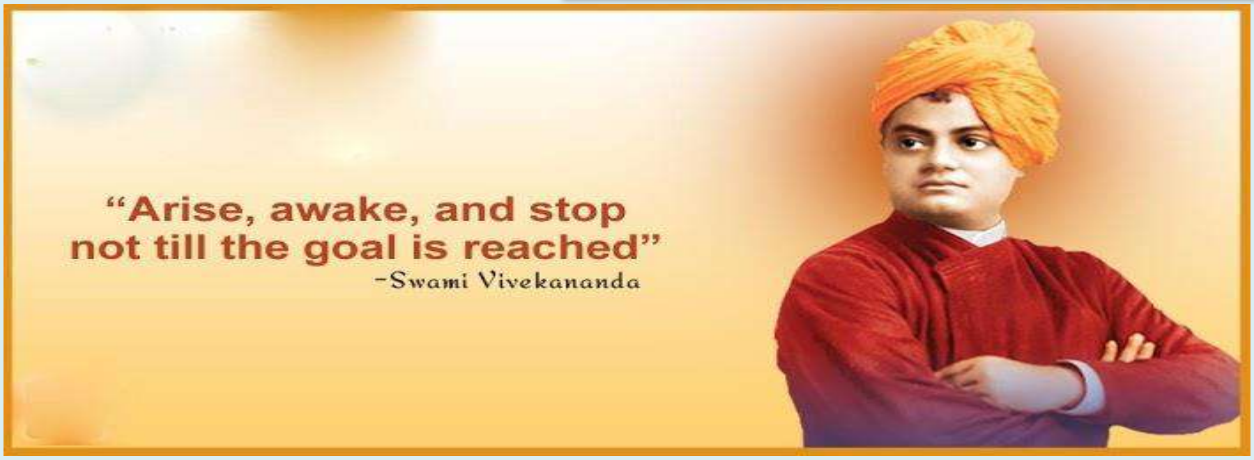
WICASA Pimpri Chinchwad Branch of WIRC of ICAI

The Institute of Chartered Accountants of India

Set up By an Act of Parliament



WICASA PIMPRI CHINCHWAD

E-Newsletter December 2017

Chairperson Communication

CA. Prajakta Chincholkar

Dear Colleagues,

Last year we have hosted a first ever National Conference for CA students named **" Arambh: The New Beginning"** and this year as our theme suggest we are coming up with Two days Seminar for CA Students named **" Jigyasa: Exploring Unchartered Teritorries".**

A two days Mega seminar gives an opportunity for Ca students to present their papers on the scheduled Sessions. It's a Platform to share your knowledge, To showcase your talent and in turn unveil the hidden traits in your personality. We are also arranging a Youth Festival for overall development of CA Students. I appeal all CA students to stay in touch with Pimpri Chichwad WICASA for Exploring Unchartered Territories.

Tag line
"Exploring the Unchartered Territories"

STUDYING CHARTERED ACCOUNTANCY IS INDEED LIKE WALKING OVER THE UNTRAVELLED PATH

MANAGING COMMITTEE MEMBERS

2017-18

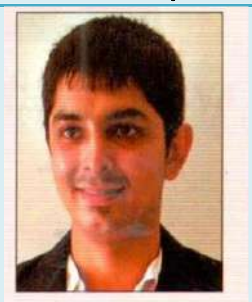
		
CA. Ravindra Nerlikar **Chairman**	CA. Amod Bhate Vice-Chairman & Treasurer	**CA. Yuvraj Taware** **Secretary**
		
CA. Prajakta Chincholkar **WICASA Chairperson**		**CA. Suhas Gardi** **Immediate Past Chairman**

Managing Committee Member		
		
CA. Santosh Sancheti	CA. Sachin Bansal	CA. Anil Agarwal

WICASA COMMITTEE MEMBERS 2017-18

CA. Prajakta Chincholkar

WICASA Chairperson



Mr. Mrugank Salunke	Mr. Raj Badiyani	Ms. Rucha Kulkarni
Vice-Chairman	Secretary	Treasurer

Mr. Kunal Phadtare

Member

Ms. Veena Pujari

Member

Event for the month December'2017

DATE	EVENTS	SPEAKERS	VENUE
16.12.2017- 31.12.2017	Refresher Course on GST and Ind AS for CA Students Webcast from Head Office	Webcast from Head Office	ICAI Bhawan Pimpri Chinchwad Branch of WIRC of ICAI
18.12.2017	JOINT PROGRAM WITH Universities I.I.C.M.R & WICASA PIMPRI CHINCHWAD BRANCH OF WIRC OF ICAI GST Basic Concepts	CA.Prasadh Saraaf CA.Deepika Agarwal	Institute of Industrial & Computer Management and Research (IICMR),Nigdi, Pune-44, Maharashtra, INDIA
19.12.2017	JOINT PROGRAM WITH Universities I.I.C.M.R & WICASA PIMPRI CHINCHWAD BRANCH OF WIRC OF ICAI Workshop on Tally	CA Anupam Shah	Institute of Industrial & Computer Management and Research (IICMR),Nigdi, Pune-44, Maharashtra, INDIA
23.12.2017	Two Days Mega Seminar for CA Students' -2017 Organized By: WICASA Pimpri Chinchwad Branch of WIRC of ICAI 1. Role of Articles ship in CA's Career 2. Stress Management 3. CA's Role in corporate Environment 4. Capital Market Investment Avenues 5. Insight to Bitcoin Crypto Currency	1. CA. Vardhaman Jain 2. Dr. Shirisha Sathe 3.CA.Sameer Parnjape , AVP Finance Bharat Forge 4. CA. Sagar Patil, Pune 5. CA. Sagar Patil, Pune	ICAI Bhawan Pimpri Chinchwad Branch of WIRC of ICAI

DATE	EVENTS	SPEAKERS	VENUE
24.12.2017	1. Practical aspects of GST 2. Special Address on "Being Global – Skills and competencies" 3. Practical Aspects in Partnership Firm, LLP ,Company Formation	1. CA.Padmnabh Kulkarni Indirect Taxes KPMG Pune 2. Mr.Makarand Joshi, MD Asia Pacific-Citrix Ltd. 3. CA.Parag Rathi	ICAI Bhawan Pimpri Chinchwad Branch of WIRC of ICAI
4.12.2017	Indoor Game-Chess		ICAI Bhawan Pimpri Chinchwad Branch of WIRC of ICAI

Articles

Forensic Accounting Using IT

In today's life, people always touched by digital equipment. While many areas of our lives get benefits from these kinds of technology, there are some areas that vulnerably have negative effects. In term of frauds, many perpetrators use these digital equipment's as tools to help them to commit frauds. Almost every financial fraud incorporates the use of computer and digital equipment's.

Crimes against a computer include attacks on networks that cause them to crash, and unauthorized access to, or tampering with, information systems, programs, or data. In addition, digital evidences are different from ordinary documentary evidences. Digital evidence can easily and unintentionally can be destroyed and made inadmissible as courtroom evidence by either the perpetrators or those who firstly find the evidence. So technology is essentially an enemy in terms of frauds from auditor's perspective.

Fortunately, like double sided sword, technology is also the auditors' friend to conceal frauds. Because computer can be used as both a target and a tool in any fraud, data stored in computer is a perfect evidence to conceal fraud. If auditors know the correct way to preserve, acquire and analysis data stored in a computer which suspected to become a target of fraud or used as a tool in fraud, the data will become high quality evidence in the court. The need to obtain, manage and analyze digital evidence is critical for the success of future accounting professional. Thus, the benefit of technology such as computer and other digital equipment's outweighs its negative side.

First of all the word Forensic means Suitable for use in a court of law. Hence Forensic accounting means the application of accounting methods to the tracking and collection of forensic evidence usually for the investigation and prosecution of criminal acts such as misappropriation of funds or frauds.

Most of the criminals behind fraud use sophisticated technology and accounting tricks to commit complex frauds. This means that the forensic accountants need to advance fully to become all rounded forensic investigators or auditors that can handle any type of situation requiring financial or digital forensic skills. These days white collar criminals are high tech to the extent of using computers to defraud and perpetrate financial related crimes in such a manner that a traditional forensic accountant cannot be able to trace.

Computers are common tools used by the culprits behind white-collar crimes. In order to find “the smoking gun,” the forensic accountant will need to be able to dig deep into the company’s computer system. However, without the proper equipment, that process can prove to be very difficult. To facilitate the preservation, collection, analysis, and documentation of evidence, forensic accountants in conducting investigations in this internet era can use specialized software and computer hardware. There are many new technologies that allow the investigators to recover deleted files, crack encryptions or codes, and extract and sort data. Here are some of the technologies used by forensic accountant:-

1. Helix: - It is an internal tool to provide the ability to acquire forensically sound images of many types of hard drives and partitions on systems running unique setups such as RAID arrays.

Helix can run in three different environments: Mac OS X, Windows and Linux with one simple to use interface. Helix can be used either as live forensic imaging or as forensically sound environment to boot any x86 systems. And because turning off a suspected computer may destroy the evidence, many digital forensic examiners do that with extra carefulness. Before booting a suspected computer the best way to turn off the computer is to unplug the power, because when we press the shutdown button, the computer will be systemically shutdown by software. The bootable Helix actually runs in Linux side. Once Helix finished the boot process, X Windows will automatically start and present the Helix desktop. By default Helix set all devices in target computer as read only, so they cannot be easily modified even with Helix itself.

Another way of using Helix is by live Helix. This method is the best suited for acquiring disk image from the system that cannot be turned off or taken offline for an extended period of time. One of the inherent risks in a live-response situation is that it will make changes to the system. But remember, just inserting this CD has modified the system – even just leaving the system turned on is modifying the system.

Helix mainly offers six options to examine the system under investigation:-

Preview System information

Acquiring a live image of a system.

Incident Response tools for operating system.

Documents pertaining to Incident Response, Computer Forensics, Computer Security & Computer Crime.

Browse contents of the CD-ROM and Host OS.

Scan for Pictures from a system.

2. KPMG Forensic Accounting has developed software that it uses to aid in determining how the fraud was perpetrated. The software prepares a TRACE (Transactional Representation of Assets and Court Evidence) diagram. The TRACE diagram provides a computer-generated graphical and concise summary of a series of transactions, events or structures in an easy-to-read format, to map the flow of funds through the perpetrator's private companies/accounts, identify the parties involved, and provide litigation support to the civil and criminal proceedings.

3. A software program (called Gargoyle) can detect steganography (i.e., steganography is a process by which data can be hidden within other files). Using steganography, a fraudster could hide stolen data within an MP3-format song making it virtually undetectable. Currently, Gargoyle can identify a large quantity of

programs. In addition to stenography programs, Gargoyle includes 550 Trojan-horse toolkits, 94 wireless-war-driving software tools, 455 file encryption programs, and hundreds of key-logging and password-cracking applications.

4. A company based out of Houston (called Church Street Technology) has developed a very useful tool for forensic accountants and other crime-fighting agencies. Church Street has developed a method for reconstructing shredded documents electronically, offering a speedier alternative to the laborious task of searching, matching, and pasting strips manually. The process uses proprietary digitizing techniques to scan the shredded paper and then matches them with specialized software. The software can even reconstruct documents that have been cross-shred or cut in two directions into tiny pieces.

5. Advance Hash Calculator - Maintaining integrity of evidence is one of the most important things that should be concerned by forensic accounting. Once the integrity of evidence is questionable, the evidence will lose its power in the court. The worst case, the admission of evidence in the court will be rejected. One method that can be used to maintain integrity data in terms of digital forensic is by using hash value. Therefore, by using Advance Hash Calculator, forensic accounting can maintain data integrity more securely without worrying of any collision.

The investigation tools describe above are few among many like SNAPSHOT, ITF, CIS, SCARF, etc. and they help forensic accountant to detect, deter and resolve fraud faster. Most of forensic tools used by forensic accounting can maintain the data integrity so the authenticity of evidence can be protected. The authentic evidences are admissible in the court and that is the goal of forensic accounting engagement.

However, there are some considerations that should be kept in mind of forensic accounting before using technology in an investigation. Considerations for gathering digital evidence:

The computer is not a substitute for forensic accounting judgment and experience. It cannot replace document reviews, interviews and follow up steps.

If possible, data should be gathered at the outset of engagement and prior to the initial field visit.

Data obtained should be checked for accuracy and completeness, because incorrect and incompleteness data set may cause to premature and incorrect conclusions.

The complexity of the tools used should be commensurate with the size and complexity of engagement.

Some forensic accounting investigators may place too much reliance on the tool itself.

Ensure that planned procedures are allowed from a legal perspective and that any evidence gathered may be used for legal purposes if required.

Data collection across national boundaries must be done with proper legal advice about the export data or about the type of data being collected.

Proper computer forensic techniques must be used to avoid inadvertently altering evidence.

Above pitfalls will help the forensic accounting from making the more common mistake and to ensure that the evidences found are admissible in the court.

CONCLUSION

Forensic accountants need many skills to perform their specialized jobs. Education and training in accounting and business as well as communication skills are necessary. The most important skill is experience. This experience is gained through simply maturing in the profession. In experience, the forensic accountant acquires skills in accounting and auditing, taxation, business operations and management, internal controls, interpersonal relationships, communication, and people. The experience of working on complex fraud cases in law enforcement for several years offers invaluable knowledge.

The public fraud scandals with companies like Enron and WorldCom, the Internet and other technological advances, and even the threat of terrorists have created a large demand for the skills and services provided by forensic accountants. Forensic accountants are in high demand because they play a critical role in an investigation of suspected financial scandals and misappropriation of assets. It is their job to bring independence and credibility to these investigations.

Technology has two sides, it can be harmful in the hand of criminals and it can be useful in the hand of right people. Forensic accounting investigators receive many benefits from technology used in an investigation. The benefits such as efficiency, the ability to handling large data to ensure complete assurance, the ability to maintain integrity of data can be given by technology easily. However, the technology demand high skilled person to optimize its power. In addition some consideration of using technology in gathering digital evidence should be noted. Like a hammer, we can build a house with hammer but we cannot build a house just using a hammer. The same is true in the field of digital forensics. Before forensic accounting examines any system, forensic accounting need to make sure that forensic accounting has permission to examine that system. Forensic accounting needs to know the legal aspects of collection, documentation, and preservation of digital evidence.

By

Name- Ms. Neelam Chame

Registration Number – WRO0344327

APPLICABILITY OF IND-AS

As the world economy has moved towards the globalization, businesses are able to carry out their business across the domestic boundaries. Due to this it has also faciliated a cross boundary amalgamation and mergers and create fusion, to make investment, conduct trade and co-operate over country borders. This has created a need among finance fraternity and professionals to come on common language of accounting.

International Financial Reporting Standards (IFRS) is becoming the global language of business with over 120 countries of the world having moved to IFRS in the past few years. The globalization creates an increased need for communication in the terms of language, awareness of culture differences and domestic customs. Moreover, the financial communication such as accounting and financial results is just as important for business leaders and employees to master. Hence Proponents of International Financial Reporting Standards (IFRS) claim that mandating a uniform set of accounting standards improves financial statement comparability that in turn attracts greater cross-border investment.

The International Financial Reporting Standards (IFRS) and their evolvement into one of the most common accounting standards used in the world. The International Accounting Standards Board (IASB) was established in 2001 to develop International Financial Reporting Standards (IFRS) and it is posed as the global language of accountancy which is aimed to make the comparison and interpretation of the financial statements across the world easier. It includes International Accounting Standards (IASs) until they are replaced by any IFRS and interpretations originated by the IFRIC or its predecessor, the former Standing Interpretations Committee (SIC).IFRS is a set of international accounting and reporting standards that will help to harmonize company financial information, improve the transparency of accounting, and ensure that investors receive more accurate and consistent reports. IFRS were adopted legally first time in 2005 by European Union. Other countries with developed capital markets have adopted or in the process of adopting IFRS in for reporting purpose. However, is only possible if all the countries prefer the IFRS reporting.

India is a global and emerging market where in huge potential lies with growth more than 6-7% of GDP. In order to leap frog it is imperative that our Accounting Standards get aligned with the global Accounting Standard that is IFRS.

Ind-AS and IFRS in India

In India, Accounting standards are formulated by council of Institute of Chartered Accounts of India(ICAI).In July 2007, the Council of the Institute of Chartered Accountants of India set a target of adopting International Financial Reporting Standards (IFRS) for all listed, public interest and large-sized entities from accounting periods beginning on or after 1 April 2011.In 2007 ,India has decided to converge with IFRS in 2007.ICAI started the process of developing a complete set of accounting standard that are "converged with" IFRS - which will be known as Indian AS . There is a difference between adoption and convergence to IFRS. Adoption means using IFRS as issued by IASB. Convergence means that the Indian Accounting standard board and IASB would continue working together to develop high quality, compatible accounting standard over time. With an objective to ensure smooth transition, ICAI had taken up the matter of convergence with IFRS with National Advisory Committee on Accounting Standards (NACAS) established by the Ministry of Corporate Affairs, Government of India and other regulators including Re- serve Bank of India (RBI), Insurance Regulatory and Development Authority (IRDA) and the Securities and Exchange Board of India (SEBI)

Why It is Important?

Ind AS had not just change the way companies present their numbers, but may also bump up or knock down the profits/losses of firms. Here are a few instances. Under the existing rules, incentives, discounts or rebates given to customers by a firm can be shown as part of advertising, sales promotion or marketing expenses, which figure in the costs. But under Ind AS, these will have to be deducted from sales (revenues). Excise duties which are currently netted off from revenues to show 'net sales', will have to be shunted under 'expenses' under Ind AS.

Intangible assets such as goodwill had to be amortised, or written off as expenses over a period of time until now. Ind AS treats such items as having an indefinite life and hence they need not be amortised. This can lift the profits of firms which carry sizeable goodwill on their books.

Ind AS advocates the 'fair value' method of accounting. For example, currently, investments by a company in government securities or mutual funds is shown at the lower of cost and fair value (market value). Under Ind AS, these will have to necessarily be captured at fair value. For firms, which have legacy or undervalued investments, this revaluation can expand the balance sheet size.

The new Ind AS also promises clearer disclosures to investors in certain cases. So far companies reported their segment-wise performance based on a broad product/service grouping or even geographical segments (within India, Outside India). But Ind AS requires that segments reported to investors are the same as the firm uses for the purpose of assessing performance and allocating resources.

Ind-AS were issued under the supervision and control of Accounting Standards Board (ASB), which was constituted as a body in the year 1977. ASB is a committee under Institute of Chartered Accountants of India (ICAI) which consists of representatives from government department, academicians, other professional bodies viz. ICSI, ICAI, representatives from, CII, FICCI, etc. The Ind AS are named and numbered in the same way as the corresponding International Financial Reporting Standards (IFRS). National Advisory Committee on Accounting Standards (NACAS) recommend these standards to the Ministry of Corporate Affairs (MCA). MCA has to spell out the accounting standards applicable for companies in India. As on date ICAI has issued 39 Ind AS and has also notified by MCA.

Road Map for IND-AS (Applicability's)

This shall be applied to the companies of financial year 2015-16 voluntarily and from 2016-17 on a mandatory basis.

Financial year	**Mandatorily applicable to**

01st April 2016	- Companies whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside the India (listed companies) and having net worth of Rs.500 crores or more
	-unlisted companies having net worth of Rs 500 crores or more.
	-Comparative for these Financial statement will be periods ending 31st March 2016.
1st April 2017	- Companies whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside the India (listed companies) and having net worth of Rs.500 crores or more
	-unlisted companies having net worth more than Rs 250 crores but less than Rs 250 Crores.
	-Comparative for these Financial statements will be periods ending 31st March 2017. .
1st April 2018	-Scheduled commercial banks (excluding RRBs)
(for Banks, Insurance Bank, NABARD, NHB and SIDBI)	-All-India term-lending refinancing institutions (i.e. Exim Companies and NBFC`s) -Insurers/insurance companies
	-NBFCs having a net worth of 500 crore INR or more
	-Comparative information required for the period ending 31 March 2018 or thereafter
1st April 2019	-NBFCs whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and having a net worth less than 500 crore INR

	-NBFCs that are unlisted companies, having a net worth of 250 crore INR or more but less than 500 crore INR -Holding, subsidiary, joint venture or associate companies of companies covered above, other than those companies already covered under the corporate roadmap announced by MCA -Comparative information required for the period ending 31 March 2019 or thereafter
2015-16 or later	-Entities, not under the mandatory roadmap, may later voluntarily adopt Ind AS.

Whenever a company gets covered under the roadmap, Ind AS becomes mandatory, its holding, subsidiary, associate and joint venture companies will also have to adopt Ind AS (irrespective of their net worth). Ind AS pocket guide 2016

For the purpose of computing the net worth, reference should be made to the definition under the Companies Act, 2013. In accordance with section 2 (57) of the Companies Act, 2013, net worth is computed as follows: Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Ind AS will apply to both consolidated as well as standalone financial statements of a company. While overseas subsidiary, associate or joint venture companies are not required to prepare standalone financial statements under Ind AS, they will need to prepare Ind AS adjusted financial information to enable consolidation by the Indian parent.

Benefit of Adopting of Ind AS

1. If a business adopts **Ind AS**, the business will be able to present its financial statement on a single set of high quality and global standards.

2. Adoption of **Ind AS** will result in high quality, transparent and comparable financial statements that are based on modern accounting principles and concepts that are being applied in global markets.

3. If a company uses **Ind AS**, the company could enjoy the benefit of raising capital from abroad.

4. Comparison is made easier with a foreign competitor if a company presents its financial statement according to **Ind AS**.

5. The adoption of **Ind AS** will improve cross border investment by enhancing comparability of financial statements prepared anywhere in the world.

Benefits of IFRS for National Regulatory Bodies

1. Indian Accounting standard Board will be alert to the best international accounting practice (IFRS)to guide them in the establishment of highly improved reporting practices in India.

2. It brings about a higher and improved standard of financial disclosure.

3. It also brings about better ability to attract and monitor listings by foreign companies.

CHALLENGES IN ADOPTING

Accounting Professionals across the world have listed various benefits of adopting IFRS. In spite of these benefits, adoption of IFRS is a difficult task and has many challenges.

Difference in GAAP and IFRS

Adoption of IFRS means that the entire set of financial statements will be required to undergo a drastic change. The differences are wide and very deep routed. It would be a challenge to bring about awareness of IFRS and its impact among the users of financial statements. While Indian GAAP has been converging with IFRS as much as possible in recent years, differences still remain, and some of these were viewed as significant challenge to overcome. Participants noted concerns in the following areas.

a. IFRS is more principles based, and therefore more 'liberal' than Indian GAAP. More choice under IFRS will mean the increased need to use professional judgement, and this will require a fundamental change in mind set for Indian accountants.

b. Initial transition will be a challenge given differing recognition and measurement criteria for assets and liabilities. These will not only impact earnings, but it is important to be able to capture those differences through appropriate information systems.

c. Specific accounting areas that will be more complex included business combinations and financial instruments. Many of the problems associated with them arise from the greater use of fair value accounting under IFRS.

Interaction between Legislation and Accounting

There are concerns about the compatibility of Indian laws with IFRS in certain matters pertaining to accounting, such as formats and presentation requirements. Similarly, there is uncertainty over tax treatments of items arising from convergence such as unrealized gains and losses and the move from a tax basis for depreciation (IGAAP) to one of useful economic life (IFRS).

Efficient Financial Reporting Processes

Although many Indian companies have still not thought about the impact on their information systems. These will require a fundamental review and initial costs could be significant. At the same time, it is important to have in place sound systems in order to ensure that subsequent generation of reporting information is efficient.

Legal and Regulatory Considerations

Currently, the reporting requirements are governed by various regulators in India and their pro- visions override other laws. IFRS does not recognize such overriding laws. The regulatory and legal requirements in India will pose a challenge unless the same is been addressed by respective regulatory. IFRS convergence would affect most of the items in the financial statements and consequently the tax liabilities would also undergo a change. Thus the taxation laws should address the treatment of tax liabilities arising on convergence from Indian GAAP to IFRS.

Fair Value Measurement

IFRS uses fair value as a measurement base for valuing most of the items of financial statements. The use of fair value accounting can bring a lot of volatility and subjectivity to the financial statements. It also involves a lot of hard work in arriving at the fair value and valuation experts have to be used.

Re-negotiation of Contract

The contracts would have to be re-negotiated which is also a big challenge. This is because the financial results under IFRS are likely to be very different from those under the Indian GAAP.

Reporting Systems

Companies would have to ensure that the existing business reporting model is amended to suit the reporting requirements of IFRS. The information systems should be designed to capture new requirements related to fixed assets, segment disclosures, related party transactions, etc.

First time Reporting of Financial Statements

As per IFRS will be a critical factor. IND-AS 101 has been issued by ICAI in this regard that requires preparation of opening Balance Sheet which requires recognition and reclassification of certain items of assets and liabilities. First time adoption has its own challenges. Quite a few new policies need to adopted and previous policies may need a change. The entity is required to evaluate the impact of all these on its financial in the long term.

Regrouping / Reclassification:

Current items shall have to be regrouped or reclassified to conform to the new method of preparation. Under IND-AS if any reclassification needs to be done the same shall have to be disclosed separately.

Planning for Effective Transition Audit:

The changeover to IFRS poses a fundamental shift in financial reporting. Changes in the application of new policies, the configuration of systems and maintenance of internal controls will all have an effect on audit risk, significantly increasing the risk of misstatements and fraud. In turn, this will have a considerable impact on how audits are conducted. That's why it's important to properly plan the engagement — a step that everyone agrees is the key to a successful transition .Planning should focus on two major areas: assessing and updating the knowledge of professionals; and participating in the company's conversion process.

Users Concerns and Professional Risks:

One thing is certain; the first IFRS financial statements will be closely scrutinized by the various stakeholders, including financial backers, investors, market analysts and regulators. All the stakeholders will be concerned about the impact, the changes will have and how it will affect them. This issue and its impact on audit engagements will naturally need to be addressed.

High Risks:

In their risk assessment, auditors should also consider the possibility of figures being manipulated by management. The changeover is a convenient opportunity to embellish the results and financial position or to conceal previously undetected errors in the opening balance adjustment. Early in the planning process, auditors should identify the files that present the greatest risk, either because of their complexity, major differences between GAAP and IFRS. This will enable them to take the necessary precautions to ensure the audit is properly performed. Obviously, vigilance and professional skepticism should be the key objectives of the auditor.

Management's Transition Plans:

The active involvement of auditors in all stages of the planning, development and implementation of the company's conversion process is critical to the engagement and essential to their work and conclusions, given the extent of the change, the high level of professional risk and the potential adverse effects inherent in the process.

Remaining Independent:

Auditor should be free from any bias and prejudice as a matter of his moral code of conduct. To enforce the rules of professional conduct respecting independence and to avoid placing the auditor in a real or perceived conflict of interest situation, both the company and the audit committee will need to put processes in place to define the extent of the auditor's involvement and collaboration with the management team.

Opportunities from IFRS's convergence

International Opportunity:

Indian CAs can take their professional abilities and deep knowledge anywhere around the world.

Potential Demand of Valuation Experts:

As per the IFRSs assets and liabilities are to be recognized at fair values. This fair valuation will require vaulers. This is one new area that can be explored by CAs.

Appointment in Companies as IFRS specialist:

Companies would be working along the teams of experts and consultants. CAs would be required for interpreting the various complex issues and preparing financial statements according to the standards. The banking industry in India which is most affected by the implementation of IFRSs will also require these professionals as this industry will have to prepare its financial statements as per the new standards. The persons with expertise in international accounting standards will also have an edge over others in educational institutes which are running certificate diplomas and training programmes in this area.

Continuing Professional Education:

Intensive IFRS training needs to be imparted to key management personnel of companies. ICAI has taken steps in this regard.

Conclusion

As time progresses it is felt that many companies has to mandatorily follow Ind AS. The switching over to IFRS is a major challenge. Hence, it is also an opportunity for Various finance professionals and consultancies including auditors to review their programs, procedures and practices to make them more effective and efficient. Like any major shift, the changeover will not be easy and will require considerable resources and time. Good planning will be crucial to cope with the obvious increase in workload and to maintain the quality of services offered. It is job of all Concerned persons to be acquire all the necessary knowledge and skills and be prepared for the change and its implementations. One of the key features of this implementation is the focus on substance rather than form. This 'substance' focus will substantially change the way in which entities financial statements will be interpreted.

SOME OF THE RECENT IMPACT ANALYSIS DONE BY PWC ON ADOPTION OF IND-AS ARE AS FOLLOWS

In-depth: Top impact areas

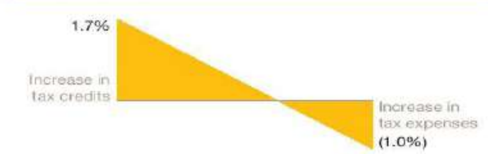
We analysed the quarterly financial results as at 30 June 2015 to understand both the positive and negative impacts of key accounting areas on the reported net income, including the impact by industry sector. Our analysis reflects the changes in reported net income for the quarter ended 30 June 2015 under Indian GAAP vis-à-vis Ind AS, except revenue, which has been analysed at the respective line item level.

Taxes

Of the population, the reported tax amounts of 88% of the companies were impacted. There was an overall decrease in reported tax expenses of 516 crore INR (0.7%).

Of these companies, 47% reported an increase in tax credits of 1,268 crore INR, thereby reducing the tax expense by 1.7%. Further, 53% reported an increase in tax expense of 752 crore INR (1.0%) resulting from Ind AS adoption.

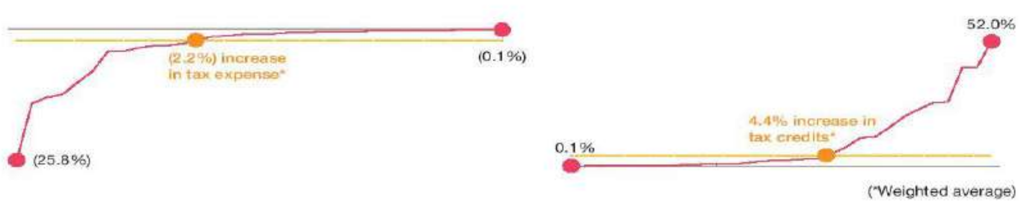
Percentage impact on reported net income



Under Ind AS, deferred taxes are recorded based on the temporary difference (as opposed to timing differences under Indian GAAP). This approach under Ind AS is broader and results in deferred taxes on more items, and also additional deferred taxes on some items. Moreover, the lower recognition threshold under Ind AS compared to the virtual certainty supported by convincing evidence presently required to recognise deferred tax assets on carried forward losses under Indian GAAP has also resulted in the reporting of increased deferred tax assets/tax credits under Ind AS.

Key adjustments

- Deferred tax liability on undistributed earnings from subsidiaries and joint ventures (JVs)
- Deferred tax asset on carried forward business and long-term capital losses
- Deferred taxes on unrealised profits on intra-group transactions



Companies have reported an increase in tax credits ranging from 0.1% to 52.0%, resulting in a weighted average increase in tax credits of 4.4%.

The increase in tax expense ranges from 0.1% to 25.8%, resulting in a weighted average increase in tax expense of 2.2%.

By Name: Mr. Atul Panchal WRO No.:- WRO0416442

Event Snapshots

Joint Program With Universities IICMR Pradhikaran on Monday 18th December'2017

CA. Prasadh Saraaf Guiding students.

Joint Program With Universities IICMR Pradhikaran on Monday 18th December'2017

CA. Deepika Agarwal Guiding students.

Two Days Mega Seminar for CA Students 2017 Organised by WICASA Pimpri Chinchwad & Pimpri Chinchwad Branch of WIRC of ICAI on 23rd & 24th December'2017

Inaugration by Ligtining lamp in the Hands of Central Council Member CA. S B. Zaware & CA. Sarvesh Joshi WIRC Vice Chairman. From L To R:- CA. Suniiel Karbhari Past Chairman, CA. Amod Bhate Vice Chairman & Treasurer, CA. Baban Dangale Past Chairman, CA. Suhas Gardi Immediate Past Chairman, CA. S B. Zaware Central Council Member of ICAI, CA. Santosh Sancheti Member,CA. Sarvesh Joshi WIRC Vice Chairman, CA. Ravindra Nerlikar Chairman, Ms. Rucha Kulkarni WICASA Treasurer , Ms. Veena Pujari WICASA Member, Mr. Mrugank Salunke WICASA Vice Chairman,CA. Prajakta Chincholkar WICASA Chairperson, CA. Yuvraj Taware Secretary, CA. Raj Badiyani WICASA Secretary

Joint Program With Universities IICMR Pradhikaran on Monday 18th December'2017

CA. Deepika Agarwal Guiding students.

Joint Program With Universities IICMR Pradhikaran on Monday 18th December'2017

CA. Prasadh Saraaf Guiding students.

Indoor Game Chess for students on 4.12.2017

Refresher course on GST & Ind AS from 16.12.2017 to 7.01.2018

CA. Prajakta Chincholkar addressing students

From L to R :- CA Suhas Gardi Immediate Past Chairman,CA. Prajakta Chincholkar WICASA Chairperson, CA. Nikhil Kulkarni Facult

.

Industry visit to Nexture Technologies Pvt ltd of CA students on 19.12.2017