



# NEWSLETTER



*Grand  
Success*

**आराहण**  
RISING  
UPWARDS

**First-Ever  
Sub Regional  
Conference  
In Shegaon!**





## 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 JAZOO**  
TREASURER



**CA NAVIN KRIPLANI**  
EXECUTIVE MEMBER



**CA HIREN JOGI**  
IMMEDIATE PAST CHAIRMAN



## **AAROHAN- RISING UPWARDS**

*To climb or to rise upwards in  
Professional skills & enrichment,  
which will definitely strive to  
reach your goals.*



**CA SEEMA BAHETI**  
CHAIRPERSON

## **Message From Chairperson**

Dear Members,

We're thrilled to announce that the Sub Regional Conference at the divine Shegaon has successfully taken place. It was a fantastic event aimed at enhancing knowledge and skills in our noble profession.

We extend our heartfelt thanks to CA Arpit Kabra Chairman WIRC and the entire WIRC team for their invaluable support. We're equally grateful to our Chief Guest, Dr. Bhagwat Karad, who virtually guided us and Our Chief guest MLC Shri Vasant Khandelwalji and Guest of honour Industrialist Shri Haresh Bhai Shah Director of Leben laboratories and life sciences and ICAI leaders, for gracing us with their presence.

Shegaon, a place of tranquility and resilience, houses Sant Gajanan Maharaj Sansthan, renowned for its social initiatives and selfless Sevadhari. Our sincere appreciation goes to Shri Sant Gajanan Maharaj College of Engineering for providing us with their state-of-the-art auditorium.

The conference featured renowned speakers who shared their insights on



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various topics. We'd like to express our gratitude to our sponsors, whose financial support made this event possible.

We couldn't have done it without the support of our co-host, Amravati branch, and the unwavering support of Nagpur branch.

A special thank you to Team Akola, our esteemed seniors, and all members for their continuous guidance and support.

We hope all participants had a memorable conference experience, enjoyed the Kavi sammelan, and had a peaceful Darshan of Gajanan Baba.

Sincere Regards,

CA Seema Jalaj Baheti

Chairperson, Akola Branch



“Experience is a hard teacher because she gives the test first, the lesson afterwards.”

LESSONS



**CA HIREN JOGI**  
IMMEDIATE PAST CHAIRMAN

## Message From IMMEDIATE PAST CHAIRMAN

Dear Members,

I am thrilled to report the resounding success of our Sub Regional Conference at Shegaon, under the theme "Aarohan" - Rising Ahead. This event was jointly hosted by the Akola and Amravati Branches of WIRC of ICAI on August 25th & 26th, 2023.

I extend my heartfelt gratitude to the committees for unwavering dedication and brilliant work in creating the remarkable and memorable event.

This project was the result of a true collaboration, and I had the privilege of working with an exceptional team. Their meticulous attention to detail and unwavering commitment to excellence have set a high standard that truly reflects the essence of our noble profession.

I extend my best wishes to each of you for continued professional growth and personal accomplishments. May the connections formed during this conference endure, and the knowledge gained continue to guide us on our paths.

Best regards,  
CA Hiren Rameshkumar Jogi  
Past Chairman, ICAI



# UNCHARITABLE REPORT OF CHARITABLE INSTITUTIONS



CA CHANDRASHEKHAR V. CHITALE,  
CCM, PUNE

## **Charitable Institutions**

The Income tax Act, 1961 (the Act) under clause (15) of Section 2 defines has 'charitable purpose' for the purpose of granting exemption. Audit One of the stipulated conditions for availing exemption from tax to charitable or religious institutions is that where the total income of the trust or institution as computed under this Act without giving effect to the provisions of sections 11 and 12 exceeds the maximum amount which is not chargeable to income-tax, audit of accounts is mandatory. Elaborate audit report forms Form No. 10B and Form No. 10BB have been prescribed.

## **Report**

While there is some variation in particulars to be furnished in Form No. 10B and in Form No. 10BB, information in Audit Report is similar. Usual particular about true and fair view of the financial statements have been included. More importantly, opinion about the particulars given in the Annexure being true and correct to the best of his information and according to explanations given to him, and if not, particulars thereof.

## **Duplication**

It will be appreciated that mostly the institutions can be a section 8 company or a trust or society. Parent law governing the institution requires audit report requiring exhibition of opinion about true and fair view of the financial statements. The expression of opinion on true and fair view in Form 10B/10BB, is a duplication of work. Care has been taken in section 44AB-tax audit- to avoid such a duplication. Now, that there is duplication of opinion on 'true and fair view' of the financial statements, care is required on the part of auditors that there is no variance in both the reports.

## **True and Correct**

Auditors will have to be careful in dealing with certification of particulars in Form 10B and 10BB, which are in more than 20 parts. One needs to be little more sceptical



in auditing and reporting. Some illustrative clauses are:

- Any other disallowance (Please specify)

Issues: This is an open-ended clause. What happens if the vehicle of trust was in a no parking area and the challan has been paid. Tea, snacks are offered to the government official visiting trust office

for verification. Excess food that was remaining in the trust for running a hospital is distributed to poor people

- Amount deemed to have been applied during the previous year under clause (2) of Explanation 1 to subsection of section 11

Issues: in books of account auditor will not find any indication as to whether application of funds relates to the current financial year or any prior financial year.

- Whether the auditee has income from profits and gains of business which is not incidental to the attainment of its objectives or separate books of account are not maintained by auditee in respect of the business which is incidental to the attainment of its objectives.

Issues: Auditor has to take a call on business being incidental to objects of the institution. Take an example of medical shop of a trust running hospital. Here if beverages, sweets, stationery, prepaid sim card is sold, then what will be the response?

- Whether the auditee, referred to in clause (b) of sub-section (1) of section 13, has applied any part of its income for the benefit of any particular religious community or caste.

Issues: this will be a tricky clause in case of temple, church, mosque, etc. category of trusts.

- Whether any activity being carried out by the auditee is not genuine or is not being carried out in accordance with all or any of the conditions subject to which it was registered.

Issues: Auditor has no evidence of actual happening of any event. For example, if expenditure is incurred for free distribution of food to poor or one lac trees are planted, then how to address genuineness of facts canvassed.

- Whether the auditee has not complied with the requirement of any other law, for the time being in force, and the order, direction or decree, by whatever name called, holding that such noncompliance has occurred, has either not been disputed or has attained finality.



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Issues: compliance with any other law is a wider and open ended responsibility.

- Anonymous Donations referred to in section 115BBC

Issues: Now a days a good number of donations are received online, through bank transfer, etc. Details of doners are not available. How to deal with such receipts?

Therefore, here lies the crux of uncharitable approach. All the particulars are required to be certified as 'true and correct'.

## **Conclusion**

Charitable institutions' audit has become more onerous. The auditors should employ directions in guidance from standards on audition (SAS) to save from undue exposure to risks arising from daunting task arising from the itinerary of particulars. Otherwise, auditors will feel, it was really uncharitable in performing audit of charity.

# New Avenues for CAs-Social Audit



CA SHWETA JAIN

**Hon'ble Finance Minister Smt Nirmala Sitharaman has insisted chartered accountants to contribute inclusively towards meeting the expectation of government achieving Sustainable Development Goals, Social Impact analysis and use of Artificial Intelligence (AI) in the economic development of country at global level.**

This requires very close attention and involvement of Chartered Accountants to the growth and development of economy, Society and Nation.

A social audit involves evaluating an organization's activities, policies, and practices to determine their impact on society and the environment.

A Chartered Accountant (CA) plays a crucial role in a social audit, by providing their financial and auditing expertise to ensure transparency, accountability, and accuracy in the assessment of an organization's social and environmental performance.

## **Roles of CA:**

CAs can review the organization's policies, practices, and initiatives to ensure they comply with relevant laws, regulations, and international standards related to social and environmental responsibilities.

CAs can verify the accuracy of the data provided by the organization through various audit procedures. This can involve checking whether the reported information aligns with actual practices and outcomes.

CAs can identify and assess potential risks associated with the organization's social and environmental activities. This might involve evaluating the organization's exposure to legal, reputational, and financial risks related to its social responsibilities.

Based on their findings, CAs can provide recommendations for improving the organization's social and environmental practices. In resulting organization would be able to enhance its positive impact and mitigate negative effects.



CAs can assist the organization in developing strategies for continuous improvement in their social and environmental performance. This could involve setting goals, implementing action plans, and monitoring progress over time.

CAs can bring ethical considerations to the forefront, ensuring that the organization's social audit aligns with ethical standards and values, promoting integrity and fairness in the evaluation process.

### **Opportunities for CAs:**

Chartered Accountants (CAs) have several opportunities in the field of social audit due to their financial expertise, auditing skills, and ability to assess and analyze data. Here are some potential opportunities for CAS.

**Government and Regulatory Bodies:** Government agencies and regulatory bodies may require organizations to undergo social audits to ensure compliance with social and environmental regulations. CAs can be involved in overseeing and conducting these audits on behalf of the government.

**Internal Audit Teams:** Within organizations, internal audit departments may include a focus on social and environmental auditing. CAs can play a role in these teams by evaluating the organization's adherence to its social responsibility Commitments.

**Auditing Firms:** Traditional auditing firms that focus on financial audits may expand their services to include social audits due to the growing demand for transparent reporting of social and environmental performance. CAs with expertise in this area can contribute to such initiatives.

**Advisory Roles:** CAs can offer advisory services to organizations looking to improve their social responsibility efforts. This might involve providing guidance on setting up sustainable practices, optimizing resource utilization, and aligning social initiatives with business goals.

**Academic and Research Institutions:** CAs interested in the theoretical and research aspects of social audit can work in academic institutions or research organizations. They can contribute to the development of frameworks, methodologies, and best practices in the field.



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Capacity Building and Training: As the importance of social audits grows, there's a need for professionals who can train others in conducting effective social audits. CAs can provide training sessions and workshops to organizations and individuals interested in enhancing their social audit capabilities.

As businesses and organizations started understanding the importance of responsible and sustainable practices, the opportunities for CAS in the field of social audit are diverse and growing.



# ETHICAL STANDARDS BOARD

## Know your Ethics?

*ICAI expects its members and associates to adhere to a certain code of conduct and professionalism in their appearance and attire. While there are no official dress codes, it is generally expected that members and associates dress in a manner that is appropriate, respectful, and in line with the professional image of the accounting and finance industry.*

*In professional settings, it is advisable to dress in business attire, which typically includes:*

### *1. For Men:*

- Formal business suits or blazers with dress slacks*
- Dress shirt and tie*
- Well-maintained and polished shoes*
- Neat and groomed appearance*

### *2. For Women:*

- Formal business attire, such as suits, blouses, and skirts or dress slacks*
- Closed-toe, professional footwear*
- Minimal jewelry and makeup*
- Neat and professional grooming*

*It's important to note that dress codes can vary depending on specific workplaces, events, or client meetings. Members and associates should use their judgment to determine the appropriate attire for each situation.*

*In summary, members and associates are expected to dress professionally and in a manner that reflects the professionalism and integrity associated with the accounting profession.*



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**GALLERY SUB REGIONAL CONFERENCE 25 & 26 AUGUST**



**MANAGING COMMITTEE AKOLA 2023-2024**









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*

  
**ICAI BHAWAN**  
THE INSTITUTE OF  
CHARTERED ACCOUNTANTS OF INDIA  
AKOLA BRANCH



**AKOLA BRANCH OF WIRC**