July - 2026

E-NEWSLETTER

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set by an Act of Parliament)

TIRUPATI BRANCH (SIRC)





BRANCH ACTIVITIES

UPCOMING EVENTS

Empowering members and students through knowledge, growth, and excellence

Chairman's Foreword



Dear Esteemed Members, Students, and Well-Wishers,

Greetings!

It gives me immense pleasure to present another edition of our Branch Newsletter, reflecting the vibrant activities and remarkable participation of our members and students.

Over the past month, our Branch has witnessed an inspiring series of events that strengthened professional excellence, encouraged healthy competition, and promoted overall well-being. I am delighted to share that the Indoor Games Competitions for both members and students concluded successfully, showcasing outstanding sportsmanship, enthusiasm, and camaraderie. The Cricket Tournaments for members and students also received an overwhelming response, fostering teamwork and strengthening the bond within our professional fraternity.

In celebration of International Yoga Day, our Branch organized a rejuvenating yoga session, emphasizing the importance of physical fitness, mental wellness, and a balanced lifestyle. We also commemorated MSME Day by highlighting the pivotal role of Micro, Small and Medium Enterprises in driving economic growth and creating opportunities, while reinforcing the Chartered Accountant's contribution to this vital sector.

Adding to our professional initiatives, we successfully conducted a One-Day Seminar at Chittoor, where eminent speakers shared valuable insights on contemporary taxation and regulatory developments. The enthusiastic participation and interactive discussions made the programme a resounding success.

Chairman's Foreword

These accomplishments would not have been possible without the dedicated efforts of our Managing Committee, volunteers, faculty and the wholehearted participation of our members and students. I extend my sincere gratitude to everyone who contributed to the success of these initiatives.

As we move forward, let us continue to uphold the values of our profession through continuous learning, professional excellence, and active participation in the Branch's activities. I invite each one of you to remain engaged and contribute towards making our Branch even stronger and more vibrant.

With warm regards and best wishes,

CA. Simhadri Mannem
Chairman
ICAI Tirupati Branch (SIRC)

" Corporate Mitra Scheme: Can Para professionals Solve MSME India's Compliance Problem? "

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CORPORATE MITRA

Introduction :

India's MSME sector has long faced a familiar problem as small units grow, their compliance obligations grow with them, but professional support often stays out of reach. GST returns get filed late, filings go to whoever is cheapest, and advice is sought only after a notice arrives. The Corporate Mitra Scheme, announced in the Union Budget 2026-27 and now detailed through MCA guidelines, is a direct response to this gap and one the profession should watch closely, since it will shape how compliance support reaches the smallest enterprises.

MSMEs anchor India's employment and entrepreneurship, yet the businesses that need professional guidance most are often the ones least able to afford it. The scheme's answer is a new intermediate cadre the " Corporate Mitra " a trained, certified paraprofessional sitting between the untrained local bookkeeper and the fully qualified practitioner, offering affordable support in GST, accounting, compliance, financial guidance, cost accounting and secretarial services. The scheme is deliberately tilted towards Tier-II and Tier-III cities, where professional presence is thinnest.

The four objectives

- Build a skilled, accredited pool of paraprofessionals to support MSMEs across compliance, accounting, GST, cost accounting and governance.
- Ease the burden of doing business for MSMEs through structured professional guidance.
- Generate employment by making young graduates industry-ready and placement-worthy.
- Strengthen professional advisory services broadly, through standardised training and certification.

The first batch is **small 2,000 participants in total, with 200 seats set aside for the North Eastern States**. It's just a starting point, and the profession should watch closely to see how this batch performs before the scheme is expanded further.

Eligibility for candidates:

- Must be an Indian national.
- Must be up to 30 years as on the date of application.
- Must be either a graduate of a recognised university, or currently in the final year of graduation.
    - Final-year students will receive their certificate only once their degree is actually conferred.

Programme structure : Twelve months - Two phases:

Phase 1 Academic course (6 months):

- Delivered online.
- Roughly 144 hours of structured learning.
- Supplemented by about 6 hours of webinar each or physical sessions.
- Available in both English and Hindi.

Phase 2 On-the-job training (6 months):

- Undertaken with a professional firm or LLP recognised as a **member in practice by ICAI, ICSI or ICoAI.**
- Candidates choose their own placement, based on location and preference, once the academic component is complete.

Evaluation spread across the entire journey:

- Module-wise assessments: 10 percent weightage.
- Final assessment after the academic course: 50 percent weightage.
- On-the-job training assessment by the professional firm: 40 percent weightage.
- Minimum 50 percent overall required, plus completion of on-the-job training, before the certificate is awarded.

Fees, and Concessions

- Registration fee: Rs. 3,000 plus applicable GST, payable online at the time of registration.
- Covers the first attempt at the assessment and certification in full.
- Re-appearance fee: Rs. 1,000 plus applicable GST for each subsequent attempt.
- 50 percent fee concession for:
    - Women candidates.
    - North Eastern states.
    - Himalayan region J&K, Ladakh, Himachal Pradesh, Uttarakhand.
    - Andaman & Nicobar Islands and Lakshadweep.

Role of ICAI , CAs and CA firms in this Scheme

Based on the guidelines, the scheme lays out for CAs and CA firms:

1. Institutional role ICAI as one of three implementing bodies The scheme is jointly implemented by ICAI, along with ICSI and ICoAI. ICAI is represented on:

- The **Steering Committee** (constituted by MCA), which oversees the design, implementation and operations of the scheme, and has authority to modify guidelines, eligibility criteria and selection processes.
- The **Coordination Committee** of the three institutes, which aligns course content, resolves operational issues, and facilitates on-the-job placements. Its secretariat is based in Delhi/NCR.

2. CA firms as training hosts

- Only firms or LLPs recognised as a **"member in practice"** by ICAI (or ICSI/ICoAI) are eligible to offer the 6-month **on-the-job training**.
- Eligible firms get listed on the Swayam Plus portal, and candidates choose their placement firm based on location and preference so firms don't get assigned candidates; they get "selected" by them.

3. Paying and mentoring the candidate

- Firms offering On-the-job must pay the candidate a **minimum prescribed stipend**, as per norms set by ICAI/ICSI/ICoAI.
- During this period, **the firm is effectively responsible** for the candidate's real-world exposure this is where the "on-the-job" learning actually happens.

4. Assessing the candidate

- On-the-job training performance, as assessed by the professional firm, carries **40 percent weightage** in the candidate's overall evaluation the single largest component after the final academic exam. This makes CA firms direct evaluators, not just hosts.

5. Recognition

- ICAI (along with ICSI and ICoAI) will **recognise and award best-performing firms/LLPs** that engage Corporate Mitras for on-the-job training creating an incentive for firms to participate meaningfully rather than just tick a box.

Conclusion

For the CA profession, this is not a scheme happening on the sidelines. With ICAI shaping policy at the top and individual firms training, paying and assessing candidates on the ground, the profession has a direct hand in building this new layer of support. How seriously that responsibility is taken now will decide whether Corporate Mitra becomes a genuine extension of professional trust, or just another certificate.

Reference: https://www.icai.org/post/icai-corporate-mitra-committee

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The Auditor's Paradox: Balancing Robust Audit Evidence with Data Privacy Compliance

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The traditional landscape of auditing was built on an unassailable statutory right. Under Section 143(1) of the Companies Act, 2013, an auditor enjoys unrestricted access at all times to a company's books of account and vouchers. Historically, this meant extracting massive, unfiltered database dumps and physical ledger files to verify transactions.

However, India's regulatory landscape has experienced a profound shift with the full operationalization of the Digital Personal Data Protection (DPDP) framework. Data is no longer just neutral "audit evidence"—it is a high-stakes statutory liability if mishandled. The Institute of Chartered Accountants of India (ICAI) recently underscored this paradigm shift by launching the Data Protection Compliance & Audit Certification (DPCAC), formally recognizing data privacy as a core governance domain for accounting professionals.

This creates a fascinating professional paradox: How do we extract sufficient, appropriate audit evidence (SA 500) while strictly adhering to data minimization laws?

1. The Vulnerability Matrix in a CA Office

A Chartered Accountant's firm acts as a key custodian of sensitive information. Under the DPDP framework, our offices process digital records and hold fiduciaries, meaning privacy risks exist equally across digital platforms and traditional manual file systems.

A. The Digital Blindspots (Ingestion & Processing)

- **The Over-Extraction Trap:** Auditors routinely request data samples—such as full payroll records or customer masters—that contain unmasked Personally Identifiable Information (PII) like Aadhaar numbers, PANs, bank accounts, and home addresses. Under the DPDP principle of **Data Minimization**, an auditor rarely needs an individual's identity to verify a financial balance; they only require transactional validity.
- **The AI and Cloud Hazard:** With casual tech usage on the rise, audit assistants occasionally store raw client data on unencrypted personal laptops or paste financial datasets into free, public AI models to generate quick analytical summaries. This severely breaches confidentiality, exposing the firm to legal liabilities and directly violating the **ICAI Code of Ethics** and **SA 230 (Audit Documentation)**.

B. The Manual Paper Trail (Physical Vulnerabilities)

Data protection is not merely an IT issue. Because CA offices run heavily on paper, manual documents represent a significant physical blind spot:

- **The Exposed Desk:** Leaving printed client tax binders, bank statements, or manual employee onboarding forms open on desks where they are visible to casual visitors or support staff.
- **The KYC Storage Deficit:** Retaining unsecured photocopies of client or promoter PAN cards and passports long after an assignment is concluded.
- **Improper Disposal:** Tossing rough tax computations or printed financial ledgers directly into regular waste bins without shredding them. Under the DPDP Act, offline personal data that is later processed systematically falls squarely within the statutory compliance net.

2. Why Client-Side Data Privacy Matters to the Auditor

An audit cannot be performed in an operational vacuum. A client's internal data privacy practices directly influence our assessment of **Audit Risk** and **Control Risk** under the Standards on Auditing (**SA 200**):

A. Impact on Internal Financial Controls (IFC)

Under **Section 143(3)(i)**, auditors must report on the adequacy and operating effectiveness of a company's internal financial controls. In a digital economy, data privacy is a core component of IT General Controls (ITGC). If a client allows unrestricted employee access to consumer PII or lacks formal data governance, the auditor must flag this under **SA 265** as a significant control deficiency.

B. Catastrophic Financial Liabilities

The DPDP Act enforces stringent monetary penalties for data lapses. Failing to prevent a data breach can result in statutory penalties of up to **₹250 crores**, while failing to notify the Data Protection Board of India (DPBI) can attract fines up to **₹200 crores**. When a client suffers a breach, the auditor must evaluate these exposures under **SA 250 (Consideration of Laws and Regulations)** to determine whether they necessitate provisions or disclosures as material **Contingent Liabilities (AS 29 / Ind AS 37)**.

3. The Enforcement Reality: Corporate Penalties & Operational Hurdles

With the **DPDP Rules** officially active and the Data Protection Board of India (DPBI) fully operational, data privacy non-compliance carries severe material risk.

A. The Statutory Penalty Matrix

The Act replaces abstract warnings with absolute financial liabilities. Importantly, these penalties are levied **per violation**, meaning sequential or systemic failures can result in compounded fines:

- **Failure to Safeguard Data (Up to ₹250 Crores):** Leaving databases exposed, using weak encryption, or failing to secure endpoints.
- **Failure to Notify Breaches (Up to ₹200 Crores):** If an enterprise attempts to conceal a data leak or fails to alert the DPBI and affected individuals within the prescribed time window, they face separate, heavy statutory penalties.
- **Deficient Data Management (Up to ₹50 Crores):** Operating on vague or forced consent (such as pre-ticked checkboxes) or failing to purge records when a user requests deletion.

B. Core Operational Challenges Faced by Corporates

When evaluating a client's environment, auditors frequently witness structural friction as companies struggle to adapt to these strict parameters:

- **The "Legacy Tech" Debt:** Many corporates run on legacy ERPs and local file servers where access controls are poorly defined. Isolating or deleting a single individual's data across deep backup arrays without breaking database architecture remains a severe engineering bottleneck.

- **The "IT-Only" Misconception:** A prominent corporate failure is assuming data privacy is solely the IT department's problem. In reality, marketing teams continuously scrap user data, HR holds massive volumes of unmasked PII, and finance handles extensive transaction logs. Without cross-functional governance, compliance collapses.
- **Unmonitored Vendor Ecosystems:** Corporates routinely pass raw data to third-party payroll processors, cloud service vendors, or marketing agencies. Under the DPDP framework, the primary corporate client remains the primary **Data Fiduciary**. If a vendor leaks client data, the corporate entity bears the legal and financial brunt.

4. Real-World Risk Scenarios

- **The Vendor Data Leak:** An e-commerce client shares raw customer databases with a third-party logistics vendor without an explicit Data Processing Agreement (DPA). The vendor suffers a ransomware attack. Under the law, the primary client remains the *Data Fiduciary* and bears the statutory penalties. The auditor must flag this missing vendor governance as an IFC failure.
- **The Marketing Overreach ("Consent Theatre"):** A consumer-facing client uses pre-ticked checkboxes to automatically opt users into marketing loops and shares their financial profiles with sister concerns without explicit consent. Because the DPDP Act bans forced consent, a regulatory order could freeze the company's customer pipeline, introducing a severe **Going Concern Risk (SA 570)** that the auditor must highlight.

5. The Shared Responsibility Blueprint

Domain	Statutory Reference	Common Exposure	Practical CA Office Safeguard
Physical Records	**SQC 1** & DPDP Offline Collection Rules	Discarded tax sheets or KYC prints left in open waste bins or visible on desks.	• **Clean Desk Policy:** Lock all folders nightly. • **Cross-Shredding:** Securely shred all paper waste.
Digital Access	**Section 143(1)** vs. DPDP Data Minimization	Gathering unmasked employee payrolls containing sensitive PII.	• Request masked or anonymized data strings unless identity is functionally required. • Use encrypted client portals instead of open email.
Audit Processing	**SA 230** & ICAI Code of Ethics	Storing files on personal laptops; uploading raw client text to public AI tools.	• Enforce device-level encryption (BitLocker) firm-wide. • Implement network blocks on unauthorized public AI tools.

Domain	Statutory Reference	Common Exposure	Practical CA Office Safeguard
Client Control Environment	**SA 250**, **SA 265**, & DPDP Security Rules	Weak user access privileges in ERP; lack of structural vendor DPAs.	• Review client data governance during ITGC audits. • Check for financial exposures related to DPDP penalty risks.
Data Retention	**SQC 1** (7-year retention) vs. DPDP Storage Limitation	Retaining redundant, raw client consumer databases long after report sign-off.	• Separate and protect *Audit Working Papers* (preserved under SQC 1) from *Raw Client PII* (securely purged post-audit).

Conclusion

In the modern compliance era, a data breach is as damaging to an audit firm's professional standing as an adverse financial opinion is to a corporate enterprise. As Chartered Accountants, our signature represents trust. To uphold that trust in a digital-first economy, our commitment to data privacy—both within our own office walls and throughout our clients' environments—must be as uncompromising as our commitment to financial truth.

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Honouring the Commissioner of Income Tax (Appeals)





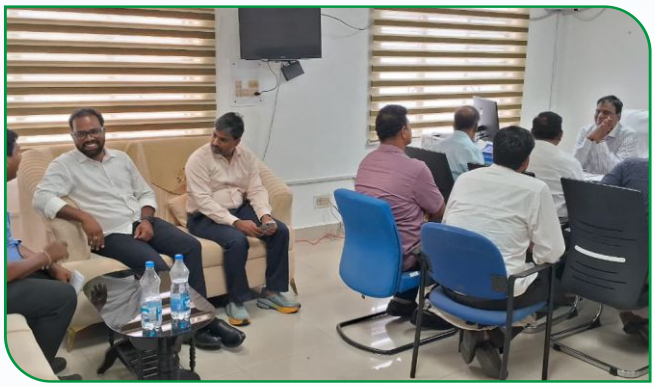





Honouring the Commissioner of Income Tax (Appeals)







Batting Beyond Books - Student Cricket










Batting Beyond Books - Student Cricket















Batch Valedictory Ceremony - Moments to Remember










Batch Valedictory Ceremony - Moments to Remember










Smash & Rally – Student Shuttle Badminton















Smash & Rally – Student Shuttle Badminton









Checkmate & Strikes - Members' Indoor Games









Sportsmanship in Action - Members' Shuttle Badminton Highlights















Sportsmanship in Action - Members' Shuttle Badminton Highlights











Champions on the Field - CA Cricket League 2026










Champions on the Field - CA Cricket League 2026










Champions on the Field - CA Cricket League 2026

















A Day of Wellness - Celebrating International Yoga Day

















A Day of Wellness - Celebrating International Yoga Day










Glimpses of the Seminar on GST Show cause Notices & Practical Insights on TDS/TCS













Glimpses of the Seminar on GST Show cause Notices & Practical Insights on TDS/TCS











MSME Mahotsav - Event Highlights













MSME Mahotsav - Event Highlights









Building Construction Milestones















Branch Activity Calendar

AGM 2026
Date: 13.07.2026 Monday, from 12.00 noon
@ ICAI Bhavan, Tirupati.

We gratefully acknowledge the invaluable support and enthusiastic participation of all who contributed to the success of this programme.

A Continuing Commitment to Learning,
With Gratitude
Managing Committee
TIRUPATI BRANCH (SIRC)