



Gurugram Branch of NIRC
The Institute of Chartered Accountants of India

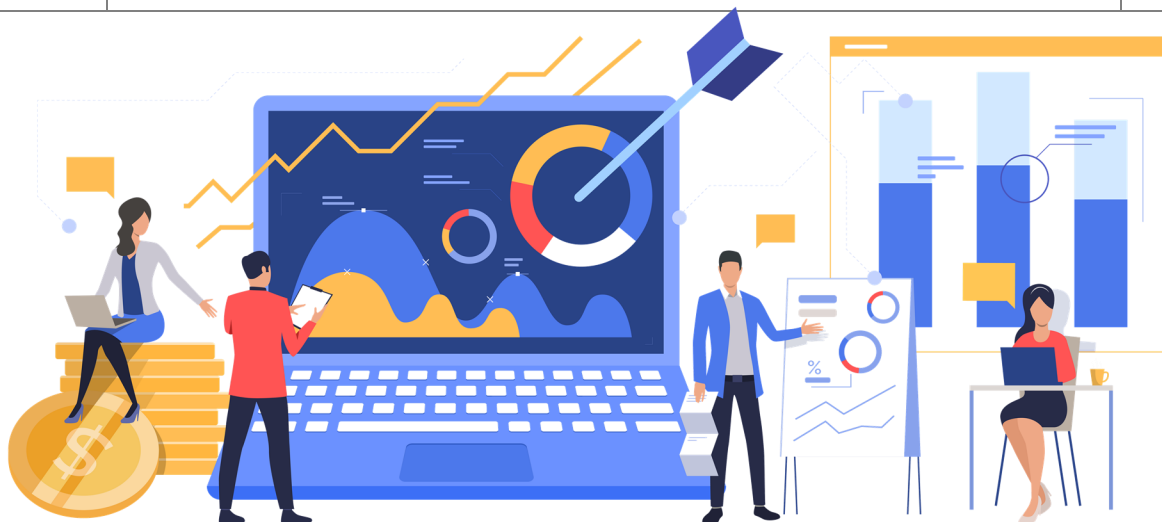
e-Newsletter

Chartered Accountants
June 2022 Edition



Table of Content

| SNo. | Particulars | Page No. |
|------|--|----------|
| 1 | Stay Connected-Get Updated with ICAI Gurugram | 3 |
| 2 | ICAI-MOTTO | 4 |
| 3 | Annual Study Group Membership 2022-23 | 5 |
| 4 | Chairman's Message | 6 |
| 5 | The Key Softer Challenges in Startups and Possible Solutions | 7 |
| 6 | Empowering Profession | 12 |
| 7 | Glimpses | 15-18 |
| 8 | Administration | 19 |





Gurugram Branch of NIRC

The Institute of Chartered Accountants of India
(Setup by an Act of Parliament)



Office: 2A, Pavilion Building, 339/2, Sector-14, Gurugram-122001
Phone: 0124-4268867 | Email: gurgaon@icai.org | Website: www.icaigurugram.org



Stay Connected-Get Updated with ICAI Gurugram Branch

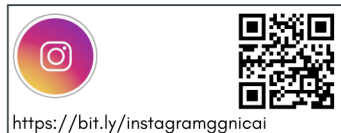
Please update your latest details in the form to stay updated for all activities of your branch.



Stay Connected-Get Updated Link:
<https://bit.ly/StayConnectedGNN>



Also join us on any below mentioned social media link for the activities details.



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Connect to BRANCH



A platform for Members and Students to
Connect & Interact with the Chairman of
Gurugram Branch of ICAI



**LIVE ((to))
STREAMING**

Connect by Facebook Live on
1st Sunday of Every Month at 11 AM
<https://bit.ly/icaiggnpage>



Connect and Share to ME

- **IDEAS** of yours for our Fraternity
- Redressal of your **GRIEVANCE**
- Willingness to be a **VOLUNTEER**
- Share your valuable **SUGGESTIONS**

"Always available to the Profession"

CA. Mohit Singhal
Chairman, Gurugram Branch



Members & Students of Gurugram Branch can take Benefit of the Initiative



ICAI MOTTO

य एष सुप्तेशु जागर्ति कामं कामं पुरुषो निर्ममाणः ।
तदेव शुक्रं तद् ब्रह्म तदेवामृतमुच्यते ।
तस्मिंल्लोकाः श्रिताः सर्वे तदु नात्येति कश्चन । एतद् वै तत् ॥

Ya eṣa supteṣu jāgarti kāmam kāmam puruṣo nirmimāṇah ।
Tadeva śukram tad brahma tadevāmṛtamucyate ।
Tasminlokāh śritāh sarve tadu nātyeti kaścan । Etad vai tat ॥

That person who is awake in those that sleep, shaping desire after desire, that, indeed, is the pure. That is Brahman that, indeed is called the immortal. In it all the worlds rest and no one ever goes beyond it. This, verily, is that, kamam kamam: desire after desire, really objects of desire. Even dream objects like objects of waking consciousness are due to the Supreme Person. Even dream consciousness is a proof of the existence of the self.

No one ever goes beyond it: of Eckhart: 'On reaching God all progress ends'.

Source: Kathopanishad





Study Group Membership for Gurugram Branch is open for FY 2022-23

| Particulars | Fee Per member | GST @ 18% | Total Amount |
|---|----------------|-----------|--------------|
| For Individual Member | Rs. 5500/- | Rs. 990/- | Rs. 6490/- |
| For five or more declared members from any organization | Rs. 5000/- | Rs. 900- | Rs. 5900/- |

Fee Structure:-

A. For Individual Member:- Rs 5500 plus Rs. 990(18% GST)= Rs. 6490/-

B. For five or more declared members from any organization i.e. names of the Members to be declared at the time of payment of fee- Rs.5000 plus Rs.900 (18% GST)= Rs. 5900/- per member

Payment Option:

1. **Offline Mode** - Please fill up the form ([Click Here](#)) and send the cheque to branch along duly filled form.
2. **NEFT/RTGS Mode** : RTGS/NEFT at below bank and share the details of payment along duly filled form at gurgaonicai1@gmail.com

Bank Account Details:-

A/C Name : Gurgaon Branch of NIRC of ICAI

A/C Number : 910010026661826 | IFSC Code : UTIB0000056

(Kindly mention your name and Membership Number in the remarks while making the payment)

3. **Payumoney** - Please follow the link and make the payment.

For Individual Member : <https://pmny.in/LIsJxjb5Qz4P>

For Five Member : <https://pmny.in/EIPOkfzu4vCH>

Note:- GST details (in membership form) need to be shared at the time of making the payment. An invoice once issued will not be altered.

Disclaimer:

Request you to please send a mail at gurgaonicai1@gmail.com along with invoice/GST details (in membership form) within 3 days of making the payment to receive a copy of GST Invoice with your details.



CA Mohit Singhal
Gurugram Branch of NIRC of ICAI



Dear Professional Colleagues,

Hope you all healthy and safe at your home. We are getting a taste of summer heat as temperatures run 10-15 degrees above normal for this time of year state-wide. With the hot rainfall coming up, it's always important to stay safe when you're outside. As you all are also aware that there is an unprecedented event happened with two of the professionals from the Gurugram. We as a whole have deep-seated faith in the Indian Judiciary framework and Government of this country. We generally trust that whosoever is the guilty party behind this nexus of bad behaviour should be punished rigorously. It is a very difficult phase for our profession. As one can see from the headlines, most concerns about our profession are hypothetical and media generated. It appears that all wrong doing in the country is attributed to Chartered Accountants. But this is not true. We all have to take responsibility to protect the image of our profession. If we do not protect the profession's image, the next generation of Chartered Accountants will blame us. I am confident that you all see the gravity of the situation and will uphold the highest standards of professional and personal ethics in order to accomplish what is required from all of us.

For the long stretch of May-2022, the branch has led programs on Enhancing Audit and Financial Reporting Quality, Residential Refresher Course on MSME and Startup in Manali, Cyclethon alongside industry explicit workshop on auto industry issues and opportunities. Also an Inter branch badminton tournament is organised by the branch in which more than 90 plus total members from different branches including gurugram has participated and played. Congratulation to all the winners in different categories. Few of the scheduled events has been postponed which are to be scheduled by the branch in the coming days. For CA Students also, your branch has hosted programs including industrial visit with participation of more than 70 students.

Also your branch is going to start a unique activities as 75 Days -75 Activities under the Azadi ka Amrit Mahotsav part starting from 02nd June to 15th August, 2022 for members and students both. Also many new initiative would be taken by the branch for members and students including seminars, conferences, CA Week celebration, Yoga Day Celebration, Blood donation camp and many more. Without the active participation of all the members and students, we are unable to even think for all these.

Wish you all a Happy CA Day 2022.



The Key Softer Challenges in Startups and Possible Solutions

CA. Yash Arora,

CFO Indian Oil-Adani Gas



Abstract:-

This article addresses the softer aspects for failure of 90% of the Startups and specifying possible solutions thereto. Timing and Right Team are the super critical aspects for success of the Startups.

Life encourages those who dare. In India, there are about 70,000 recognized Start-ups who have challenged themselves to change the rules of the game. Startups are pursuing their passion and striving for growth. They are working on to convert their dreams into reality with a lot of dedication and hard work. They are leaving no stone unturned to see their venture grows to succeed. However, despite having so much attention and dedication, about 90% of the Startups fail and they run out of the businesses. The key softer challenges faced by Startups and possible solutions thereto are enumerated below: -

1. Fear of embracing failure: -

Fear is a natural, powerful and primitive human emotion which alerts us to the presence of danger or the threat of harm, whether that danger is physical or psychological. Fear factors -

Uncertainty, attention, change and struggle. Fear restricts the movements or decision-making ability. It is said that when fear is employed, facts are incidental. With fear in mind, entrepreneurs keep too many choices and that in turn delays the decision making or at times, no decisions at all. A wrong decision can always be cured but no decision never recovers and kills the business.

In case, the decision making is based on facts, rather than the intuitive skills (with fear) and on timely basis. We need to learn to dance with fear by keeping fear in the back seat and continue to grow. So, success is guaranteed.

2. Too much strive for perfection: -

Many of the Startups put their energy & resources on perfectionism especially during the initial stage, and the time that is taken in perfecting the ideas or implementation process, they loose early mover advantage. Ideas are worthless unless we act on them now. So, it's not about the idea, success or performance of businesses depends upon implementation. Take action, and keep on improving as a continuous process based at



feedback from various sources. For example, Facebook, started by Harvard Students, was not having any business plan initially but they kept on implementing better and better based on feedback and their own ideas. Today, it's one of the biggest companies in the World. Similarly, Google was not the first search engine and they kept on improving algorithm and search engine better and better, and they are one of the biggest companies in the world.

Just doing it, which will keep us ahead 99% of the potential competitors. It is just about doing, rest everything else comes in the process and implementation.

3. Cause or purpose of Startup remain undefined: -

At times, Startups are not able to define or communicate why they got into business/profession/service or what problem they are addressing at large. Startup's vision should be very clear, implicit and well communicated. All the actions should be in alignment to the long-term vision, and should work on building a loyal army of customers, not just the buyers as the way Steve Jobs build it for Apple. Apple in all its communications maintained, 'Clarity of Why', 'Discipline of How' and 'Consistency of

What'.

For Example - Apple didn't introduce the iPod until twenty-two months after Creative's entry into the market. This detail alone calls into question the assumption of a first mover's advantage. Given their history in digital sound, Creative was more qualified than Apple to introduce a digital music product. The problem was, they advertised their product as a "5GB mp3 player". Whereas Apple advertised as "1000 songs in your pocket". The difference is Creative told us WHAT their product was and Apple told us WHY we needed it.

Be in niche area of specialization rather than generalizing. For example, Yoga instructor for Weight Loss or Yoga Instructor for 'Weight Loss post Thyroid Symptoms'. In the niche area of the business activities, it is relatively easier to attract customers rather than generalizing, and competition is far less in niche areas of business activities.

4. Team Constraints: -

There are too many challenges for the Startups be it human resources, liquidity and infrastructure. There are alternatives to manage liquidity and infrastructure but there is no alternative to availability of 'Right Team'. The 'Right Team' here we mean, is to hire people who believe what we believe. Those who are passionate into the cause of setting up the business/profession/service and





who have the attitude that fits the organization's culture. It is said when you have a motivated team with your why, success just happens.

At the time of investment, investors give very high importance (abt 50-70%) to the team while making the decision.

The role of the leader is to create an environment in which great ideas can happen. If the employees are constantly reminded Why the company was founded and told to always look for ways to bring that cause to life while performing their job, however, then they will do more than their jobs. If we really observe the successful Startups, they have given their people something to work toward whereas majority of Startups have given their people something to work on. This factor is a good indicator of gauging the motivation level of employees. Employees come first and if employees are treated right, they treat the outside world right, the outside world uses the company's product again, and that makes the shareholders happy. That really is the way that it works and it's not a conundrum at all. It's only confidence that makes fighter pilots so good at their jobs.

Keep the cost at minimum level during initial stage of business: -

The Start-ups who have kept their cost at minimum level have been relatively successful. They held external meetings at Restaurants/clubs rather than building a spacious & glammers office spaces etc. Further, they sought help from others even unknowns to conserve their own resources.

Lack of human touch with Customers or Personal Brand: -

Many of the Startups are working on digital platforms and completely lack human touch with prospective customers. It has been observed that Startups which are having digital platforms with human touch are generally successful as human touch builds the trust factor in the minds of prospective customers. Personal brand is very critical for success of digital platforms.

Timing of the Business Activities: -

If the Startups is addressing any problem that the larger community is facing or providing any solutions at large, it is going to be successful. (For Example - Facebook – a social platform connected people on digital platforms and Google – a search engine providing solutions to availability of information/data etc.). Presently, there are many companies who are having better product what Facebook and Google are offering but how many of us knowing about them).





A survey was conducted to analyze 5 Success factors across more than 200 companies, the findings are shared below: -

| Factors | Cos. | % |
|----------------------|------|----|
| Timing | 42 | 21 |
| Team / Execution | 32 | 16 |
| Idea 'Truth' Outlier | 28 | 14 |
| Business Model | 24 | 12 |
| Funding | 14 | 7 |

From the above, it will be observed that the Timing has been the most critical factor for success or failure of the Startups, and the second aspect has been the team. Funding or liquidity has been the least factor for success or failure of the Startups.

Examples of Timing Factor leading to Success of StartUps:-

- a. Airbnb – Initially it was passed on many smart investors as people thought no one is going to rent out a space in their home to a stranger but people were proven wrong. The timing was perfect as the Company came out right during the height of the recession when people really needed extra money and that helped people overcome their objection to renting out their home to strangers.
- b. Uber – Uber came out at the time when drivers were looking at extra money.

c. City Search – At the time when people needed web pages

d. Z.com & You Tube – An online entertainment company but by that time broadband penetration was too low in 1999-2000, it was too hard to watch a video content online, and the company was closed in 2003. Whereas You Tube was perfectly timed in 2005, and by that broadband issue was largely sorted out. Infact, You Tube was not having any business model when it started.

Neale Donald Walsch said, **“Life begins at the end of your comfort zone”**.

Michael Jordan said, **“I have missed more than 9000 shots in my career. I have lost almost 300 games, and 26 times, I have been trusted to take the game winning shots and missed. I have failed over and over again in my life and that is why I succeed”**.

The success or failure is a part of the business process and what is more critical is, **‘Never giving up’**. Doing business is like dating. The role of a leader is to create an environment in which great ideas can happen. Visualize what the wrong can happen, and be prepared for the same, and then act thereon accordingly.





Startups can change the World and make the World a better place to live.

References:-

1. Book - Start with Why - Simon Sinek
2. Book - The Monk who sold his Ferrari - Robin Sharma
3. Video - How to start your own business without investors- Nicholas Hanny
4. Video - My 40 days - facing the fear of failure - Caleb Meakins
5. Video - The Single biggest reason why Startups succeed - Bill Gross



DISCLAIMER

The opinion expressed in each article is the opinion of author and does not necessarily reflect the opinion of Gurugram Branch. Gurugram Branch assumes no liability or responsibility for any inaccurate delayed or incomplete information nor for any actions taken in reliance thereon. The information contained about each individual event or organization has been provided by such individual event organizers or organization.



Empowering Profession

CA Gopal Nathani



In the recent times the seasoned profession of Chartered Accountancy has witnessed many challenges both from within and outside. Both the independence and the propriety have been under question. Further while revised set of amendments have come into force in the Chartered Accountants Act 1949 to reinforce greater sense of accountability and discipline in the conduct of the profession. After Quality Review Board now we also have a board of discipline. Amendments are made requiring the Board to also report cases of non-compliance with various statutory and regulatory requirements to the Disciplinary Directorate for its examination.

With this increasing regulation there is a parallel need to empower the profession and the professionals. The following are few metered suggestions to empower the profession:-

1. Never offer or accept fee cut

Never ever should we accept a new client only to yield a fee cut to him. Often companies are seen negotiating a fee cut from their Chartered Accountants on one pretext or the other, pull the rugs sometimes and even ask for quotes from

others and often we succumb to such pressure tactics.

If the reason for such negotiation are lower fee offered by a fellow Chartered Accountant then that may be considered as an instance of serious professional misconduct. An appropriate entry be made in this regard in the schedule of misconduct to the Chartered Accountants Act, 1949.

Every time we discount our fee we are actually demeaning our professional services and competence. The same is true when we accept an assignment for lower than earlier fee.

I would request the council to bring in a non-compete clause in the Chartered Accountants regulations to prevent any such act amounting to breach of such clause. So every time we accept an assignment for lower than previous fee would be a sign of professional misconduct.

2. Charge realistically

We need to set realistic scale of fees in proportion to the time spent rather than random fee based on age old past practices formula.

I suggest that we have all fee related negotiation in writing with the clients every year before start of



the work. Also all such record must be preserved and shared with the new incumbent in case of change of guard.

Further a proper feedback must be shared by the relieving professional to the ICAI to prompt action in accordance with ICAI member's regulations.

3. Project firm's competencies and complaints

Let us make our competencies visible to the outside world.

I suggest that we bifurcate our professional fee in the financial statements based on core area of practice. The ICAI may devise templates and project firms and their competencies on their website on the basis of such bifurcations. That will tell us and the users our competencies.

Besides the ICAI may also state therein firm registration details and details of pendency of any actionable information or complaint or imposition of penalty against the firm, if any.

4. Push for Inter-firm services and billings

We are all experts in one or more disciplines. At the same time we all have our own limitations either because of the size and scale of the firm and/or its partners or the length of experience. Also a firm's reach is limited to servicing to its

own clients for years and decades. In such a scenario the financial statements may tend to become less than reliable as these are audited routinely.

To empower our fellows especially the small and medium sized firms let us draw professional resources from one another who too have equal direct knowledge and competence to service an area of practice.

I would appeal to the council to bring an amendment in the regulations to encourage these kinds of arrangements where a professional may bill a fellow professional who can further bill client after providing their own fee without any fee sharing arrangements.

This will remove the stress of working overtime, improve the quality and will eventually empower profession.

Most importantly to check this compliance we need to see the proportion of professional fee paid to the fee earned during the year. ICAI may bring in a regulation and decide the minimum ratio. Members in practice therefore may be called to upload their financial statements to the ICAI for this purpose.





While we are celebrating Azadi Ka Amrit Mahotsav let us in the days to come also debate on subjects that possibly could help empower our noble profession and further shall we take it to a new height.

To overcome this and to help guide members the ICAI should also now invent a dynamic window on the portal dedicated to the list of various statutory and regulatory requirements for the benefit of the members of the Institute or firms.

5. Statutory and Regulatory Requirements

Section 28B of the CHARTERED ACCOUNTANTS ACT, 1949 provide a sunder;-

28B. Functions of Board The Board shall perform the following functions, namely: -

- (a) to make recommendations to the Council with regard to the quality of services provided by the members of the Institute;
- (b) to review the quality of services provided by the members of the Institute including audit services; and
- (c) to guide the members of the Institute to improve the quality of services and adherence to the various statutory and other regulatory requirements.

After clause (c), the following clause has been inserted recently, namely:-- "(d) to forward cases of non-compliance with various statutory and regulatory requirements by the members of the Institute or firms, noticed by it during the course of its reviews, to the Disciplinary Directorate for its examination."

Day & Date : Thursday – Sunday | 5th May 2022 to 8th May 2022

Venue : Solang Valley Resort, Solang Valley, VPO Palchan, Manali, Himachal Pradesh



Day & Date : Monday, 9th May 2022 | Time : 02:30 PM

Venue: JJF castings ltd, plot no. Sp-174(a), kaharani industrial area, ext, bhiwadi, dist, Bhiwadi, Rajasthan



Day & Date : Saturday, 14th May 2022 | Time : 09.30 AM – 02.00 PM (4 CPE Hours)

Venue : Hotel Radisson Gurugram, Sohna Road, Sec-49, Gurugram

Chief Guest : CA. DD Goyal, Executive Advisor Finance, Maruti Suzuki India Limited



Day & Date : Sunday, 15th May, 2022 | Time : 09:30 am

Venue : Flow Sports Life Badminton Academy Gurgaon, Vipul Greens Internal Road, Vipul World, Sector 48, Gurugram





Gurugram Branch Managing Committee for the Session 2022-23

| SNo. | Designation | Name | Mobile | Email ID |
|------|---------------------------------|-----------------------------------|------------|-----------------------------------|
| 1 | Chairman | CA. Mohit Singhal | 9555379714 | fcasmc@gmail.com |
| 2 | Vice-Chairman | CA. Amit Gupta | 9654346350 | amitmbaca@gmail.com |
| 3 | Secretary | CA. Jitender | 9911656371 | cajitender9@gmail.com |
| 4 | Treasurer | CA. Pooja Aggarwal | 9810559631 | poojaaggarwal8@gmail.com |
| 5 | NICASA Chairman | CA. Vipin Agrawal | 9599336633 | cavipinagrawal@gmail.com |
| 6 | Chairman of Members in Industry | CA. Amit Kithania | 9716013030 | caamitkithania@yahoo.co.in |
| 7 | Executive Member | CA. Amit Mittal | 9873515068 | amit.mittal@gkcindia.com |
| 8 | Executive Member | CA. Himmat Yadav | 9999929513 | cayadavhimmat@gmail.com |
| 9 | Executive Member | CA. Nishant Kumar | 9560753535 | nishant@srjnindia.com |
| 10 | Ex-Officio Member | CA. Naveen Garg Chairman, NIRC | 9911283111 | nvn_garg@yahoo.com |
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| 12 | Ex-Officio Member | CA. Sandeep Agarwal | 7903121471 | sandeep.agarwal@felixadvisory.com |
| 13 | Ex-Officio Member | CA. Sangam Agarwal | 9818911609 | ashcompanyca@gmail.com |
| 14 | Ex-Officio Member | CA. Vijay Kr. Gupta | 9871174091 | vkguptaca@gmail.com |

Feedback & Suggestions: Gurugram Branch will be happy to receive the feedback from you regarding the seminars/workshops and other activities organized by branch. You may please send feedback at Gurugram Branch of NIRC of ICAI requests the members & students to come forward & share the articles (Professional & other) to be published in the upcoming newsletter. The submissions may be sent to **fcasmc@gmail.com** with the subject line (Article Newsletter).

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