



NEWSLETTER



ICAI
New Curriculum

BOARD OF STUDIES
(ACADEMIC)
Not Just for Tomorrow,
But Years to Come



FOLLOW
TRADITION



ADOPT
TRANSFORMATION



NO
COMPROMISE



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

What's Inside?

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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 JAJOO
TREASURER



CA NAVIN KRIPLANI
EXECUTIVE MEMBER



CA HIREN JOGI
IMMEDIATE PAST CHAIRMAN



“The pessimist sees difficulty in every opportunity.
The optimist sees opportunity in every difficulty.”



CA SEEMA BAHETI
CHAIRPERSON

Message From Chairperson

Dear members,

I hope this message finds you in good health and high spirits. As we bid farewell to the month of June, I would like to express my heartfelt gratitude to all of you for your active participation and enthusiasm during the various events and activities that took place.

Firstly, the session held to commemorate Yoga Day was a resounding success. It was wonderful to witness the positive energy that filled the room as we embraced the principles of wellness and mindfulness. I extend my appreciation to our esteemed yoga instructor and all those who actively took part in this rejuvenating experience.

Additionally, I would like to acknowledge the fruitful discussions and updates shared during the seminar on return filing and artificial intelligence (AI). The valuable insights and knowledge exchanged have certainly enhanced our understanding of these crucial subjects. I extend my sincere thanks to the speakers for their informative presentations and to all participants for their active engagement.

Looking ahead, I am excited to announce the upcoming Sub Regional Conference, which will be held in Shegaon on the 25th and 26th of August. This conference promises to be a significant gathering of professionals from



This conference promises to be a significant gathering of professionals from various fields, offering a platform for networking, knowledge sharing, and fostering new collaborations. I encourage each and every one of you to mark your calendars and make plans to join us for this enriching event.

The Sub Regional Conference will feature esteemed speakers, thought-provoking panel discussions, and interactive workshops covering a wide range of topics relevant to our industry. It will provide an excellent opportunity to stay updated on the latest trends, exchange ideas with experts, and expand your professional network.

In the coming weeks, we will be sharing further details regarding the conference agenda, registration process, and accommodation options. Please keep an eye on your inbox for the official invitation and make sure to spread the word among your colleagues and peers.

Let us continue to strive for excellence, embracing opportunities for growth and learning. Together, we can make a significant impact and contribute to the advancement of our field. I eagerly await your presence at the **Sub Regional Conference in Shegaon**, as we gather to shape the future of our industry.

Thank you once again for your unwavering support and dedication. Wishing you a productive and fulfilling month ahead!

Warm regards.

“When you give joy to other people, you get more joy in return. You should give a good thought to happiness that you can give out.”

 Joy
AND
BLESSINGS



CA HIREN JOGI
IMMEDIATE PAST CHAIRMAN

Message From IMMEDIATE PAST CHAIRMAN

Greetings for the Day....

I hope this message finds you in good health and high spirits. June has been a month filled with progress and noteworthy accomplishments for our branch. I am delighted to inform you that the various initiatives and activities conducted during this period have received an overwhelming response from our esteemed members.

Looking ahead, I would like to draw your attention to the upcoming Sub Regional Conference, which is scheduled to take place at the holy place of “Shegaon” on the 25th and 26th of August 2023. As I pass the baton to our current Chairperson & Team, I have full confidence in their leadership capabilities and vision for the future.

I urge all members to extend their utmost support and cooperation to the new Team. Together, we can continue to uphold the values and principles that our organization stands for and propel it toward new heights of success.

Thank you once again for your commitment and dedication. I wish you all a productive and fulfilling month ahead!

INCOME TAX RULES FOR VALUATION OF UNQUOTED EQUITY SHARES



CA PREMLATA DAGA SABOO

There’s an important legal principle that says “**ignorance of the law is no excuse**” and the same is true with Tax Laws as well. There had been lots of amendments in the Valuation Rules for Unquoted Equity Shares in the year 2017 and ignorance of these laws can come with heavy tax burden.

In this article an attempt has been made to explain the valuation rules and the applicable income tax sections in an easy to understand manner.

Following is the summary of the relevant income tax sections:

Particulars	Section 56 2(vii)	Section 56 2(vii a)	Section 56 2(vii b)	Section 56 2(x)
Applicable to	Individual/ HUF	Firm/ Company (closely held)	Company (closely held)	Person as per section 2(31) of the IT Act, 1961
Applicable on	Money, Immovable Property and Property other than Immovable Property	Shares of closely held company	Issue of Shares	Money, Immovable Property and Property other than Immovable Property
Applicable date	From 1st October, 2009 to 31st March, 2017	From 1st June, 2010 to 31st March, 2017	From 1st April, 2013	From 1st April, 2017

W-e-f from 1st April 2017 Section 56 (2) (vii) and Section 56 (2) (vii a) has been merged with Section 56(2) (x)

Section 56 2(vii b) (Applicable when a closely held company issues shares)

Where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value shall be deemed to be the income of that company.



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Following is the summary of the relevant income tax sections:

Provided that this clause shall not apply where the consideration for issue of shares is received—

- a) by a venture capital undertaking from a venture capital company or a venture capital fund [or a specified fund]; or
- b) by a company from a class or classes of persons as may be notified by the Central Government in this behalf

Explanation — for the purposes of this clause —

- (a) The fair market value of the shares shall be higher of the two:
 - (i) As may be determined in accordance with such method as may be prescribed i.e (Rule 11 UA (2))
 - (ii) As may be substantiated by the company to the satisfaction of the Assessing Officer.

Rule 11 UA (2) has prescribed 2 methods for valuation:

- 1) Net Asset Value Method
- 2) Discounted Cash Flow Method

Formula for Valuation from Net Asset Value Method (A-L) x PV/PE

Where,

A - book value of the assets in the balance-sheet as reduced by any amount of tax paid as deduction or collection at source or as advance tax payment as reduced by the amount of tax claimed as refund under the Income-tax Act and any amount shown in the balance-sheet as asset including the unamortized amount of deferred expenditure which does not represent the value of any asset;

L - Book value of liabilities, excluding paid up equity share capital, amount set apart for undeclared dividend, reserves and surplus, provision for tax, provisions for unascertained liabilities and contingent liabilities

PV - Paid up value of such equity shares.



PE - Total amount of paid up equity share capital as shown in the balance-sheet;
Note: As per this formula the Assets are NOT REQUIRED to be revalued.

Few Important Common Queries:

Q1: Is this section applicable when the amount is received from a Non-Resident?

Answer: Yes, earlier this section was applicable to only residents but now after amendment the non residents are also covered.

Q2: Is this section applicable to issue of Preference Shares?

Answer: Yes, as the word used in the section is "SHARE" hence it includes all the types of shares.

Q3: What are the exceptions to the section?

Answer: The provisions of section 56(2) (viib) are not applicable where the consideration for the issue of shares is received:

1. by a venture capital undertaking from a venture capital company or a venture capital fund.
2. by a company from a class or classes of persons as may be notified by the Central Government in this behalf.

Q4: What do you mean by Venture Capital Undertaking, Venture Capital Company and Venture Capital Fund?

Answer: "Venture capital company", "venture capital fund" and "venture capital undertaking" shall have the meanings respectively assigned to them in Explanation to clause (23FB) of section 10.

Q5: Is there any central government notification stating that the provisions of section 56(2) (viib) are not applicable to any particular class/classes of the companies?

Answer: Notification 24/2018 dated 24th May, 2018, read with notification G.S.R. 364(E), subject to the fulfilment of specified conditions.

Q6: Who is authorized to issue the valuation report under DCF method for the purpose of section 56(2) (viib)?

Answer: As per Rule 11UA(2)(b) of Income Tax Rules, read with Notification No.23/2018, dated 24th May, 2018, only Merchant Bankers are now authorized to issue valuation reports as per DCF method for the purpose of section 56(2)(viib).

Q7: If the Assessee has used DCF method for share valuation then can the AO disregard the method adopted by the assessee and carry out the valuation of shares using a different method?

In the case of Innoviti Payment Solutions Private Limited, the Bangalore Tribunal addressed the issue on the application of DCF methodology and the powers of the AO



to inquire into it. In the said case, the assessee could not conclusively establish that the projections used for DCF valuation were prepared scientifically. The Tribunal referred to the Technical Guide on share valuation by a research committee of the ICAI, wherein it was stated that the DCF value is good as the assumptions used in developing the projections, and these projections should consider various factors affecting the business. The Tribunal held that if the assessee has opted for the DCF method, the AO cannot discard it and adopt another method; however, the AO is well within his rights to examine the methodology adopted by the assessee and the underlying assumptions and if he is not satisfied, he can challenge the same and suggest necessary modifications.

In case of **Agro Portfolio Pvt Ltd**, Delhi Tribunal held that since there was no possibility of verifying the correctness of the data supplied by the assessee to the merchant banker, the correctness of the result of DCF method could not be verified. Hence, the AO had no option but to reject the DCF method and to go by the NAV method to determine the FMV of the shares.

Q8: What are the rules for Valuation of Preference Shares?

Answer: Rule 11UA(2), which is specifically applicable for the valuation of shares for the purpose of section 56(2) (viib) covers only unquoted equity shares within its ambit and there is no reference to the preference shares. Thus, the only method for determining the FMV of the preference shares is Rule 11UA(1)(c)(c), which is reproduced herein below:

"the fair market value of unquoted shares and securities other than equity shares in a company which are not listed in any recognized stock exchange shall be estimated to be price it would fetch if sold in the open market on the valuation date and the assessee may obtain a report from a merchant banker or an accountant in respect of which such valuation.

Q9: Will the section apply if the Allotment of Shares is done to existing shareholder at a price less than the Fair Market Value?

In *Sudhir Menon HUF v/s Assistant Commissioner of Income-tax* case it was held that additional allotment of shares to an existing shareholder of a company at less than fair market value ("FMV") as part of a genuine business transaction should not be subject to section 56(2)(vii)(b) of the (Indian) Income Tax Act, 1961 ("ITA"), where the allotment is not higher than the proportion of existing shareholding.



Valuation of shares for the purpose of Section 56 2(x) (When the existing shares are sold)

Rule 11 UA after amendment applicable from 1st April 2017

FMV of unquoted equity shares = (A+B+C+D-L) x PV/PE

Where,

A - Book value of all the assets (except those mentioned at B, C and D below) as reduced by income tax paid (net of refund) and unamortized deferred expenditure

B - Fair market value of jewelry and artistic work based on the valuation report of a Registered Valuer

C - Fair market value of shares or securities as determined according this rule

D - Stamp duty valuation in respect of any immovable property

L - Book value of liabilities, excluding paid up equity share capital, amount set apart for undeclared dividend, reserves and surplus, provision for tax, provisions for unascertained liabilities and contingent liabilities

PV - Paid up value of such equity shares.

PE - Total amount of paid up equity share capital as shown in the balance-sheet;

PRACTICAL DIFFICULTIES IN IMPLEMENTATION OF THIS RULE

1)What will be the date of Valuation?

In case of 56(2)(x), FMV is to be determined basis audited financials as on the date of transaction. Closing the financials and audit thereof alongside the transaction closing date is practically a task impossible to perform, particularly when the transfer is happening at the instance of the shareholder - how can a shareholder insist the company to get its account audited in the middle of the year when he is transferring the shares ? While for determining FMV in case of Section 56(2)(viib), there is categorical mention that if the financials as on valuation date are not drawn up, the last drawn financials may be referred, there is no similar relaxation for this provision.

2)What if the Company has made Investment in other closely held companies?

The mechanism for determining FMV for 56(2) (x) provides for valuing even the investments held by the entity as per Rule 11UA. This requires even the financials of those entities to be drawn and audited as on the transaction date. This becomes a real challenge as the investee entity might have further invested into other companies and would not be ideally ready to draw and share its financials of any particular date with the investors on demand.



3)What if there is a Cross Holding of shares?

The rule is completely silent on the method to be adopted in such scenarios. The calculations can be done through “Simultaneous Equation” but adopting any particular approach may not be free from litigation.

4)What if the company has made Investment in foreign companies?

The Rule states that “fair market value of shares or securities as determined according to this rule” shall be considered. Hence, for any investment in shares and securities, the value of such investments will be computed by doing the same FMV exercise under the Rule by using the balance sheet of the foreign subsidiary.

Conclusion:

If the company is issuing shares then they have two options either they can opt for NAV method or Discounted Cash Flow Method for valuation of shares. If they are following NAV method then the assets are NOT REQUIRED to be revalued and if they are following DCF method then the certificate is to be obtained only from the Merchant Banker. Further in case where the existing shareholder wish to transfer the shares then they must follow NAV method only and the ASSETS are mandatorily required to be revalued.



Section 194Q : An Analysis

The Finance Act 2020 inserted Sub Section (1H) in Section 206C to provide for tax collection by a seller from the amount received as consideration for the sale of goods if it exceeds Rs. 50.00 Lacs in any previous year. On the Similar lines the Finance Act 2021 inserted a new section 194 Q to provide tax deduction by a buyer from the purchase of goods. Section 194 Q is made applicable w.e.f. 01.07.2021.

194Q When Applicable : Any person (Buyer) responsible for paying sum to any resident (Seller) for purchase of goods of the value or aggregate of such values exceeding 50 Lacs rupees in any previous year shall at the time of payment/credit (Whichever is earlier) deduct an amount equal to 0.1 percent of such sum exceeding fifty lacs rupees as income tax.

Buyer is also defined : A person whose total sales, gross receipts or turnover from the business carried on by him exceed Rs. 10 Crore during the Financial Year immediately preceeding the financial year in which the purchase of goods is carried out.

Buyer can be resident or non resident, It has been clarified by the CBDT that Section 194 Q is not applicable to a non resident who does not have permanent establishment in India.

What constitutes Goods : The Sales of Goods Act, 1930 is a specific statute that deals with the 'sale of good'. Thus the definition of the term 'goods' can be referred to from the Sale of Goods Act, 1930 for the purpose of Section 194 Q.

'Goods' is defined as per Section 2 (7) of the 'Act' as. "Every kind of movable property other than actionable claims and money; and includes stock and shares, growing crops, grass, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale."



Therefore, the tax is to be deducted under 194Q from the purchase value of :

- Movable property;
- Any Commodity;
- Share and Securities;
- Electricity;
- Agriculture Produce;
- Fuel;
- Motor Vehicle;
- Liquor;
- Jewellery and Bullion;
- Art or drawings;
- Sculptures;
- Scraps;
- Forest produce; etc

Item wise detailed analysis :

Whether transaction in securities done through stock exchanges are subject to TDS : There is no one to one contract between buyers and sellers. To remove difficulty, the CBDT has clarified that the provisions of section 194Q shall not be applicable in relation to transactions in securities (and commodities) that are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporations, including recognized stock exchanges or recognized clearing corporation located in International Financial Service Centre (IFSC).

Whether transaction in Electricity are subject to TDS : In the case of State of Andhra Pradesh Vs National Thermal Power Corporation (NTPC) (2002) 5 SCC 203, held that Electricity is a movable property though not tangible. CBDT has clarified that transaction in electricity, renewal energy certificates and energy saving certificates traded through power exchanges registered under Regulation 21 of CERC shall be out of the scope of TDS under the provision of Section 194 Q. Thus TDS is deductible on the transaction only when there is direct purchase from the company engaged in electricity generation.



Whether transaction of purchase of software are subject to TDS : The Finance Act 2012 has made a clarificatory amendment in definition of Royalty given in Section 9 stating that use and right to use computer software is royalty. The payment towards royalty is subject to TDS under section 194J or section 195 as the case may be. The provision of section 194Q would not apply where tax is deductible under any other provision.

In Tata Consultancy Services Vs the State of A.P. (2004) 141 Taxman 132 (SC) held that canned software are goods. If the purchase of software is treated as purchase of services than TDS shall be deducted under section 194J or 195. On the other hand if purchase of software is treated as purchase of goods TDS under section 194Q is to be deducted.

Whether transaction of purchase of Jewellery are subject to TDS : There is no condition that purchase should be connected with the business only. Jewellery, being a movable property, is covered with in the term goods. There is no specific exclusion on purchase of Jewellery. Tax shall be deductible on the purchase of Jewellery if other conditions are also fulfilled.

Whether GST component in sale value is subject to TDS : The CBDT has clarified that under 194 Q TDS shall be deducted on the amount credited without including GST if following conditions are satisfied :

- The TDS deducted at the time of credit of amount in the account of the seller; and
- The component of GST comprised in the amount payable to the seller is indicated separately as per the terms of the agreement or contract between the buyer and the seller.

IF GST amount is non separable TDS has to be deducted on full amount.

Whether Loan advanced to the seller are subject to TDS : The loan advanced by buyer is not a payment towards the purchase of goods, it shall remain outside the purview of this provision. If such loan amount is settled against purchased value at any future date, the liability to deduct TDS shall arise.

What is the treatment of purchase return : CBDT has clarified that since tax is required to be deducted at the time payment or credit, which ever is earlier, thus before



purchase return happens, the tax must have already been deducted under section 194Q on that purchases. If seller has refunded the money against purchase return TDS may be adjusted against the next purchases from the same seller.

Simultaneous applicability of Section 194 Q and 206 C (1H) : Second proviso to Section 206 C (1H) provides that if buyer is liable to deduct tax under any other provision on the goods purchased by him from the seller and has deducted no tax shall be deducted on that transaction. Section 194 Q (5) provides that no tax is required to be deducted by person under this provision if tax is deductible under any other provision or tax is collectible U/S 206C (Except U/s 206C (1H)). The Buyer shall have a primary and foremost obligation to deduct the tax, and no tax shall be collected on such transactions U/s 206 C (1H). However tax has not been deducted by the seller for any reason Section 206 (1H) shall apply.

Distinction between 194 Q and 206 C(1H):		
Basis of Distinction	TDS on purchase of Goods Section 194 Q	TCS on sale of Goods Section 206 C (1H)
Who is Liable for Deduction/ Collection	The Buyer	The Seller
Turnover Limit of Diductor / Collector	The total sales, gross receipt or turnover of buyer should exceed Rs. 10 Crores during the Financial Year immediately preceding the Financial Year in which good purchased.	The total sales, gross receipt or turnover of seller should exceed Rs. 10 Crores during the Financial Year immediately preceding the Financial Year in which good sold
Threshold limit of Purchase/ Sales	Value of purchase exceed Rs. 50.00 Lacs	Value of sales exceed Rs. 50.00 Lacs
Time of deduction / collection	At the time of credit / payment whichever is earlier	T the time of receipt
Preference to be given	Purchaser is first liable to deduct tax if transaction could be subject to both provision	Seller shall be liable to collect tax in case Tax has not been deducted



Example :

Rs. Crore

Particulars	Case 1	Case 2	Case 3
Turnover of Seller	18	5	18
Turnover of Buyer	5	18	18
Amount of Goods sold	4	4	4
Amount Paid	2	2	2
Who is liable for Deduction / Collection	Seller	Buyer	Buyer
Rate of Tax	0.10%	0.10%	0.10%
Amount on which Tax to be deducted	1.50	3.50	3.50
Tax to be deducted / Collected (Rs.)	15,000	35,000	35,000

Some other clarifications :-

Whether Tax to be deducted when income of seller / buyer is exempt from tax : CBDT has clarified that Section 194 Q shall not be applicable if income of seller is exempt. Similarly 206 C (1H) shall not be in force for buyer whose income is exempt from tax (Under section 10 or otherwise).

Whether Turnover /Receipt of non –business activity is to be counted for threshold limit : NO

Cross Application of 194 Q, 194 O and 206 C (1H) :

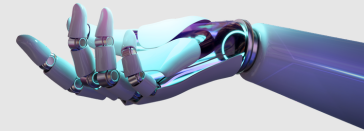
- Transaction is both within the purview of 194O and 194Q, then Tax shall be deducted under 194O.
- Transaction is both within the purview of 194O and 206 C(1H), then Tax shall be deducted under 194O of the Act.
- Transaction is both within the purview of 194Q and 206C, then tax shall be deducted under 194Q of Income Tax Act, 1961.



Benefits & Challenges of Artificial Intelligence (AI) in the field of Auditing



CA HIREN JOGI



Introduction:

The field of auditing in India has witnessed a significant transformation in recent years, thanks to the integration of Artificial Intelligence (AI) technologies. AI has revolutionized various industries, and auditing is no exception. This article explores the use of AI in the auditing field in India, highlighting its advancements and the benefits it brings to auditors and businesses.

Enhancing Efficiency and Accuracy:

AI technologies, such as machine learning and natural language processing, have proven to be valuable tools in auditing processes. By analyzing large volumes of financial and operational data, AI-powered auditing systems can identify patterns, anomalies, and potential risks more efficiently than traditional manual methods.

Automated Data Analysis: AI enables auditors to automate the analysis of vast amounts of financial data, including transactions, invoices, and financial statements. Through intelligent algorithms, AI systems can quickly identify discrepancies, outliers, and potentially fraudulent activities, saving auditors substantial time and effort.

Example: An AI-based auditing tool can examine thousands of invoices and identify instances where duplicate payments have been made, helping auditors detect potential financial irregularities or errors.

Continuous Monitoring: AI-based auditing tools can provide real-time monitoring of financial transactions and activities. This allows auditors to detect irregularities promptly and take necessary actions to mitigate risks.



Continuous monitoring also ensures a more proactive approach to identifying potential fraud or errors, leading to improved accuracy and effectiveness in the audit process.

Example: An AI-powered auditing system can flag unusual spikes in sales or unexpected inventory discrepancies, alerting auditors to investigate potential inventory mismanagement or fraudulent behavior.

Improved Risk Assessment: AI technologies help auditors assess risks more comprehensively by analyzing historical data, industry benchmarks, and macroeconomic factors. By incorporating AI algorithms into risk assessment models, auditors can identify and prioritize areas of concern, enabling a more focused and targeted audit approach.

Example: An AI-powered risk assessment tool can analyze past financial data and market trends to identify sectors or areas with a higher likelihood of financial misstatements, allowing auditors to allocate resources accordingly.

Fraud Detection: AI can significantly enhance fraud detection capabilities in auditing. Machine learning algorithms can analyze various data points, including financial transactions, employee behavior patterns, and external data sources, to detect unusual activities indicative of fraud. This proactive approach to fraud detection allows auditors to take timely action and minimize potential financial losses.

Example: An AI-based auditing system can flag transactions that deviate significantly from typical patterns, such as unexpected cash flow movements or suspicious vendor relationships, aiding auditors in detecting potential fraudulent activities.

Enhanced Data Visualization: AI-powered auditing tools often come equipped with advanced data visualization capabilities. These visual representations of complex financial data enable auditors to gain meaningful insights more quickly and effectively. Visualizations facilitate decision-making, trend analysis, and communication of audit findings to stakeholders in a more intuitive and understandable manner.



Example: An AI-based auditing dashboard can generate interactive charts and graphs that provide a visual representation of revenue trends, expense patterns, and key financial ratios, allowing auditors to identify potential areas of concern or anomalies with greater ease.

Challenges and Considerations:

While AI brings numerous benefits to the auditing field, its implementation also comes with certain challenges and considerations:

Data Quality and Reliability: The effectiveness of AI in auditing heavily relies on the quality and reliability of the data being analyzed. Ensuring accurate and complete data inputs is essential to obtain reliable insights and avoid erroneous conclusions.

Example: Auditors must ensure that data sources are trustworthy and complete, as AI algorithms heavily rely on accurate information to generate meaningful results.

Skill Upgradation: Incorporating AI technologies into auditing requires auditors to develop new skills and competencies. Auditors need to understand how to interpret AI-generated results and leverage these insights effectively in their decision-making processes.

Example: Auditors may undergo training programs to gain proficiency in using AI-based auditing tools and understanding the interpretation of results, ensuring effective utilization of AI technologies.

Ethical Considerations: AI-powered auditing tools must adhere to ethical standards to protect data privacy and ensure unbiased analysis. Auditors need to be vigilant in ensuring that AI algorithms are transparent, explainable, and free from biases.

Example: Auditors should carefully evaluate AI algorithms to ensure they do not exhibit biases, such as gender or racial bias, to maintain fairness and integrity in the auditing process.



Conclusion:

The use of AI in the auditing field in India has the potential to revolutionize traditional audit practices. AI-powered auditing systems can significantly enhance efficiency, accuracy, and risk assessment capabilities. By automating data analysis, continuously monitoring transactions, and improving fraud detection, auditors can provide more reliable and valuable insights to businesses. As AI continues to evolve, auditors and businesses in India should embrace its potential and adapt to the changing landscape to stay competitive in the modern auditing arena.



ETHICAL STANDARDS BOARD

Know your Ethics?

The Institute of Chartered Accountants of India (ICAI) has established a comprehensive code of ethics for its members who perform bank branch audits. This code is designed to ensure that auditors maintain objectivity, independence, and integrity throughout the audit process, and that they comply with all applicable accounting and regulatory standards.

Some key aspects of the ICAI code of ethics for bank branch audits include:

- 1. Independence: Auditors must maintain independence from the bank being audited and avoid any conflicts of interest that could compromise their objectivity. This includes disclosing any relationships or financial interests that could impact their independence.*
- 2. Confidentiality: Auditors must maintain the confidentiality of all information obtained during the audit process, including customer data and internal bank documents.*
- 3. Due Professional Care: Auditors must exercise due professional care in performing the audit, including conducting appropriate risk assessments and applying appropriate audit procedures.*
- 4. Compliance: Auditors must comply with all applicable accounting and regulatory standards, including those established by the Reserve Bank of India (RBI) and other relevant regulatory bodies.*
- 5. Reporting: Auditors must report any material weaknesses or deficiencies in the bank's internal controls or financial reporting, as well as any violations of laws or regulations that they become aware of during the audit process.*

Overall, the ICAI code of ethics for bank branch audits emphasizes the importance of maintaining high ethical standards in order to promote the integrity of the banking system and protect the interests of bank customers and stakeholders.

Past Events



Akola Branch Of WIRC Of The Institute Of Chartered Accountants Of INDIA

CELEBRATING 9TH INTERNATIONAL

YOGA

Yoga for Vasudhalva Kutumbkam

DAY

IN ASSOCIATION WITH

भारतीय योग संस्थान

INVITES CA MEMBERS, STUDENTS AND FAMILY MEMBERS

AT ICAI BHAVAN, AKOLA

NOTE **DATE : 21ST JUNE 2023**
If possible Please carry **TIME : 6.30 A.M. SHARP**
your yoga mat **Followed by breakfast**

*CELEBRATING 9TH
INTERNATIONAL
YOGA SESSION
21ST JUNE, 2023*






Past Events

AKOLA BRANCH OF WIRC OF ICAI

Changes in ITR Forms for AY 2023-24 and Important Aspects of Return Filing




Speaker-
CA Monark Padmani
Surat

CHATGPT & OTHER TOOLS OF ARTIFICIAL INTELLIGENCE




Speaker-
CA Joni Jain
surat

Time
10.30 to 2

Date
29 June 2023

Followed by lunch

Venue
ICAI Bhawan Akola

Fees
300 including GST

SEMINAR ON CHANGES IN ITR FORMS AND CHAT-GPT & AI TOOLS 29 JUNE





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
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