



**JALGAON BRANCH OF  
WICASA**



**PRESENTS**



**MAY 25**

# **SANKALP**

**E-NEWSLETTER**





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# WICASA COMMITTEE



**CA ROSHAN RUNWAL**  
**CHAIRMAN**



**PUJA SINDHI**  
**VICE-CHAIRPERSON**



**JAYESH LOKCHANDANI**  
**SECRETARY**



**AVANTIKA NEMADE**  
**TREASURER**



**ANISH KUKREJA**  
**MCM**



**PRAGATI SETHIA**  
**MCM**



**TEJASHRI THAKUR**  
**MCM**



# CHAIRMAN'S ADDRESS

Dear Students,

Warm greetings to all!

“The future depends on what you do today”-

Mahatma Gandhi

Tribute to the real Heroes of the Nation

We pay our heartfelt tribute to the brave hearts soldiers and innocent civilians who lost their life in the deadly terrorist attack at pahalgam. We also salute the tireless efforts of our armed forces and salute to the Operation Sindoor which avenged the death of our innocent civilians. This marks India's stand very clear against terrorism.



Upcoming Events

At WICASA Jalgaon, we are committed to support your growth through impactful sessions and activities. In line with this mission we are excited to announce a major milestone:

**AADHYA: state level students' conference**

Happening in Jalgaon after 2 years. This two-day conference is a golden opportunity for every CA student. Whether you participate as a paper presenter, cultural performer, MOC, volunteer or even as attendee make sure you are part of this grand event.

This will enrich your knowledge, enhance your profile, boost your career path and expand your professional network.

**Make yourself count- Show up engage and Grow.**

We also have array of sessions coming up this month. I will personally encourage you all to actively participate in the events and initiatives by the branch. WICASA is your platform- a place to learn, lead and leave mark. Lets make this month meaningful. Let walk together on the path of PRAGATI- progress with purpose

Jai Hind, Jai ICAI

CA Roshan Runwal

Chairman

Jalgaon branch of WICASA of ICAI



# ETHICS

## ■ KNOW YOUR ETHICS ■ THE CHARTERED ACCOUNTANT



### Q Whether there are any Know Your Client (KYC) Norms to be followed by members in practice?

Yes, members in practice are required to follow Know Your Client (KYC) Norms, which are mandatory w.e.f. 1.1.2017. These are applicable for all attest functions.

“Attest Functions” for this purpose include services pertaining to Audit, Review, Agreed upon Procedures and Compilation of Financial Statements.

The KYC Norms may be accessed in Paragraph R320.3 A6 of Volume-I of Code of Ethics which states as under: -

**R320. 3 A6** Professional accountants while accepting engagement of attest functions are required to comply with the “Know Your client” (KYC) Norms of the Institute. The Announcement issued in this regard is reproduced below:-

#### 1. Where Client is an individual / proprietor

##### A. General Information

- ✓ Name of the Individual
- ✓ PAN No. or Aadhar Card No. of the Individual
- ✓ Business Description
- ✓ Copy of last Audited Financial Statement

##### B. Engagement Information

- ✓ Type of Engagement

#### 2. Where Client is a Corporate Entity

##### A. General Information

- ✓ Name and Address of the Entity
- ✓ Business Description
- ✓ Name of the Parent Company in case of Subsidiary
- ✓ Copy of last Audited Financial Statement

##### B. Engagement Information

- ✓ Type of Engagement

##### C. Regulatory Information

- ✓ Company PAN No.

- ✓ Company Identification No.
- ✓ Directors’ Names & Addresses
- ✓ Directors’ Identification No.

#### 3. Where Client is a Non- Corporate Entity

##### A. General Information

- ✓ Name and Address of the Entity
- ✓ Copy of PAN No.
- ✓ Business Description
- ✓ Partner’s Names & Addresses (with their PAN/Aadhar Card/DIN No.)
- ✓ Copy of last Audited Financial Statement

##### B. Engagement Information

- ✓ Type of Engagement

**Explanation:** “Attest Functions” for this purpose will include services pertaining to Audit, Review, Agreed upon Procedures and Compilation of Financial Statements.

### Q If there is a change of auditor but the predecessor auditor is aware of an act or suspected act of NOCLAR that has not yet been addressed, does the predecessor auditor have to communicate information concerning the NOCLAR to a proposed auditor?

Yes, predecessor auditor on request by the proposed accountant pursuant to paragraph R320.8 of Volume-I of Code of Ethics, shall provide all relevant facts and other information concerning the identified or suspected non-compliance to the proposed accountant.

### Q What are the circumstances that create threats while accepting a client engagement?

As per Paragraph 320.3 A1 of Volume-I of Code of Ethics, while accepting a client engagement, threats to compliance with the principles of integrity or professional behaviour might be created, for example, from questionable issues associated with the client (its owners, management or activities).

Issues that might create such a threat include client involvement in illegal activities, dishonesty, questionable financial reporting practices or other unethical behaviour.

Further, as per Paragraph 320.3 A3 of Volume-I of Code of Ethics, a self-interest threat to compliance with the principle of professional competence and due care is created if the engagement team does not possess, or cannot acquire, the competencies to perform the professional services.



# CORPORATE FRAUDS AND THE AUDITOR'S ROLE

In a world driven by numbers, trust is everything. And when that trust is broken—when companies cook their books, siphon off funds, or hide liabilities—the shockwaves go far beyond boardrooms. Corporate frauds not only damage investor confidence but shake the very foundation of the financial system. At the center of this storm often stands a figure whose job is to detect and report: the auditor.

As CA students, we are taught that an auditor is a watchdog, not a bloodhound. But the question we must ask in today's world is—are auditors doing enough? Or are we missing the warning signs that lead to financial disasters?

## The Rise of Corporate Frauds: A Brief Overview

Over the past two decades, India has seen multiple corporate frauds—Satyam, IL&FS, DHFL, and most recently, GoMechanic and Byju's controversies. Globally too, the Enron, Wirecard, and Luckin Coffee scandals are painful reminders of how numbers can be manipulated to show a rosy picture while hiding a rotten core.

These frauds have common patterns:

- Overstatement of revenues
- Concealment of liabilities
- Fictitious transactions
- Related party dealings with no disclosure
- Lack of internal controls

The question that naturally arises is—where were the auditors?



## Auditor's Role: What Is Expected?

An auditor's role, under the Companies Act, 2013 and Standards on Auditing (SAs), includes:

- Ensuring the truth and fairness of financial statements
- Assessing risks of material misstatements due to fraud or error
- Performing analytical procedures and substantive testing
- Verifying internal controls and related party transactions
- Reporting any fraud above Rs. 1 crore to the Central Government (as per Section 143(12))

Despite these defined responsibilities, frauds continue to slip through. This raises a critical question—not just of competence, but of independence, ethics, and accountability.

## Gaps in the Audit Ecosystem

### 1. Overdependence on Management Representations:

Auditors often rely too heavily on documents and explanations provided by management without sufficient independent verification.

### 1. Conflict of Interest:

In many cases, long-standing auditor-client relationships create a comfort zone. The fear of losing a big client may make auditors less skeptical.

### 1. Lack of Forensic Skills:

Traditional audit approaches are not always designed to detect cleverly hidden frauds. There's a growing need to integrate forensic techniques and data analytics into standard audits.

### 1. Tick-Box Mentality:

Sometimes, audit procedures become mechanical—checklists completed without applying professional skepticism.

### 1. Audit Rotation Loopholes:

Though mandatory rotation of auditors is in place, many firms bypass the spirit of the law by reappointing different firms under the same network.



## Is the Regulator Doing Enough?

The role of regulators like NFRA (National Financial Reporting Authority) and ICAI is crucial. NFRA has started taking strong actions—banning auditors for negligence and publishing inspection reports. However, many argue that penalties are still lenient and enforcement is slow.

The Corporate Affairs Ministry is also pushing for greater audit accountability. The introduction of CARO 2020 (Companies Auditor's Report Order) mandates auditors to report on whistleblower mechanisms, fraud detection, and internal audit systems.

## The Way Forward: A Call for Reinvention

Auditors need to move from being statutory checkers to strategic protectors of public trust. Here's what must change:

### 1. Strengthening Audit Quality:

Firms must invest in training, technology, and tools to enhance fraud detection. Use of AI, data analytics, and forensic software should become the norm.

### 1. Ensuring True Independence:

Audit firms should rotate engagement teams regularly, maintain distance from management, and report suspicious findings immediately—even if it risks the client relationship.

### 1. Better Governance by Audit Committees:

Boards must empower auditors, not just review reports. Audit committees should ask tough questions and demand clarity.

### 1. Ethics & Integrity in Practice:

As future CAs, we must uphold ethics even when no one is watching. Independence, skepticism, and courage to speak up are the pillars of audit integrity.

### 1. Focus on Forensic Training:

CA curriculum and firm-level training must include real-life fraud case studies and forensic investigation techniques.



Conclusion: Are We Doing Enough? Maybe Not Yet.

But we can. And we must.

Audit is not just a profession—it is a public responsibility. When we sign off on a company's accounts, we're not just certifying numbers—we're validating trust. The cost of failure is too high, and as upcoming Chartered Accountants, it's our duty to ensure that frauds don't go undetected on our watch.

Let this not be another Satyam moment. Let this be the generation of auditors who ask tougher questions and make transparency non-negotiable.

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# MARKETS ARE CRACKING

Markets Are Cracking—But Nothing's Broken. So What's Really Going On? "Markets crash for two reasons: when something breaks, or when something shifts." In 2008, what broke was trust. Exotic derivatives, AAA-rated illusions, and a decade of greed detonated the global financial system in one breathtaking moment. In 2020, it wasn't Wall Street but a microbe that shut the world down—emptying cities, crashing demand, and shattering the illusion of control. But now, in 2025, there's no virus. No Lehman. No bullets flying over trade routes. And yet the market is cracking. The S&P 500 is bleeding. The Nasdaq has crumpled into bear territory. Oil prices are slumping. IPOs are disappearing into smoke. And gold—that ancient barometer of fear—has soared past ~\$3,110.

And still, no chaos. Just a slow, cold realization: this is not a meltdown. It's a message. We're not witnessing collapse. We're witnessing a correction—not of prices, but of beliefs.

The catalyst? A policy earthquake. President Donald Trump, back in office and unapologetically combative, has detonated the largest wave of tariffs since the 1930s: 60% on Chinese imports, 27% on Indian goods, 45% on Vietnam, sweeping measures on Japan and Europe. In response, China has retaliated with surgical precision—34% tariffs on U.S. imports, a freeze on U.S.-bound investments, and restrictions on rare earths exports.



But this isn't just retaliation. It's repositioning.

Unlike in 2018, Beijing is prepared. Xi Jinping has spent a decade fortifying China's economy against precisely this scenario—championing domestic tech, insulating supply chains, shifting to the yuan.

While Wall Street bleeds, the MSCI China index is quietly rising. China is absorbing the pain today to mold tomorrow. What Trump sees as punishment, Beijing sees as prophecy. But that resilience carries global consequences. China's overcapacity isn't disappearing—it's being redirected. Brussels is already bracing for a flood of discounted goods—EVs, solar panels, electronics—threatening to drown European industries in price wars. Macron has raised the alarm. The EU is drafting tariffs. The risk isn't just inflation anymore. It's deflation, driven not by collapse, but by overproduction disguised as competitiveness. Ironically, the policy meant to isolate China may be catalyzing its rise. As America fractures alliances and scorches multilateralism, China is courting the Global South with infrastructure, climate diplomacy, and supply-chain seduction. The nation once accused of gaming the system may soon start setting the rules.

And what about the U.S.? The Smoot-Hawley déjà vu is hard to miss. History has seen this play before. Only this time, it's amplified—by social media, polarized politics, and an electorate sold on victimhood. Trump calls it fairness. But trade deficits aren't theft. They're a macroeconomic mirror: Americans spend more than they save. Tariffs don't fix that. They just shift the cost. Consumers pay more. Businesses shrink margins. And central banks brace for the blow. Already, the signs are flashing. One-year inflation swaps have spiked to 3.5%, the highest since 2022.



And the Fed? Trapped. Powell faces a brutal trade-off: cut rates to cushion growth and risk feeding inflation, or hold rates and choke a slowing economy. Either way, it's a policy paradox.

JPMorgan sees deeper short-term pain than expected. The real fear? That inflation expectations become unanchored. Because once the belief in price stability breaks, it's not just demand that collapses. It's confidence. Europe, ASEAN, CPTPP nations—they all face a similar choice. Fight back? Or move forward? The smarter play may be rerouting trade, building regional fortresses, and designing rules that don't rely on Washington's mood swings. And then there's India. Caught in the crossfire. But not paralyzed. With over \$118 billion in exports to the U.S., India can't afford to escalate. But it also won't kneel. Jewellery exports are slowing in Surat. Pharma firms are watching the horizon. Auto component orders are thinning. And yet, there's no panic yet. Instead: policy choreography. Digital taxes were withdrawn for U.S. tech giants. Starlink was welcomed. Energy deals expanded. Delhi isn't retaliating. It's recalibrating.

India's tariff exposure is only 3% of GDP. But psychology matters more than math. And the psychology today is clear: play the long game. Commerce ministry officials are working toward a trade deal by August. And exporters? They're already moving to fill the vacuum left by tariff-hit rivals.



The RBI, too, is steady at the wheel. Selling dollars to protect the rupee. Injecting liquidity into bond markets. Holding inflation at bay. This isn't stimulus. It's stability. All of this points to a larger truth. This isn't just about trade. It's about the end of predictability. For three decades, globalization was a gospel of efficiency. Lowest cost. Fastest route. Borderless ambition. But that era is over. Today, the winners are those who hedge risk, decentralize power, and build resilience into every link of their chain. Markets don't fear bad news. They fear confusion. And right now, the most dangerous export from America isn't a tariff. It's uncertainty. This isn't a crash. It's a controlled demolition—of belief. And in the silence that follows, it won't be those shouting loudest who shape the new order. It'll be those who listened hardest. Moved fastest. And built quietly. Not through confrontation. But through coherence.

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# कलम

मैं सिर्फ कलम नहीं और भी बहुत हूँ ।  
मैं शब्दों की चिंगारी हूँ,  
भावनाओं की ज्वालायें हूँ,  
सिर्फ किन्हीं सपनों की उडान नहीं;  
उम्मीदों की उमंग भी हूँ,  
मैं सिर्फ कलम नहीं और भी बहुत हूँ ।

प्रेमियों के जज्बात हूँ,  
निर्जनों का साथी हूँ,  
कभी किसी दिल का सहारा;  
तो कभी किसी के कल्पनाओं का  
वास्तव हूँ,  
मैं सिर्फ कलम नहीं, और भी बहुत हूँ ।



सारे लेखकों का ताज हूं,  
सारे कवियों के अल्फाज हूं,  
शायरों की जुबान, तो गझलकारों का  
अपना ही एक अंदाज हूं,  
मैं सिर्फ कलम ही नहीं, और भी बहुत हूं।

आज की इस दुनिया में  
बस थोडा सा गुम हूं,  
फिर भी चाहनेवाले हाथों की  
आज भी मैं पहचान हूं,  
मैं सिर्फ... सिर्फ कलम ही नहीं, और भी  
बहुत कुछ हूं।

-प्रेरणा वासुदेव नागप।

**NAME: PRERANA NAGAP**  
**REG. NO. - WRO0747480**





# MEMORY ALBUM

## SEMINAR ON WEALTH CREATION AND FINANCIAL REPORTING





# INSPIRATIONAL QUOTE

**If I cannot do great things, I can do  
small things in a great way.**

**-Martin Luther King, Jr.**