts a remarkable 275 game development companies and offering a whopping number of almost 19,600 games via Play store. In this dynamic ecosystem, some of the giants like Games 24x7, Dream11 and Mobile Premier League, etc stands among the top gaming intermediaries in India.

In order to assess the legal status and regulatory framework from GST perspective, it is important to understand the business model and interconnections of the transactions. So, let us have a sight over certain major models prevailing in the industry.

#### **I. Freemium Business Model –**

- There are various games available which are freely downloadable but however, requires certain payments for the upgrades to proceed with the game.
- Further, there certain games for which demo version or limited access is available to the gamers and requires payment to unlock the entire game.
- Even there are certain games which are entirely cost-free, but the companies earn revenue through running advertisements on their platform.

#### **II. Paid Business Model –**

- In paid model, firstly we have the up-front payment model which is pretty straight forward where a single payment is required, and the game is downloaded on to the device.
- Then there is the subscription model, however it's less common in Indian Gaming market as of now. It involves a recurring fee on a monthly basis and is usually prevalent in Multi-player Online Games (MOG).
- Lastly, it includes the real money gaming, where the players or gamers have to pay for every game or contest, they enter into. It also involves a component called 'Platform Fees,' which we shall be discussing further.

The ministry of Electronics and Information Technology notified certain amendments to Information Technology Rules, 2021 to create additional obligations for Online Gaming Intermediaries who enable access to real money games. It further mandates registration, verification and certification of all eligible Online Gaming Intermediaries and Online permissible real money games with the licensed Self-Regulatory Body. ("SRB").





The tax landscape for Gaming Industry in India has been complex and constantly evolving with the innovations of the different formats. Both Pre and Post GST regime, has always made a distinction between game of skill and game of chance in order to provide appropriate treatment for application of tax rate and determining value of supply for the transaction. This differentiation between game of skill and chance is not only dated 10-15 years back. In fact, it has a genesis since 1956 extending landmark judgements in case of RMD Chamarbaugwala vs Union of India, K.R. Lakshmanan vs State of Tamil Nadu, etc. Recently, case of Gameskraft Technologies Pvt Ltd vs DGGI involving a demand notice of 21,000 crores actually created a havoc in the industry. The moot examination of the case was whether offline/online games like Rummy, which predominantly involves skill, played with/without stakes tantamount to gambling and betting as contemplated in Entry 6 of Schedule III to CGST Act, 2017?

Schedule III provides the list of transactions which are neither supply of Goods nor Services. Accordingly, entry 6 specifies that Actionable claims, other than lottery, betting and gambling are outside the purview of supply.

Considering the facts of the case and the settled jurisprudence regarding the historical re materia i.e., game of skill and game of chance, stated that games of skill are significantly protected by Article 19(1)(g) as the legitimate businesses whereas the activities or games involving an element of chance is treated as res extra commercium.

Court further inferred that considering entry 6, games of skill are out of the scope of supply whereas the games of chance would be subject to GST. Hence, game of skill played with/without stakes is not gambling.

Now, it is equally important to align with the recommendation and discussions of GST council. Pre-amendment the scenario was that 18% was levied on Gross Gaming Revenue (GGR) i.e., the platform fee charged by the service provider, as the GST could not be levied on the entire Contest Entry Amount due to involvement of game of skill in Schedule III. Following recommendations were made by the council from time-to-time –

In May 2021, the council constituted a Group of Ministers (GoM) to examine the provisions with respect to the valuation of services provided by the gaming companies.

In 47th Council meet held in June 2022, the GoM recommended 28% on Contest Entry amount. However, due to certain incongruencies in the opinion and outrage by the industry stakeholders, the matter was plotted for reassessment.

However, till 50th Meet, the matter was deferred and lastly in 51st Council meet, various amendments were brought in to provide clarificatory position of gaming transactions in GST law.

#### **The amendments that require careful attention are –**

Inclusion of following definitions:

- o Online Gaming - online gaming means offering of a game on the internet or an electronic network and includes online money gaming;
- o Online money gaming - online money gaming means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force;

- o Specified actionable claims - "specified actionable claim" means the actionable claim involved in or by way of—

- \$ (i) betting;
- \$ (ii) casinos;
- \$ (iii) gambling;
- \$ (iv) horse racing;
- \$ (v) lottery; or
- \$ (vi) online money gaming;

Amendment in Entry 6 of Schedule III to the CGST Act as follows – 'Actionable claims, other than (lottery, betting, and gambling) specified actionable claims.

Introduction of Valuation rules for Online Gaming as:

- o Rule 31B - the value of supply of online gaming, including supply of actionable claims involved in online money gaming, shall be the total amount paid or payable to or deposited with the supplier by way of money or money's worth, including virtual digital assets, by or on behalf of the player (relevant extract):





Explanation to Rule 31B - any amount received by the player by winning any event, including game, scheme, competition or any other activity or process, which is used for playing by the said player in a further event without withdrawing, shall not be considered as the amount paid to or deposited with the supplier by or on behalf of the said player.

Application of Tax rate – GST @ 28% is being notified for the specified actionable claims (betting, casinos, gambling, horse racing, lottery, online money gaming). Earlier, 28% was levied on lottery, actionable claims arising on account of a win in betting, gambling, or horse racing in race club.

Time of supply: Time of supply for undertaking the supply of specified actionable claims shall earlier of –

- o Date of issue of invoice by the supplier or the last date on which he is required to issue invoice as per Section 31; or
- o Date on which supplier receives the payment with respect to the supply.

Notification no. 03/2023 – Integrated Tax notifies the supply of online money gaming as goods and the import of same shall be subject to levy of IGST. However, same shall not be collected under the provisions of Customs Tariff Act, 1975.

Let us have an illustration considering the Pre and Post GST Amendments –

Considering 10 players placing a bet of Rs 1,000 each and creating a contribution pool of Rs 10,000 (Contest Entry Amount) for a particular round. Assuming a platform fee (Gross Gaming Revenue) being charged @ Rs 1,000 inclusive of 18% GST and accordingly, the pool available for game amounts to Rs 9,000. The gain for the player shall be Rs 8,000 and post TDS @30% under Income tax Act, the net earnings available with the player amounts to Rs 5,600.

Now, considering the same example with a minor change i.e., levying GST @ 28% on the Contest Entry Amount.

If we see, the pool amount available for the game has drastically reduced by 23% which ultimately leads to a lower amount available for winning.

Now, let us understand what the taxation scenario is globally –

Having a look over this data, it can be inferred that most of the countries follow Gross Gaming Revenue (GGR) based model and even if Contest Entry Amount (CEA) taxing model is adopted the applicable tax rate is comparably low in relation to what is being taxed currently in India.

However, considering the cost and consumer behavior post amendments, the administrative changes and reduction in operating expenses should be in focus by the gaming companies.

## I. GST on Virtual Digital Assets

Now heading towards another technological sector involving finance implications i.e., Operation of Virtual Digital Assets. The recent GST amendments provided the definition of Virtual Digital Assets as defined under section 2(47A) of Income Tax Act, 1961. So, here is the definition –

**Section 2(47A) – Virtual digital asset means:**

- Any information or code or number or token (not being Indian currency or foreign currency), generated through cryptographic means, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value or functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme, and can be transferred, stored, or traded electronically;
- **A non-fungible token or any other token of similar nature;**
- **any other digital asset as the Central Government, may notify in Official Gazette.**

As we all know, GST is levied on a taxable event called supply of goods or services. It can be clearly opined from the above definition that if Virtual Digital Asset is sold, traded, or transferred will come under the ambit of 'Supply' as defined under section 7 of CGST Act, 2017. But the question arises, supply of what either goods or services? In order to understand the taxability of VDA under GST whether as Goods or Services it first important to go through certain more definitions as mentioned below-

**Section 2(52)** of CGST defines 'Goods' as every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.







**Section 2(102)** of CGST Act defines 'Services' as anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination to another form, currency, or denomination for which a separate consideration is charged.

**Section 2(75)** of CGST Act defines 'Money' as the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveler cheque, money order, postal or electronic remittance or any other instrument recognized by the Reserve Bank of India when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value.

**Section 2(q)** of FEMA Act, 1999 defines 'Indian currency' as currency which is expressed or drawn in Indian rupees but does not include special bank notes and special one-rupee notes issued under section 28A of the Reserve Bank of India Act, 1934 (2 of 1934);

If we analyze the definition of Goods, it involves every kind of movable property other than money and securities. The definition of money under GST involves Indian legal tender or any foreign currency. However, any form of information or token or code generated by the process of cryptography is not declared as 'Legal Tender' in India, even the definition of VDA does not symbolize it as Indian or Foreign currency. Hence, it can be said that Virtual digital assets are taxable under GST as 'Goods.' However, so far, no clarity has been extended in this regard.

However, as of now no GST has been discharged on sale or purchase or transfer of VDA's in the industry, as there is no clarity with respect to its classification as Goods or Services.

But considering the way forward and category of transactions in Virtual digital assets following can be the GST implications –

Sr. no.	Transaction	GST implication
1.	Purchase/Sale of Virtual Digital Assets	Considering the above analysis, VDA's may be classified as Goods and seller shall discharge the liability accordingly.
2.	Mining of Virtual Digital Assets	Mining refers to the generation of virtual digital assets such as bitcoin, etc. in relation to which the miners are rewarded in form of VDA's or transaction fees. This implies that supply of services is involved in mining which shall be subject to GST.
3.	Services ancillary to the purchase or sale of VDA's	Services provided by various VDA Exchanges in relation to trading or transfer of VDA's for a consideration as service charge shall be subject to GST.

In this way, the clarifications are much awaited from the GST council to incorporate the appropriate tax treatments. So, this way we understand how one of the potential sectors i.e., Gaming Industry has invited the tax implications after so many settled jurisprudences and how the technological advancement in Fin-Tech area will attract the tax levability on VDA's.

Thank You!!

Name – Jay Jain  
Student Registration No – WRO0753699





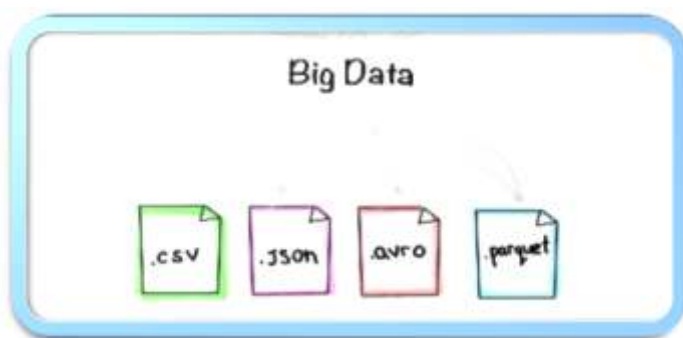


**Madiha Siddiqui**  
WRO0705353

## Digital Transformation and Automation in GST

The world is evolving, and so are its technologies. In this presentation, we'll explore how digital transformation and automation are revolutionizing GST and creating new business opportunities. Discover the power of streamlining tax compliance, improving efficiency, and enhancing decision-making through data automation.

### Importance of Data Transformation and Automation



#### Complex Data Formats-

- The diversity of data formats and structures poses challenges during GST implementation.
- Effective data transformation and automation ensure seamless integration and accuracy.



#### High Volume and Variety-

The sheer volume and variety of data in GST require automated processes to handle large-scale transactions, minimizing manual errors, and improving efficiency.



#### Data Quality and Accuracy-

Data transformation and automation enhance the quality and accuracy of GST data, reducing discrepancies and ensuring compliance.



## **A. Benefits of digital transformation in GST**

### **1. Streamlined operations –**

- Digitalization removes manual processes and reduces the risk of human errors, ensuring a quicker and more efficient operation.
- It reduces the time spent on manual processes, allowing employees to focus on more value-added tasks.
- Digital systems can automatically capture and input data from invoices, receipts, and other financial documents, minimizing errors associated with manual data entry.
- Automation ensures that data is updated in real-time across systems, providing instant access to accurate and current information.
- This eliminates delays caused by manual updates and reduces the risk of working with outdated data.

### **2. Improved compliance –**

Digitalized processes make it easier to maintain compliance, monitor and track transactions, and avoid fraud and errors

- **Before Digitalization:**

- a) A retail chain operates multiple stores, and each store manually manages its sales transactions, invoices, and GST compliance.
- b) The manual process involves paper-based record-keeping, making it challenging to ensure consistency, accuracy, and timely submission of GST returns.

- **After Digitalization:**

- a) The retail chain decides to implement a comprehensive Point of Sale (POS) system integrated with an ERP system to digitize its sales and financial processes.
- b) The system can be configured to provide alerts and notifications for compliance-related milestones, such as upcoming filing deadlines, changes in tax regulations, or potential errors in transactions.

### **3. Cost-effective –**

Automation of processes reduces dependence on a large workforce, translating into cost-saving benefits that benefit large and small businesses.

- **Before Automation:**

- a) A medium-sized business manually manages its GST compliance processes.
- b) The process involves a team of employees dedicated to data entry, validation, and filing of GST returns. This manual approach is time-consuming, prone to errors, and requires a significant workforce to handle the increasing volume of transactions.

- **After Automation:**

- a) The business decides to implement automation in its GST filing process, leveraging specialized software and robotic process automation (RPA) tools (discussed in detail below).

### **4. Improved customer experience –**

Reduced processing times and operational efficiency translate to a better experience for customers and enhance their satisfaction.

- **Before Automation:**

- a) A business that regularly exports goods faces challenges in the manual processing of GST refund claims.
- b) The manual process involves extensive paperwork, manual verification, and communication with tax authorities, leading to delays in refund processing.

- **After Automation:**

- a) The business can decide to implement automation in the GST refund processing, leveraging technology to streamline and claim refunds.
- b) Automation significantly reduces the processing time for GST refund claims.
- c) The system accelerates the verification and approval process, leading to quicker refunds for eligible transactions.



## **B. Key Technologies Enabling Digital Transformation in GST**

### **1. Cloud Computing**

- In today's digital age, cloud computing is an essential tool. It facilitates faster data access and helps reduce costs.
- Role in GST Digital Transformation: Cloud computing provides a scalable and flexible infrastructure that enables businesses to store, process, and access data over the Internet.
- Data Accessibility: Stakeholders can access GST-related data from anywhere, promoting collaboration and flexibility in work processes.
- Scalability: The cloud allows businesses to scale their resources up or down based on demand, accommodating changes in data volume during peak times, such as tax filing periods.

### **2. Big Data and Analytics**

- Big data analytics allows us to identify patterns and insights from the data, providing actionable insights into business operations.
- Pattern Recognition: Analytics tools can identify patterns and trends in transaction data, helping businesses understand customer behaviour, detect anomalies, and improve decision-making.
- Predictive Analytics: Businesses can use predictive analytics to anticipate future trends, enabling proactive measures in GST compliance and financial planning.
- Data-driven Decision Making: Insights derived from big data analytics empower businesses to make informed decisions and optimize GST processes.

### **3. Blockchain**

- Blockchain helps in creating a transparent and trustful ledger system, enabling businesses to maintain secure transactions and improve compliance.
- Secure Transactions: Blockchain ensures the security and integrity of transactions by using cryptographic techniques. This reduces the risk of fraud and unauthorized access.
- Transparency: The distributed nature of blockchain ensures that all authorized parties have access to the same information, enhancing transparency in GST transactions.
- Immutable Records: Once data is recorded on the blockchain, it cannot be altered or tampered with, providing a reliable and tamper-proof audit trail for GST compliance.

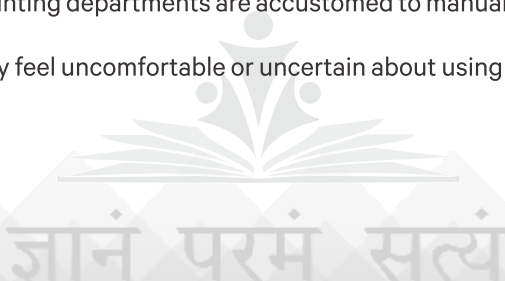
### **4. Internet of Things (IoT)**

- IoT allows businesses to automate their monitoring and operational functions, reducing reliance on manual processes.
- IoT involves connecting physical devices to the internet, allowing businesses to collect and exchange data. In the context of GST, IoT contributes to automation and real-time monitoring.
- Automated Monitoring: IoT devices can be used to automate the monitoring of inventory levels, sales transactions, and other relevant data for GST compliance.
- Operational Efficiency: IoT-enabled devices streamline operational functions, reducing reliance on manual processes and minimizing the likelihood of errors.
- Data Accuracy: Real-time data from IoT devices enhances the accuracy of information used for GST calculations and reporting.

## **C. Challenges of Implementing Digitization in GST Processes**

### **1. Resistance to change**

- Digitization means a significant change in how businesses operate, and it can be challenging to adapt to new systems and processes.
- Employees in the finance and accounting departments are accustomed to manual invoice creation, physical paperwork, and a traditional filing system.
- Resistance arises as employees may feel uncomfortable or uncertain about using a new digital system, especially if they are not familiar with electronic tools.





## 2. Technical Challenges

- Adopting new technology can be complex, requiring new investments and resources to be dedicated to system upgrades, performance improvements, and maintenance.
- The company already has several legacy systems and databases that store critical business information. Integrating these systems with the new ERP solution can be challenging due to differences in data formats, structures, and technologies.

## 3. Data and Information Security

- Privacy and security can be challenging when dealing with digital data.
- Effective and efficient security protocols are essential for organizations to maintain integrity.
- E.g. in the case of an E-commerce company, the challenge involves implementing encryption protocols, such as HTTPS, to safeguard customer information during online transactions.

## D. Tools and Techniques for Data Transformation and Automation in GST

### 1. API Integrations

- Seamlessly connect GST systems with other applications (e.g. Accounting software).
- The integrated system would automatically calculate GST on sales and purchases based on the rules and rates defined by the tax authorities.
- This eliminates the need for manual tax calculations, reducing errors and ensuring compliance with GST regulations.

### 2. RPA (Robotic Process Automation)

- Automate repetitive and rule-based tasks in GST, freeing up human resources.
- a) Data Extraction: RPA bots can be configured to automatically extract relevant information from these records.
- b) Data Validation: Once the data is extracted, RPA bots can perform validation checks to ensure accuracy and consistency.
- c) Data Entry into GST Portal: RPA bots can log into the GST portal and enter the validated data into the required fields for filing GST returns (GSTR 1, GSTR 3B, etc)
- d) Reconciliation: RPA bots can reconcile data between the accounting system and the GST portal to ensure that all transactions are accurately reflected in the GST returns.

### 3. Data Mapping and ETL

- Transform and load data from multiple sources into the GST system through efficient mapping and Extract, Transform, and Load (ETL) processes.

#### a) Extract:

ETL processes begin with the extraction of data from each source system. Data extraction can involve pulling information such as sales transactions, customer details, and product information from an e-commerce platform, a point-of-sale (POS) system, and a CRM system.

#### b) Transform:

The extracted data may not be in the format required by the GST system. Transformation processes are applied to standardize, clean, and format the data appropriately.

#### c) Load:

After transformation, the cleansed and standardized data is loaded into the GST system. This involves inserting or updating records in the appropriate tables or fields within the GST database.

#### d) Data Reconciliation:

Post-ETL, a reconciliation process may be implemented to verify that the data in the GST system matches the total sales reported in the source systems. Any discrepancies are flagged for investigation.





## **E. Future Trends and Opportunities in Digital Transformation and Automation in GST**

### **1. AI and Machine Learning**

- AI-powered GST systems can automate several functions, from bills verifications to the filing of returns, minimizing human intervention.

### **2. Smart Cities**

- The digitization of urban centers will require the implementation of a fast, reliable, and functional GST system for managing finances, ensuring compliance and reducing fraud.

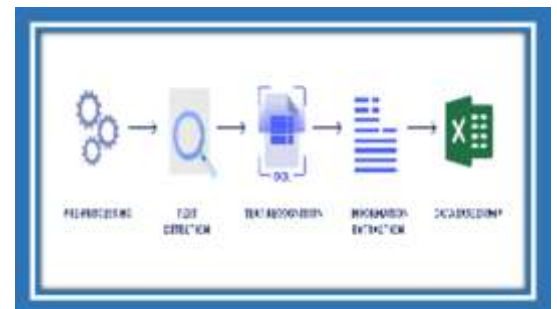
### **3. Smart Devices**

- Smart wearables and automation technologies can simplify and streamline the auditing and compliance review process.

## **F. Automation in GST - Enhancing Efficiency and Accuracy**

### **1. Invoice/Image recognition**

- Automated recognition of invoices and images using machine learning techniques streamlines the entire billing process.



### **2. Automated E-way bills**

- Automated E-way bills allow businesses to expedite delivery processes & reduces the burden on IT teams and financial departments.



### **1. Automated reconciliation**

- Automation in existing reconciliation process enhances the accuracy of transactions by minimizing errors leading to more efficient and effective outcomes.



## **In conclusion,**

Data transformation and automation enables a business to get rid of manual calculation of taxes and the challenges that come with it, also saving their valuable time and money. Not only easy data filing but also opens up new possibilities for growth and efficiency.

**Let's harness the power of data in GST together!**







## **TECHNICAL SESSION - II**

### **AUDIT AND ACCOUNTS**



**Jaina Jain**  
WRO0675004

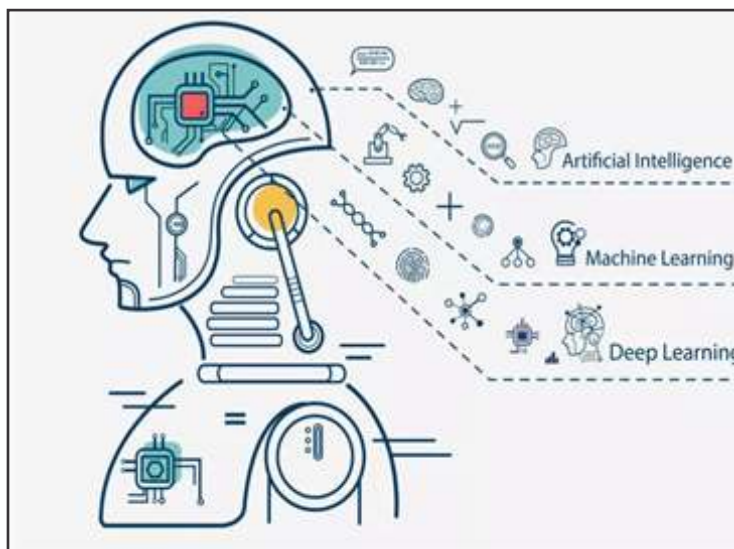
## AI Tools use in Audit & its Reliability

### What is Artificial Intelligence?

Artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems.

Specific applications of AI include expert systems, natural language processing, speech recognition and machine vision.

Examples of AI Tools: ChatGPT, Nanonets, Planful Predict, etc.



### AI programming focuses on cognitive skills that include the following:

- Learning
- Reasoning
- Self-Correction
- Creativity

### Applications of Artificial Intelligences programs:

- AI in healthcare
- AI in business
- AI in education
- AI in finance
- AI in law





## What is Audit?

An audit is an independent examination of the financial report of an organization - as presented in the annual report.

The financial report includes a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, and notes comprising a summary of significant accounting policies and other explanatory notes.

The purpose of an audit is to form a view on whether the information presented in the financial report, taken as a whole, reflects the financial position of the organization at a given date.



## How is Audit conducted?

1. The organization's management prepares the financial report. It must be prepared in accordance with legal requirements and financial reporting standards.
2. The organization's directors approve the financial report.
3. Auditors start their examination by gaining an understanding of the organization's activities, and considering the economic and industry issues that might have affected the business during the reporting period.



4. For each major activity listed in the financial report, auditors identify and assess any risks which could have a significant impact on the financial position or financial performance, and also some of the measures (called internal controls) that the organization has put in place to mitigate those risks.
5. Based on the risks and controls identified, auditors consider what management does has done to ensure the financial report is accurate, and examine supporting evidence.
6. Auditors then make a judgement as to whether the financial report taken as a whole presents a true and fair view of the financial results and position of the organization and its cash flows, and is in compliance with financial reporting standards and relevant statutes.
7. Finally, auditors prepare an audit report setting out their opinion, for the organization's shareholders or members.



## Auditing?

In the rapidly evolving world of auditing, innovative technologies have revolutionized traditional practices. Auditors are now increasingly embracing the agile auditing approach previously used in software development.

Notably, artificial intelligence (AI) has emerged as a key disruptor, holding immense potential to reshape accounting and assurance professions.

Audit Artificial intelligence implementation addresses the daunting task of sifting through vast amounts of data, automating tasks like data entry and analysis, leading to increased efficiency and precision.

A recent study examining the impact of artificial intelligence (AI) on audit quality and efficiency found that investing in AI leads to improved audit quality and reduced fees.

The research revealed that a one-standard-deviation change in recent AI investments correlated with a 5.0% decrease in the likelihood of audit restatements and a 0.9% reduction in audit fees.



## How is AI used in Audit?

AI programs can efficiently scan through extensive financial data, swiftly detecting anomalies such as duplicate payments and fraud indicators.

AI can "read" and analyze data from contracts and internal notes, providing valuable insights during data analytics for financial statement audits.

The comprehensive review and analysis facilitated by AI enhance the ability to identify both problems and opportunities.





**Here are some key ways in which AI is used in the audit process:**

- **DATA ANALYTICS:**

Enable auditors to process vast amounts of structured and unstructured data quickly and efficiently. Allows auditors to identify patterns, trends, and anomalies that may require further investigation.

- **CONTINUOUS AUDITING:**

Facilitates continuous auditing by automating the process of data collection, verification, and analysis on an ongoing basis.

Real-time approach enhances audit quality and enables auditors to detect issues promptly.



- **FRAUD DETECTION:**

Audit artificial Intelligence algorithms can analyze transactional data to identify potential fraudulent activities or irregularities. By flagging suspicious patterns, AI helps auditors focus their attention on high-risk areas, leading to more effective fraud detection.

- **AUDIT PLANNING AND RESOURCE ALLOCATION:**

Helps auditors optimize their audit plans by suggesting appropriate audit procedures and resource allocation based on the client's data and risk profile.

- **RISK ASSESSMENT:**

Helps auditors optimize their audit plans by suggesting appropriate audit procedures and resource allocation based on the client's data and risk profile.





## Few AI tools used in Audit

### • Nanonets

Artificial Intelligence in audits with Nanonets offers a powerful solution for organizations seeking to optimize their audit workflows and enhance overall operational efficiency.

One of the standout features of Nanonets is its centralized audit operations, bringing all audit-related tasks and data into a unified platform, streamlining communication and collaboration among audit teams.

Nanonets significantly reduce manual efforts with their automated expense recognition and classification capabilities.

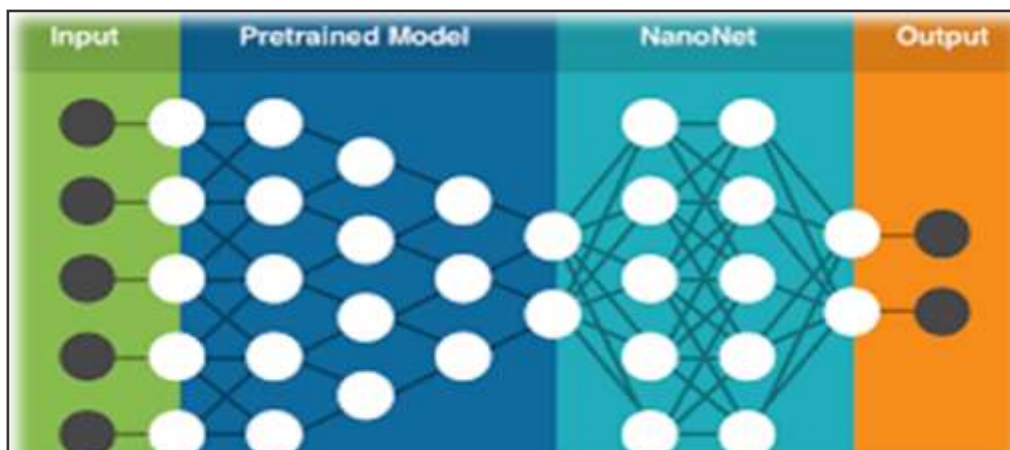
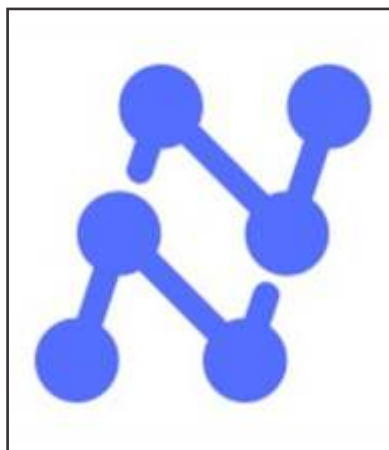
A key differentiator for Nanonets is its powerful workflow capabilities for risk assessment, incorporating custom rules and a human-in-the-loop model.

By automating assessments and flagging documents for exceptions and rule violations, Nanonets empowers auditors to focus on critical areas, enhancing efficiency and accuracy.

Nanonets prioritizes data privacy and security, ensuring compliance with audit requirements.

The software maintains a secure log of all activities, establishing a digital archive of financial documents, enabling quick access and easy retrieval during audits

Nanonets simplifies integration with existing workflows through one-click integrations with popular ERP and payment software. With its robotic process automation (RPA) capabilities, Nanonets empowers organizations to analyze historical data, generate financial statements, and make data-driven forecasts, facilitating informed strategic decisions.



### • ChatGPT

Audit program development is an inevitable part of audit engagement. What if AI tools can be leveraged to develop a base audit program?

This can save time for auditors, and auditors may need to only fine-tune the audit program if needed to fit their specific scope and objective.

Here is an example of using ChatGPT to generate a basic IT general control audit program.



By embracing ChatGPT, IT auditors can gain relevant skills concerning the digital landscape. ChatGPT complements human expertise, and auditors should improve their competencies through AI.

Remember that it is essential to continuously monitor and assess the AI technology provider's practices to ensure they align with your expectations and requirements as an IT auditor.

Collaboration between human auditors and ChatGPT, with proper oversight and controls, can help strike a balance between leveraging AI capabilities and ensuring the integrity of the auditing process.

Moreover, it is essential to work closely with cybersecurity professionals and follow established security frameworks and standards, such as ISO 27001, COBIT 2019 and NIST Cybersecurity Framework, to ensure a comprehensive and robust security posture.





## Recommendation for effective application of AI in Auditing

Get a thorough grasp of the powers and constraints of AI: Auditors must understand exactly what AI can and cannot accomplish.

Make sure the data is accurate and reliable: The accuracy and dependability of the data being evaluated determine how successful AI is at auditing. It is crucial to make sure the data is correct, comprehensive, and pertinent to the audit purpose.

Create relevant models and algorithms: The efficient application of AI in auditing depends on the creation of adequate models and algorithms. This entails choosing relevant data inputs, designing appropriate models, and putting these models through testing and validation.

Ensuring results are transparent and comprehensible: This includes the capacity to clearly articulate the reasoning behind the decisions made by AI and to be able to trace those decisions back to the underlying data and algorithms.

Identify and address any ethical and privacy problems: Putting in place suitable protections and controls, including data anonymization and encryption, is crucial to allaying these worries.

Create suitable training and support: To guarantee that the AI is being utilized properly, this may involve training on how to use the tools and techniques of AI, as well as continuing assistance and feedback.

Encourage cooperation and communication: Cooperation and communication between auditors, IT specialists, and other stakeholders are essential for the efficient application of AI in auditing.



## AI Technologies used in Big4

- **KPMG:** Cognitive Assurance and Insights Suite, which makes use of machine learning algorithms to enhance and automate numerous audit processes including risk assessment and control testing.
- **EY:** EY has created a machine learning-powered auditing tool called EY Canvas that analyzes financial data to spot possible risks and inefficiencies. Automating certain audit processes, such as data input and reconciliation, is also possible with EY Canvas.
- **Deloitte:** Deloitte has created a machine learning-powered auditing tool called Argus that leverages financial data analysis to find possible risks and problems. A few audit processes, such as sample selection and testing, may be automated using Argus.
- **PwC:** Halo analytics platform - which analyzes financial data and looks for possible risks and problems using machine learning algorithms.





**Presenter's take:**

Now as times change and AI takes shape its reliability is a critical concern when it comes to building safe and robust autonomous systems and all I can say is that,

“What all of us have to do is to make sure we are using AI in a way that is for the benefit of humanity, not to the detriment of humanity”





**Diksha Yadav**  
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## ESG REQUIREMENTS

### What is ESG Requirement? Navigating the Green Horizon

In our globally connected world, people are paying attention to how businesses affect not only their profits but also the world around us – the environment, society, and how they're managed. Now, investors and others who care about a company want to know more than just financial numbers. That's where ESG reporting comes in. It's a way for companies to share information about how they're doing when it comes to the environment, social issues, and how they're run. In this article, let's dive into what sustainability reporting is all about and why it matters.



### What is ESG?

ES&G reporting refers to a comprehensive disclosure of a company's environmental, social, and governance initiatives, performance, and impact. It allows stakeholders to make informed decisions about the company's commitment to sustainable practices. In this guide, we will dive deep into the world of ESG reporting, exploring its various components, importance, regulations, frameworks, and best practices.



### Why ESG?

ESG disclosure is the process of measuring and disclosing a company's environmental, social, and governance performance to stakeholders, enabling them to evaluate the sustainability initiatives undertaken by the company. It helps organizations understand their impact on the world, and investors make informed decisions using ESG data. ESG reporting covers three main components: Environmental, Social, and Governance, which are collectively referred to as ESG factors. In this context, ESG reports play a crucial role in providing comprehensive information on a company's performance.



## E- Environmental



Reporting on the environment is a key part of ESG reporting. It's all about how a company works to make less impact on the environment. This involves things like how much energy they use, the gases they release, how they handle waste, and how they save resources. By talking about and dealing with these environmental impacts, companies show that they're serious about being sustainable and fighting against climate change.

**Examples-** Examples of environmental impacts that organizations manage in ESG include carbon emissions, climate change effects, pollution, waste disposal, renewable energy, wastewater management and resource depletion. By measuring and reporting on these environmental aspects, companies showcase their dedication to preserving the environment for future generations.

**Data Insights-** According to data from the Global Carbon Project, India was the third-largest emitter of carbon dioxide in 2019, contributing 7% of global emissions. Recognizing the urgency of addressing climate change, the Indian government has set ambitious renewable energy targets. The country aims to achieve 175 GW of renewable energy capacity by 2022, with a further goal of 450 GW by 2030. Furthermore, India has witnessed a surge in green financing. According to the Green Finance Task Force, the green bond market in India saw exponential growth, reaching \$10.3 billion in 2020. This signals a growing interest in environmentally sustainable initiatives and investments.

## S- Social



Social reporting is another important part of reporting that focuses on a company's promise to be socially responsible. This includes things like taking care of employees, making sure there's diversity and inclusion, being involved in the community, and respecting human rights. When companies talk about and act on these social issues, it shows they're serious about making a positive difference in society.

**Examples-** Employee welfare includes providing a safe and healthy work environment, equitable wages and benefits, and opportunities for professional growth. Diversity and inclusion are essential for creating a fair and inclusive workplace, resulting in increased creativity, productivity, and innovation. Community engagement reflects a company's commitment to contributing to the community and participating in activities that benefit the local area. Lastly, human rights considerations ensure that a company's operations and supply chain do not infringe upon any fundamental rights, such as the right to a safe work environment and fair wages.

**Data Insights-** According to a survey by Credit Suisse, companies with higher gender diversity on boards tend to outperform their less diverse counterparts. In India, the Securities and Exchange Board of India (SEBI) mandated the inclusion of at least one-woman director on the board of listed companies. In terms of community engagement, initiatives such as Corporate Social Responsibility (CSR) have gained prominence. Companies in India are required to spend a portion of their profits on CSR activities. The Ministry of Corporate Affairs reported that in the fiscal year 2019-20, companies spent over INR 15,000 crores (approximately \$2 billion) on CSR activities.

## G- Governance



Corporate governance reporting deals with how a company is managed, the ethics it follows, whether it sticks to the rules, and the rights of its shareholders. By paying attention to these governance aspects, companies show that they're dedicated to maintaining top-notch standards in how they run things and how they conduct business responsibly.

**Examples-** Good governance practices include having a well-defined management structure, promoting ethical business practices, ensuring regulatory compliance, and protecting shareholder rights. By disclosing information on these governance aspects, companies build trust with stakeholders and showcase their dedication to responsible business practices.

**Data Insights-** SEBI has also introduced regulations to enhance governance standards. The Stewardship Code, effective from July 2020, encourages institutional investors to be responsible stewards of the companies they invest in. This aligns with global efforts to ensure that investors actively engage with companies to foster long-term value creation.







## ESG in Different Industries- Insights and Strategies



Sector	ESG Requirements
<b>ESG in the Financial Sector</b>	In the financial sector, ESG factors significantly influence investment decisions. Institutions consider a company's ESG performance when investing, lending, and underwriting. The focus is on risk management, including how well a company is managing its ESG-related risks, such as climate change, poor governance, or social unrest, which can have direct financial implications. The integration of ESG factors helps financial institutions avoid potentially harmful investments and identify companies with sustainable business models.
<b>ESG in the Energy Sector</b>	The energy sector is a significant contributor to global carbon emissions, making the Environmental aspect of ESG crucial. Companies are expected to have strategies for transitioning to renewable energy sources, reducing emissions, and managing waste. Social factors include labor rights and safety, while Governance covers aspects like regulatory compliance and transparency.
<b>ESG in the Tech Industry</b>	The tech industry faces unique ESG challenges. Environmental considerations include energy efficiency and managing electronic waste. Social issues such as workforce diversity, data privacy, and the digital divide are also paramount. Governance concerns mainly revolve around data protection, ethical use of artificial intelligence (AI), and antitrust regulations.
<b>ESG in the Healthcare Sector</b>	The tech industry faces unique ESG challenges. Environmental considerations include energy efficiency and managing electronic waste. Social issues such as workforce diversity, data privacy, and the digital divide are also paramount. Governance concerns mainly revolve around data protection, ethical use of artificial intelligence (AI), and antitrust regulations.
<b>ESG in the Food and Beverage Industry</b>	The food and beverage industry grapples with ESG issues related to sustainable sourcing of ingredients, animal welfare, labor practices, and nutrition and health. Environmentally, the focus is on reducing water use, waste, and emissions. Governance issues revolve around food safety, marketing practices, and regulatory compliance.
<b>ESG in the Construction Industry</b>	ESG factors in construction revolve around sustainable design, use of green materials, energy efficiency, and waste reduction. Social factors include safety, labor rights, and community impact. Governance issues relate to business ethics, regulatory compliance, and corruption.
<b>ESG in the Tourism Industry</b>	In tourism, environmental considerations include protecting biodiversity, managing waste, and reducing emissions from travel. Socially, there is a focus on local community relations, preserving cultural heritage, and labor rights. Governance aspects revolve around business ethics and regulatory compliance.





## ESG Reporting- Key Frameworks and Implementation



Several ESG reporting frameworks exist to guide companies in their sustainability efforts and the creation of their sustainability report. By adopting a suitable reporting framework, companies can structure their ESG reporting and adhere to international best practices. This will ensure that their sustainability efforts are effectively communicated to stakeholders and are accurate.

### 1. Sustainability Accounting Standards Board (SASB)

It provides industry-specific sustainability reporting standards that help companies identify and report on material ESG issues. By offering tailored standards for 77 industries, SASB enables businesses to focus on the most relevant ESG aspects for their specific sector, ensuring their reporting is both meaningful and comprehensive. SASB's standards provide a framework for companies to identify, measure, and report on.

### 2. Global Reporting Initiative (GRI)

It offers a comprehensive set of standards for sustainability reporting, covering various environmental, social, and governance topics. GRI has developed a reporting model which is divided into several parts. The first part consists of sector standards that aim to address the needs of industry verticals. The second part of the model is a universal standard, which is applicable for every domain. Approximately seven out of ten of the world's largest companies utilize GRI in their ESG reporting. This demonstrates the widespread acceptance of GRI as a reliable and comprehensive framework for sustainability reporting.

### 3. Task Force on Climate-related Financial Disclosures (FSB-TCFD)

It focuses on climate-related financial disclosures, guiding companies in reporting their climate risks and opportunities. Established by the Financial Stability Board, TCFD recommends that companies disclose information regarding governance, strategy, and risk management. It also focuses on metrics related to climate change. By following TCFD guidelines, companies can effectively communicate their commitment to addressing climate-related risks and opportunities.

### 4. United Nations Global Compact (UNGC)

It promotes sustainable business practices through its ten principles, aligned with the UN's Sustainable Development Goals. By adhering to these principles, companies can demonstrate their dedication to responsible business practices and contribute to a more sustainable future. Key areas covered by UNGC principles include human rights, labor, environment, and anti-corruption.

### 5. Climate Disclosure Standards Board (CDSB)

It offers a framework for reporting environmental and climate-related information in mainstream financial reports. By providing a structure for including such information, CDSB enables companies to effectively communicate their environmental performance and commitment to sustainability.

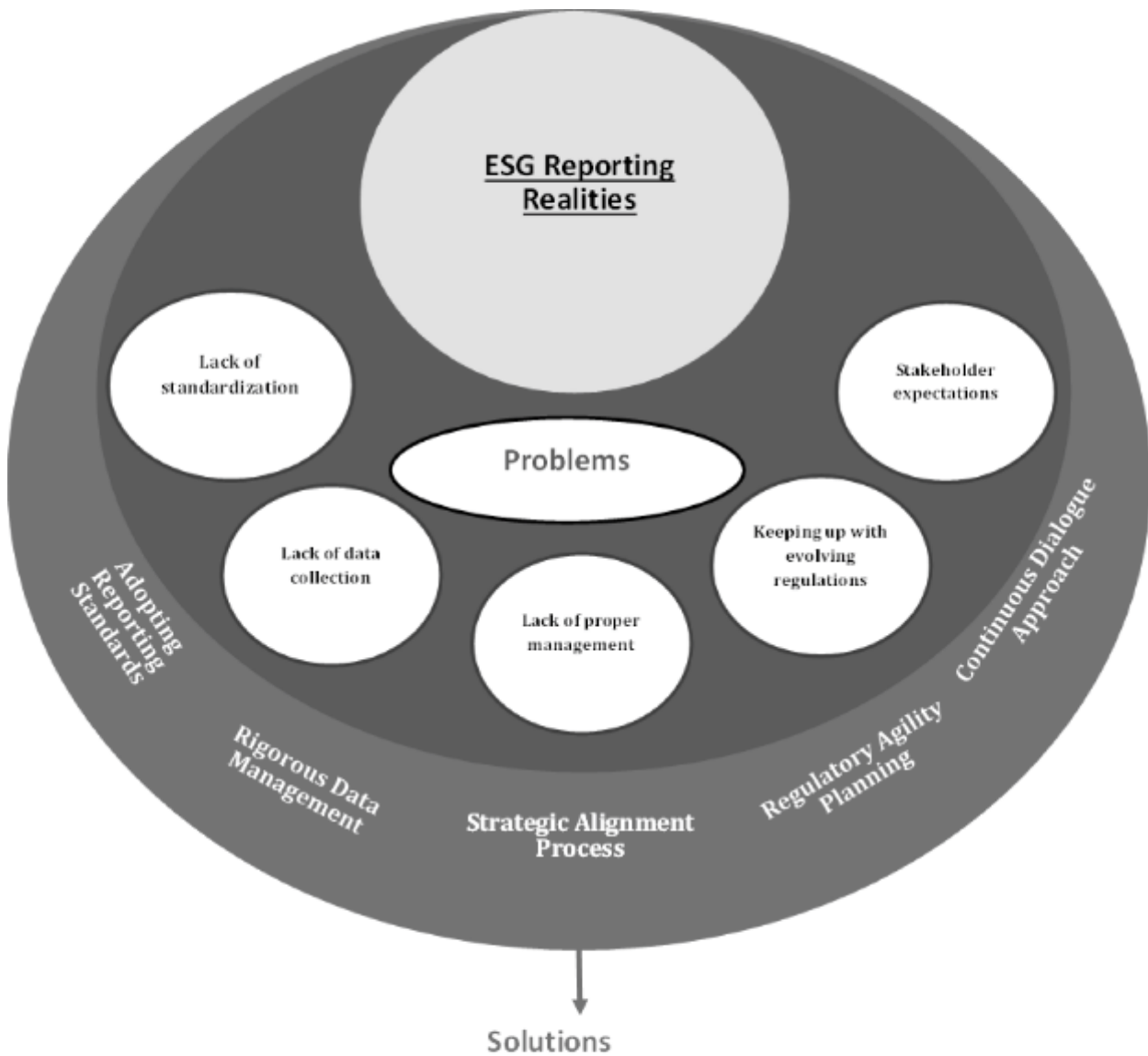
### 6. International Financial Reporting Standards (IFRS)

IFRS is working towards developing a global set of ESG reporting standards, aiming to enhance comparability and consistency in ESG disclosures. By providing a uniform set of standards, IFRS seeks to make company financial statements accessible and comparable on a global scale. This will ensure that investors and stakeholders can effectively evaluate a company's sustainability performance.





## ESG Reporting Realities- Navigating Challenges, Crafting Solutions



## ESG in Action- Success Stories



Case studies of successful sustainability reporting examples showcase how companies like Microsoft, 3M, Coca-Cola, and American Express have effectively implemented ESG reporting, leveraging various frameworks and demonstrating their commitment to sustainability. These companies have successfully communicated their ESG performance and initiatives to stakeholders, helping them make informed decisions about their investments and partnerships.

For instance, American Express employed the SASB, GRI, and TCFD frameworks in their ESG reporting. This helped them demonstrate their dedication to transparency and sustainability across various areas of their business.

But there are many privately funded companies, SMEs, and SMBs in the middle market, who have also demonstrated their commitment to a sustainable future. For example, the Global Investors for Sustainable Development (GISD) Alliance, a group of savvy businesspeople, is working towards scaling up private sector investment for sustainable development. Their work is a testament to the significant role businesses can play in achieving sustainability goals.





**Batul Poonawala**  
WRO0657241

## OPPORTUNITIES IN OFFSHORE ACCOUNTING

### Introduction

“The ability to delegate is the power to build a future bigger than yourself”

Delegation empowers a subordinate to make decisions, i.e., it is a shift of decision-making authority from one organizational level to a lower one. Delegation, if properly done, is not abdication. In general, delegation is good and can save money and time, help in building skills, and motivate people.

### What is Offshore Accounting?

Offshore accounting refers to contracting out a portion or portions of your accounting processes to a third-party services provider. Offshoring is a type of outsourcing practice wherein your service provider is in another country, far away from your geographical location. While most businesses take care of these in-house jobs, some prefer to hire an offshore team from other countries such as India and the Philippines.

### Why businesses use offshore accounting?

Offshore outsourcing of various accounting activities is becoming an increasingly attractive option for many companies as a means of gaining access to scarce skills, cutting costs and obtaining competitiveness. Due to the improvements in international telecommunications from the early 1990s, it has become possible for various business activities to be outsourced by clients, particularly in Western Europe and the USA, to vendor firms in foreign locations. Although other countries are involved, India is recognised as a leading location for software, remote customer interaction, data analysis, and importantly for various aspects of accounting. Below table provides a list of activities which are commonly outsourced to vendors in India.

### Accounting activity outsourced offshore

<b>Order to cash</b>	Order management, billing, accounts receivables, cash receipts and application, credit and collections, bank reconciliations.
<b>Purchase to payment</b>	Purchase order management, vendor management, cash disbursement, bank reconciliations, contract administration, cost accounting, fixed assets.
<b>Hire to retire</b>	Payroll, benefits administration, employee data administration, pension accounting, travel and expense compliance.
<b>Financial reporting</b>	General accounting, consolidation and management reporting, intercompany allocations, activity-based costing, reconciliations, project accounting, tax compliance, tax returns.





## India's share of the global outsourcing market-

The Reasons that Make India the Future of Offshore Accounting

The global Knowledge Process Outsourcing (KPO) market size was valued at USD 42560.08 million in 2021 and is expected to expand at a CAGR of 20.59% during the forecast period, reaching USD 130891.29 million by 2027.

based on types, the Knowledge Process Outsourcing (KPO) market from 2017 to 2027 is primarily split into:

- Analytics & Market Research
- Engineering & Design
- Financial Process Outsourcing
- Legal Process Outsourcing
- Publishing Outsourcing
- Research & Development Outsourcing

India's outsourcing businesses control a major share of the global outsourced Business Process Sector (BPS) i.e., the Knowledge Process Outsourcing (KPO) market which is a 55% share of the global sourcing business.

The leading KPO segment is finance and accounting. In recent years, India has become a major hub for offshore accounting services. The nation holds a big share of the international Knowledge Process Outsourcing (KPO) market and is the preferred destination over other competing nations. Many CPA and accounting firms in Europe, the US, and other countries outsource their accounting and bookkeeping work to India. Evidently, India is the future of Offshore Accounting due to factors like its ability to adapt quickly to the changing requirements of the KPO market and its high standards of service and efficiency.

## The Factors that Have Placed India in this Favourable Position Today in the KPO Market

There is a great demand for knowledge-intensive services worldwide today since developed countries face a shortage of knowledgeable manpower. Globalization has opened up all geographical boundaries, and it is easier for countries to access resources and talent from anywhere in the world. Finance and accounting functions have also become globally standardized. India has the advantage of having several professionals in the accounting sector, like chartered accountants and taxation experts. All these factors have placed India in a favourable position. Many Fortune 500 companies are already outsourcing their operations to India.

CPAs in other countries like the US are overloaded with time-consuming, routine work like bookkeeping, bill processing, and payroll accounting. Outsourcing these bookkeeping functions enables the CPAs to focus their energies on other activities like tax planning, wealth planning, or investment, which are more profitable for them. These firms now outsource all their high-volume, low-skilled work to India, known for its highly reliable services provided by its skilled manpower and efficient processes.

## OFFSHORE ACCOUNTING

**“ Outsourcing essential business functions help to streamline workflow and save both time and costs. ”**

- Leads to better compliance.
- Reducing errors
- Enhanced Quality
- Effectiveness in managing time
- New technology access.
- Shared management of the operation





## Opportunities associated with offshore accounting:

### 1. Tax Optimization:

#### Example: Apple Inc.

Opportunity: Companies may establish subsidiaries in low-tax jurisdictions to minimize their overall tax liability. Apple, for instance, has been criticized for using offshore entities in Ireland to lower its global tax bill.

### 2. Financial Privacy:

#### Example: HSBC Holdings plc

Opportunity: Offshore accounts can provide a higher level of financial privacy. HSBC, a multinational bank, faced controversy for assisting clients in setting up offshore accounts to maintain financial confidentiality.

### 3. Asset Protection:

#### Example: The Walton Family (Walmart)

Opportunity: High-net-worth individuals may use offshore trusts and entities to protect their assets from legal claims. The Walton family, owners of Walmart, has utilized offshore structures for wealth preservation and succession planning.

### 4. Global Expansion:

#### Example: Google (Alphabet Inc.)

Opportunity: Companies expanding globally may use offshore entities to streamline international transactions and manage finances efficiently. Google has been known to use subsidiaries in various countries for its global operations.

### 5. Transfer Pricing:

#### Example: Starbucks Corporation

Opportunity: Transfer pricing involves setting prices for transactions between entities within the same corporate group. Starbucks faced criticism for allegedly using intercompany transactions to shift profits to low-tax jurisdictions.

### 6. Intellectual Property Management:

#### Example: Pfizer Inc.

Opportunity: Companies often transfer intellectual property (IP) rights to subsidiaries in jurisdictions with favourable tax treatment. Pfizer has been involved in such practices to optimize its global tax structure.

### 7. Risk Diversification:

#### Example: Chevron Corporation

Opportunity: Offshore subsidiaries can help companies diversify risks associated with currency fluctuations, regulatory changes, and geopolitical events. Chevron, among other energy companies, often operates subsidiaries in various international locations for risk management.

While there are numerous opportunities associated with offshore accounting, it's essential for businesses to carefully evaluate potential risks which we will see further. Additionally, staying informed about changes in international tax laws and accounting standards is crucial to ensure ongoing compliance.







## **Risks identified by financial services organizations after outsourcing offshore**

### **1. Finding/Attracting People of the Right Quality:**

**Example:** A financial services organization outsources its customer support to an offshore location but struggles to find professionals with the necessary financial expertise. This leads to inefficiencies in addressing customer queries and concerns.

### **2. Deteriorating Quality of Service:**

**Example:** The offshore team responsible for processing financial transactions begins to cut corners due to pressure to meet tight deadlines, resulting in errors and inaccuracies in the financial reports provided to the home office.

### **3. Cultural Differences Between Home and Host Markets:**

**Example:** Misunderstandings arise between the home office and offshore team due to different cultural communication styles. For instance, a direct communication approach in the home market might be perceived as rude in the host market, affecting collaboration.

### **4. Retention of Top Employees in Offshore Markets:**

**Example:** High employee turnover in the offshore location impacts the continuity of knowledge and expertise. The financial services organization may struggle to retain key individuals who possess critical insights into the company's processes.

### **5. Rising Wages:**

**Example:** The offshore location experiences rapid economic growth, leading to an increase in labour costs. The financial services organization faces unexpected challenges in managing higher-than-anticipated expenses associated with outsourced services.

### **6. Political and Regulatory Risks in Offshore Location:**

**Example:** A change in government policies or regulations in the offshore location impacts the financial services organization's ability to conduct certain financial transactions or comply with new regulatory requirements.

### **7. Changes to Taxation, VAT, and Transfer Pricing Regimes:**

**Example:** Alterations in tax laws or transfer pricing regulations in the offshore location can impact the financial services organization's cost structure and overall financial performance.

### **8. Cost Over-Runs:**

**Example:** The financial services organization initially budgets for a specific outsourcing cost, but unforeseen expenses arise during the implementation phase, leading to cost overruns that were not initially accounted for.

### **9. Inadequate Level of Compliance and Internal Control:**

**Example:** The offshore team fails to fully understand or comply with the home market's regulatory requirements, resulting in penalties or legal consequences for the financial services organization.

### **10. Impact on Management Time:**

**Example:** Senior management spends an excessive amount of time addressing issues and coordinating with the offshore team, diverting their attention from core strategic activities and hindering overall business development.

### **11. Security of Intellectual Property:**

**Example:** The offshore provider gains access to sensitive financial algorithms or proprietary software, posing a risk of intellectual property theft or unauthorized use.

### **12. Security of Client Data:**

**Example:** A data breach occurs in the offshore location, compromising the personal and financial information of clients. This not only damages the reputation of the financial services organization but also exposes them to legal consequences.





### 13. Political and Regulatory Risks in Home Market:

**Example:** Changes in the home market's political climate or regulatory landscape impact the financial services organization's ability to freely conduct business or transfer funds between home and offshore locations.

### 14. Inadequate Communications Infrastructure:

**Example:** Poor internet connectivity and unreliable communication tools in the offshore location result in delays and disruptions in communication, affecting the efficiency and effectiveness of collaborative efforts.

Addressing these risks requires a proactive and strategic approach, including thorough due diligence, effective risk management strategies, continuous monitoring, and clear communication channels between the financial services organization and its offshore partners

## Qualities of good offshore accounting service providers

### 1. Reasonable pricing

One of the main reasons why companies offshore in general, is to save up to 70% on costs. Note that your offshore accounting team should not cost you more than or equally if you are to hire in-house accounting staff.

### 2. Seasoned accounting staff

A good offshoring company provides proper training and continuously works on improving its employees' skills and capabilities. An ideal offshore service provider has highly skilled and seasoned accounting professionals who can handle any role. These accounting professionals strictly adhere to accounting standards and best practices.

### 3. Client-centric

Your offshore outsourcing partner should have accounting solutions that are customizable according to your needs. A client-centric offshoring company cares about your business and helps you get things done based on your requirements.

### 4. Reliable and trustworthy

Offshoring your accounting functions means that you will be handing over sensitive information about your company. This is why it is vital that you partner with an offshoring provider that is reliable and can be trusted. Do a background check or read through their client reviews and past projects. Make sure that your offshored accounting staff should be able to follow strict deadlines. Further, ensure the protection and security of all your data and information.

### 5. Up-to-date technology

Offshoring companies do not just invest in their employees. They ensure they are always on track with the latest accounting technology and tools. This helps them provide the best quality services they can offer to their clients.

## Sources-

<https://www.outsourceaccelerator.com/articles/offshore-accounting/>

<https://www.alliottglobal.com/insights/offshore-accounting-in-india/>

<https://chat.openai.com/c/71ddf42f-e7a9-4a02-9b94-37d26b375181>

## And Internet





## **TECHNICAL SESSION - III**

### **DIRECT TAXES**





**Sanyam Babel**  
CRO0656555

## FAKE INVOICING, PMLA AND BENAMI TRANSACTIONS

### Hello Pune,

The city of Joy, the city of hustlers and hardworking crew, the city of rich history, Rich in expression of culture, Rich in dignifying the beauty of India with its paintings, art, and sculptures.

My name is Sanyam Babel, and I am here to present the paper on Fake Invoicing, PMLA and Benami Transactions” in front of this wonderful audience. So, for the next 15 mins we’ll be sailing across on this wonderful and insightful topic by analysing it all in and out.

Before we start let me tell you guys that it would be very informative and interactive session, hence it would be a two-way communication between us. I will be asking many questions and solving your queries in between too.

It has been very wisely said that.

### “Ethics is knowing the difference between what you have a right to do and what is right to do..”

Because it is ethics which decides our day-to-day behavior not only how we deal with things personally but financially also and this led us to our today's paper topic which includes fake invoices.

**Fake Invoice-** The term Fake Invoice is not defined under the GST Act and can be referred to as 'NonCompliant GST Invoice' which can be well understand as any invoice which do not comply with the provisions of the CGST Act and Rules, 2017. In layman language, invoices raised by an entity without actual supply of goods or services or payment of GST. Thus, GST Charged on such invoices is neither paid nor intended to be paid. The basic purpose of the taxpayers behind issuance of fake invoicing may be any of the following: Evasion of GST on taxable output supply Conversion of excess ITC into cash Showing excess Turnover Booking fake purchases so as to get higher income tax benefits Diversion of company funds Money Laundering

Normally, a fake invoice passes through a chain of fake invoice generators before it lands in the lap of a recipient of goods or services who is actually involved in making outward supply. Imagine a fake invoice has passed through 5 fake creators, the department till now was demanding GST Tax and penalty from each of said 5 fake creators. Consistently such fake invoice creators were making appeals and have been questioning the orders on various counts.

### Distribution of Fake ITC INR 4000 Crore Vs Chandrayaan Cost INR 600 Crore





**Let's talk about our recent Chandrayan 3 which was one of the proudest and the most talked subject this year, what if I tell you that Indian government lost around 4000 crore in fake invoices ITC which exceeds the cost of Chandrayan too.**

The government is looking into a proposal from the Central Economic Intelligence Bureau (CEIB) to bring fraudulent input credit tax, claimed by companies generating fake invoices of Goods and Services Tax, under the stringent Prevention of Money Laundering Act (PMLA) by making it a predicate offence punishable with rigorous imprisonment. A proposal was recently floated by the CEIB which has said that in the previous financial year, till December 2018, input tax credit was fraudulently availed by creating fake GST invoices to the tune of Rs 4,000 crore.

This is just a small fraction of the actual tax evasion and money laundering using shell companies. Invoices generated without actual supply of goods to the tune of Rs 24,000 crore has been detected last year by the Directorate General of GST Intelligence, which has the mandate to look only into the central GST evasion.

The CEIB study says fraudulent claims of input tax credit at the state level could be larger. Invoices are generated without actual movement of goods and suppliers down the line claim input tax credit based on such fake invoices. Money earned through these fake transactions are actually black money and laundered by entities creating web of shell companies which have no real business activity.

### **PMLA Act**

You guys must be wondering that where do all this money goes, how is the black money is transformed into white so my friends the answer is money laundering.

**Question to the audience: How many of you have watched the movie SHIVAJI : THE BOSS ?**

**Answer : Almost all of us the classic Rajnikanth movie, right. But what if I tell you that that is exactly a classic and a most laymen case of Money Laundering.**

Money laundering is way in which illegitimate amount, which may be in form of assets, funds or money are converted into legitimate amount. It's not just the earning of money by illegitimate way but also converting it and showing it as legitimate money. This whole process is known as Money Laundering.

Let me ask you one more simple question, what is common among these cases

- The Vijay Mallya Case
- The Nirav Modi Scam
- The Kirti Chidambaram Case
- The Syndicate Bank fraud

These are the main headlines as well as benchmark cases to understand and analyze how the role of ED and other authority was seen pre and post scams.







## Money Laundering under the Act??

Money laundering is an illegal practice of filtering “dirty” money, or ill-gotten gains, through a series of transaction until the funds are “clean” or appear to be proceeds from legal activities.

- 1. Placement :** Illegal funds or assets are bought into the financial system
- 2. Layering :** Use of multiple accounts, banks, incorporations, countries etc. to disguise the origin.
- 3. Integration :** Funds are made available as apparently legitimate.



## Role of Chartered Accountants – Dawn of Opportunities

And most of us come from Chartered Accountancy background hence it becomes important for us to understand the impact on our profession and our role in this act.

When other business and professionals are getting disrupted in following the rules of this act, we can have a positive impact. Because as a CA we follow a simple mantra

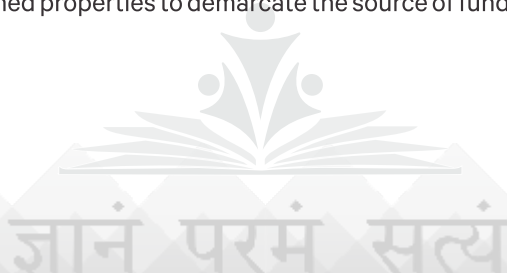
**“BE THE DISRUPTORS, NOT THE DISRUPTED”**

### Scope of Work for Practicing CA for the accused

- Advisory on all issues including inquiry under PMLA and the other Act relating to the Scheduled Offences
- Handling adjudication of attachments before the PMLA Adjudicating Authority and Appellate Tribunals.
- Opinion on PMLA issues.
- Handling of responses to the ED in respect of inquiry.

### Scope of Work for Practicing CA for the Department

- Identifying the source of the attached properties and differentiating it with the alleged POC.
- Identifying Loan utilization in the attached property.
- Calculation of the correct value of any alleged POC.
- Valuation of the property attached and comparison with the alleged POC.
- Proper Financial Accounting and Analysis.
- Preparation of Money Trail for the attached properties to demarcate the source of fund.





## Benami Transactions

In most simple words if I have to explain you what Benami Transaction is someone presenting a Paper Presentation in this National Conference in someone else name and on someone else's paper.

**Very unfair right ? that's exactly what this Act explains.**

The literal translation of the Hindi word 'benami' is without a name. However, a benami property is not a property without a legal owner. Instead, it is a property bought by a person, not under his or her name. It is rather held in the name of spouse or child or just anyone for which the amount is paid out of known sources of income. In India, there have been several cases where corrupt officials or ministers were found with benami property held in the name of their servants as well.

The transaction involved in the purchase of a benami property is called a benami transaction. Through benami transactions, people buy different kinds of assets, including movable, immovable, tangible, intangible, any right or interest, or legal documents. The person in whose name the property is bought is called 'benamdar'.

As in most cases, people buy a benami property to use their black money or evade taxation, or both. In some cases, it gets hard for the investigation agencies to find out about the real owner (or the purchaser) of the benami property due to fake names and identities.

The first act against benami properties was passed in 1988 as the Prohibition of Benami Property Transactions Act, 1988. To curb black money, the Modi government in July 2016 decided to amend the original act. So after further amendment, Benami Transactions (Prohibition) Amendment Act, 2016 came into force on November 1, 2016. The PBPT Act defines benami transactions, prohibits them and further provides that violation of the PBPT Act is punishable with imprisonment and fine. The PBPT Act prohibits recovery of the property held benami from benamidar by the real owner. Properties held benami are liable for confiscation by the Government without payment of compensation.

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- Preparation of Money Trail for the attached properties to demarcate the source of fund.





## Newspaper Headlines covering some examples of Benami Transactions



## Recent Amendments : Now Fake Invoices under the purview of PMLA

The Central Government issued a notification to bring the Goods & Services Tax Network (GSTN) under the purview of the Prevention of Money Laundering Act (PMLA). Information stored on GSTN can be now shared under PMLA Act. Due to this, it will be possible to take strict action against those involved in tax evasion and manipulation of documents.

With this decision of the government, information of the GST network can now be sought under the PMLA Act. Due to this, crimes under GST like fake input tax credit, fake invoices etc. will be included in the PMLA Act.

The information stored on GSTN can be now shared under PMLA Act. Due to this, GST offences like fake input tax credits, fake invoices etc. will be included in the PMLA Act. The exchange of information between ED and GSTN PMLA will help in such kinds of investigations.

“In the exercise of the powers conferred by clause (ii) of sub-section (1) of section 66 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government, being satisfied that it is necessary in the public interest to do so, hereby makes the following further amendment in the notification of the Government of India, in the Ministry of Finance, Department of Revenue, published in the Gazette of India, Extraordinary, Part II, “Section 3, Sub-section (I), vide number G.S.R. 381(E), June 27, 2006,” the official notification read. “In the said notification, after the serial number (25) and the entry relating to it, the following serial number and entry shall be inserted, namely (26) Goods and Services Tax Network,” it added.

## Conclusion

At the end I would like to say that Government is introducing amendments and bringing in to stop leakage of revenue from such activities and make the financial transactions more transparent. On such insightful topics not just a paper but a whole book can be written but due to time constraints I would like to wind up my thoughts here only.

## Thank You







**Rama Sane**  
WRO0653561

## TAX ON NOTIONAL INCOME

### Introduction

As a general principle of taxation, only the assessee's "real income" is to be taxed and not the income which he could have earned in various possible situations. **The concept of notional income and its taxation is an exception to this general principle.** It was formulated with the view to tax the income escaping the ambit of taxation due to a manipulation in the amount of consideration charged for sale (and in certain cases purchase) of property/ goods/ charge of rent/ other assets etc.

A higher amount of consideration receivable is a **double-edged** sword for the seller- for it fetches better consideration for the transfer but on the other hand, it compels him to pay a higher amount of taxes on the higher income accrued. With an objective of evading taxes, the parties to the transaction manipulate consideration chargeable thereby earning a wrongful gain and consequently causing a loss of revenue to the government. Such evasion and avoidance of tax due to an adjustment of consideration justifies the concept of notional taxation of certain incomes/ payments.



### A. Transfer of Capital Asset u/s 50C

#### Legislative Intent

- Section 50C was introduced by the Finance Act, 2002.
- The objective behind enacting this section was to curb the malpractice of evading taxes by charging lesser rate of consideration than the stamp duty value to the transfer of capital asset, thereby illuding a lesser capital gain than what it ought to have arisen.
- The contention of this section is that sale shall be executed at or above the stamp duty valuation which the consideration payable by a prudent person at arm's length price so as to tax the actual gain accruing to the seller.
- This section brings into its ambit the "notional income" which is the marginal amount of consideration escaping taxation and yielding a wrongful gain to the seller and a consequent loss of revenue to the government.

#### Analysis

- In case the consideration charged is lesser than the stamp duty value, the notional income is the difference between the stamp duty value and the charged consideration. The stamp duty value is then adopted to be the full amount of consideration in computation of Capital Gains.

Sr No	Particulars	Amount Rs	Amount Rs
a	Sale Consideration	40,00,000	
b	Stamp Duty Value	60,00,000	
c	Deemed Consideration u/s 50C (Higher of "a" & "b")		60,00,000



1. A deviation from the stamp duty value at a lower side up to 10% is permitted. In this case, the actual sale consideration shall be the sale consideration u/s 50C
2. As per section 50C, If the date of agreement is different from the date of transfer, and the whole or part of the consideration is received by electronic means, the stamp duty value as on the date of agreement shall be considered for computation of “notional income”
3. Section 50C does not prohibit the seller from accepting a lesser amount of consideration than the stamp duty value but it merely aims at taxing the “notional income” due to a lesser amount of consideration that is charged.

### Case Laws

1. In **“Principal Commissioner of Income-tax vs Durgapur Projects Ltd.** [2023] 148 taxmann.com 50 (Calcutta)” the Calcutta High Court held that Section 50C will not be made applicable on compulsory acquisition of land.
2. In **Commissioner of Income Tax vs Thiruvengadam Investments (P.) Ltd** [2010] 320 ITR 345 (Madras)/[2010] 229 CTR 284 (Madras) It was held that to invoke the provisions of sec 50C, the transferred asset shall be a “capital asset” of the seller being land or building or both.
3. In **DCIT vs Tejinder Singh** [2012] 19 taxmann.com 4 (Kol.) it was held that the provisions of sec 50C are not applicable in case of mere transfer of tenancy rights.

### B. Transfer of assets other than Capital Assets u/s 43CA

Finance Act 2013 inserted the provisions of sec 43CA. Taxation of notional income under section 43CA is based on the same concept as that of section 50C with respect to the legislative intent and calculation of notional income.

- a. Section 43CA targets the notional income of assessee dealing in immovable properties in the ordinary course of business (below its stamp duty value subject to deviation from stamp duty value on the lower side up to 10%.) i.e., **immovable properties held as “stock in trade”**
- b. Notional income u/s 43CA of such “stock in trade” is charged to tax under **“Profits and Gains from Business or Profession”**.

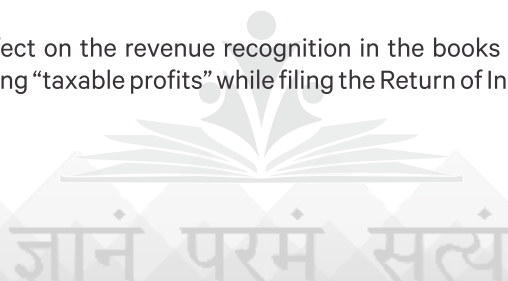


### Analysis/ Observations

1. Section 43CA shall be applicable in case of transfer of ownership of property by any mode. In case, transfer takes place without registration of sale deed but by way of execution of sale agreement / Power of Attorney sec 43CA shall still be applicable.
2. In real estate business, **AS 7 “Construction Contracts” requires the revenue to be recorded on a “Percentage Completion Method”**. However, since the “asset” has not come into being, its stamp duty value is not assessable.
3. Hence, **unless the asset comes into existence and the “transfer” of asset takes place, provision of Section 43CA cannot be applied.**

Thus, the stamp duty value of the asset is to be considered only at the time of “transfer” of the asset for the purpose of section 43CA. The stamp duty value which would be applicable on the future date of transfer of the asset is not determinable. Therefore, **deeming fiction of section 43CA cannot be applied on year-to-year basis while recognizing revenue based on percentage of completion method.**

The provisions of sec 43CA have no effect on the revenue recognition in the books of accounts. It comes into play only while computing business profits for determining “taxable profits” while filing the Return of Income.







## Case Laws

1. **Indexone Tradecone (P.) Ltd. Vs Deputy Commissioner of Income-tax** [2018] 97 taxmann.com 174/172 ITD 396 (JP-Trib)

It was held that sec 43CA is applicable even if agreement for sale was entered prior to date when the said section came into force.

2. As a general principle, taxation law operates prospectively. However, in case of a beneficial amendment, the same should be given a retrospective effect.

### **Sai Bhargavanath Infra vs Assistant Commissioner of Income Tax** [2022] 144 taxmann.com 168 (Pune - Trib.)

It was held by the Income Tax Appellate Tribunal, Pune that the first proviso to section 43CA inserted by Finance Act, 2020 with effect from 1-4-2021 is applicable retrospectively and thus where difference recorded between sale value of flats sold by assessee and stamp value of such flats was within 10 per cent margin, no addition to be made

## C. Notional Income u/s 56(2)

### Legislative Intent

India being a culturally prosperous country, the custom of gifting occurs quite naturally and is used as a tool to evade payment of taxes. The abolition of Gift Tax Act 1998 paved a way for enacting section 56(2) of the Income Tax Act, 1961.

1. Section 56(2) is aimed at extending the scope of taxation to **notional income accruing** to the recipient of money/ property/ asset as the case may be on account of **absence of consideration/ inadequate consideration**.
2. The specific **objective of sec 56(2)(viib) is to tax excessive share premium received without eligible valuation of shares** by private companies on issue of shares without carrying underlying value.
3. Such notional income, being residual in nature is taxed under the head "Income from Other Sources"

**Table-2 provides an analysis of the provisions of section 56(2)**

	sec 56(2)(viib)	sec 56(2)(x)
Applicability	Company closely held	Person as per sec 2(31) of the ITA, 1961
Date of applicability	From 1st April 2013	From 1st April 2017
Scope of Taxation	<p>a) Receipt of consideration for issue of shares from a resident by a company in which public is not substantially interested exceeding the fair market value of the shares</p> <p>Notional Income-Consideration received as exceeding fair market value of shares</p>	<p>a) Sum of money exceeding Rs. 50,000 if received without consideration Notional Income-Entire amount if exceeds threshold</p> <p>b) Any Immovable property i) without consideration, the stamp duty of which exceeds Rs. 50,000-Notional Income Stamp duty value of the property</p> <p>ii) For inadequate consideration- Stamp duty value is more than higher of - Rs. 50,000 - 10% of the consideration</p> <p>Notional Income- Stamp duty value as exceeding the consideration</p> <p>c) Property other than immovable property i) Without consideration, FMV exceeding Rs. 50,000 Notional Income-Aggregate FMV</p> <p>ii) consideration less than the FMV by amount exceeding Rs. 50,000 Notional Income-FMV as exceeding the consideration</p>
Exceptions	<p>Where consideration is received by-</p> <p>a) venture capital b) companies notified by Central Government</p>	<p>Money/ property received from</p> <p>a) Relatives b) Occasion of marriage c) under will etc</p>



## Case Laws

### 1. In **Deputy Commissioner of Income Tax, Bengaluru vs Dr Rajan Pai** (2016) 48 ITR (Trib.) 170

It was held that bonus shares can never be considered as received without consideration or for inadequate consideration calling for application of sub-clause (c) of clause (vii) of section 56(2).

### 2. In **Deputy Commissioner of Income Tax vs Kissandhan Agri Financial Services (P.) Ltd** [2023] 150 taxmann.com 390 (Delhi - Trib.)

It was held that bringing premium received by a company from its holding company to tax net under section 56(2)(viib) would tantamount to stretching provision to an illogical length and will lead to some kind of absurdity in taxing own money of shareholders without any corresponding benefit.

## D. Notional Rental Income u/s 23

### Crux of section 23 with respect to "Notional Income"

- Where the assessee owns more than 2 house properties, the income of which is chargeable under the head "Income from House Property", The house properties over and above 2 shall be charged a notional rental income if were not let out/ let out but vacant / partly vacant during the previous year.

The notional income from "deemed let out properties" shall be the amount as follows-

#### Higher of

- Fair Rent
- Municipal Value

But restricted to "Standard Rent"

### Case-1

Sr No	Particulars	Amount Rs	Amount Rs
a	Expected Rent	3,00,000	
b	Municipal Value	2,50,000	
c	Higher of "a" & "b"		3,00,000
	Standard Value		2,80,000
	<b>Notional Income</b>		<b>2,80,000</b>

### Case-2

Sr No	Particulars	Amount Rs	Amount Rs
a	Expected Rent	3,00,000	
b	Municipal Value	2,50,000	
c	Higher of "a" & "b"		3,00,000
	Standard Value		3,50,000
	<b>Notional Income</b>		<b>3,00,000</b>



2. Where the property consisting of any
  - Land or building held as **stock-in-trade**
  - the **property is not let out** during the whole or any part of the previous year,
  - the annual value of such property, for the period up to **2 years from the end of the financial year in which the certificate of completion of construction** of the property is obtained from the competent authority, shall be taken to be NIL

**Such stock in trade held over 2 years shall be charged a notional income. Expected rent to be the notional income as computed above.**

3. Where the property is a “residential unit”, a deviation of 20% on a lower side with respect to the stamp duty value is permitted if the following conditions are satisfied-
  - Transfer took place between 12th November 2020 and 30th June 2021
  - It is a first-time allotment
  - Consideration received/ accrued does not exceed Rs. 2 crores.

**Note- The incidences of notional income under section 23 stated above are not exhaustive.**

### Case Law

In **Bhagwan Dass vs Union of India** [1981] 5 Taxman 7 (SC)/[1981] 128 ITR 315 (SC)[11-02-1981]

The **court rejected** the petitioner's **claim** that charging a **notional income** u/s 23 was unconstitutional. It was held that income includes not only what has been received but also what “one saves by using oneself.” It was observed that anything which can be converted into income can be reasonably regarded as income. **(In favour of revenue).**

### Conclusion

**Notional income is brought in ambit of taxation only when specifically provided by the Income Tax Act, 1961.**

The taxation of notional income is justified owing to increase in evasion taxes. The above-mentioned content regarding taxation of notional income is not exhaustive. Adjustments in Transfer Pricing, interest on advances in certain cases etc are a few more examples of tax on notional income. Taxation on Notional Income, though at times might create differences of opinions/ views and complexities is a mode to bring in purview of taxation wrongful gains and surplus income earned by an undue advantage. Thus, notional income is the income which could have been earned by an assessee in the absence of certain advantageous situations. The Supreme Court of India has upheld the constitutionality of tax on notional income.



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## **TAXATION OF NON-RESIDENTS**

### **Abstract**

Taxation for Non-Resident poses intricate challenges within the framework of the Income Tax Act 1961. This complexity arises from the interplay of dual taxation risks, residency status intricacies, and the diverse nature of income sources. This paper aims to explore how Chartered Accountants adeptly navigate these complexities by employing strategic methodologies. It involves a comprehensive assessment of residency statuses, meticulous mitigation of double taxation risks through international treaties, and the formulation of optimized tax strategies. The focus remains on ensuring stringent compliance with regulatory requirements while concurrently reducing the tax burdens faced by Non-Residents.

### **Abstract**

Taxation for Non-Resident poses intricate challenges within the framework of the Income Tax Act 1961. This complexity arises from the interplay of dual taxation risks, residency status intricacies, and the diverse nature of income sources. This paper aims to explore how Chartered Accountants adeptly navigate these complexities by employing strategic methodologies. It involves a comprehensive assessment of residency statuses, meticulous mitigation of double taxation risks through international treaties, and the formulation of optimized tax strategies. The focus remains on ensuring stringent compliance with regulatory requirements while concurrently reducing the tax burdens faced by Non-Residents.

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**“IN THIS WORLD NOTHING CAN BE SAID TO BE CERTAIN EXCEPT DEATH AND TAXES.”**

**~Benjamin Franklin**







## Introduction

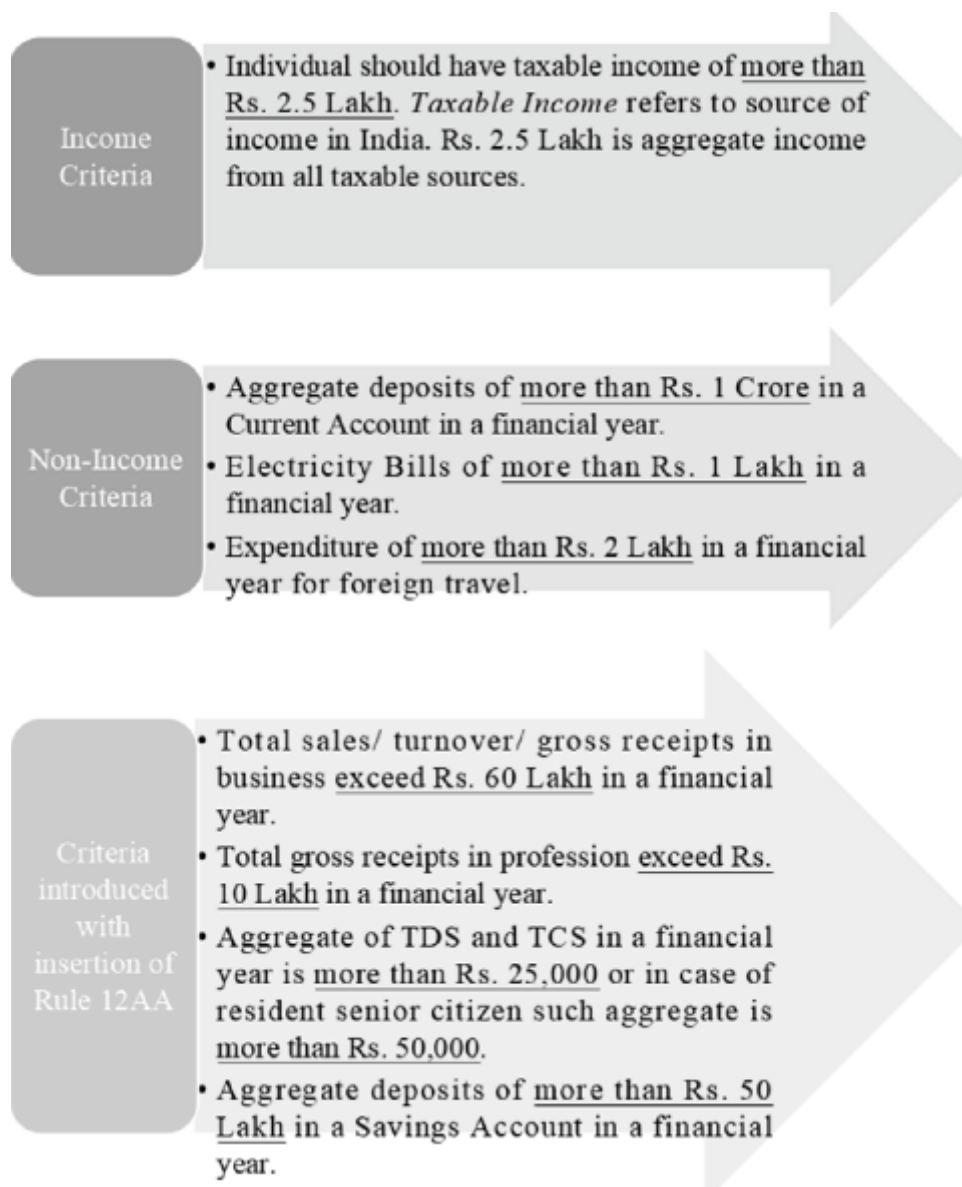
Taxation is a crucial aspect of financial planning for Non-Resident (NR) who have income or investments in India. As the rules and regulations governing NR taxation evolve, it becomes essential for such person to stay abreast of the latest developments in order to comply with their tax obligations and optimize their financial strategies. The significance of NR tax planning lies in navigating the intricate web of international tax laws, optimizing financial outcomes, and ensuring compliance. With globalization blurring geographical boundaries, NRs face dynamic tax implications.

### 1. Who is Non-Resident? Is their income taxable in India?

In the light of provision Section 2(30) of Income tax Act 1961. "Non-Resident" means a person who is not a "Resident". Hence to determine a residence status in India it involves Section 6 of the Income-tax Act 1961. A person who stayed in India for more than 182 days in a year or more than 60 days in a year and 365 days in the preceding 4 years is a Resident. If this condition is not satisfied then person will be considered as Non Resident (NR).

For Residents, global income is taxable in India however for NRs, they are taxed only on income earned in or from India. Income from overseas isn't taxable in India, making it crucial to differentiate between residential statuses for tax liabilities.

### 2. Criteria to file Income-tax Return



criteria: For an NR to file Income-tax Return in India, following are the



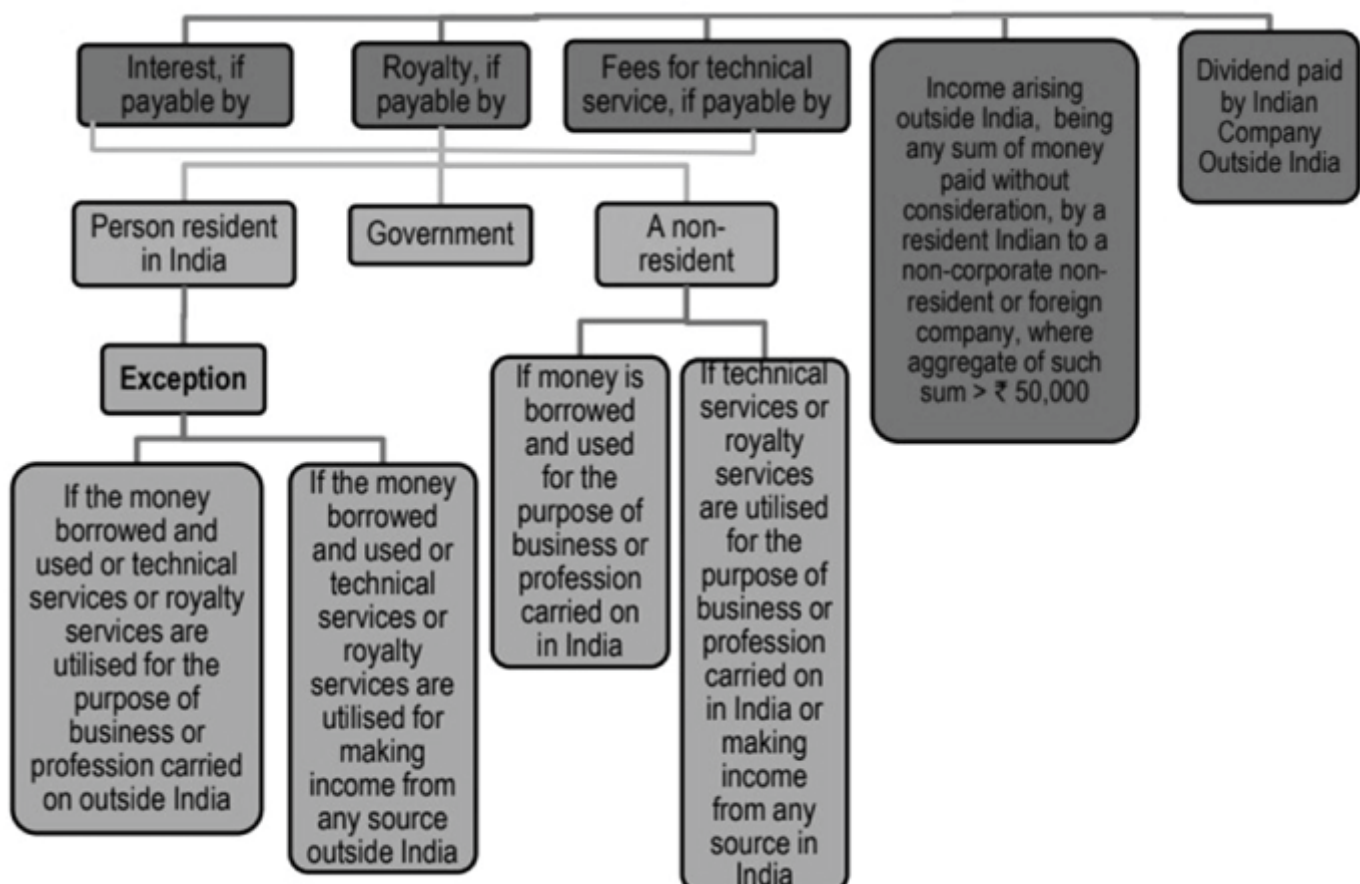


### 3. Ways in which income earned by Non-Residents is taxable in India

Income from House property	Income from Other Sources	Capital Gains	Income from Business & Profession	Salary Income
Rental income from the house located in India is taxable for Non-Resident owner of the house property.	Income from other sources, includes interest income, winnings from lotteries or games, royalties, gifts beyond specified limits, and any residual income not falling into other defined heads like salary or business profits.	If Non-Resident transfers any capital asset (house property, shares and securities, gold etc.) situated in India, he shall be liable to pay capital gain tax; the rules are the same as a Resident.	Any income earned by a Non-Resident Indian from a business set up or controlled in India will be considered income accrued and therefore taxable in India.	Income from salary received in India or income for services rendered in India shall be subject to Indian tax laws. Hence if Non-Resident receives a salary towards services rendered in India, the income shall become taxable irrespective of the place of receipt.

### 4. Income deemed to accrue or arise in India

As per Section 9 of Income tax Act 1961, certain types of income are deemed to accrue or arise in India in the hands of Non-Residents even though it may actually accrue or arise outside India.





## 1. Tools available to NRs in Taxation planning

In this complex tax realm, Non-Residents require tax planning to optimize their financial liabilities based on income sources, investments, and global tax laws. Effective planning ensures compliance, minimizes tax burdens, utilizes available deductions, and maximizes returns, preserving wealth and financial stability while adhering to legal regulations.

### A. Double Taxation Relief:

In case NR income is taxed in both the countries, India and the country of residence, tax relief from a DTAA (Double Tax Avoidance Agreement) between the two countries can be sought. Tax relief under DTAA can be claimed in two ways:

- Exemption method
  - Tax credit method
- Source: ICAI module
- Benefits available under DTAA (Double Taxation Avoidance Agreements) can help NRs avoid double taxation.

India has entered into agreements with more than 100 countries which includes Sri Lanka, Switzerland, Sweden, Denmark, Japan, Federal Republic of Germany, Greece, etc

### B. Deductions available to Non-Residents under various Income heads

Deductions available under the head “Salary”

Deduction / Exemption	Threshold Limit	Allowed to Non-Resident??
Conveyance Allowance	₹ 19,200	Allowed
Standard Deduction	₹ 50,000	Allowed
House Rent Allowance (HRA)	Minimum of the following – <ul style="list-style-type: none"><li>• HRA Received</li><li>• *40% of the Salary</li><li>• Rent Paid Less (10% of the salary)</li></ul> *(Note – 50% in case of metro-cities)	Allowed
Professional Tax	Maximum up to ₹ 2,500	Allowed

### Deductions available under the head “Income from Business or Profession”

Non-Residents (NRs) can strategize tax planning under "Income from profits and gains from business or profession" by adhering to relevant Sections of the Income Tax Act, 1961.

i. **Business Expenses:** Diligently document and claim legitimate business expenses like rent, salaries, utilities, and marketing costs to reduce taxable income. Section 30 allows for the deduction of expenses incurred wholly and exclusively for business purposes furthermore Section 36 authorizes deductions of certain specific expenses

ii. **Capital Expenditure:** Strategically plan capital expenditures and understand depreciation allowances (Section 32) to claim depreciation on assets used for business purposes, reducing taxable income.

iii. **Tax Treaty Benefits:** Utilize Double Taxation Avoidance Agreements (DTAA) between India and their resident country to minimize tax burdens on business income.

### Deductions available under the head “Capital Gain”

Exemption	Which Capital Asset is sold?	Amount Re-invested in?	Amount to be invested
Section 54	Residential House Property	Residential House Property	The amount of Capital Gain
Section 54F	Capital Asset other than House Property	Residential House Property	Full amount of Sale Consideration
Section 54EC	Land or Building or Both	Government Bonds like REC, NHAI, etc.	Maximum up to ₹ 50,00,000



### Deductions available under the head “Income from other sources”

Nature of Income	Exemption
Gift received from relatives	Fully Exempt from Tax
Gift received from other than relatives	Exempt up to ₹ 50,000
Family Pension Received	Lower of - 1/3 <sup>rd</sup> of Family Pension OR ₹ 15,000
Interest on Savings	Discussed in Section 80TTA

### Deductions available under the head “Income from House property”

Nature of Deduction	Amount ₹	
Interest on Housing Loan (Section 24(b))	For Self Occupied Property	Up to ₹ 2,00,000
	For Let Out (LOP) / Deemed Let Out Property (DLOP)	No Upper Cap
	Carry forward of loss	Up to ₹ 2,00,000
Standard Deduction	30% of Net Annual Value of LOP / DLOP	
Payment of Municipal Taxes	Full amount can be claimed as a deduction in which the payment is actually made.	

#### A. Deductions under Chapter VI-A

This chapter contains deduction in respect of certain payments and incomes:

- **Section 80C:** The maximum deduction allowed under the section is Rs.1,50,000. The deductions allowed to NRs under the section are -
  - **Life Insurance Premium Payments-** Policy purchased in NR's/spouse/child's name.
  - **Tuition Fee Payment-** Paid to Indian schools/colleges/universities for full-time education of their children.
  - **Principal repayment of home loans-** Non- Resident, like Resident of India, can claim deductions for house property loans' principal repayment for constructing or purchasing residential property.
  - **Unit Linked Insurance Plan (ULIP)-** Investment in ULIPs allows deductions for own, spouse, and children's premiums, combining insurance and investment.
  - **Equity Linked Tax Saving Scheme (ELSS):** NR can claim a deduction under Section 80C up to Rs 1.5 lakh, it offers the EEE (Exempt-Exempt-Exempt) benefit to taxpayers.
- ii. **Deduction under Section 80E:** Section 80E allows NRs to claim a deduction of interest paid on an education loan. This loan may have been taken for higher education for the NR or NR's spouse or children or for a student for whom the NR is a legal guardian.
- iii. **Deduction under Section 80G:** If eligible donations have been made as per section 80G of the income tax act, the deduction is allowed to NRs.
- iv. **Deduction under Section 80TTA:** NR can claim a deduction on income from interest on savings bank accounts up to a maximum of Rs 10,000.





## A. Exemptions available to Non-Resident.

Major provisions of the Income Tax Act 1961 covering a list of income which do not form part of the total income.

Provision	Particulars of income/gain/interest received by NRI
Section 10 (4)	Interest paid on certain <b>government securities, notified bonds, and deposits</b>
Section 10 (4B)	Interest received on <b>Savings Certificate</b> .
Section 10 (4C)	Interest received on <b>Rupee Denominated Bond</b> .
Section 10 (4E)	Any income accrued as a result of transfer of non-deliverable <b>forward contracts or offshore derivative instruments</b> or over-the-counter derivatives.
Section 10 (4D)	Income received on <b>transfer of Capital Asset</b> .
Section 10 (4F)	Royalty or interest, on account of <b>lease of an aircraft or a ship</b> in a previous year
Section 10A	Tax exemption for <b>newly established SEZ units</b> fostering export-oriented businesses in India for all assessee.
Section 10(38)	<b>Long-term capital gains arising from the transfer of equity shares</b> or units of an equity-oriented fund is exempt if Securities Transaction Tax (STT) has been paid.

## 6. Challenges encountered by Non-Resident in Tax compliance

Non-Resident (NR) often encounter several challenges related to taxation due to their unique status of earning income in a country where they are not a Resident. Some of these challenges include

- **Residential Status Complexity:** NRs face complexity in determining their residential status in India, classifications hinge on stay duration and other factors, posing challenges in accurate categorization under Indian tax laws.
- **Double Taxation:** NRs frequently encounter dual taxation liabilities in India and their residence country. While India has DTAA with many nations to ease this, comprehending and implementing these agreements poses intricate challenges due to their complexity and varying interpretations.
- **Tax Deducted at Source (TDS):** NRs need to be aware of when and how TDS applies to their income. Failure to comply with TDS regulations can lead to penalties and legal complications.
- **Foreign Assets Reporting:** NRs are required to report their foreign financial assets and bank accounts to the Indian tax authorities. Non-compliance can result in hefty fines and legal consequences.
- **Investment and Financial Planning:** Managing investments and financial planning in India can be intricate. NRs must make informed decisions about investing in India and repatriating funds, considering the changing regulatory landscape.

## 7. Role of Chartered Accountant in Non-Resident taxation

Chartered Accountants (CAs) have a significant scope in Non-Resident (NR) tax planning and related financial services. NR tax planning is a specialized field that involves helping NRs optimize their tax liabilities and financial investments, taking into consideration the complex tax regulations in India and the country of their residence. Here are some key areas where Indian CAs can play a crucial role:

- Tax consultancy:** CAs assist NRs in understanding the tax implications of their global income, analysing the residency status, and devising tax-efficient strategies. They evaluate the impact of NR status on different income sources, guiding them to structure investments and incomes optimally.
- Double Taxation Avoidance Agreements (DTAA):** NRs often face the challenge of double taxation, where they are liable to pay taxes in both their home country and India. CAs can help NRs take advantage of DTAA provisions to minimize double taxation.





iii. **Investment guidance:** NRs may have investments in India, such as real estate, stocks, and mutual funds. CAs can provide advice on how to manage these investments tax-efficiently.

iv. **Structuring Business ventures:** NRs looking to invest in or start businesses in India can benefit from CAs' expertise in structuring these ventures in a tax-efficient manner

v. **Representation and Advocacy:** In cases of tax audits, disputes, or appeals, CAs represent NRs before tax authorities. They provide guidance, support, and advocacy, ensuring proper representation and resolution of tax-related issues.

## 8. Frequently asked questions

### Q. Do NRs have to pay advance tax?

Ans. If NRs tax liability exceeds Rs 10,000 in a financial year, they must pay advance tax. Interest under Section 234B and Section 234C is applicable if advance tax is not paid.

### Q. What is the difference between NRE, NRO and FCNR account and their tax implication?

Parameters	NRE (Non-Resident Rupee account)	NRO (Non-Resident Ordinary Rupee Account)	FCNR (Foreign Currency Non-Resident)
Deposit	Foreign Currency	Indian and Foreign Currency	Foreign Currency
Withdrawals	Indian Rupee	Indian Rupee	Foreign Currency
Repatriation	Fully repatriable	Partially repatriable	Fully repatriable
Account Type	Savings Account, Current Account, Term Deposits	Savings Account, Current Account, Term Deposits	Term Deposits
Joint Account	Allowed with NRI only	Allowed with NRI and Resident Indian	Allowed with NRI only
Loan against FD	Can avail in Indian Rupees	Can avail in Indian Rupees	Can avail in foreign currency with conditions
Taxation	Tax-free	Taxable	Tax-free

### Q. When should Non-Resident furnish his Return of Income in India?

Ans. Like the Residents, the due date for NR to furnish his return is July 31st of the assessment year (AY).

## Conclusion

Navigating taxation as a Non-Resident demands strategic tax planning. Emphasizing timely tax payments ensures compliance, avoiding penalties, and securing financial stability. Chartered Accountants play a pivotal role, offering expertise in optimizing strategies for NR taxation planning, mitigating risks, and maximizing returns however, complexities in tax laws pose challenges, demanding meticulous understanding and adaptability to ensure effective planning, making professional guidance indispensable for NR tax management.

Thank You

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## **TECHNICAL SESSION - IV STARTUPS**



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## **LEVERAGING AI AS A GROWTH BAROMETER**

### **From Daily Applications to Overhauling Finance and Auditing**

#### **Introduction:**

Artificial Intelligence (AI) has emerged as a dynamic force, reshaping industries and ushering in unprecedented growth. Positioned at the brink of a new era, AI's multifaceted role as the next growth barometer necessitates exploration. The below delves into the implications of AI in ordinary scenarios and its specific applications in the sectors of finance and audit, illustrating how it acts as a catalyst for innovation and efficiency.

#### **AI in Normal Parlance:**

AI has outgrown specialized fields, becoming synonymous with technological progress in everyday life. Technologies like Machine Learning (ML) and Natural Language Processing (NLP), simulating human intelligence, permeate our daily experiences. In business operations, AI-driven chatbots and virtual assistants revolutionize customer service, providing instant responses, enhancing user experiences, and freeing up human resources for more complex tasks. Personalization in marketing, powered by AI algorithms, ensures consumers receive tailored recommendations, increasing engagement and conversion rates. Additionally, AI-driven automation streamlines processes across industries, fostering increased efficiency and cost-effectiveness.

#### **AI in Finance:**

The finance sector stands as a pioneer in AI integration, leveraging its capabilities to redefine traditional practices and foster growth. Financial planning and analysis benefit from AI through automated modeling, predictive analytics, and scenario analysis, empowering professionals with real-time insights for better decision-making. The rise of robot-advisors in wealth management exemplifies AI's democratizing role, offering personalized recommendations based on individual preferences and risk tolerances. Algorithmic trading, traditionally reliant on human expertise, undergoes a paradigm shift with AI infusion. High-frequency trading strategies, powered by sophisticated algorithms, enable quicker and informed decision-making, enhancing market efficiency and optimizing portfolio management and risk mitigation.

#### **AI in Audit:**

The integration of AI technologies in the audit profession brings forth capabilities that enhance efficiency, accuracy, and the overall effectiveness of the auditing process. Key aspects of AI in audit include:

##### **1. Automation of Routine Tasks:**

- **Data Extraction and Analysis:** AI excels in automating routine audit tasks such as data extraction and analysis. Machine Learning algorithms can swiftly process large datasets, identifying patterns, anomalies, and trends that may not be immediately apparent to human auditors.
- **Transaction Testing:** AI can automate transaction testing by analyzing vast volumes of transactions to identify irregularities or suspicious patterns, thereby enhancing the audit's risk assessment.

##### **2. Fraud Detection and Risk Mitigation:**

- **Anomaly Detection:** AI's ability to analyze large datasets in real-time enables auditors to detect anomalies that may indicate fraudulent activities. This proactive approach to risk mitigation is a significant enhancement over traditional audit methods.
- **Predictive Analytics:** AI algorithms can leverage historical data to predict potential areas of risk, enabling auditors to focus their attention on high-risk areas and allocate resources more effectively.





### 3. Natural Language Processing (NLP) in Financial Narratives:

- **Interpretation of Unstructured Data:** NLP, a subset of AI, is particularly useful in interpreting unstructured data such as financial narratives, contracts, and legal documents. This technology allows auditors to gain deeper insights into a company's financial health and ensures a more comprehensive audit process.
- **Enhanced Understanding of Business Context:** NLP enables auditors to understand the business context by extracting meaning from textual information, facilitating a more nuanced and informed audit.

### 4. Continuous Monitoring and Real-time Analysis:

- **Continuous Auditing:** AI enables continuous monitoring of financial transactions, allowing auditors to move away from periodic, sample-based audits to a more dynamic and continuous auditing approach. This real-time analysis enhances the auditor's ability to identify issues promptly.

### 5. Increased Efficiency and Resource Allocation:

- **Focus on High-Value Tasks:** By automating routine tasks, AI frees up auditors to focus on high-value tasks that require human judgment, critical thinking, and a deep understanding of business contexts. This shift improves the quality and depth of the audit.
- **Resource Optimization:** AI's ability to process vast amounts of data rapidly optimizes resource allocation, ensuring that auditors can concentrate on areas that genuinely require their expertise.

### 6. Regulatory Compliance and Standards:

- **Adherence to Regulations:** AI in audit assists in ensuring compliance with regulatory standards by automating the tracking of regulatory changes and adjusting audit procedures accordingly.
- **Standardization of Processes:** The use of AI promotes the standardization of audit processes, ensuring consistency in adherence to regulatory requirements across different audits.

### 7. Enhanced Audit Quality and Reliability:

- **Reduced Human Error:** The automation of routine tasks minimizes the risk of human error in audit procedures, leading to higher accuracy and reliability of audit findings.
- **Comprehensive Analysis:** AI's ability to analyze large datasets comprehensively ensures that auditors have a more thorough understanding of a company's financial position, reducing the likelihood of oversight.

### 8. Challenges and Considerations:

- **Ethical Considerations:** The use of AI in audit raises ethical considerations, particularly concerning accountability, transparency, and the potential biases in algorithms.
- **Data Security:** The sensitivity of financial data requires robust cybersecurity measures to safeguard against unauthorized access and data breaches.
- **Human Oversight:** Striking the right balance between AI autonomy and human oversight is crucial to maintaining ethical standards and ensuring that auditors retain control over the auditing process.

### Benefits and Challenges of AI Integration:

AI integration in business, finance, and audit processes brings numerous benefits, coupled with challenges. Increased efficiency, data-driven decision-making, and enhanced accuracy characterize the advantages. In finance, quick decision-making, improved risk management, and better overall financial performance result from AI integration. In audit, efficiency gains allow auditors to focus on higher-value tasks, elevating the depth and quality of analyses.



However, challenges such as ethical considerations, job displacement, and data security accompany these transformative benefits. Ethical concerns in finance and audit, where trust is paramount, arise from the use of AI in financial advice, algorithmic trading, and audit procedures. Striking the right balance between human oversight and AI autonomy becomes crucial. Job displacement fears arise as AI takes over routine tasks, prompting the need for upskilling and reskilling to align the workforce with evolving digital demands. Data privacy and security concerns, especially in finance and audit, necessitate robust AI systems and adherence to stringent cybersecurity measures.



### **Regulatory Landscape and Standards:**

The evolving regulatory landscape surrounding AI addresses challenges and opportunities. Governments and international bodies formulate guidelines to ensure responsible and ethical AI use. Existing regulations focus on transparency, accountability, and consumer protection in AI applications within finance and audit.

The fast-paced nature of AI advancements necessitates continuous updates and collaboration between regulators and industry stakeholders. Emerging standards in AI implementation foster a consistent and secure environment, addressing interoperability concerns and promoting responsible AI use. Collaboration between regulatory bodies, industry experts, and organizations strikes a balance between innovation and safeguarding public interests.

### **Unleashing AI as a Growth Barometer in Finance:**

Recent events, such as the meltdown of banks like SVB in the US, underscore the risks and fragility of the financial system. The banking system's dominant position and the erosion of consumer trust present an entrepreneurial opportunity to leverage AI as a barometer and predictor.

AI and machine learning can play a central role in reassuring customers about a bank's stability and real exposure to risk. Analyzing data from various sources, including past bank collapses, can enable algorithms to identify patterns and indicators signaling potential risks. An AI barometer, accessible through a user's personalized banking dashboard, provides real-time financial health indicators, empowering users to make informed decisions.

Predictive analytics and natural language processing algorithms can act as preventive agents, detecting anomalies, risks, and fragility in banks and the financial market. An AI barometer could help restore trust by providing early warning signals and offering recommendations for rectifications and actions to thrive and upswing market anti-fragility.

### **Entrepreneurial Opportunity:**

Entrepreneurs can seize the opportunity by developing AI-driven barometer widgets or apps that integrate into a consumer's personalized banking dashboard. Users can customize and prioritize information relevant to their banking utilization, setting tolerance parameters for risks and establishing alerts for potential risks. The AI barometer provides early warning signals, empowering users with transparency and control over their financial well-being.

### **Potential of AI in India's growth story:**

The potential of Artificial Intelligence (AI) stands as a transformative force in India's growth story, with far-reaching implications across various sectors. India, with its burgeoning population, diverse economy, and rapidly expanding digital landscape, is poised to harness AI technologies to address pressing challenges and unlock new opportunities. In healthcare, AI promises to enhance diagnostics, optimize treatment plans, and extend medical services to underserved populations. The agriculture sector can benefit from AI-driven precision farming, optimizing crop yields, and mitigating the impact of climate change on food production. Moreover, AI applications in education can revolutionize learning experiences, providing personalized and accessible education to millions, narrowing the urban-rural education divide.

In the business landscape, AI-driven automation can streamline processes, improve productivity, and fuel innovation. India's burgeoning startup ecosystem is witnessing the rise of AI-based solutions across various domains, from fintech to e-commerce, contributing to economic growth and job creation. Additionally, AI can play a pivotal role in addressing urban challenges by optimizing transportation systems, improving city planning, and enhancing overall infrastructure efficiency. As India embraces the Fourth Industrial Revolution, the responsible and widespread integration of AI technologies has the potential to not only boost economic indicators but also foster inclusive and sustainable development across the country.

### **Conclusion:**

AI's transformative impact on everyday life and its specific applications in finance and audit make it the next growth barometer. As Chartered Accountants we should adapt to this changing landscape, embracing AI's potential while addressing its challenges becomes imperative. The responsible integration of AI, guided by ethical principles and regulatory standards, will drive growth and ensure a sustainable future for businesses and professionals navigating this technological revolution.







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## STARTUPS AND \$ 5 TRILLION ECONOMY

Startups are the engines of exponential growth, manifesting the power of innovation. Several big companies today are startups of yesterday. They were born with a spirit of enterprise and adventure kept alive due to hard work and perseverance and today have become shining beacons of innovation.

A very good afternoon esteemed judges and my fellow friends, I Ambarish Rajandekar am here to speak on the topic of Startups and the five trillion-dollar economy.

### Let's start with a very basic question what are startups?

The term startup refers to a company in the first stages of operations. Startups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. These companies generally start with high costs and limited revenue, which is why they look for capital from a variety of sources such as venture capitalists.

Examples of modern-day startups include Delhivery, Phonepe, Lenskart, Boat, etc.

### Advantages of Startups:

- They Cater to the needs of the People: Who would have thought that you would be able to transfer money with a few clicks on your mobile phone, Who could have thought that you could order popcorn right at your doorstep at the time of enjoying a movie night with your friends and family at home, who could have thought that you could order a pair of spectacles while sitting in your home, well the entrepreneurs did they solved a very basic issue people were facing in their day to day lives.
- Increases Employment, promotes a startup culture in the country, Aids in technological development, Increases in real output of the country that is the GDP, etc.

### Now let's talk about the 5 trillion dollar economy

Back in the year 2019 our Honorable Prime Minister Narendra Modi proposed India to be a 5 trillion dollar economy by 2024. He said that the goal of making India a \$5 trillion economy by 2024 is "challenging, but achievable" with the concerted efforts of states. Modi, according to an official release, stressed that Niti Aayog has a key role to play in fulfilling the mantra of "Sabka Saath, Sabka Vikas, Sabka Vishwas". Recalling the recent general election as the world's largest democratic exercise, the Prime Minister said that it is now time for everyone to work for the development of India.

### Major Challenges for India to achieve the five trillion dollar economy mark are :

- Rupee fluctuation: A weakening rupee can impact inflation because India imports more than 80% of its crude oil.
- Supply chain bottlenecks: These bottlenecks have not completely eased.
- Pandemic, Ukraine-Russia war, and monetary tightening: These have led to a decline in actual and potential output.
- Private sector support: India's economy can't grow at higher rates without the support of the private sector.
- Encouraging cities to invest strategically: In FY18, the average commercial borrowing by the 37 largest municipalities was less than \$9 million per city.







## **Startups and their contribution to a 5 trillion dollar economy.**

**India has set an ambitious goal of becoming a \$5 trillion economy by 2024. This goal can only be achieved through the combined efforts of both the government and the private sector, including startups.**

- One way that Indian startups can contribute to the \$5 trillion economy is by creating new jobs. Startups are known for their innovative ideas and their ability to disrupt traditional industries. As they grow, they often need to hire more employees to support their operations. This can help reduce unemployment in the country and boost economic growth. As per data published by NSSO in urban areas, the rate of unemployment decreased from 7.7 percent to 5.4 percent. Recognized start-ups have created over 10.34 lakh direct jobs for people in the country, according to Ravi K Ranjan, the founder of SuperAngels Summit 2023. He believes that India's current accomplishments in the entrepreneurial sector are marking an influence worldwide with a potential that could cross the growth of 100,000 unicorns in India.
- Another way that Indian startups can contribute to the \$5 trillion economy is by driving innovation and technological advancement. Many Indian startups are focused on developing new technologies and solutions that can solve pressing problems and address unmet needs in various industries. This not only helps the startup succeed, but it also has a ripple effect on the economy as a whole by promoting technological progress and improving the competitiveness of the country. For eg: Lenskart used an innovative way for vision correction among the people. & Startups like cred, Swiggy, Ather, Razorpay, etc. make the use of technological advancement to drive the economy. The total number of tech startups in India is estimated to grow 2.6x from 68K (2023) to 180K (2030). Around 6,386 startups have popped up over the last decade catering to the distinct financial needs of consumers in India, ranging from insurance technology, digital lending, cashless economy, and wealth management to blockchain. The fintech has included consumers from Tier 2, Tier 3, and rural areas, strengthening the overall financial technology market opportunity, which is estimated to reach \$1.3 trillion by 2025. It would not be fair that if we talk about tech and not electric vehicles Startups are helping the EV space to create a sustainable ecosystem in collaboration with the government to further boost the transition. The EV market is expected to reach 17 million units sold by 2030. Today, over 486 EV startups are exploring opportunities and challenges in charging infrastructure, battery recycling, and energy storage solutions to enable green mobility in the country.
- Indian startups can also contribute to the \$5 trillion economy by exporting their products and services to other countries. As startups scale and expand their operations, they can tap into international markets and generate revenue from abroad. This can help increase foreign exchange earnings for the country and boost its overall economic growth. Navneet Singh, Founder and CEO of Avsar said that startups bolster India's exports, with software services exports hitting \$156.7 billion in 2021-22. He believes that the US-India defense deals help in the growth of the Indian startup ecosystem.
- Startups can also contribute to the \$5 trillion economy by collaborating with large companies and government agencies. Many Indian startups have already established partnerships with larger organizations, which can help them access new markets, resources, and expertise. These collaborations can also lead to the development of new products and services that can drive economic growth and innovation.

LafargeHolcim is the world's leading cement manufacturer, employing over 70,000 people in more than 70 countries. In 2020, they decided to partner with a startup named Leena AI to solve in-house challenges during Covid-19. Leena AI's solution has since been implemented to assist with the needs of over 10,000 LafargeHolcim employees all across the world. The partnership brought Leena AI's chatbot a lot of publicity. So much so that now their technology is being used by three million employees in brands such as Coca Cola, P&G and Nestle.

- Finally, Indian startups can contribute to the \$5 trillion economy by attracting foreign investment. As startups scale and demonstrate their potential for success, they can attract the attention of foreign investors who are interested in investing in their growth. This can provide a much-needed source of capital for the startup and help fuel its expansion.

In 2022, Indian startups raised \$26.8 billion, of which \$26 billion came from foreign investors. Collaborations with the US, indicated by the \$191 billion bilateral trade and investment in 2022, and initiatives like the US-India Defence Acceleration Ecosystem, further ignite the startup ecosystem's growth.





## The government's initiative to aid the startup growth

### The Startup India Initiative

The Startup India Initiative is, by far, the largest government scheme for startups in India. Started by Prime Minister Narendra Modi in 2016, over 50,000 businesses come under this scheme.

It has an extensive collection of ebooks, courses, and mentorship programs to promote leadership and skills. Critical benefits of this scheme for entrepreneurs in India include:

- Tax exemption
- Cost Reduction
- Easy business wind-up option in 90 days
- Access to funds
- Self-certification under labor and environmental laws
- Fast-track patent registration with an 80% fee rebate

### The Startup India Seed Fund Scheme

The Startup India Seed Fund Scheme (SISFS) provides financial assistance to early-stage startups for market entry, product trials, commercialization, prototype development, and proof of concept. This is one of the best scheme for funding for startups in India by government.

The government has allocated a total budget of 945 crores to this scheme. It expects to provide funds to 3600 startups. Grants of up to 20 lakh rupees will be provided for developing trials or prototypes. This scheme also aims to enhance the innovation culture and development in the country.

### Atal Innovation Mission

This scheme belongs to a category of government schemes for startups with a mandate to promote entrepreneurship and innovation countrywide. The core focus of this scheme is on tier-2 and tier-3 cities.

Also known as AIM, this scheme provides a platform for promoting world-class innovation hubs, sectoral focus, grand challenges, and talent initiatives. Some key programs under this scheme are innovation centers, Atal tinkering labs, community incubation centers, and innovation centers. Besides providing financial support and resources to startups, the scheme offers easy access to information and resources.





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## **HURDLES FACED BY STARTUPS AND OPPORTUNITIES FOR CAS IN THE SAME.**

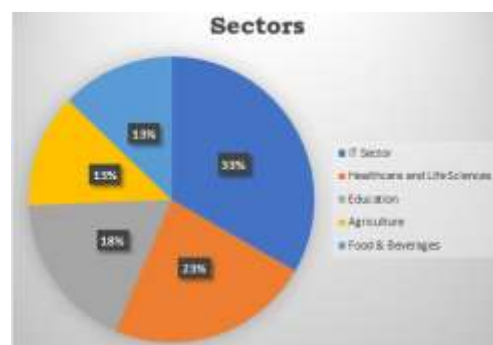
### **INTRODUCTION**

Startups are young companies founded to develop a unique product or service, bring it to market and make it irresistible and irreplaceable for customers. Rooted in innovation, a startup aims to remedy deficiencies of existing products or create entirely new categories of goods and services, disrupting entrenched ways of thinking and doing business for entire industries. That's why many startups are known within their respective industries as "disruptors."

**Some examples of large global startups are the FAANG Stocks, i.e., Facebook, Amazon, Apple, Netflix, Google.**

### **INDIAN STARTUP ECOSYSTEM**

India has emerged as the 3rd largest ecosystem for startups globally with over 1,12,718 DPIIT-recognized startups across 763 districts of the country as of 03rd October 2023. India ranks #2nd in innovation quality with top positions in the quality of scientific publications and the quality of its universities among middle income economies. The innovation in India is not just limited to certain sectors. We have recognized startups solving problems in 56 diverse industrial sectors with 13% from IT services, 9% healthcare and life sciences, 7% education, 5% agriculture and 5% food & beverages.



### **Indian Startup Ecosystem has seen exponential growth in past few years (2015-2022)**

**15X increase in the total funding of startups**

**9X increase in the number of investors**

**7X increase in the number of incubators**

The Indian Unicorns are flourishing in the fast-paced and dynamic economy of today. These startups are not only developing innovative solutions and technologies but are generating large-scale employment. Till FY 2016-17, approximately one unicorn was being added every year. Over the past four years (since FY 2017-18), this number has been increasing exponentially, with a whopping 66% Year-on-Year growth in the number of additional unicorns being added every year. As of 03rd October 2023, India is home to 111 unicorns with a total valuation of \$ 349.67 Bn. Out of the total number of unicorns, 45 unicorns with a total valuation of \$ 102.30 Bn were born in 2021 and 22 unicorns with a total valuation of \$ 29.20 Bn were born in 2022. 2023 saw the emergence of Zepto as the latest and only unicorn in the year.

Startups face a myriad of challenges ranging from financial constraints and regulatory compliance to strategic decision-making. The role of Chartered Accountants becomes crucial in navigating these hurdles and steering startups towards sustainable growth.





## 1. Financial Management:

• **Challenge:** Startups are often born from ambitious ideas, but the road to profitability is seldom straightforward. Limited access to capital, the high cost of operation, and unpredictable revenue streams pose significant financial challenges. Many startups struggle to secure funding, and even those that do often face the pressure of demonstrating a quick return on investment.



• **Opportunity for CAs:** Chartered Accountants bring a wealth of financial expertise to the table, making them invaluable partners for startups. From budgeting and financial planning to risk management and fundraising, CAs can play a crucial role in helping startups navigate the complex financial landscape.

## 2. Compliance and Regulatory Issues:

• **Challenge:** Navigating the regulatory landscape is a complex task for startups. From business registration and tax compliance to industry-specific regulations, startups must adhere to a multitude of legal requirements. Failure to comply can result in fines, legal battles, and reputational damage.



• **Opportunity for CAs:** One of the primary responsibilities of Chartered Accountants is to ensure regulatory compliance. CAs possess in-depth knowledge of tax laws, financial reporting requirements, and industry-specific regulations. They help startups navigate the legal landscape, ensuring that all compliance obligations are met.

## 3. Tax Planning and Optimization:

• **Challenge:** Startups may face challenges in optimizing their tax liabilities and taking advantage of available incentives as they lack the knowledge about the tax laws.



• **Opportunity for CAs:** CAs can help startups with tax planning, ensuring they benefit from tax incentives, credits, and deductions to minimize their tax burden.

## 4. Fundraising and Capital Structure:

• **Challenge:** Securing funding is a critical challenge for startups, and they may struggle with determining the right capital structure. Many startups just have an idea, but they do not have the funds available with them to convert that idea in a product.



• **Opportunity for CAs:** CAs can assist in preparing financial statements, business plans, and financial projections that are crucial for attracting investors. They can also provide advice on the optimal capital structure. Additionally, CAs can help startups to negotiate deals better as they have more knowledge about the financial numbers.

## 5. Financial Reporting and Transparency:

• **Challenge:** Maintaining transparent and accurate financial reporting is essential for building trust with stakeholders.



• **Opportunity for CAs:** CAs can help startups establish robust accounting systems, ensure accurate financial reporting, and provide assurance to investors and other stakeholders.





## 6. Technology Integration:

- **Challenge:** Adopting and integrating financial technologies can be a hurdle for startups.



- **Opportunity for CAs:** CAs with knowledge of financial technologies can help startups leverage the latest tools for accounting, financial analysis, and reporting.

## 7. Risk Management:

- **Challenge:** Startups face various risks, including financial, operational, and compliance risks. These risks, if we do not mitigate, they can create a problem in long run.



- **Opportunity for CAs:** CAs can contribute to risk assessment and management strategies, helping startups identify and mitigate potential risks.

## 8. Human Resource Management:

- **Challenge:** Attracting and retaining talent, as well as managing employee-related financial matters, can be challenging.



- **Opportunity for CAs:** CAs can assist startups in structuring employee compensation, managing payroll, and ensuring compliance with tax and labour laws.

## 9. Strategic Decision Making:

- **Challenge:** Effective decision-making is crucial for the success of any startup. However, the lack of experience, limited resources, and uncertainty about market dynamics make strategic decision-making a formidable challenge. Startups often grapple with questions related to product development, market entry, and scalability.



- **Opportunity for CAs:** Chartered Accountants are not just number crunchers; they are strategic advisors who contribute to the overall success of startups. CAs assist in formulating business plans, conducting financial analyses, and evaluating the financial viability of strategic decisions.

## 10. Scalability

- **Challenge:** Achieving scalability is a common goal for startups, but it comes with its own set of challenges. Rapid growth can strain resources, and maintaining quality and efficiency becomes increasingly difficult. Scalability issues can lead to operational inefficiencies and jeopardize the sustainability of the business.



- **Opportunity for CAs:** Scaling a business requires careful planning and execution, and CAs play a pivotal role in supporting startups during this critical phase. From financial modeling and resource allocation to risk assessment and performance monitoring, CAs contribute to the scalability of startups.





## MY EXPERIENCE

- I have been fortunate enough to be a part of a startup, which recently was qualified as a DPIIT registered startup. Under that startup, I have been able to learn many new things.
- From understanding the basics of startups to attending the investor meetings, it was a great experience.
- I was also a part of the Bharat CSR Summit that took place in December, 2022.
- After all this journey, I found that the startup founders don't have much knowledge about the laws and regulations, the financial aspects like Audit, Income Tax, GST, etc, which are in turn a very essential part of any company.
- So, for any startup to grow, it is very important to have a Chartered Accountant who will help the startup founders with all the rules, regulations and financial aspects.



## Case Study of Our Startup

• **Challenge:** My brother had an idea of reduction of lead time involved in the P2P Process. He worked on that idea for 2-3 years and prepared a product which was market fit. Later, he decided to start his own venture. But, he was confused as to whether to start a firm, LLP or a company. Additionally, whenever he had to visit any investor, he used to ask about the valuation report. In addition to this, there were many issues such as regulatory compliances, GST & Income Tax Compliances, etc.

• **CA Intervention:** When he contacted me, I told him that he should visit a CA as it will help him solve most of the problems. I personally helped him understand lot of basic terms in finance which helped him during investor meetings. • **Outcome:** With the guidance of CAs, most of our problems were solved. We incorporated our company 6 months ago and got it registered under the DPIIT 5 months ago. Due to this experience, I got to know that this industry needs Chartered Accountants. Startups have ideas, but they do not have the financial expertise. So, collaboration of CAs is very important for any startup to grow.

## Conclusion

This research paper has explored the hurdles faced by startups and highlighted the indispensable role played by Chartered Accountants in helping these ventures overcome obstacles. From financial challenges and regulatory compliance to strategic decision-making and scalability issues, startups navigate a complex landscape that requires expertise and guidance. Chartered Accountants, with their financial acumen, regulatory knowledge, and strategic insight, emerge as crucial partners for startups on their journey to success. By understanding and addressing the challenges faced by startups, CAs contribute significantly to the resilience and sustainability of the entrepreneurial ecosystem.

There have been several instances historically which have shown importance of CAs in Startups. In future also, with the increasing startup ecosystem, CAs will also have massive opportunities in this sector. This collaboration will definitely have a transformative impact on our country.



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