

NEWSLETTER



“ Behind every successful business, there is a CA ”



Preface

It is our pleasure to present the latest edition of the ICAI newsletter. This newsletter is designed to keep our members up-to-date on the latest news, developments, and events within the Institute of Chartered Accountants of India.

In this newsletter, you will find a range of articles, news items, and updates from various departments and committees within ICAI. We have endeavored to provide a diverse range of content that will be of interest and relevance to our members, including updates on professional standards, regulatory changes, and the latest trends and best practices in the field of accountancy. We hope that this newsletter will serve as a valuable resource for our members and help them to stay informed and engaged with the activities and initiatives of ICAI. We welcome feedback from our members and would be happy to hear from you if you have any suggestions or ideas for future editions of the newsletter.

Thank you for your continued support and participation in the Institute's activities.

Newsletter Editor



CA Neha Bafna



CA Pranay Bafna

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TORCH BEARERS



CA. Aniket Talati
President ICAI



CA. Ranjeet Agarwal
Vice President ICAI

AKOLA BRANCH NOMINEE



CA Sourabh Ajmera

MANAGING COMMITTEE AKOLA 2023-2024



CA Seema Baheti
Chairperson



CA PANKAJ LADNIYA
Vice - chairperson



CA SUMIT ALIMCHANDANI
SECRETARY



CA BHUSHAN JAZOO
TREASURER



CA NAVIN KRIPLANI
EXECUTIVE MEMBER



CA HIREN JOGI
IMMEDIATE PAST CHAIRMAN

"Excellence is not a destination; it's a continuous journey that never ends."



CA SEEMA BAHETI
CHAIRPERSON

Message From Chairperson

Dear Esteemed Members,

Greetings! As we step into a vibrant phase of the year, I am thrilled to connect with you through this edition of our newsletter. The past months have been a testament to our collective resilience and dedication, and as the Chairperson of the Institute of Chartered Accountants of India (ICAI), Akola, I am immensely proud of our accomplishments and the progress we continue to make.

In the realm of continuous learning, ICAI Akola has been a forerunner, organizing various webinars, seminars, and workshops. These events are tailored to enhance our understanding and skills in crucial areas such as accounting, finance, and taxation. I heartily encourage each one of you to participate in these enriching sessions. They are not just platforms for learning but also for sharing experiences and fostering professional relationships.

Looking ahead, we are focused on intensifying our efforts towards the professional development of our members. We are in the process of curating more engaging and informative programs that will address the



evolving needs of our profession. Your active participation and feedback are vital in making these initiatives a grand success.

As we move forward, let us reaffirm our commitment to excellence, integrity, and service. Together, we can continue to make significant contributions to the growth and prosperity of our region and uphold the esteemed values of our noble profession.

I am looking forward to an eventful and productive time ahead. Let's keep the spirit of learning and collaboration alive and strive to reach new heights of professional excellence.

Sincere Regards,
CA Seema Jalaj Baheti
Chairperson, Akola Branch



ICAI receives UN Award for its contribution to sustainability reporting

The CA Institute has bagged a prestigious UN Award for its contribution to sustainability reporting.

The Institute of Chartered Accountants of India's (ICAI) sustainability initiatives received the highest score amongst 70 initiatives received from around the world.

ICAI for its initiative Sustainability Reporting Standards Board (SRSB) has been awarded the ISAR Honours 2023 by the UNCTAD (United Nations Conference on Trade and Development) working group on International Standards for Accounting and Reporting (ISAR).

UNCTAD announced the winners of the sixth edition of ISAR Honours during the 8th World Investment Forum at Abu Dhabi on October 17.

On this occasion, Aniket Sunil Talati, President, ICAI said, "We are honored with this recognition, such accolades will further inspire us to work hard to promote and adopt the best sustainable practices in the country.

Embracing sustainability practices in business is the need of the hour and ICAI has been at the forefront of leading this movement by setting up the Sustainability Reporting Standards Board in 2020, to formulate standards that are in sync with the Indian economy while being benchmarked to International practices and to enhance the quality of sustainability reporting framework in India".



What are the Roles of the Registrar of Companies (ROC) in India?

CA ISHITA RAMANL

Introduction

In India, registering a company is a complex procedure. A company's incorporation process involves a number of officials, including chartered accountants and company secretaries. These individuals make a significant contribution to the company registration procedures available in India. However, one such entity is frequently overlooked during the incorporation process. It can be easy to overlook the Company Registrar who issued the registration certificate in these situations. This article will clarify and explain the role of the Company Registrar in the Company

Registration Process.

What is the Registrar of Companies (ROC)?

A government official appointed under Section 609 of the Indian Companies Act, which applies to both Union Territories and several States in India, is known as the Registrar of Companies, or RoC. The main responsibility for registering companies of all kinds and limited liability partnerships (LLPs) in the appropriate states and Union Territories resides with the RoC. The RoC holds the responsibility of ensuring that the registered Companies and LLPs follow the legislative requirements provided in the Companies Act.

The Registry of Records is located within the RoC headquarters. These documents belong to businesses that have registered with the Ministry of Corporate Affairs. Members of the public may view these documents by paying the required access fee.

What are the roles of Registrar of Company (ROC) in Company Registration?

The most important position in the incorporation process is that of the company's Registrar. He is the one who gets the application, receives the paperwork, and decides whether you are eligible for your Company Incorporation certificate. Therefore, his role can be divided into three parts:

1. Collecting the Documents



When the Registrar gets all of the required documents and the application, he is responsible for properly classifying them for future assessment.

2. Evaluation of Documents

The Registrar becomes fully functional upon receiving the application and the Company Registration documents. At this point, he will verify that all of the documentation is in order. During the document assessment process, he looks for three things:

- Are all the records in one place?
- Are the documents complying with the Ministry of Corporate Affairs' regulations?
- Is the application correctly completed?

Issuance of the certificate of company incorporation

The Registrar decides whether or not to certify the Company after carefully reviewing the application and all of the supporting documentation. They sign the company incorporation certificate if the evaluation achieves positive results. This means that the business has been granted approval. The applicant receives a copy of this document after that. On the other hand, the applicant is informed if there is a problem and the application is denied.

What are the Functions of ROC?

1. The RoC is in charge of overseeing and collecting the company's various compliances and documents. In addition, the responsibility of the Register of Companies (RoC) is to provide relevant information regarding the registered company's directors and shareholders to government departments and regulatory agencies.
2. A company cannot even exist without the consent of RoC. Once a company has been established and registered with the RoC, it can only officially cease to exist when its name is officially struck off by the registrar. The Registrar issues incorporation certificates to companies that have successfully registered with the authority.
3. The authority to request further information from companies, such as books of accounts, resides in the RoC. It's also important to remember that the RoC has the power to raid the company's offices and investigate the premises if it has any



suspicious about illegal activity.

4. An application for a company's winding up may also be filed by the Registrar of Companies.

5. RoC plays an important role in establishing healthy, ethical, and promotional business cultures among its diverse member companies.

6. Even once the company is incorporated, the ROC does not stop playing its role. A business may be obligated to inform others of specific changes to its organizational structure, to its business operations, or to its registered office. The ROC must be informed of these modifications as soon as possible.



What is Due Diligence for Startups in India?

Due diligence is an inquiry or audit conducted before a transaction, such as an acquisition, investment, business partnership, or bank loan, to guarantee compliance with financial, legal, and environmental reports in order to register a company in India. The outcomes of all these inquiries and audits will be collected into a Due Diligence report. For startups in India, conducting due diligence about the company is important during the investment stage. To guarantee compliance, we have put together a list of company due diligence requirements for startups in India.

What is Due Diligence for Startups in India?

Due diligence is usually completed by a business before the sale of the company, a private equity investment, the funding of a bank loan, and others. The company's financial, legal, and compliance issues are usually examined and recorded during the due diligence process. In general, business due diligence is carried out before an investor or acquirer buys an entity or makes an investment in a company. The buyer must obtain the records and data required to do due diligence on the business from the seller of the business or shares.

Due diligence helps the buyer reduce the risks involved in a business purchase deal and make an informed investment decision. Both parties generally sign a non-disclosure agreement before starting the company's due diligence process because the buyer will get confidential operational, financial, legal, and regulatory data during the process.



What are the types of Due Diligence for Startups in India?

The following are the types of due diligence for startups in India:

1. Due Diligence in Tax Filing

To make sure that a company doesn't face any unexpected tax obligations down the road, the taxation areas of the business must be closely examined during the due diligence period. The following areas of a company's taxation need to be looked into:

- TDS Return
- ITR Submission
- Submission of PF Returns and ESI Payment
- GST Return Submission

2. Functional Components

It is important to get an in-depth understanding of the company strategy, business operations, and operational information during the due diligence process. All operational elements, including personnel interviews and site visits, need to be carefully examined. The operational aspects evaluation has to address and record the following:

- Quantity of Customers
- Company Structure
- Details about the seller
- Services
- Details about production
- Count of workers
- Details of machinery and equipment

3. Complying with the law

This is done in order to evaluate the company's legal and regulatory risks. At times, the hardest and most time-consuming activity is complying with the law. Compliance with the Ministry of Corporate Affairs is mostly responsible for this. It comprises the following analysis:

- AOA and MOA Preparation



- Documents relevant to the company's funding arrangements.
- Copies of litigation against the corporation that are pending or have already been filed.
- Major contracts, such as the ones seen in partnerships, joint venture agreements, and other agreements.
- If any, equipment leases were signed.
- The business has signed real estate contracts.
- Board meeting minutes for the following three financial years. Every register belongs to the business.
- A list of the directors and other influential managers, along with their phone numbers.

4. Due diligence in HR (Human Resources)

Due diligence on the part of HR involves knowing the country's hiring contract system, labor laws, labor relations, regulatory structures, work culture, and industry norms. In monetary terms, the labor, or human side, of a business has both cost and value.

- Checklist for payroll
- List of ESOP schedules & HR policies
- Contact details for employees and other details

5. Startup Accounting Compliance

Every company is obligated by the Companies Act, 2013 to maintain a book of accounts and complete transaction data. Therefore, it is necessary to audit and verify detailed financial transaction data in comparison to the company's financial reports. The following are a few things to think about when conducting companies' financial due diligence:

- Validation of a financial statement
- Every asset and liability needs to be evaluated and confirmed.
- Information about cash flow must be confirmed.
- Every financial statement is examined in comparison with transactional data.



ETHICAL STANDARDS BOARD

Know your Ethics?

The Institute of Chartered Accountants of India (ICAI) is a professional body that governs and regulates the conduct of chartered accountants in India. Adhering to a code of ethics at a client's place is critical for maintaining professionalism, trust, and legal compliance. Here's an elaboration on each key point:

Confidentiality:

- Maintain the confidentiality of all client information acquired during the course of professional relationships.
- Ensure that such information is not used for personal advantage or disclosed without proper authority, except when legally obliged to do so.
- Implement adequate measures to safeguard sensitive data, both digitally and physically.

Objectivity:

- Exercise professional judgment without bias, conflict of interest, or undue influence from others.
- Avoid situations where personal interests or relationships conflict with professional duties.
- Make decisions based on facts and professional standards, rather than personal gain.

Integrity:

- Uphold honesty and straightforwardness in all professional interactions.
- Refrain from being associated with any information or reports believed to contain materially false or misleading statements.
- Address errors or omissions transparently and promptly.



Professional Behavior:

- Observe relevant laws, regulations, and standards governing professional practice.
- Avoid any conduct that could bring discredit to the profession.
- Maintain an image that upholds the dignity of the profession.

Professional Competence and Due Care:

- Continuously update professional knowledge and skill to provide competent services.
- Perform professional duties with due care, diligence, and speed.
- Provide services only in areas where the professional is sufficiently trained and experienced.

Respect for Client's Systems and Procedures:

- Respect and comply with the client's internal policies, procedures, and business practices.
- Maintain independence in judgment and actions, even while working within the client's environment.
- Provide suggestions for improvements where appropriate while respecting the client's organizational culture.

Communication:

- Communicate clearly, accurately, and in a timely manner with the client.
- Ensure that all communication, both written and verbal, is professional and appropriate for the context.
- Listen actively to client needs and concerns, and provide information that is relevant and useful.

Reporting Irregularities:

- Report any discrepancies, fraud, or illegal activities noticed during professional assignments.
- Follow appropriate channels within the client organization for reporting, or external authorities where necessary.



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- *Uphold professional responsibility over client loyalty when encountering unethical or illegal practices.*



PAST EVENTS



MSME CONCLAVE 2023

ORGANISED BY
Directorate of Industries Center (DIC), Akola
IN ASSOCIATION WITH
Akola Branch of WIRC of ICAI, Akola

Under the chairmanship of
SHRI.AJIT KUMBHAR (IAS)
Hon'ble District Collector, Akola

Under Guidance of
SHRI.DEEPENDRA SINGH KUSHWAH (IAS)
Development commissioner (Industries) , Chairman
(MAITRI) & Export commissioner, Govt. of Maharashtra

 **17 OCTOBER**
09AM-6.30PM

 **ICAI BHAVAN, ICAI MARG,
TOSHNIVAL LAYOUT,
AKOLA.**

Seminar emphasizes on potential of MSME in Export of products and role of various departments and agencies in promotion of exports most of whom are coming together at MSME Conclave!



Regards

CA SEEMA BAHETI CHAIRPERSON	CA BHUSHAN JAJOO TREASURER
CA PANKAJ LADNIYA VICE-CHAIRPERSON & WICASA CHAIRPERSON	CA NAVIN KRIPLANI EXECUTIVE MEMBER
CA SUMIT ALIMCHANDANI SECRETARY	CA HIREN JOGI IMMEDIATE PAST CHAIRMAN



PAST EVENTS



MSME Conclave
17 October 2023



Dear valued readers,

We would like to express our sincere gratitude for your continued support and interest in our newsletter. It is because of your encouragement and feedback that we strive to deliver informative and engaging content on a regular basis.

As we move forward, we are always looking for ways to improve and expand our coverage of various topics. To that end, we would like to invite you to contribute articles to our newsletter. We welcome your perspectives and insights on a wide range of subjects, from technology and business to lifestyle and culture.


If you have an article that you would like to submit, please do not hesitate to reach out to us. We would be delighted to consider your piece for publication in our upcoming issues.


Thank you once again for your support, and we look forward to hearing from you soon.

Best regards,

CA Pranay Bafna and the Newsletter Team.

*Thank
You*




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