

ERNAKULAM BRANCH OF SICASA  
THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA  
E-NEWSLETTER



IGNITE

*- "ASPIRED MINDS, INSPIRE"*

***FEBRUARY 2017 EDITION***



# CHAIRMAN'S MESSAGE



Dear Young Friends,

It is a proud moment for me to pen as the Chairman of SICASA Ernakulam Branch for the year 2017-18. One of the outstanding student branches in India, SICASA Ernakulam Branch adorns the central stage among all student branches in India because of its varied and acclaimed student activities. It is a great opportunity for me to associate with the student members and lead the student wing of the Branch and work for the empowerment of the students. I extend my sincere thanks to the Chairman, managing committee members of the branch for nominating me, CCM CA Babu Abraham Kallivayalil and RCM CA Jomon K George for offering all their support in the discharge of my duties.

The new managing committee team for the year has been elected and the action plan has been finalised. The team is very vibrant and active and are committed to take the student wing to another level of professional activity not seen herein before. It will be the endeavour of the committee to work and involve with the student fraternity and channel the various activities and programme in such a way that it increases the fellowship among them and help them to empower themselves and mature as a successful professional. I seek your whole hearted support and involvement in all the activities and programme of SICASA for the year.

Being a CA Student is probably the most challenging of all professional educations. A CA student is in a twin role of serving the principal and taking care of his studies as a CA Student. Finding the right balance between these two and accomplishing the goal is really strenuous and the one who plans well and is focussed achieve success.

Friends, every successful race had a good start. Behind every successful sprinter, there was good planning, hours of practice, hard work and focussed effort. The life of a CA student is also like a sprinter. He needs to plan well, work hard and stay focussed in his studies. Success will always be with you.

With warm regards,

CA Roy Varghese  
Chairman, SICASA Ernakulam Branch.

## SECRETARY'S MESSAGE



Dear friends,

It is with great pride that I address you in this position for the first time. At the onset, I would like to congratulate the previous SICASA Committee along with outgoing SICASA Chairman CA Renjith R Warriar for their efforts in helping Ernakulam Branch of ICAI to attain the Best Branch in SICASA (Large Branch Category) award. We have decided to give our newsletter a makeover, renaming it 'Ignite'. I look forward to your support and participation in the activities that we have planned throughout the year. So, ignite yourself with the passion to achieve your goals and stay determined to turn your dreams into a reality.

Regards,

FARZEEN FAZAL



## EDITOR'S NOTE

Hello Everyone!

With immense pleasure and happiness, we present you the first edition of 'Ignite', newsletter by the SICASA committee for the year 2017-18. It is indeed an honor to be called as 'The Editor' of SICASA committee and I hope the new changes we have brought about adds glitter. This newsletter is an outcome of collaborated efforts of SICASA family and the changes brought about only define the beginning of a new team. We chose the name, 'Ignite' for this year's e-newsletter as being Chartered Accountancy students, the fire in us, to achieve our aim should never die, no matter what the circumstance. We expect a good contribution of articles and ideas as this is a platform to discover and rebuild the hidden wordsmiths amongst us. Happy reading!

Regards,

SREELAKSHMY MENON

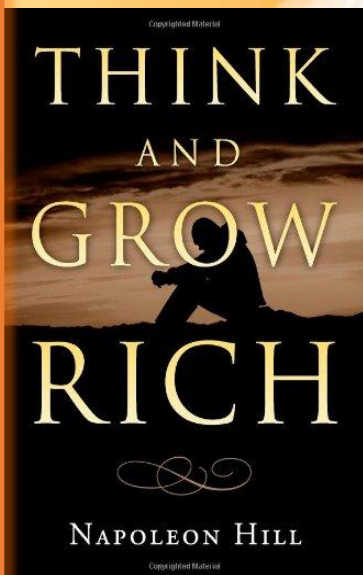


## AT A GLANCE

1. An article on Fraud Reporting under Companies Act,2013.....5
2. The Matador-Poem.....8
3. The 'Real' Chartered Accountants.....9
4. SICASA-New Committee 2017-18.....11

## THE BOOK WORM!

*Are you a voracious reader? Well, now that you have chosen Chartered Accountancy, have you read these books? This column is basically a 'read-good-books-goal' creator and don't miss out on the books we mention!*



Name: Think and Grow Rich

Author: Napoleon Hill

This book is one among the greatest inspirational classics and was published in the year 1937. It was written by Napoleon Hill after he spent over 20 years researching the accomplishments and attributes of 500 of the most successful people in business. The book sets out the 13 key principles for success as identified through this research. Don't judge this one by its age as it is still a best-seller and surely would do the magic you are searching for.

# **FRAUD REPORTING UNDER THE COMPANIES ACT, 2013**

*This article has been prepared by Sneha V, SRO0448499. She is currently doing her articleship at RGN Price and Co, Cochin. She is a familiar face as student speaker at conferences and seminars.*



I would like to start off this article by acknowledging the contribution of a special person without whom Companies Act, 2013 may not have come to light. This person came from modest beginnings, worked his way up and was one of the founders of a multi-billion dollar India-based Information Technology company. He had demonstrated the need for a revamp of Companies Act, 1956 like no one else.

If you haven't already guessed by now, I was referring to the former Chairman of Satyam Computers Services Ltd., Byrraju Ramalinga Raju.

The Satyam scandal, as it is popularly called, is very well documented. Ramalinga Raju, along with his close associates, falsified revenues, margins and cash balances to the tune of Rs. 71.36 billion. Further, the falsified financial statements were also certified by their Statutory Auditors which, according to CBI, showed their "underlying conspiracy" with the other key accused in the accounting fraud. This scandal led to corporate governance concerns among the investors and the public at large.



**7 YEARS IMPRISONMENT,  
RS. 5 CRORES FINE**

Prior to the new Companies Act, 2013 fraud was largely seen as a broad legal concept. The term is not new; the old Act already provides punishment for fraud in various sections but the new Act has come with more specific and clear provisions relating to fraud and fraud reporting. The scope and coverage is very wide and unlike Companies Act, 1956 the Companies Act, 2013 provides similar punishment for all type of frauds. The Fraud provision is in force w.e.f. 12th September, 2013 and Fraud Reporting provisions are brought in force w.e.f. 01st April, 2014 under the Companies Act, 2013.



## **OVERVIEW OF SECTION 143(12) OF THE COMPANIES ACT, 2013**

Section 143(12) requires that, If an Auditor of a Company in the course of the performance of his duties as an auditor has reason to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company shall immediately report the matter to the Central Government within such time and in manner as prescribed considering threshold limit.

### **PERSONS COVERED FOR REPORTING U/S 143(12)**

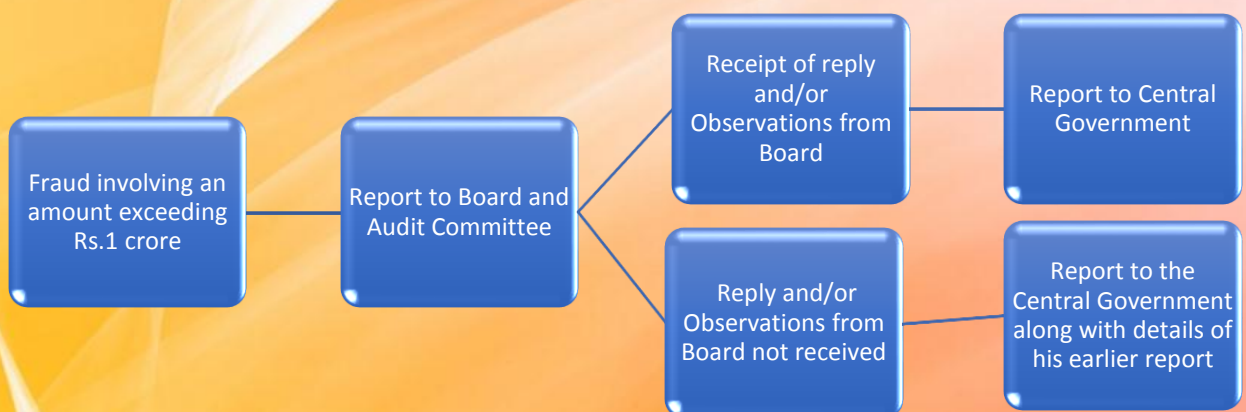
- Statutory Auditors of the company
- Cost Accountants in practice , conducting cost audit under Section 148 of the Act
- Company Secretary in practice, conducting secretarial audit under section 204 of the Act
- Branch Audit appointed under section 139 to the extent it relates to the concerned branch

### **PERSONS NOT COVERED FOR REPORTING U/S 143(12)**

- ✚ Internal Auditors
- ✚ Other professionals appointed under other statutes for rendering other services such as tax auditor appointed for audit under Income-tax Act; Sales Tax or VAT auditors appointed for audit under the respective Sales Tax or VAT legislations

### **PROCEDURE FOR FRAUD REPORTING**

- Reporting of frauds by auditor involving amount exceeding Rs. 1 crore



Other points to be kept in mind :

1. The report shall be sent to the Secretary, Ministry of Corporate Affairs in a sealed cover by registered post with Acknowledgement due or by Speed Post followed by an e-mail in confirmation of the same.
2. The report shall be on the letter head of the auditor containing
  - Postal Address
  - E-mail address
  - Contact Number
  - Signed by the auditor with his seal and shall
  - Indicate his Membership Number
3. Report shall be in the form of a statement as specified in Form ADT-4

### **Reporting of frauds by auditor involving amount less than Rs. 1 crore**

- Sub-rule (3) of revised Rule 13 of the Companies (Audit and Auditors) Rules, 2014:



- Name of parties should be disclosed only when the Board or Audit Committee has not taken any remedial action against fraud.

### **CONCLUSION**

Auditors have always had an important role to play in enhancing the credibility of the financial information. With the introduction of section 143(12) of the Companies Act, 2013, the Central Government is apparently seeking the support of the auditors in bringing in greater transparency and discipline in the corporate world to protect the interests of the shareholders as also the public, at large. The new company law envisages the metamorphosis of the statutory auditors from being a watchdog to a whistle blower.

It is an old adage that there are three things in the world that deserve no mercy: hypocrisy, fraud and tyranny.

*This poem is written by Neha Ann Lal, SRO0535757. She is currently doing her articleship in Elias George and Company, Cochin.*



## THE MATADOR

Everything is so dark and grey  
Nothing seems to be the right way  
All that she owned is no longer there  
The present so hard to bear...  
She raises herself from the pits of anguish  
Trying to find her way through the dreadful mess  
Searching for familiar faces with her forlorn soul  
Nothing remains of the blissful days

At the thought of her beloveds  
A tranquil fills her heart; warmth engulfs her  
Mustering all that's left in her; she begins afresh  
The memories of the faces she sought the most her strength  
The heartening smile of the always pleasant faces  
The reason for her to face each sunshine with hope  
And for them she lets  
No tears stain her face; no doubt cross her mind  
Forever she pledges to go on in life.



# THE 'REAL' CHARTERED ACCOUNTANTS

Behind every Chartered Accountant, is an untold story of struggle and success. Every such story inspires and stimulates within the listener, an achievable mission. However, few stories create impressions much beyond that. They are life lessons that teach us, our struggle is a time-tester. You don't believe me? Take a look yourself.

## • J RAJASHEKAR REDDY

- First blind CA of India.
- Cleared CA final in 2013
- Had great difficulty in studying due to lack of Study materials. Relied mainly on audio lectures.
- An achievement truly to be praised forever.



## • PREMA JAYAKUMAR



- All India Rank 1 of CA final examinations in the year 2014, in her very first attempt.
- Proud daughter of an auto-rickshaw driver. Was studying in a Tamil medium school until 9<sup>th</sup> std and then switched to English medium.
- To aid her father, she used to coach third year Bcom students by travelling all over the city.
- Her marks are extra-ordinary. 607/800, 75.8 percent.

## • RAJNI GOPAL

- India's **first** visually impaired woman to become a Chartered Accountant.
- Happened to lose her vision at the age of 9, due to medical negligence.
- Cleared CA in the year 2002 and is currently working with India's leading software companies.



## • NISCHAL NARAYANAM



- Youngest person to clear CA examination, aged 19.
- Also, the youngest graduate in Osmania University from where he received B.Com and M.Com degrees.
- Is recognized by the National Geographic Channel as one among the '7 brilliant brains of the world.'

These are few people who made themselves, the master of their destiny. The future belongs to those who believe in the beauty of their dreams. Hold on tight to your dreams and aspirations and live to make it a reality.

\*\*\*\*\*



# **SICASA COMMITTEE 2017-18**



**VAISHNAV H**  
VICE  
CHAIRPERSON



**FARZEEN  
FAZAL**  
SECRETARY



**ROY  
VARGHESE**  
CHAIRMAN



**ALTHAMAM  
BAYIS**  
TREASURER



**AISWARYA U**  
VICE  
CHAIRPERSON



**AMAL PAUL**  
JOINT  
SECRETARY



**ASHLY SAJU**  
JOINT  
SECRETARY



**RENJITH R.  
WARRIER**  
MEMBER



**SREELAKSHMY  
MENON**  
EDITOR



**RIO TOMY**  
SUB-EDITOR

## **ACADEMIC COORDINATORS**



**MERIN MATHEW**



**AMITHA SUNNY**

## **STUDY CIRCLE COORDINATORS**



**BHAVANA  
VIDYASAGAR**



**RAHUL PAI**

**S  
I  
C  
A  
S  
A**

**17  
-  
18**

## **SPORTS COORDINATORS**



**ABIN  
SEBASTIAN**



**GIRISH  
GANGADHARAN**

## **SOCIAL COORDINATORS**



**FEBIN  
VARGHESE**



**NIDHI  
PARAMESHWARAN**

## **CULTURAL COORDINATORS**



**SEBIN JOSE**



**MERRY JOHN**



**ALENA ALWYN**




**ANKITA SONI**



**SARATH ALUMKAL**

## **PR COORDINATOR**



**Let the writer in you never die. Pen us your articles and we'll publish it in 'IGNITE'.**

- **Articles can be academic-oriented or on general topics**
- **It can be maximum of 500-600 words or 2-3 pages, not beyond.**
- **Interested students can send in their articles, along with their Name, SRO Number and contact details.**

**You may email us at, [ekmsicasa@gmail.com](mailto:ekmsicasa@gmail.com) or contact us at 8921810968/8075561658.**





# *Upcoming Events*

## *Bank Audit Seminar:*

*Date : 25<sup>th</sup> March*

*Venue : YMCA Hall*

## *Study Circle:*

*Date : 15<sup>th</sup> March, 29<sup>th</sup>  
March*

## *Football Tournament:*

*Date: 19<sup>th</sup> March*

*Venue: Tocht School Ground*