



# NEWSLETTER

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## NAGPUR BRANCH OF WIRC OF ICAI

# SEPTEMBER 2018



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### Chairman's Message



Respected Members,

*In the world, take always the position of the giver. Give everything and look for no return. Give love, Give help, Give Service and give every little thing you can with any want of return or any conditions. Let us give out of our own bounty, just as god gives us. These thought provoking lines by Dr. Swami Vivekanand are a source of inspiration to continue the good work by all our professional brothers and sisters.*

*I understand that in this era of high competition, the members of our fraternity are currently busy with completing the Tax Audits and other regulatory compliances for our clients, but I also believe that Chartered*

*Accountants are the only professionals in the country who are known for the selfless service to all. As for professionals, the work season and challenges never end, similarly for Branch no month is left silent. The branch in the hectic month of September too ensured that the service above self motive is continued and members continuously share each other benefits with the fellow colleagues.*

*Seminar on Code of Ethics & Information Technology : The month began with a very important seminar on Code of Ethics of ICAI along with a unique session on growth of practice through involvement of Information technology in our professional lives. I am glad that the members took the benefit of the same and appreciated it at large.*

*Interactive Meet with CFO's & CEO's: It was an historic moment for the Nagpur Branch to have organized an event for the first time wholly and solely dedicated to the Members in Industry. We all have always considered the members in industry to be our real flag holders and with efforts of the Committee for Members in Industry & Businesses, The branch successful hosted the first interactive Meet with CFO's & CEO's which was attended by over 100 Chartered Accountants representing various industries in the region.*

*Study Circle Meetings: I am also grateful to the members and more particularly the speaker CA Dilip Lohiya who took up the task for making members aware about the various business deductions available in the Income Tax Act so that members can undertake Tax Audits in a much confident manner.*

*Felicitations: The month of September also saw the change of guards at the office of Hon Pr. Chief Commissioner of Income Tax, Nagpur with respected Asha Agrawal Madam taking over the charge of the office. Nagpur Branch was the first body to have welcomed her to Nagpur and discussed various prepositions with respect to Income Tax Act. Further we also had the opportunity to welcome and greet Shri M M Kokane, Jt Commissioner of State GST on behalf of the professional fraternity of Nagpur.*

*Career Counselling: One agenda which the entire committee has been very serious about this year is to guide the new entrants in the CA Course so that they can take up decisions confidently. I am glad under the leadership of CA. Jiten Saglani the Branch conducted career counseling programmes at Adarsh Vida Mandir, Modern School – NEERI, Tata Parsi High School, Tata Parsi Jr. College, Swaminarayan School, Pannalal Devidiya High School, Hislop College, G S College, Amalokchand College & South Point School.*

*WICASA Activities: the dedicated team of WICASA continued its activities throughout the month with Mock Tests, One Day Revisionary classes, Ganesh Festival, Practical Assessment Training Exams making the month memorable.*

*With the Diwali Festival coming up, enthusiasm amongst all is sure to reach the highest level. The Dussehra & Diwali Festivals celebrates the victory of good over evil. The light that illuminates our homes and hearts would definitely empower all of us to commit ourselves to good deeds and we continue to give our help, love and service for everyone at all times.*

*Always Smiling,  
CA Umang V Agrawal  
Chairman*

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### **Branch Newsletter Sub Committee :**

**Editor : CA. Umang V. Agrawal**

**Jt. Editor : CA. Prateek Gupta**

**Jt. Editor : CA. Ayush Agrawal**

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**CA. Jetha Rukhiyana**

**CA. Swaroopa Wazalwar**

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**CA Kishore Punyani**

**CA. Shwetali Thakare**



### Joint Editor's Message



Dear Professional Colleagues,

*GST (Amendment) Acts, 2018 have recently received the President of India's assent on August 29th, 2018 and the changes proposed by these 4 Acts will be applicable only from the date to be notified. However, that will be possible only after enactment of SGST/UTGST Act by the respective State/Union Territory Government. Primarily, these amendments includes changes in the return provisions to enable government to implement new proposed return forms, restriction of reverse charge mechanism under Section 9(4) to specific class of registered person or goods and/or services, increase in threshold limit for goods from Rs. 1 crore to Rs. 1.5 crores, modification in Blocked Credit of ITC provisions, and concept of suspension of registration, etc. Further, to extent trade facilitation, GST Council decided to open the migration window for taxpayers upto 31st August, 2018, who received provisional IDs but could not complete the*

*migration process. In continuation to the support to Government, ICAI recently submitted 120 suggestions on various issues of GST, suggestions on proposed amendment to the GST Annual Return and GST Audit Forms and are suggesting alternative mechanism for reverse charge in case of B2C Supplies under GST.*

*The roll-out of GST has also immensely expanded Chartered Accountants professional horizons and brought tremendous opportunities for us. Increased demand for consultancy, input credit review and its optimization, compliances requirement etc. definitely requires a professional hand for adherence wherein Chartered Accountants have been playing a vital role. The provision for GST audit akin to tax audit is a landmark opportunity for professionals to prove themselves as caretakers of the financial health of the country. While acknowledging the gains, it is imperative to mention that GST is still a work in progress. The GST technology platform needs to be improved at a faster pace to facilitate ease of uploading data on the server. Sooner the GST regime stabilizes, the faster the Indian economy would grow to expectedly become the 3rd largest economy in the world by 2025. Let's continue to be harbinger of change vis-à-vis GST in India.*

*For any suggestions and comments, please note that I am just an email away.*

**CA. Prateek Rajesh Gupta**

Joint Editor

Nagpur Branch of ICAI.



Dear Professional

*After the hectic month of July, it is again the time to gear up and tighten up our bets for the Audit season in the month of September. After a long Cat & Mouse game and off course intervention by Hon'ble High Courts, the CBDT blinked to extend the due date of filing the audit and return to 15th October. September still will be a hectic month for all our members with lot of work in spite of the extension of date. The branch meanwhile is making plans for the upcoming GST audit and conducting various Seminars on GST. The branch is organizing a mega GST conclave in the month of October in which eminent speakers will be deliberating on various intricacies of GST.*

*I'm sure all will be looking forward to the arrival of cooler and not so hectic winter.*

*I thank all those who are contributing in the making of the newsletter every month and also look forward to your greater participation by sending your articles / analysis on important subjects to us.*

*Happy Reading,*

**CA. Ayush Sanjay Agrawal**

Joint Editor

Nagpur Branch of ICAI



## Fraud And Cyber Security

CA. Pranav Bembí



### Introduction

Protecting against the threats and attacks that fraud and cyber security pose is an ever-increasing concern for businesses today. For many, it has become imperative to safeguard their organizations from such dangers, especially considering that threats and attacks are continuing unabated as the methods of fraudsters and attackers evolve and change to reach their ends. Available data indicates that instances of fraud and cyber security attacks are increasing not just in frequency but in severity and impact.

Organizations that fail to ensure that their employees are fully trained to recognize and take action against this using adequate security processes, procedures and protocols, therefore, not only face a greater risk of financial loss, which includes loss of assets, but a greater risk of reputational damage and business disruption, which includes negative publicity.

### What constitutes Fraud

Any deception carried out for getting a wrongful benefit or advantage over another is fraud, in the broadest sense. When such deception is carried out largely for the commercial interest, a financial game or for any personal benefit in some form or the other to eventually gain a financial or personal profit, then it is the business fraud that we are talking about. In other words fraud is any kind of harm or damage or wrongful act which is attempted or carried out to the detriment of another intentionally. Fraud involves deliberate or misses representation of fact and/ or significant information to obtain undue or illegal financial advantage. There are three clear elements to describe fraud.

- Act or omission of act
- Damage to another or to detriment of another
- Intention

Generally if the above three elements are satisfied, the fraud is deemed to have been preparative.

### Fraud Triangle and Its Significance





## ***Fraud And Cyber Security***

### **➤ Pressure/Incentive**

*Management and employees may find themselves under pressure or incentivized to commit fraud. When, for example, bonus or remuneration is significantly affected by individual or department's or company's performance etc.*

### **➤ Opportunity/Lack of Controls**

*Circumstances may that create opportunities for employees to commit fraud. Individuals under pressure and susceptible to perpetrate a fraud are not a grave threat to an organization unless an opportunity exists for them to act on their need. An opportunity must exist to commit fraud, and the fraudster must believe the fraud can be committed with easily.*

### **➤ Rationalisation**

*Rationalisation is the justification which an employee gives while convincing himself to commit fraud. It normally includes self-messaging like:*

- I'm not paid enough
- I deserve it
- I'm borrowing and will pay it back later
- Everybody does it

## ***Forensic Accounting and Forensic Audit***

**Forensic accounting** is the specialty practice area of accountancy that describes engagement that result from actual or anticipated disputes or litigation. “Forensic” means suitable for use in a court of law”, and it is to that standard and potential outcome that forensic accountants, also referred to as forensic reporter to as forensic auditor or investigative auditors, often have to give expert evidence at the eventual trial.

**Forensic Audit** is the application of accounting methods to the tracking and collection of forensic evidence, usually for investigation and prosecution of criminal act such as embezzlement or fraud.

## ***Cyber Security & Cyber Crimes***

*Cyber security or information technology security are the techniques of protecting computers, networks, programs and data from unauthorized access or attacks that are aimed for exploitation.*

### ***Categories of Cyber Crimes***

#### **➤ Computer as Target**

*Cyber crimes are committed using a computer to attack other computers, e.g. Hacking, DOS attack.*



## ***Fraud And Cyber Security***

### **➤ Computer as Weapon**

*Cyber crime using a computer to commit real world crime e.g. cyber terrorism, credit card fraud, etc.*

### ***Fraud Investigating Tools and Applications***

#### **➤ Computer Data Logs -**

#### **➤ Software to Monitor Computer –**

*Spytech NetVizor is powerful computer spy software that monitors all activities performed on the computer. Tasks include from keystrokes typed email activity to application content filter in. Logs and reports can be viewed real time.*

### **➤ Digital Forensics**

*A computer forensic investigator follows certain stages and procedures when working on a case. First he identifies the crime, along with the computer and other tools used to commit the crime. Then he gathers evidence and builds a suitable chain of custody. The investigator does follow the procedures as thoroughly as possible.*

### **➤ Digital Investigation Manager**

*A software tool for managing Incident Response and Forensic Acquisition procedures D.I.M. allows operations to be organized by case. Each case may contain an unlimited number of Hosts (Workstations, Servers, Laptops, PDAs, etc.). Items of evidence are associated with each host (Hard Disk, CD)*

### **➤ Data Recovery Tools**

*Registry Information Extractor is a test release of a software utility that is in development and under testing. It is a Windows 95/98/ME system.dat registry information extractor. It will be updated to extract a lot more information from the registry. At present it will only extract system.dat information from Windows 95/95 and ME.*

*It can extract the following information: Registered Owner, Registered Organization, Windows Version, Windows Version Number, Windows Installed Date & the Computer Name. RIE can also be used as a File Viewer from within EnCase.*

*PC Inspector File Recovery is a date recovery program that supports the FAT 12/16/32 and NTFS file systems. Some of the features in PC Inspector File Recovery 3.x are as follow:*

*Data recovery tool recovers files with the original time and date stamp, also supports the saving of recovered files on network drives, and recovers files, even when a header entry is no longer available.*



## ***Fraud And Cyber Security***

*Example:*

*Gargoyle Forensic Pro is a program that can determine if any malware is present on a system, any application that can disrupt or damage the computer.*

### **➤ PDA Investigation Tools**

*Pilot-Link is used to retrieve information from ROM and RAM of Palm PDA hand-held. The synchronization allows information retrieval from devices, back up information, and etc. Pilot-xfer can additionally be used to allow acquisition.*

### **➤ Network Investigation Tools**

*Spector CNE can be used to record everything your employees do online, including instant messages, chats, e-mails sent and received, web sites visited, applications launched, file downloaded and keystrokes typed.*

### ***Opportunities for Chartered Accountants***

*The menace of fraud threatening the corporate and business world provides tremendous professional opportunities for chartered account and auditors. As skilled accountants they have the expertise to understand and tackle accounting manipulations. As system consultants they can provide valuable assistance in detecting shortcoming in the accounting system. As auditors they can identify lapses of internal control which lead to latent frauds and errors. As forensic accountants they provide services in:*

- i. *Investigating and Analyzing financial evidence*
- ii. *Developing or Assisting in development of specialized software for forensic accounting*
- iii. *Assisting in legal proceeding at expert witness*
- iv. *Identifying substance over form*
- v. *Preventing risk by making recommendation to avoid future lapses, fraud as a result of professional negligence*
- vi. *Preventing fraud by employees*
- vii. *Investigating crime involving money laundering kick backs and misuse of public funds;*
- viii. *Insurance claim – e.g. to assist in assessing loss of profit policies;*
- ix. *Arbitration, mediation and other such forms of alternative dispute resolution*
- x. *Engagement by: lawyers; police force insurance companies; government/regulatory agencies; banks; courts and business community*
- xi. *Media as part of investigating journalism.*



## Glimpse of Past Events

### *Felicitation of Shri M M Kokane, Jt. Commissioner of State GST*



### *Felicitation of Smt Asha Agrawal, Pr. Chief Commissioner of Income Tax, Nagpur Zone*





## Glimpse of Past Events

### *Interactive Meet with CFO's and CEO's*



*Dignitaries during inauguration of the Meet*



*CA. Jaydeep Shah, Past President, ICAI*



*Shri Devendra Parekh, Speaker*



*CA Dinesh Singh, Speaker*



*Members in industry Attending the Seminar*



## Glimpse of Past Events

### *Interactive Meet with CFO's and CEO's*



*CA Rajeev Sawangikar, Panelist*



*CA. Shailaja Vibhute, Panelist*



*CA Ghanshyam Sharma, Panelist*



*Shri Vaibhav Agrawal, Panelist*



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Presently we have opening for Chartered Accountant for our Nagpur, Nashik & Dhule locations. Interested candidate can send their resume at [seva.ngp.hrd1marutidealers.com](http://seva.ngp.hrd1marutidealers.com) or contact at below mentioned address:-

Mrs. Dipti Labdi, HR Manager, Seva Automotive Private Limited  
34/3, Kachimet, Amravati Road, Nagpur—440023.  
Contact No. 96234 41575 / 0712-6652800

### *CA Connect*

*Nagpur Branch of WIRC of ICAI acknowledges the contribution being extended by the members of the city for continuous activities for the benefit of members. However we are also aware that it is the responsibility of the Branch to mediate the gap amongst the members and create a platform for networking amongst the members so that sharing of work can be done effectively. Hence we are starting with a dedicated section in the monthly newsletter wherein members who are in need of any professional assignment may put in their request whereas the members who are in need of professionals for various assignment may also give details of their requirements so that members at large can be benefited. Requesting the members to be a part of 'CA Connect' networking platform and take maximum benefit of the same.*

*Those who wish to outsource assignments on part time basis may kindly mail the details of their Firm and a brief of the Work they wish to outsource to Nagpur Branch [ [nagpur@icai.org](mailto:nagpur@icai.org) ] in the below mentioned format :*

Firm Name	Description of Assignment	Name of Contact person	Contact Details	
			Email	Mobile

*Those who seek assignments on part time basis may kindly mail the details of their details to Nagpur Branch [ [nagpur@icai.org](mailto:nagpur@icai.org) ] in the below mentioned format :*

Name	Contact Details		Type of Assignment Sought
	Email	Mobile	

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