NEWS LETTER
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Setup by an Act of Parliament)
COIMBATORE BRANCH (SIRC)
CA INDIA
January 2025
Issue - 01

## Chairman's Desk

As we usher in the new year, it's a time for reflection, renewal, and most importantly, learning. In the fast-evolving world of taxation, finance, and accounting, the importance of staying updated and continuously enhancing our skills cannot be overstated. Each year presents new challenges, and the key to staying ahead lies in our commitment to lifelong learning.

In the spirit of this new beginning, we draw inspiration from the timeless wisdom of the Ramayana. Lord Rama, during his journey to defeat Ravana, constantly learned and adapted to overcome obstacles. He sought knowledge from his mentors, allies, and experiences, reinforcing the notion that learning is a continuous process. As the Ramayana teaches us, no matter how skilled or wise one becomes, there is always room for growth. In the same way, as Chartered Accountants, we must strive to learn and improve, embracing new knowledge and innovative solutions.

As we reflect on the recently concluded GST filing season, we understand the intricacies and challenges faced in ensuring compliance. This season was a reminder of the dynamic nature of taxation laws and the necessity for us, as professionals, to remain vigilant and well-versed in the latest updates. The deadline-driven work and the shifting landscape of GST require that we continuously stay sharp, anticipating changes and ensuring our clients' needs are met efficiently.

The filing season is now behind us, but the lessons learned from it serve as a foundation for the year ahead. We must not only celebrate the completion of this milestone but also look forward with enthusiasm and curiosity to the knowledge that lies ahead in 2025.

Let us dedicate this year to expanding our horizons, adapting to new regulations, and becoming stronger professionals, just as Lord Rama did in his quest. By remaining open to learning and growth, we can ensure that we, as Chartered Accountants, remain at the forefront of the profession, ready to meet whatever challenges arise.

Wishing you a year of continuous learning, growth, and success.

**CA. Vishnu Adithan P.**
Chairman

# MEMBERS ADDRESSING IN VARIOUS CPE SEMINARS













**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**
(Setup by an Act of Parliament)

**COIMBATORE BRANCH (SIRC)**

**Chairman, Committee Members, Ex-officio Member and Staff Members**

**Wish you a**

**Happy New year 2025**

**THE COIMBATORE BRANCH OF THE SOUTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

ICAI Bhawan, No. 44 & 45, Mettupalayam Road, Thudiyalur, Coimbatore - 641 034.

# NOTICE CALLING FOR SPECIAL GENERAL MEETING OF THE BRANCH

Date: 02-01-2025

To,

**All members of the Coimbatore Branch of Southern India Regional Council**

Dear Member,

**Sub: Notice for Special General Meeting of the members of the Branch**

This is to inform you that a Special General Meeting of the members of the Coimbatore Branch of the Southern India Regional Council will be held from 08:00 AM to 06:30 PM on 19th January, 2025 (i.e., Sunday) in the premises of the Branch at the above mentioned address for electing 07 members of its Managing Committee for the term 2025-2029. The important dates relating to the above elections are as given below.

Those members, who are desirous of standing for said election may submit their nomination form duly filled in and signed by the Candidate and by the Proposer and Seconder (both of whom shall be entitled to vote in the said branch election) together with a (non-refundable) nomination fee of Rs. 1000/- by way of Demand Draft/Pay Order/Cheque drawn in favor of "The Coimbatore Branch of SIRC of ICAI" and payable at Coimbatore.

The nomination form duly filled in and signed should be submitted in a sealed cover addressed to "CA. S. Rajesh Returning Officer/Polling Officer, ICAI Bhawan, No. 44 & 45, Mettupalayam Road, Thudiyalur, Coimbatore - 34" against an acknowledgement. The blank nomination form can be had from the said Returning Officer or from the branch premises effective from 02-01-2025 till 05:00 PM of 08-01-2025 i.e. the last date of receipt of nominations.

## IMPORTANT DATES

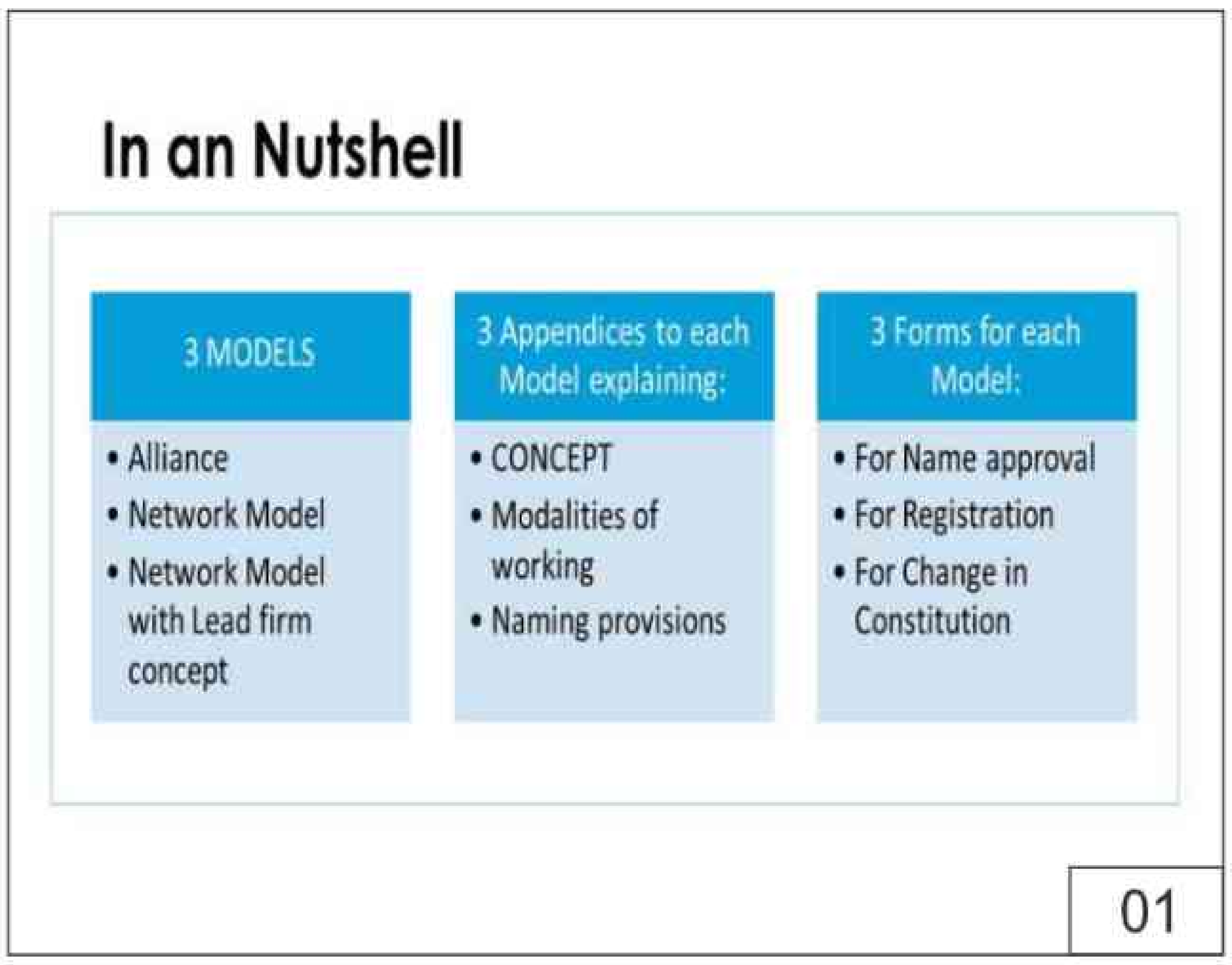
| | | |
|---|---|---|
| 1. | Last Date of receipt of nominations<br>(at least 10 days before the date of polling) | 08-01-2025 |
| 2. | Date of scrutiny of nominations<br>(Within two days from last date of nominations) | 10-01-2025 |
| 3. | Display of list of valid nominations on the Notice Board of the Branch<br>(Date of scrutiny, i.e., date applicable for S.No. 2) | 10-01-2025 |
| 4. | Last date for withdrawal of nominations<br>(Two days from the date of display of list of valid nominations.) | 12-01-2025 |
| 5. | Display of final list of nominations (after withdrawals, if any)<br>(Within one day of last date of withdrawal) | 13-01-2025 |
| 6. | Date of Election (if the nominations exceed more than<br>the number of vacancies) (As per Schedule) | 19-01-2025 |
| 7. | Declaration of Result<br>(As per Schedule) | 20-01-2025 |

The election, if necessary, shall be held under the Single Transferable System of Voting.

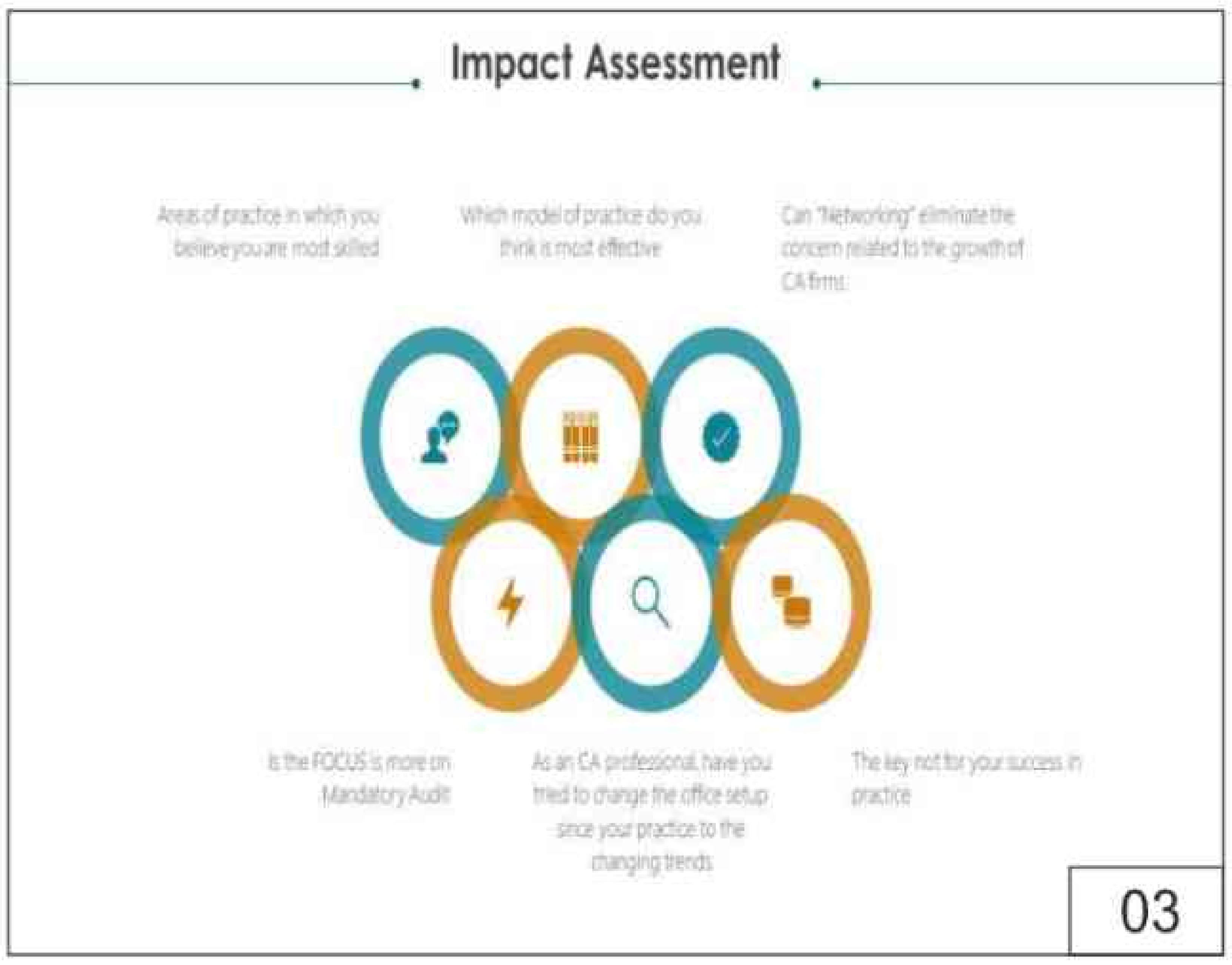
Yours faithfully
(CA. Survajith S Krishnan)
Secretary of the Branch

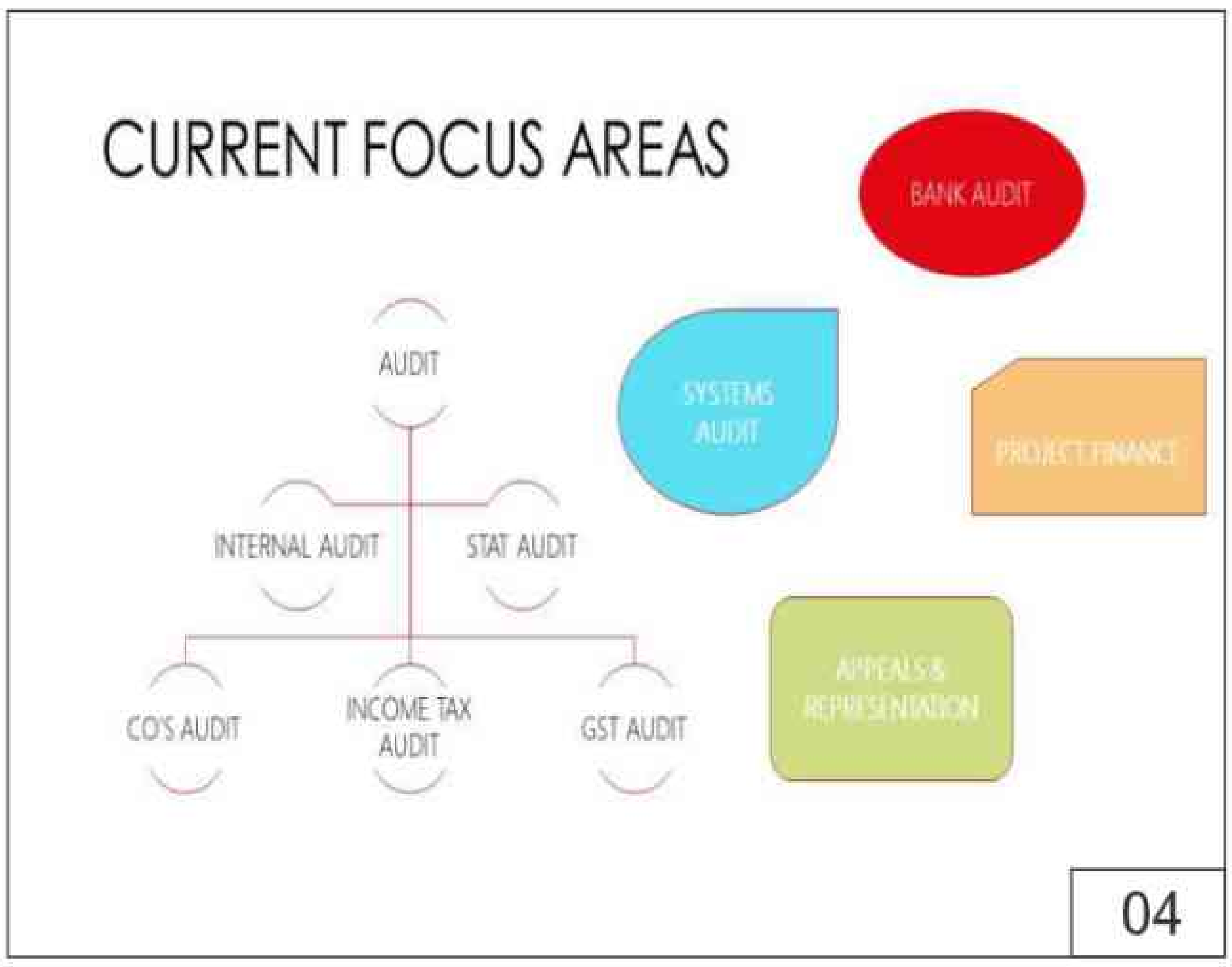
# ICAI NETWORKING - 2021

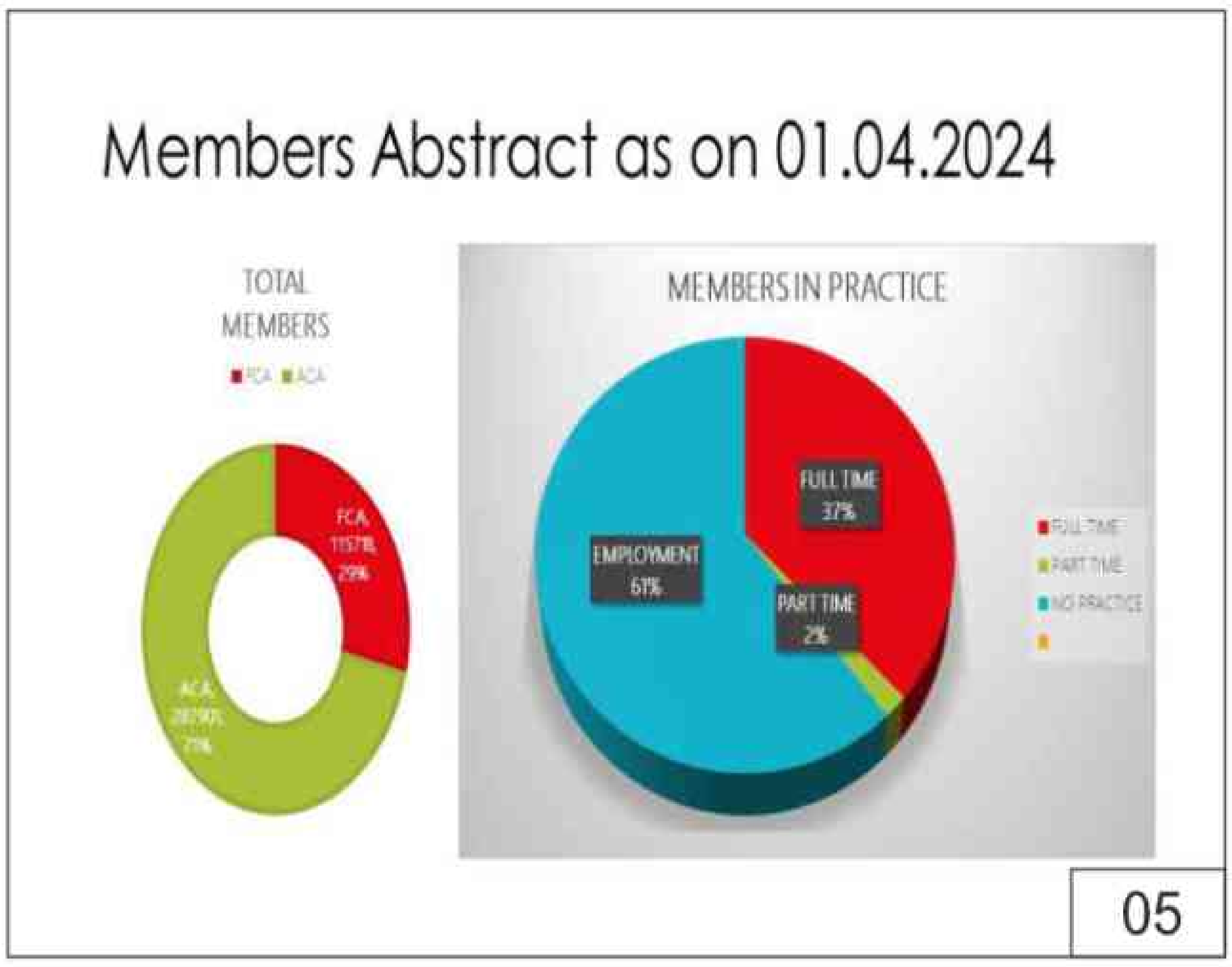
**CA. P. Arul Jothi**
Chartered Accountant

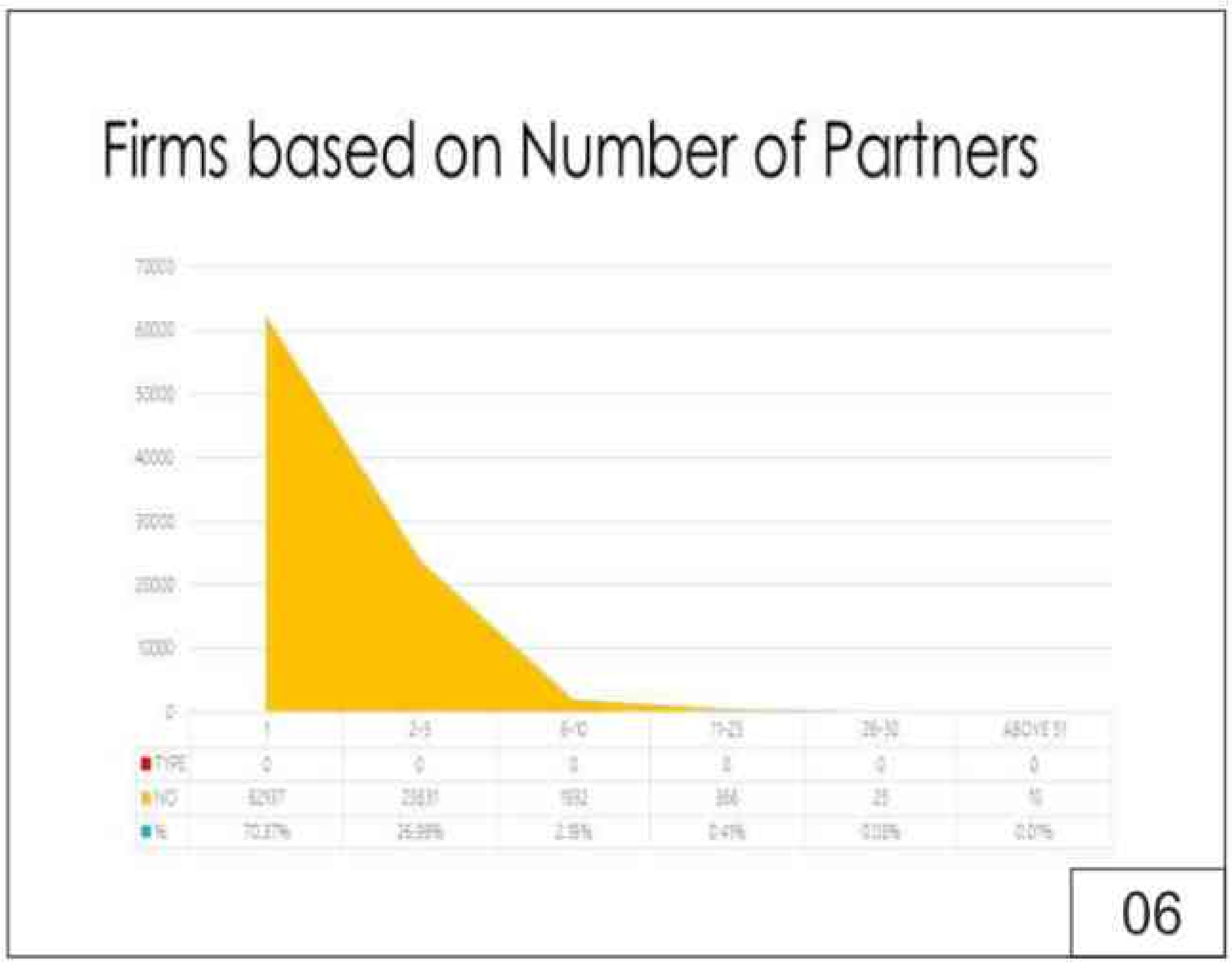


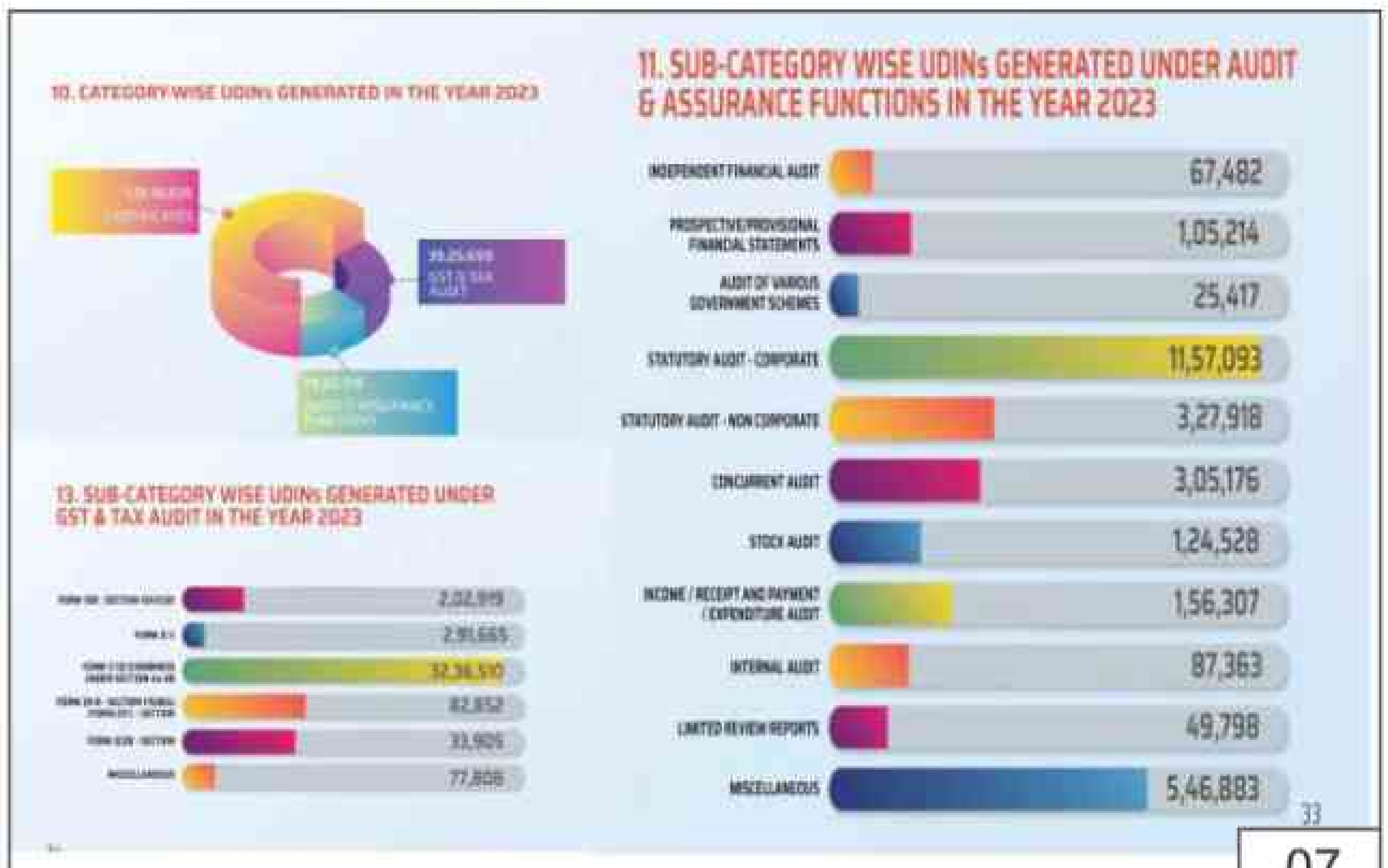




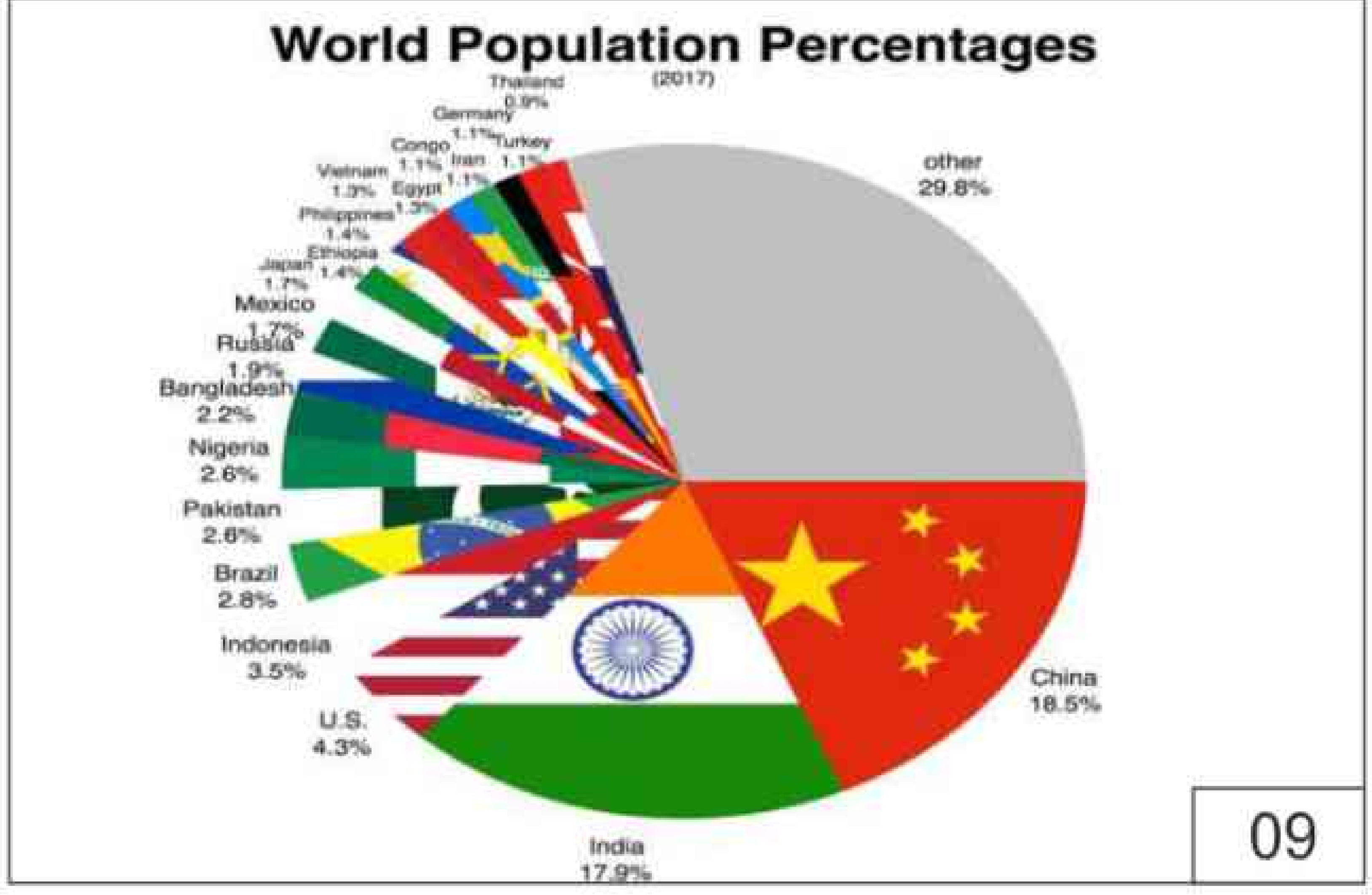






07


08




09

## Global Accounting Bodies

- 7 Continents
- 195 Countries
- 162 Accounting Bodies
- Various MOU & MRA
- No restriction on Foreign Branch

| PROF BODY | MEMBERS |
|---|---|
| US CPA | 664000+ |
| UK ICAEW | 181000+ |
| CHINA CPA | 300000+ |
| Canadian CPA | 217000+ |
| Australia CAP | 158000+ |
| CA Singapore | 32000+ |
| ICAI India | 400000+ |

10

## SWOT Analysis

| | POSITIVE | NEGATIVE |
|---|---|---|
| INTERNAL | STRENGTH<br>- QUALITY<br>- KNOWLEDGE<br>- ATTACHMENT | WEAKNESS<br>- RESIDING WITH INDIVIDUAL IDENTITY<br>- NAME ATTACHMENT<br>- LOSS OF POWER<br>- LOSS OF REPUTATION |
| EXTERNAL | OPPORTUNITY<br>- NETWORKING<br>- PARTNERSHIP<br>- SHARING<br>- LEARNING | THREAT<br>- TECHNOLOGY<br>- REDUCTION IN MANDATORY AUDIT<br>- INVESTMENT<br>- MANPOWER |

11

## Preamble

- 2005 - Guidelines for Networking were issued
- 2011 – Guidelines Revised
- 2021 – revised & updated Guidelines

12

## Need for **REVISION**

- In 2020 - after 15 years - Only around 100 Networks were formed
- Need to strengthen Indian CA firms
- Create large Indian CA firms
- ICAI has noted the bottlenecks in networking and has tried to mitigate the same in revised Guidelines

13

## Concerns relating to growth of Indian CA firms

- Majority CA firms are SMPs
- Large number of firms have confined practice to audit and taxation
- Many firms have audits allotted through the ICAI-PDC empanelment process
- Attachment with firm name dissuades Merger or network due to fear of loss of identity
- Client switches over to larger firm when his business needs increase
- Need of the hour is to venture into non-traditional practice areas, specialism and forming large structure by networking

14

## Why Networking??


15

Alliance Model

When four firms viz.

A & Co., B & Co., C & Co. and D & Co.

come together to form an Alliance, they may name their Alliance as "ABCD".

In case they wish to use suffix, they will use the suffix "& Alliance" to their common name to make it "ABCD & Alliance".

16

Network Model

When four firms viz.

A & Co., B & Co., C & Co. and D & Co.

come together to form a Network, they may name their Network as "ABCD".

In case they wish to use suffix, they will use the suffix "& Affiliates" or "Network" to their common name to make it "ABCD & Affiliates" or "ABCD Network".

17

Lead Firm Model

When four firms viz.

A & Co., B & Co., C & Co. and D & Co.

Come together to form a Network, they will suffix "& Affiliates" or "Network" to one of the firms selected by constituent firms as Lead firm

e.g. if A & Co. is chosen as Lead firm, then name of Network will be "A & Co. & Affiliates"

18

*Basic Comparison*

| CRITERIA | ALLIANCE MODEL | NETWORK MODEL | LEAD FIRM MODEL |
|---|---|---|---|
| Objective | Collaboration for mutual benefits without compromising firm independence. | Uniform policies and pooled resources for a cohesive network. | A lead firm acts as a central authority, leveraging combined strengths for large assignments. |
| Autonomy | Firms operate independently despite being part of the alliance. | Firms remain independent but follow internal integration agreements. | Lead firm takes primary responsibility, but member firms may handle assignments independently. |
| Internal Agreement | No strict binding agreements; focus on knowledge-sharing and mutual benefit. | Requires formal agreements among member firms for operational cohesion. | Member firms are bound by agreements designating the lead firm as the central authority. |
| Conflict Management | Independence maintained; no overlap in audit and non-audit services for the same client. | Similar conflict restrictions as the Alliance model. | The lead firm manages service conflicts across member firms. |

19

*Basic Comparison*

| CRITERIA | ALLIANCE MODEL | NETWORK MODEL | LEAD FIRM MODEL |
|---|---|---|---|
| Empanelment | Firms apply individually; combined strength not emphasized. | Firms apply individually, with ICAI advocating for recognition of combined strength. | Only the lead firm applies for empanelment, representing the entire network. |
| Decision-Making | Decentralized; each firm decides for itself. | Network-level policies may direct individual firm actions. | Centralized with lead firm having significant authority over major assignments. |
| Exit/Closure | Simple exit without significant disruptions to the alliance. | Requires adherence to agreements; ICAI notified of changes in membership. | Exit of lead firm significantly impacts network; may require reorganization of roles. |
| Shared Resources | Encouraged but not mandatory (e.g., knowledge sharing). | Strong emphasis on shared infrastructure, technology, and branding. | Centralized resource management through the lead firm, ensuring consistency and quality control. |

20

*Basic Comparison*

| CRITERIA | ALLIANCE MODEL | NETWORK MODEL | LEAD FIRM MODEL |
|---|---|---|---|
| Quality Control | Individual firms maintain their quality standards. | Standardized quality policies apply across all member firms. | Lead firm enforces quality control procedures across the network. |
| Accountability | Each firm accountable for its assignments; no collective liability. | Shared accountability for collaborative assignments. | Lead firm holds primary responsibility, especially for projects acquired under its name. |
| Geographical Reach | Independent firms collaborate to expand reach. | Network facilitates wider geographical coverage through combined efforts. | The lead firm coordinates geographically diverse firms for consolidated service delivery. |

21

## COMPARATIVE ANALYSIS

| BASIS | ALLIANCE | NETWORKING | LEAD FIRM NETWORKING |
|---|---|---|---|
| 1. Name (suffix) | "& Alliance" | "& Affiliates" or "Network" | "& Affiliates" or "Network" |
| 2. Applicability of Regulation 190 | Yes | Yes | Yes |
| 3. Registration | Compulsory | Compulsory | Compulsory |
| 4. Registration – Centralised/Decentralised | Centralised | Centralised | Centralised |
| 5. Use of Firm's name in Network stationery | Allowed | Allowed | Allowed |
| 6. Use of Network name in Firm's stationery | Allowed | Allowed | Allowed |

22

## COMPARATIVE ANALYSIS

| BASIS | ALLIANCE | NETWORKING | LEAD FIRM NETWORKING |
|---|---|---|---|
| 7. Unique Registration Number | ARN | NRN | NRN |
| 8. Membership of multiple networks | Not allowed | Not allowed | Not allowed |
| 9. Firm with majority common partners in different network | Not allowed | Not allowed | Not allowed |
| 10. Restrictions in practice as individual firms | NIL | Subject to internal agreement of Network | Subject to internal agreement of Network |
| 11. Empanelment by Individual Firms | Allowed | Allowed | Lead Firm will apply on behalf of entire Network |
| 12. ICAI Efforts for recognising Combined Strength | No effort as Alliance is basically for non audit services | Yes | Yes |

23

## COMPARATIVE ANALYSIS

| BASIS | ALLIANCE | NETWORKING | LEAD FIRM NETWORKING |
|---|---|---|---|
| 13. Internal/ Statutory Conflict | Not Allowed | Not Allowed | Not Allowed |
| 14. Rotation inside network | Not Allowed | Not Allowed | Not Allowed |
| 15. Referral of work | Allowed | Allowed | Allowed |
| 16. Sharing of Fees/ Profits | Allowed | Allowed | Allowed |
| 17. Network Bye Laws/ Agreement | Mandatory | Mandatory | Mandatory |
| 18. Submission of Bye Law/ Agreement to ICAI | Mandatory | Mandatory | Mandatory |
| 19. Quality Control documentation and compliance | Not Compulsory | Compulsory | Compulsory |

24

## COMPARATIVE ANALYSIS

| BASIS | ALLIANCE | NETWORKING | LEAD FIRM NETWORKING |
|---|---|---|---|
| 20. Code of Ethics | Fully applicable | Fully applicable | Fully applicable |
| 21. Advertisement Guidelines, Website Guidelines | Applicable | Applicable | Applicable |
| 22. SCQ-1 | Applicable | Applicable | Applicable |
| 23. Combined Financials Statements | Allowed | Allowed | Allowed |
| 24. Consent of clients | Not needed | Not needed | Not needed |
| 25. Accountability of firms in case of delinquency | All firms jointly | All firms jointly | All firms jointly |

25

## COMPARATIVE ANALYSIS

| BASIS | ALLIANCE | NETWORKING | LEAD FIRM NETWORKING |
|---|---|---|---|
| 26. Signing of reports and certificates | Partner of firm that gets appointed | Partner of firm that gets appointed | Partner of the Lead firm |
| 27. Bank account | Yes | Yes | Yes |
| 28. PAN/GST No. | Yes | Yes | Yes |
| 29. Reconstitution | Free | Subject to Internal Agreement/ Bye Laws | Subject to Internal Agreement/ Bye Laws |
| 30. Form Filing | Name Approval, Registration, Reconstitution | Name Approval, Registration, Reconstitution | Name Approval, Registration, Reconstitution |
| 31. Exit/Closure | Easy | Easy | Easy |

26

## *Points to be kept in mind*

1. Registration will only be given when every Agreement, Bye Laws, MOUs have been filed with ICAI.
2. Deeds/MOUs, Forms can be signed by managing/designated partner of each of the member firms.
3. Legal status of Alliance/Network can be that of AOP.
4. If needed the Alliance/Network can take up non attest assignments in its own name.

27

## *Points to be kept in mind (Cont'd...)*

5. For specific assignments Joint ventures can be formed.
6. Alliance/Network can have a website of its own.
7. Only firms(prop & partnership)/LLPs are permitted to enter in Alliance/ Network
8. Detailed data of firms will be made available in the SSP for the members to view and take informed decision.
9. Logo - not allowed.

28

## SPECIAL ISSUES RELATING TO LEAD FIRM CONCEPT


29

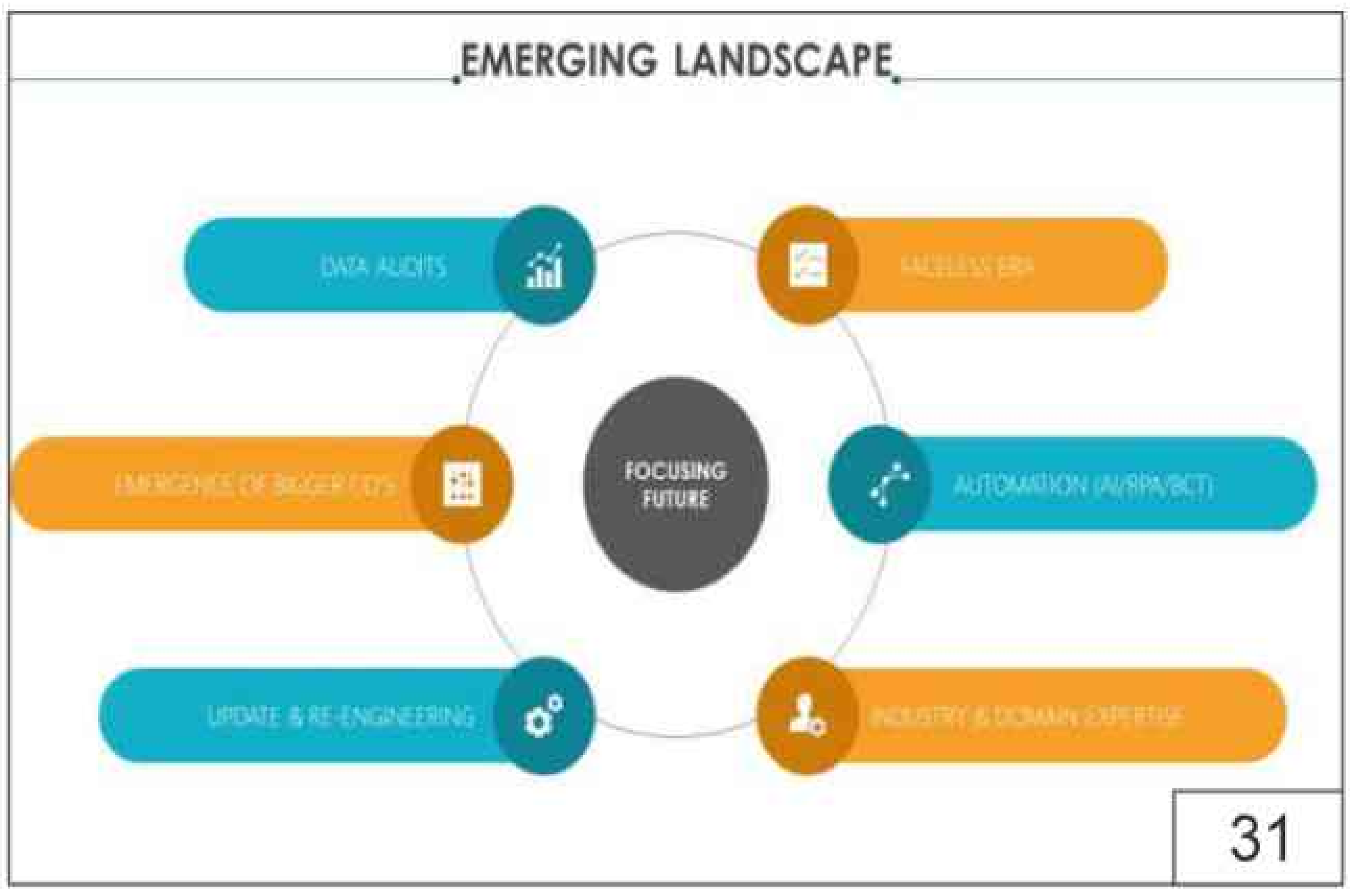
Guidelines

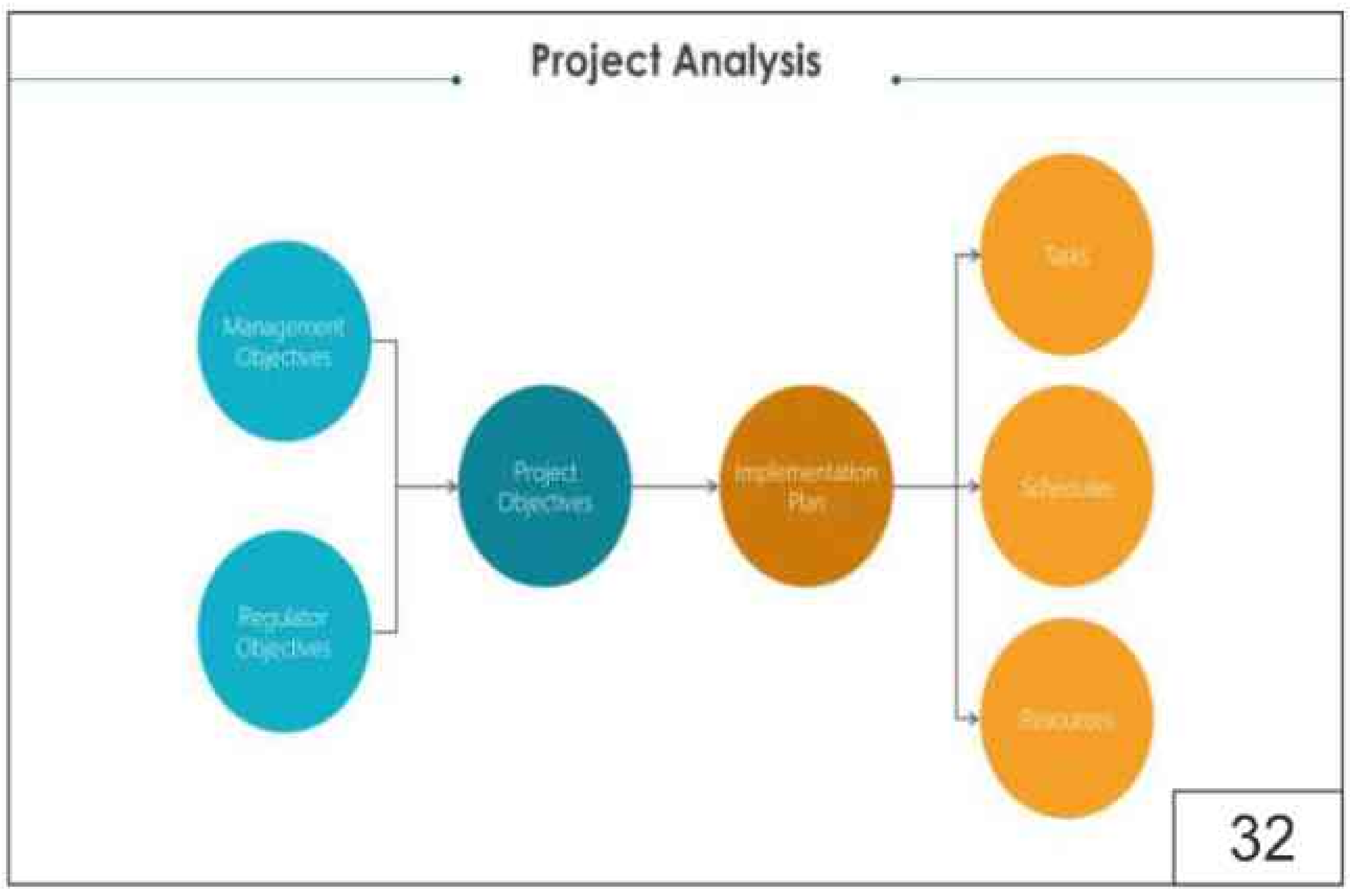
- Annexure I – Alliance Guidelines
- Annexure II – Networking Guidelines
- Annexure III – Lead Firm Networking

Forms for approval

- ❑Form A/AA - Name Approval
- ❑Form B/BB - Registeration application
- ❑Form C/CC - Change in the Constitution

30


EMERGING LANDSCAPE
DATA AUDITS
FACELESS ERA
EMERGENCE OF BIGGER CO'S
FOCUSING FUTURE
AUTOMATION (AI/RPA/BCT)
UPDATE & RE-ENGINEERING
INDUSTRY & DOMAIN EXPERTISE
31


Project Analysis
Management Objectives
Regulator Objectives
Project Objectives
Implementation Plan
Tasks
Schedules
Resources
32


1st ADVANCED FLAGSHIP PROGRAM
CA INDIA
Empowering Trusted Advisors
Unlocking the Potential of Family Enterprises (Residential)
Equipping Chartered Accountants with the expertise to guide family businesses towards success and sustainability
07th to 11th January, 2025
Centre of Excellence, Hyderabad
Register Here


THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
CA INDIA
CALLING ALL CAs, STUDENTS, FAMILIES & FRIENDS
Grow a Plant Today | Make a difference | Tell us about it
Find a place, even a pot
Click a Photo
Sow a seed or plant a tree
Upload it on the following link : https://icaigreenmahotsav.org/
Find a place, even a pot | Grow a plant, it means a lot !
ICAI#75
GREEN महोत्सव
A Dedication to your Mother and our Mother Earth
As we mark our 75th anniversary, the Institute of Chartered Accountants of India is excited to launch a monumental initiative that demonstrates our commitment to the nation in the crucial area of environmental sustainability.
Join us as we gear up to green the earth by planting 100,000 plants and trees contributing to the India Van Mahotsav initiative.
The ICAI – PlantOMeter which measures what we do, seeks to inspireour students, members, their families, and friends to actively participate in this green journey.
Scan to Register
Contact us at: sustainability@icai.in
An Initiative of the Sustainability Reporting Standards Board (SRSB) and Public Relations Committee (PRC) of ICAI.

# THE CHARTERED ACCOUNTANTS' BENEVOLENT FUND

**Objective**

The objective for which the fund is established is to provide financial assistance for maintenance, education or any other similar purpose to necessitous persons being:-

(a) persons who are or have been members of the Institute, whether subscribers to the fund or not; or

(b) wives and children of persons who are or have been members of the Institute, whether subscribers to the fund or not.

(c) widows and children of deceased persons who have been members of the Institute whether subscribers to the fund or not.

(d) relatives or others who were dependent for support on a person who has been a member of the Institute, whether subscriber to the fund or not; and who has died without leaving a widow or child.

**Procedure for becoming a member of the CABF :**

**There are two categories of members :-**

**(a) Life Member:** A single payment of Rs. 10000/- shall make a person eligible to be admitted as a life member of the fund w.e.f. 1st January, 2020. Thereafter he shall not be liable to pay any amount on account of subscription and shall be styled as a 'Life Member'.

**(b) Ordinary members:** All other members shall be described as 'Ordinary Members' and shall have to pay an annual subscription of Rs. 1000/-. Apart from this any member can subscribe for 'Voluntary Contribution'.

Procedure for making payment

Membership subscription to the Chartered Accountants Benevolent Fund can be paid along with annual membership fee online.

**Application format**

**The application for enrolment as a member of the fund shall be made in form 'A' .**

**Extent of assistance available :**

**Monthly Assistance**

Maximum monthly assistance available to a member or persons eligible to receive the assistance is from Rs.15000/- per month according to the circumstances of the use renewable after one year. This is for maintenance of family of members/ widow/relatives of deceased members.

Financial assistance will be given only to the members/widows/relatives whose monthly family income is not more than Rs. 25000/- pm.

Ex-gratia financial assistance of Rs.150000/- is provided to the legal heir of deceased member in case of accidental death/ unnatural death at the age below 55 years against claim.

**Procedure for availing assistance**

Application for financial assistance should be made in prescribed format along with all relevant supporting documents mentioned therein. The application must be recommended by any Central Council Member or Chairman/Vice Chairman/ Secretary of any Regional Council or Branch/

Ex-President/Chairman/Vice-Chairman and

Member Secretary/Member of Managing Committee of CABF /Member of Managing Committee of Regional Council.

- CABF-Summary
- Chartered Accountants Benevolent Fund-Overview
- Application form for Life Membership of the Fund
- Application Form-Life Member of CABF
- Application Form-Ordinary Member of CABF
- Application Form - Voluntary Contribution of CABF
- Application Form for Ex- Gratia Financial Assistance from CABF
- Application Form for Financial Assistance from CABF for Medical Treatment
- Application Form for grant of Monthly Financial Assistance From CABF.

## MINISTRY OF HOME AFFAIRS
## NOTIFICATION

New Delhi,the 31st December, 2024

**G.S.R. 790 (E).**—In exercise of the powers conferred by section 48 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010), the Central Government hereby makes the following rules further to amend the Foreign Contribution (Regulation) Rules, 2011, namely:-

1. **Short title and commencement.**—(1) These rules may be called the Foreign Contribution (Regulation) Amendment Rules, 2024.

(2) They shall come into force on the 1st day of January, 2025.

2. In the Foreign Contribution (Regulation) Rules, 2011 (hereinafter referred to as said rules), in rule 5, after second proviso, the following proviso shall be inserted, namely: —

"Provided also that the association shall have the option to carry forward the unspent part of allowable administrative expenses in a financial year to the immediately succeeding financial year,for reasons to be mentioned in Form FC-4.".

3. In the said rules, in Form FC- 4,

(a) in serial number 2, in clause (i), in sub clause (b), after item (ii), the following item shall be inserted, namely:-

"(iii) Transfer of Foreign Contribution part of income tax refund from non - FCRA bank account";

(b) in serial number 4, after clause (iii), the following shall be inserted; namely:

"(iv) Carry forward of unspent part of allowableadministrative expenses in a financial year

| Sl. No. | Particulars | Amount(in Rs.) |
|---|---|---|
| A. | Brought forward unspent part of allowable administrative expenses | |
| B. | Total foreign contribution received during the year | |
| C. | Allowable administrative expenses of current financial year [20 per cent.of B] | |
| D. | Total administrative expenses incurred during the currentyear | |
| E. | Administrative expenses of current year utilised out of A above. | |
| F. | Administrative expenses of current year utilised out of C above. | |
| G. | Unspent part of C above available to be carried forward. | |
| H. | Out of G above, amount to be carried forward to next financial year. | |
| I. | Reason for carry forward of unspent part of allowable administra expenses to next financial year. | |

(c) after serial number 8, the following shall be inserted, namely:-

" 9. Details of Chartered Accountant issuing the certificate under sub-rule (5) of rule 17:

(i) name of the Chartered Accountant;

(ii) address;

(iii) Member Registration number;

(iv) e-mail Address;

(v) date of issue of certificate;

(vi) Whether any violation of the Act has been pointed out in certificate, and if so, details thereof ";

(d) under the heading, Certificate to be given by Chartered Accountant, after clause (vii), the following paragraph shall be inserted, namely:-

"I have examined all relevant books and records, including the items mentioned in column 8 of FC-4, and to the best of my knowledge and belief (name of the person/ association)..................... has *(strike out whichever of the following is not applicable)*

(i) not violated any provisions of the Foreign Contribution (Regulation) Act, 2010 or rules made thereunder or notifications issued thereunder;

or

(ii) violated the provisions of Foreign Contribution (Regulation) Act, 2010 or rules made thereunder or notifications issued thereunder. The details of the violation(s) are as under: .................................".

[F. No. II/21022/23(12)/2020-FCRA-III]

SAURABH BANSAL, Jt. Director

**Note :** The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* notification number G.S.R. 349(E), dated 29th April, 2011 and subsequently amended, *vide* G.S.R. 292(E), dated 12th April, 2012, G.S.R. 966(E), dated 14th December, 2015, G.S.R. 199(E), dated 7th March, 2019, G.S.R. 659 (E), dated 16th September, 2019, G.S.R. 695(E), dated 10th November, 2020, a Corrigendum *vide* G.S.R. 17(E), dated 11th January, 2021, G.S.R. 506(E), dated 1st July, 2022 and G.S.R. 683(E), dated 22nd September, 2023.

## OBITUARY

**CA. S. Krishnan**
(Past Chairman)
(M. No. 21663)
passed away on 18-12-2024

**CA. P. T. Arumukhan**
(M. No. 220572)
passed away on 08-12-2024

**CA. S. D. Balasubramanyan**
(M. No. 211600)
passed away on 14-12-2024

*May their Souls Rest in Peace...*

# MEMBERS ADDRESSING IN VARIOUS CPE SEMINARS