

# CAPTURE



ERNAKULAM BRANCH OF SOUTHERN INDIA  
CHARTERED ACCOUNTANTS STUDENT'S  
ASSOCIATION(SICASA)  
OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS  
OF INDIA

E- Newsletter – April 2018



# Chairman's message



Dear Young Friends,

It is indeed my privilege to present before you 'Capture' for the month of April. This edition is based on World Health Day on April 7<sup>th</sup>. The day is seen as opportunity to draw worldwide attention to the importance of health. And as the saying goes, a healthy mind resides in a healthy body. So in order to work well or study, learn quickly and improve one's memory we need to nourish and take care of our body.

I am extremely delighted to present in this edition the interview of CA. Shalini Warriar, Chief Operating Officer (COO) of Federal bank Ltd, who was gracious enough to address our students and motivate them for our bank audit seminar.

This edition of 'Capture' showcases the winner of the photography competition for the month of April, the topic given as 'Reflections'. I extend my congratulations to M S Ganesh for his beautiful entry that captured the essence of the topic.

Through this edition of Capture we would also like to draw attention to another important aspect, 'Blood Donation'. SICASA jointly with ICAI Ernakulam has launched a blood donation website <http://icaikerlablooddonors.org> to act as a platform where donees can communicate their requirement with potential donors.

I would like to wish All the very best to all the students who are writing their examinations in May.

**Regards**

**CA. Paulose Paul**  
**Chairman, SICASA**

# Secretary's Report



Dear Friends,

We, The Team SICASA is delighted to present the Third Edition of our E-Newsletter "CAPTURE". The focus point of this edition is "Health and Life". Through the busy and hectic life of a professional sometimes we might forget to look after what is so important. Health is such a factor, in the long run health issues is the one thing which prohibits us to conquer the milestones. So taking good care of health is like taking good care of ourselves and equipping ourselves to achieve the milestones in the long run which is called Life. The saddest truth is that many of us doesn't know or doesn't bother about this thing.

So in this Edition of our Newsletter the editorial team of SICASA has tried to address some of the possible health issues faced by professionals and remedies to overcome that.

This edition also focuses its attention on "ICAI Kerala Blood Donors Website" an excellent initiative which has been formerly started by the past secretary Mr. Farzeen Fazal. The aim of the website is to serve as a platform for potential Blood Donors and Those in need of Blood. The edition talks about the details of the ongoing project and I hope this will enhance the students of Ernakulam region to think much seriously on "Blood Donation".

The month April is usually the time of study leaves for many of the students and we could experience students shortages everywhere but SICASA Ernakulam was never in short of events. We have conducted study circle meeting on 11<sup>th</sup> of the month saw a new speaker emerging from our own region and I take this opportunity to request all the potential speakers out there to come forward and showcase their talents through the study circles organized by SICASA. I would also like to congratulate Malavika Radhakrishnan, the speaker for the study circle for grabbing the opportunity with both hands.

A joint Seminar with NUALS was conducted on the topic of GST on 20<sup>th</sup> and the same was a different experience for the students at NUALS. Prof. Dr. Rose Varghese Vice Chancellor NUALS was a very polite host and done all the necessary work to bring the event to a success. The Seminar conducted on 21<sup>st</sup> saw two eminent personalities interacting with the students on the Topic " How to face CA Examinations". The sessions lead by CA Jayaprakash Sir and Mr. V K Krishnakumar sir was so much informative to students.

Conitnued...

The half day Seminar on the topic " CA profession in 2020" conducted on the 27<sup>th</sup> was an eye opener for many of the students as the Speaker CA. Divakar Vijasarathy broke all conventional aspects of CA profession and opened several new doors of opportunities to the students to look after.

The coming month is one of the toughest one for a CA student as the exams are happening. I wish good luck to each and every one who appearing for exams in this attempt. I hope all your hardwork pays rich dividends this time.

**Sarath MR**  
**Secretary**

## Editor's message



We are very glad to present "Capture"-April edition. In this edition we are very happy to incorporate the interview that we had with CA. Shalini Warriar, Chief Operational Officer Federal Bank. The cover page of this edition Capture is the Prize winning photograph of Capture Photography Competition. As we celebrate world health day on April 7, we have also incorporated an article on health issue faced by CA students due to prolonged sitting and some health tips in that regard. We would also share details of our Blood donation website in this edition. I extend my sincere gratitude to my co editors Tess George and Harikrishnan for their support and Co-operation.

Editor

Namitha Joseph

# Interview with CA. Shalini Warriar



CA. Shalini Warriar, having more than 25 years of banking experience is currently the chief operating officer (COO) of federal bank Ltd. She is a member of our institute and was a first rank holder in CA final exam. She is also a certified associate of Indian Institute of bankers. She has extensive experience working with standard chartered bank in multiple disciplines across various geographies that include India, Brunei, Indonesia, Singapore and United Arab Emirates. Shalini Warriar was the CEO and head of consumer banking of SCB in Brunei. She has first hand global experience in branch banking, process management, service quality and client experience, project management, operations, technology, and compliance with special emphasis on client due diligence and anti money laundering.

**Mam you are a qualified member of the CA family, and you went into the banking field and excelled at it, can you share your inspiration to choose the banking field over any other employment or practice ?**

When I qualified as a Chartered Accountant, there was a lot of excitement happening in the banking industry, particularly because the banking industry was seeing the entry of many new private sector Banks and the foreign Banks were expanding their presence in the country. The banking industry was pretty dynamic and booming, that was one of the main reasons for my choice. The other thing was that, I had done my one year of industrial training in a manufacturing entity and having seen one year of manufacturing I just thought that finance in a manufacturing industry is a little bit of an allied activity and not at the core of it. Manufacturing will always have manufacturing at the core of it, whereas in banking, finance is at the core of it. Whichever part of banking we take there is something of finance in it. So the combination of fact that the industry was opening up plus the fact that in any other industry, finance tends to be more of an allied activity and not at the core of it, made it easy for me to choose banking as my preferred sector.

**“Bank jobs generally come with a lot of responsibility and stress, how do you manage work life and personal life gracefully, has it ever been a challenge ”**

I have never considered it as stress, as we speak the banking sector is going through its own set of turmoil, but if you let that overcome and overpower you, then you can get frustrated and feel rejected. For me there is no such thing as stress. Yes there are stressful situations, but that just need to be handled by everyone. So I think stress is not a factor here and regarding work-life balance, I don't think there is a concept of work-life balance, it is really about prioritization. When I am at work, my priority is my work and I pay my full attention on it and when I am outside my work doing something with friends or family, that becomes the priority. So I make sure that I have compartments well identified and I prioritize that and then I give my entire focus and attention on it.

## **Both banker and bank Auditor are under a lot of pressure from the regulators, as we are gearing up for the bank audit what would be your advice to us students**

I think as bankers are under scrutiny so are auditors, it calls for a much higher level of responsibility and accountability from us as professionals. As a banker for more than 20-25 years I thought that it would be best to explain in the perspective of what as a banker I would like to see when somebody comes for audit. I would like to give an acronym for 'AUDIT' in which A stands for 'Attitude', U stands for 'Understanding', D stands for 'Discipline', I stands for 'Integrity', and T for 'Technical Know-How'. 'Attitude', means you should approach the bank audit with the right attitude, the right attitude of making sure that collectively we work together between the banking community and the audit community to make the banking industry a lot more robust, a lot more stable, a lot more so that we can collectively stand the scrutiny of regulators and of the public. The attitude that I expect from auditors is collaboration and complete care and attention to the concept of Independence. Next is 'U' for 'Understanding', you should approach the audit with an understanding of banking in its entirety, not just accounting and auditing. Next 'D' is for 'Discipline', by Discipline it would mean that you must have a checklist of what all you need to cover, you have limited time and you have immense pressure from various institutions, your own organization, banks etc. Unless you have a checklist you will be struggling regarding your time lines. Next is 'I' for 'Integrity', it stands for honesty, truthfulness and accuracy of one's actions. It is the foundation on which the entire profession exists. Lastly 'T' is for 'Technical know-how', it comes out in conjunction with understanding as mentioned before. Unless you have equipped yourself with the technical know-how and keep on enhancing the technical know-how you will struggle to do an effective audit.

## **As a rank holder in CA exams and a very successful leader what would be your advice to us CA students ?**

I think you students have to recognize that you are going through the CA course at a time when you are lucky to have wealth of information and it is really huge compared to when I was doing my CA, we didn't have smart phones, google, Wikipedia or any of the like. My first advice would be, this profession demands a lot of focus and discipline; it has demanded it in the past and continues to do the same even now. Keep very focused and I don't think focused means that you become very workaholic or concentrate only on studies because I think there is an outside perspective that needs to be taken care of and programmes like these help a lot but focus and discipline is absolutely imperative without that you could be swayed by extraneous and external forces. My Second advice is, use this as an opportunity to do a lot of networking and making contacts in the industry as a whole, because that will help you when you are stuck with something and you will have an opportunity to reach out to your peers within the fraternity. Unlike students who do MBA, lot of CA students tend to be introverts because the course is such that you can literally sit at home and do it all by yourself and that takes a lot of opportunities away from us. So when you enter the corporate life, we have to devote a little bit of time to networking. Programs like these are very useful and would really help. So keep focused, discipline and do some amount of networking

# OVERVIEW ON RELATED PARTY DISCLOSURE

A very large portion of transactions in the business world are between related parties. Since related party transactions are highly vulnerable to fraud and misstatements. The auditor has the responsibility to identify, assess and respond to the risk of material misstatement arising from the entity's failure to appropriately account for or disclosure of related party transactions or balances in accordance with the requirements of the framework

## IDENTIFICATION OF RELATED PARTY TRANSACTIONS

SECTION 188 OF THE 2013 ACT DEALS WITH THE RELATED PARTY TRANSACTIONS WITH RESPECT TO:

- **SALE, PURCHASE OR SUPPLY OF ANY GOODS** OR MATERIALS
- **SELLING** OR OTHERWISE **DISPOSING** OF, OR **BUYING, PROPERTY** OF ANY KIND
- **LEASING** OF PROPERTY OF ANY KIND
- AVAILING OR **RENDERING OF ANY SERVICES**
- **APPOINTMENT OF ANY AGENT** FOR PURCHASE OR SALE OF GOODS, MATERIALS, SERVICES OR PROPERTY
- **RELATED PARTY'S APPOINTMENT** TO ANY OFFICE OR PLACE OF PROFIT IN THE COMPANY, ITS SUBSIDIARY COMPANY OR ASSOCIATE COMPANY, AND
- UNDERWRITING THE SUBSCRIPTION OF ANY SECURITIES OR DERIVATIVES THEREOF, OF THE COMPANY

## APPROVAL PROCEDURE

SECTION 188(1) OF THE 2013 ACT PROVIDES BELOW FOR APPROVAL OF RELATED PARTY TRANSACTION:

*A BOARD RESOLUTION NEEDS TO BE PASSED IF THE SAID TRANSACTION:*

- IS NOT IN ORDINARY COURSE OF BUSINESS
- AND/ OR TRANSACTIONS WHICH ARE NOT ON AN ARM'S LENGTH BASIS

## Major Related Party transactions recognized under Income Tax Act 1961

Relevant section	Details	Definition applicable
Sec 40(A)(2)(a)	Disallowance of payments made towards expenses to specified persons, if found excessive and unreasonable	Sec 2(41) and Sec 40(A)(2)(a)
Sec 56(2)	Charging of amount received as gift as Income from other sources. Gifts from relatives are excluded.	Sec 56(2)(v)

### **Requirements of Accounting Standard 18**

AS 18 presents an entirely different set of tests for identifying related parties of an entity. Related parties of the reporting entity are listed below:

- includes holding entities, subsidiaries and fellow subsidiaries
- associates and joint ventures of the reporting enterprise and fellow investors
- individuals having significant voting power of the reporting enterprise and relatives of any such individual;
- key management personnel and relatives of such personnel; and
- Enterprises over which any person described in (iii) or (iv) is able to exercise significant influence.

### **Requirements of Standards on Auditing 550**

There is higher detection risk of material misstatement for related party relationships and transactions due to greater opportunity for collusion, concealment and manipulation by management since management may be unaware of all related party relationships and transactions.



## **AUDITOR'S CHECKLIST:**

- SPECIFIC CONSIDERATION FOR THE SUSCEPTIBILITY OF THE FINANCIAL STATEMENTS TO MATERIAL MISSTATEMENT DUE TO FRAUD OR ERROR THAT COULD RESULT FROM THE ENTITY'S RELATED PARTY RELATIONSHIPS AND TRANSACTIONS.
- TO INQUIRE OF MANAGEMENT AS TO HOW THEY IDENTIFY, NATURE OF RELATIONSHIPS AND TYPE/PURPOSE OF TRANSACTIONS
- OBTAIN UNDERSTANDING OF CONTROLS FROM MANAGEMENT AND OTHERS WITHIN THE ENTITY TO IDENTIFY, ACCOUNT FOR, DISCLOSE, AUTHORIZE AND APPROVE SIGNIFICANT TRANSACTIONS AND ARRANGEMENTS IN NORMAL AND OUTSIDE NORMAL COURSE OF BUSINESS.

## **DOCUMENTATION**

- AUDIT DOCUMENTATION MUST INCLUDE NAMES OF IDENTIFIED RELATED PARTIES AND NATURE OF RELATED PARTY RELATIONSHIPS.
- WRITTEN REPRESENTATIONS BY MANAGEMENT MUST INCLUDE:
  - INCLUDE THAT MANAGEMENT HAS DISCLOSED ALL RELATED PARTY RELATIONSHIPS AND TRANSACTIONS OF WHICH IT IS AWARE.
  - APPROPRIATE ACCOUNTING AND DISCLOSURE OF RELATIONSHIPS AND TRANSACTIONS.

RELATED PARTIES MAY OPERATE THROUGH AN EXTENSIVE AND COMPLEX RANGE OF RELATIONSHIPS AND STRUCTURES. AS AN AUDITOR, WE NEED TO OBTAIN AN UNDERSTANDING OF SUCH TRANSACTIONS AND SUFFICIENT AND APPROPRIATE AUDIT EVIDENCE NEED TO BE OBTAINED IN ORDER TO CONCLUDE WHETHER THE FINANCIAL STATEMENTS ACHIEVE A TRUE AND FAIR PRESENTATION AND ALL APPLICABLE LEGAL AND REGULATORY REQUIREMENTS ARE COMPLIED WITH.

## **DONE BY**

**GREGORY SAM WILSON**

**SRO 0491314**

# Be Aware

ARE YOU  
**SITTING**  
Too Much?



World celebrates April 8<sup>th</sup> as health day .According to Mahatma Gandhi :“It is Health that is real worth and not pieces of Gold and Silver”.There are several health issues that could arise due to the prolonged sitting as well as use of computers for long hours.Here are some health tips which are beneficial for us as ca students :

- 1. **Leg Pain:** You must not cross your feet or legs as you sit. This can hinder blood circulation, squeeze the veins and cause discomfort in the form of numbness and restless leg syndrome. Keeping your legs straight is one of the best tips to stay healthy if you sit in front of a computer all day. This is one of the ways to protect your health when sitting at work.
- 2. **Back Pain:** In order to avoid back pain, you need to make sure that the depth of the chair matches the length of your hip. The chair must have a comfortable back with a natural curve. Sitting with a hunchback is strictly not recommended.
- 3. **Hands That Get Tired:** When you work at the computer, your hands are in constant tension. The load and wrong position can give you a feeling of numbness to your hands in the morning. If the keyboards and the mouse are kept at the elbow level, the position of the shoulders and forearms will be correct and this would not cause any pain.
- 4. **Neck Pain:** In order to avoid neck and head pain, you need to properly position your monitor. If it's too low, then you'll have to bend your neck or slide down your chair. This can increase the load on the front edges of the inter-vertebral discs which can lead to hernia or protrusion. This is one of the top health tips for computer workers.
- 5. **Sore And Tired Eyes:** Working on the computer for long hours can lead to computer vision syndrome like blurred vision, dryness, redness, headache and tension. You need to make sure to position the monitor again, remove the glare from the screen, if required wear special glasses and also do eye exercises. This is one of the healthy desk job habits.
- 6. **Fatigue:** Sedentary lifestyle and fatty foods can lead to the gathering of cholesterol on the inner walls of the muscles. The veins tend to get stretched out and the valves stop coping with the function. This can lead to a feeling of fatigue in the feet and legs, swelling of the legs and high blood pressure. To beat fatigue, it is recommended to get up and move around once in a while.



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*blood*

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## Blood Donation

Ernakulam Branch of SICASA, has always been known to bring about innovations, taking away the serious lifestyle of us CA Students. This time we came up with something we can do for the society, something helpful, something pure, we've started an initiative to link blood donors to those in need of blood, and we've done it well enough that people are already getting the benefits of this programme, even though it's still at its infancy stage.

The Ernakulam Branch of SICASA, has started a website, where both members and students, interested in taking part in being blessed by giving another his life back, can register at our website <http://icaikeralablooddonors.org> with their Mobile number, whereby the initiative acts as a middle man, between the donor and donee (who could be someone from within the CA fraternity or otherwise), that too, at no extra charge.

Blood donation saves lives, true, but what benefit do you get out of it ? Blood donation at regular intervals is seen as a way to improve the production of newer blood cells, providing a boost in overall health. And blood cells die off soon anyway if it's not preserved. So instead of letting your valuable blood cells die off for nothing, why not donate that blood, and have yourself filled with new 'younger' blood faster ? Think about it, it's a win - win situation.

So, we at SICASA take the liberty to strongly urge you to join this programme and promote it as best as you can, because hey, the life you save could be mine.

- Harikrishnan R

# MEMORIES TO LOOK BACK ON...



- ONE DAY SEMINAR ON GOODS AND SERVICES TAX held on 20.04.2018, at NUALS CAMPUS



## Half day seminar on how to face CA examination and motivational talk





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