



ERNAKULAM BRANCH OF  
**SICASA**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

**THE JUXTAPOSITION OF IND AS WITH IFRS**

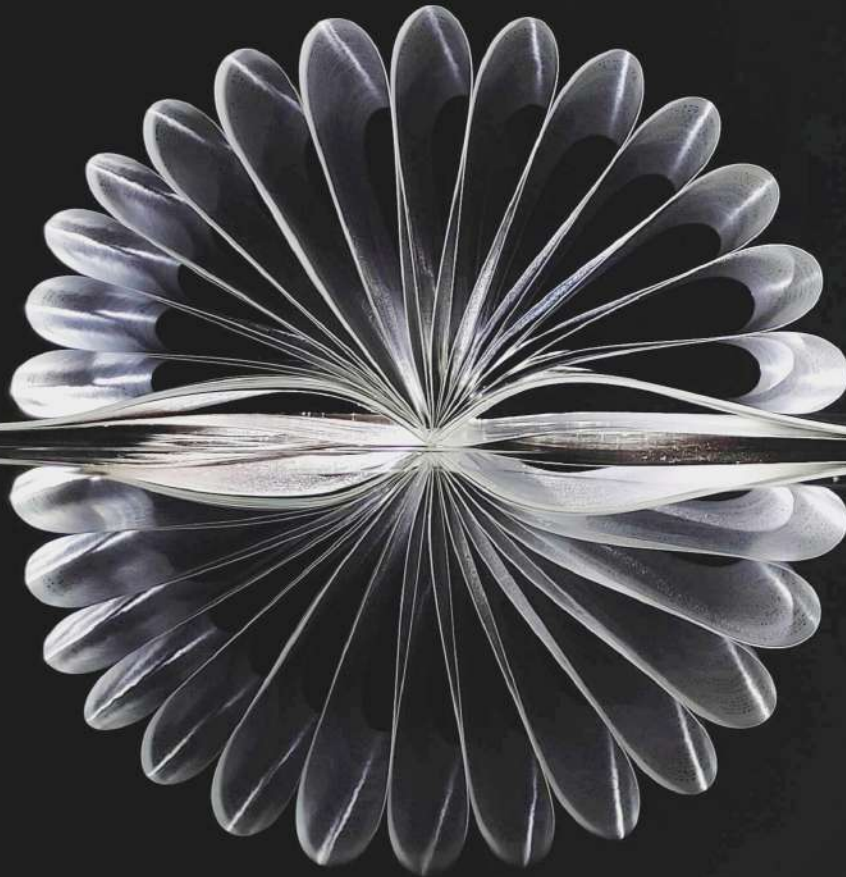
CHERIAN HANDLEY IVAN

**THREE DAYS  
IN APRIL**

DENITA MENDEZ  
M VISWANATH

**BAN ON  
CRYPTOCURRENCY,  
WHY?**

ROHIT REMESH



*Swasthi*



E-NEWSLETTER

APRIL 2021

# WHAT'S THIS NEWSLETTER ALL ABOUT?

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## ON THE COVER

The Winning Photograph of PICASA 2.0 shot by **RAKESH O S**

## WORD FOR THE MONTH

### FULSOME

MEANING: COMPLIMENTARY OR FLATTERING TO AN EXCESSIVE DEGREE

EXAMPLE: THE KING WAS **FULSOME** WITH HIS CONTRIBUTIONS



## The Juxtaposition of Ind AS with IFRS

**CHERIAN HANDLEY IVAN** is here to shed some light on his perspectives on why India didn't just fully adopt IFRS.



## Ban on Cryptocurrency. Why?

**ROHIT REMESH** has something to tell you why Indian Govt is planning for a ban on Cryptocurrencies.



## Three Days In April

What's with all the Protests on The European Super League? **DENITA MENDEZ** and **M.VISWANATH** has explained with clarity over here.



## Art and Scrapbook

Check out the Artworks of our **Artists in CA Fraternity** and how the latest events by **SICASA** were conducted in style!

# CHAIRMAN'S MESSAGE



**CA SALIM ABDUL RASHEED**  
**CHAIRMAN**  
**SICASA - ERNAKULAM BRANCH**

I am immensely delighted to communicate with the CA students in this great occasion. Over the past two years, we have been facing and striving to cope with the new normal. Due to the covid pandemic, we have trained to be the new version of ourselves and started exploring the options for survival, as a result of which we have discovered the potential which were hidden all these years.

At present, we are well versed with the modern way of interaction through the virtual platforms like the zoom and google meets as we have understood that without being adapted to the new ways of interaction, we will not be able to develop and grow. As auditors, we are facing difficulties in conducting our functions because we are not in a position to visit the business entity and understand the various business processes and identify the risk involved. Instead, we are taught to conduct our audit more scientifically and accurately through the online platforms and the new audit software packages. It is exciting to see the new audit software packages which makes audit much easier to handle, in the market.

We have also observed the health care workers contributing heavily to the society by their care, constantly giving warnings about the expanded form of covid 19, creating awareness about the significance of maintaining hygiene, witnessing the bitter sights of high death rates due to deficient oxygen, medicine, blood and much more.

In such a situation, we the SICASA team has managed to conduct blood donation camps known as "The Blood Donation Drive" program collaborated with the IMA, which was a huge success, with the huge efforts taken by the team, especially the students. It would not have been possible without them. The program witnessed around 30 blood donors. In this challenging situation, where people are scared to come out and donate blood, the kindness shown by the donors is sincerely appreciated.

In addition to the above, the SICASA team has arranged for 20 plus units of blood and plasma, where the CA students played an instrumental part in the units donated, as they are now well aware about the present circumstances and have learnt the importance of volunteering towards the emergency situations.

We are trying to enlarge the caliber sets of our students by insisting them to have the professional ambition, not to stop and settle being a chartered accountant and to think innovative and bigger. The mentors like CA Anagha and Najeef Bin Haneef have shown them the way to achieve better heights by aspiring for upsc examinations and holding up the virtues of an entrepreneur respectively.

Another area of development is the competitiveness of students in all the domains of growth. We have introduced the indoor program known as the "IPL Auction Program" where we could see the negotiation power of the students.

We also visited the Pratheeksha Bhavan, where we came to see the poor mothers and sisters living together and fortunately, we could contribute to them in cash and kind.

In addition, as the exams got postponed, we are having a number of programs at the planning stage which will be held in the forthcoming weeks, especially, with collaboration with various colleges, with the hope that the circumstances would never get worsened by the global pandemic.

With great pleasure, I am displaying my heartfelt gratitude to the whole team for the great support given and I expect the same and more to implement the ideas together.



# SECRETARY'S REPORT

Warm greetings to our readers! The month of April for the Ernakulam Sicasa committee was fun-filled and equally busy. Conducting back to back events is never an easy task but I am proud to say our committee worked together for each and every event to make it all great success. From our face painting competition to the IPL auction, the study circle to the blood donation campaign, every single event was a grand success.

After successfully completing more than 10 events like our Picasa 2.0, which is a photography contest, multiple "Meet a Chartered Accountant" meetings and even an "Entrepreneur Meet", we have a lot more up our sleeves. We, the Ernakulam Branch of SICASA is proud to say that we have events that showcase the talent of every CA student out there!

I would like to thank the members and staff of the Institute for supporting and guiding us through it all. And also the students without whom none of this would be possible. Please keep showering us with your love!

As the second wave of the pandemic is amidst us, we are surrounded by covid and restrictions. I wish you all a safe and healthy month ahead. Please keep yourselves updated with our Instagram page (link given in the end of the newsletter) for the latest updates, as we are planning a lot more events to keep you engaged during this pandemic. SICASA Ernakulam is always with you in this pandemic.

Stay healthy, Stay safe.



**SHIMY SHAJI**  
**SRO 0596416**

## VICE CHAIRMAN'S REPORT



**KRISHNA GOPAN**  
**SRO 0491630**

April has always been a month of rigorous preparation for exams, but owing to increasing Corona positive cases throughout the country, The Board of Studies have postponed our exams to a future date. I believe that you all worked very hard during the past few months, with only a few days left give your maximum and come off with flying colours. But remember this, "Don't stop when you are tired. STOP when you are DONE".

After a successful month of March, April too was jam-packed with various activities. We kicked off the month with a Study Circle by Ms Saikripa on the topic "Audit of Different Entities", followed by a Face-Painting competition, which was a spin-off celebration of Holi. With an intense IPL season on the air, we conducted an "IPL Auction Competition", where participants had the opportunity to be in the shoes of a bidder and create their dream IPL team, which was also indeed a trendsetter. We organized a Seminar on "Complexities in ITC and Recent Amendments under GST Laws" by CA Deepika G. "Meet a Chartered Accountant" sessions with CA Preethu Jayaprakash and CA Anagha Antony Thekkekkara were also conducted to fully equip the students to face their exams. As a part of this year's "Spread a Smile" initiative of Ernakulam SICASA, we visited Pratheeksha Bhavan, a home for differently-abled women, and spend a few hours with them, providing them with a day's meal as well.

Being well aware of the possible blood shortage that may arise due to mass vaccination that is being scheduled, Ernakulam SICASA also conducted a "Blood and Plasma Donation Drive" which received a huge response and made our intend successful. The Second Edition of the photography competition, "PIKASA 2.0" also made great achievements with around 70 entries from different parts of the country. We were also privileged to have Prof. Muhammad Yunus (2006 Nobel Peace Prize winner) for a virtual Talk Show. We concluded the month with another amazing Study Circle by Rajat Santhosh on "Government Audit".

The impending month also promises to be a fun-filled ride with the committee well prepared for seminars, talent hunt competition, meme competition and few indoor games on the cards. Hoping we will get the same support, cooperation and participation throughout the year.

Dream big, stay positive, work hard and enjoy the journey.





# EDITORS' NOTE

Beginning of another year, April is a much-anticipated month. Schools are closing, students are on study leaves for their may exams, hot weather, and so on.

But like 2020, this year too is different. We are again encouraged to stay at home to observe social distancing to prevent the infamous Corona Spread. Some might be on their laptops working from, some might have zoom meetings, and so on.

And we too have been busy with our laptops to gather your wonderful and creative works of art, giving an opportunity to all of you to spread the word as to how talented you are. These creative pieces are formed together every month which we release as the E-Newsletters.

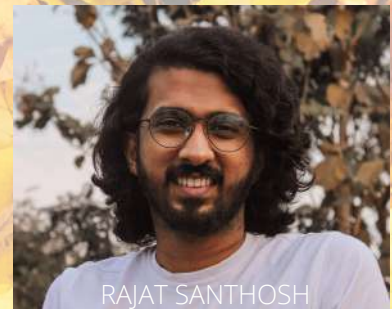
Drawings, articles, photographs, report on events, and much more available to you at the click of the mouse or a touch of your screens.

The events conducted by SICASA this month include IPL Auction, Blood Donation Drive, PICASA 2.0, Face Painting competitions, and study circles. You can catch the snaps of these events in the SCRAPBOOK section of this newsletter.

We got a good response from CA students when we requested their artworks. Although we couldn't accumulate everything into this newsletter, worry not. Your works will be noticed soon. And please do not hesitate to send your works to our email which is disclosed in the very last page. Stay Safe, and enjoy the newsletter.



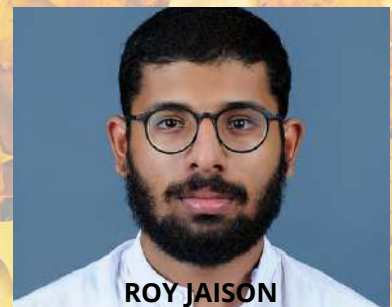
DEVIKA VISWANATHAN



RAJAT SANTHOSH



JOSEPH TIJO



ROY JAISON



SIRAJUNNISSA T A



# THE JUXTAPOSITION OF IND AS WITH IFRS (W.R.T BORROWING COST)

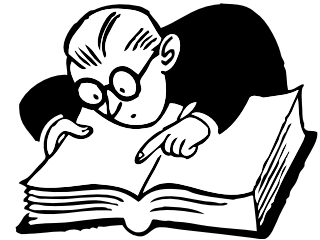
CHERIAN HANDLEY IVAN  
(SRO 0406222)

**While adopting IFRS completely may increase comparability, it may lead to the disregard of the most important virtue in Financial Statements, and that is “True and Fair”.**

A few years, circa 2015, I came across a news that read “India converges with IFRS to bring out Ind AS”. And as I read further, I was more confused than ever with questions.

Questions such as,

**“Why didn't India just fully adopt IFRS ???”**



**Why are we trying to make our own version of Financial Reporting standards, when there already exists one (I'm referring to the erstwhile and still existing AS)??**



**Is this some kind of a “Make in India” policy that our Standards should have a touch of “Bharat” in them?**

Those were the kind of questions that would be etched at the back of my mind in those early days.

Fast forward to 2020 and my preparations for CA Final are making headway with FR being one of the major subjects in Group I. The more I studied FR, which is 100% Ind AS, I realised WHY WE COULDN'T FULLY ADOPT IFRS, and convergence was the only possibility.

And there are many reasons for that which are clearly mentioned in the “Carve Ins” (they refer to provisions added to the IFRS document) and “Carve-Outs” (Refer to provisions removed from the IFRS document) present in Ind AS provisions.

My main aim today is not to show you all those reasons, but just one reason to highlight why I believe that Ind AS could never fully adopt IFRS. I'll be taking Ind AS 23 “Borrowing cost” as an example.

The whole crux of the Borrowing Cost standard is the same i.e. the capitalization of the Interest cost onto the cost of the Asset (Qualifying Asset to be specific). This concept is the same as in AS 16.



But where the paramount difference between Ind AS and IFRS lies is in the “Carve in”. **The Carve In regarding the capitalization of the Foreign Exchange loan to be exact.** This is a concept never mentioned in the IFRS standard (IAS 23).

**But the question is “WHY?”**

Well, the answer has more to do with the nature of Developed economies vis-a-vis the Indian economy (OR Developing economies) than with anything else. The average borrowing rate in the USA is around 2-3% and comparing that to the Indian borrowing rate of a minimum of 8%, leads to a shift in the desire to borrow loans from Foreign Countries. Let me explain this with an Illustration:

Imagine you borrow ₹ 1,00,000 from India @ 10% and the same from the USA @ 3% for a Qualifying Asset

INDIA	USA (Assuming that 1 US = ₹ 50)
<b>Interest after one year:</b>  $1,00,000 \times 10 = ₹ 10,000$	<b>Interest after one year (assuming that 1 US= ₹ 60):</b>  $1,00,000 / 50 \times 3\% \times 60 = ₹ 3,680$
NA (Since, it's a domestic loan)	Restatement of the loan: $1,00,000 / 50 \times 60 = 1,20,000$  Here, the additional ₹ 20,000 is debited to P&L account and treated as a Forex loss.
<b>Borrowing Cost to be capitalised = ₹ 10,000</b>	<b>Borrowing cost to be capitalised= ₹ 3,000</b>
Ind AS 23 and AS 16 allows the full <b>₹ 10,000</b> to be capitalised.	IAS 23 only allows <b>₹ 3,000</b> to be capitalised.

And this is where the Carve in comes to play. **The Carve in offers a respite in the form of “Additional Interest cost” that can be capitalised subject to the extent of “Foreign Exchange loss”.** In this case, the extent of Interest cost that can be capitalised is  $(10,000 - 3,000) = ₹ 7,000$ . And the Forex loss will reduce to the same extent.

i.e.  $20,000 - 7,000 = 13,000$ .



Now, most of you are familiar with this concept as it is the same in AS 16. But the reason why it was never even considered in IFRS is that the International Community (which is primarily headed by Developed nations) that developed IFRS never really considered the difference in loan rates of different countries. But any Developing country, not just India, will have high borrowing local rates and will have to consider capitalising the Interest Cost. So for countries like Bangladesh, Sri Lanka, Myanmar, etc. will never be able to fully adopt IFRS, and will be forced to converge to IFRS.

There are many other Carve-ins and Carve-outs from Ind AS that showcase the “Indianness” of Financial Reporting in India.



*Opinions expressed are those of the Author and not of ICAI.*

If the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 comes into force, India would be the first major economy to make holding cryptocurrency illegal.

The bill would criminalise possession, issuance, mining, trading and transferring crypto-assets. Holders of cryptocurrencies will have up to six months to liquidate, after which penalties will be levied. There is even a rumoured ten-year jail term in the mix. Even China has not been that harsh, allowing for possession.

So what has got the authorities all riled up? Before we get into that, we need to understand cryptocurrency. A cryptocurrency is a form of payment that can be exchanged online for goods and services. Think of Arcade tokens or casino chips. A company issues tokens, and you use real money to exchange it for tokens and use them to trade specifically for the good or service that the company provides.

Here is another example. Food Delivery App Swiggy has Swiggy money wherein you can put money in their digital wallet. You can use Swiggy Money to pay for transactions on the Swiggy app. But you cannot use Swiggy money to purchase from Myntra; it is restricted to Swiggy.

But Swiggy Money is not Cryptocurrency. Why? Because Swiggy Money is still a digital currency that is controlled by a central authority like the RBI. Cryptocurrency is Decentralised. What does that mean?

It means cryptocurrency works using Blockchain technology

### **What is blockchain technology?**

Even while the government plans to ban cryptocurrency they are intent on promoting blockchain technology.

## **BAN ON CRYPTOCURRENCY, WHY?**

**- ROHIT REMESH (SRO 0645060)**

Basically, Blockchain is a type of database. A database is a collection of information stored electronically. The information is stored on computers called servers.

In the case of Blockchain, the information being stored is that of transactions conducted using cryptocurrency.

Simply speaking, blockchain is a Public Ledger of transactions using cryptocurrency.

No central server

hosts the complete transaction details. Instead, blockchains store data in blocks of chronological order. Each block has a different storage capacity. Once a block is full, data is stored on the next block. The next block may be housed in a different server that is geographically spaced out from the preceding block. As new data comes in, it is entered into a fresh block. The succeeding block is chained with the previous block and the process continues. What does that mean?

it means the first block and the next block can reference each other because they contain addresses (called hash code) of each other. Cryptocurrency is a secured form of transaction. If hacked into, individual block's hash code changes. If the hash code changes, it would not be recognised by other blocks, and the block would cease to become part of the chain.

**To continue reading, [click here](#).**







# THREE DAYS IN APRIL

DENITA MENDEZ (SRO 0604139)

M VISWANATH (SRO 0633082)

## AN ATTEMPTED MOVE BY THE UBER-RICH TO OVERTHROW THE SPIRIT OF FOOTBALL – THE EUROPEAN SUPER LEAGUE

It has been a fortnight since 12 of the biggest names in club football announced their 'departure' from the status quo of UEFA Champions League, followed by their humiliated and apologetic return in less than 48 hours. Outside of major events like an Olympics or World Cup, very few sports news stories have dominated world headlines, nor generated such interest. The 'proposed' rebel competition managed to attract attention as much as the exposing of the FIFA scandal in 2015, if not more.

### What is the European Super League?

The Super League, a multi-billion-dollar tournament to be played largely among a closed group of elites— Manchester United, Manchester City, Liverpool, Arsenal, Chelsea and Tottenham Hotspur from England, Real Madrid, Barcelona and Atletico Madrid from Spain, and Juventus, Inter and AC Milan from Italy— aims 'to put the game on a sustainable footing'.

The structure of the league consists of 20 teams, 15 of which are the founders— the bigwigs from the world's biggest leagues, which will be the permanent participants in the tournament, and will govern the organization—and 5 annual qualifiers. The clubs will then be made into two groups of 10 clubs each, playing home and away fixtures within the group; the games will be played mid-week and all the clubs will continue to play in their respective domestic leagues.

But the principal aim seems to be to upend the Champions League, the crown jewel among all competitions managed by European football's governing body UEFA.

### What made the clubs look for greener pastures?

The COVID-19 pandemic affected the world economy in ways hitherto undreamt of. Football was no exception. With games suspended for a quarter of the year and ticket and merchandise sales plummeting, clubs found themselves staring at their imminent doom, especially FC Barcelona and Real Madrid, neck-deep in debt. This is where the new league comes in.

Currently, domestic league positions decide who qualifies for the Champions League, whereas in the proposed competition, the big 15 are under no risk of missing out, and are guaranteed a steady stream of revenue. It is even reported that each founding member is assured of a whopping \$400 million in exchange for a mere commitment to establish a 'sustainable financial foundation'.

### Why the uproar?

As expected, the announcement threw European football into a state of pandemonium. To understand why the idea is so widely hated, one needs to look at the status quo. The UEFA Champions League as a business entity came into its current form in 1992 so that the richest and most successful clubs can siphon off as much money as possible from broadcast fees. .

While the previous system pitted champions against each other on an equal footing, with UCL, national federations have been allowed to enter multiple teams, with richer, bigger leagues sending more clubs to the tournament. And over the past 20-odd years, the format has been continuously tweaked to give bigger clubs a greater advantage and greater share of the loot. And where do they get this income from? The fans.

The investors failed to see the 'twelfth man' of every sporting entity- the supporters. They are the principal revenue generators of each club and games are just not the same without them; be it in the jam-packed galleries or on the million television screens that broadcast the game to red-eyed and jersey-clad supporters, a sport is nothing without its supporters, and football is no exception. To put it short, No club is bigger than its fans. UCL is a big hit due to the fan-favourites in different leagues coming against each other, and this does not happen every weekend. To get such 'clash of the titans' every week spoils the novelty and thrill associated with an inter-league tournament. **[Continue reading here,](#)**



# CA-RTOON CORNER



**AFNA SALAM**  
SR0 0597414



**VIGNESWARAN S**  
SR0 0495805

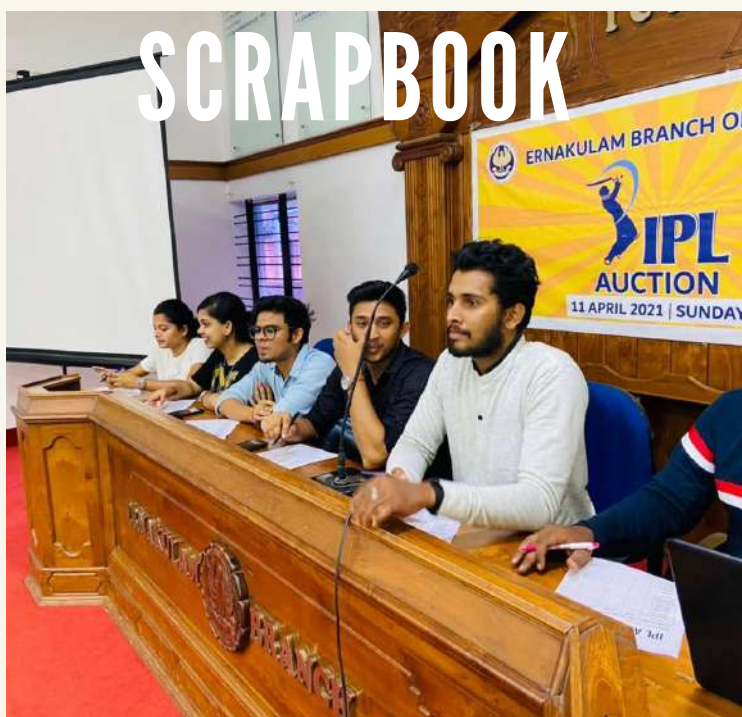
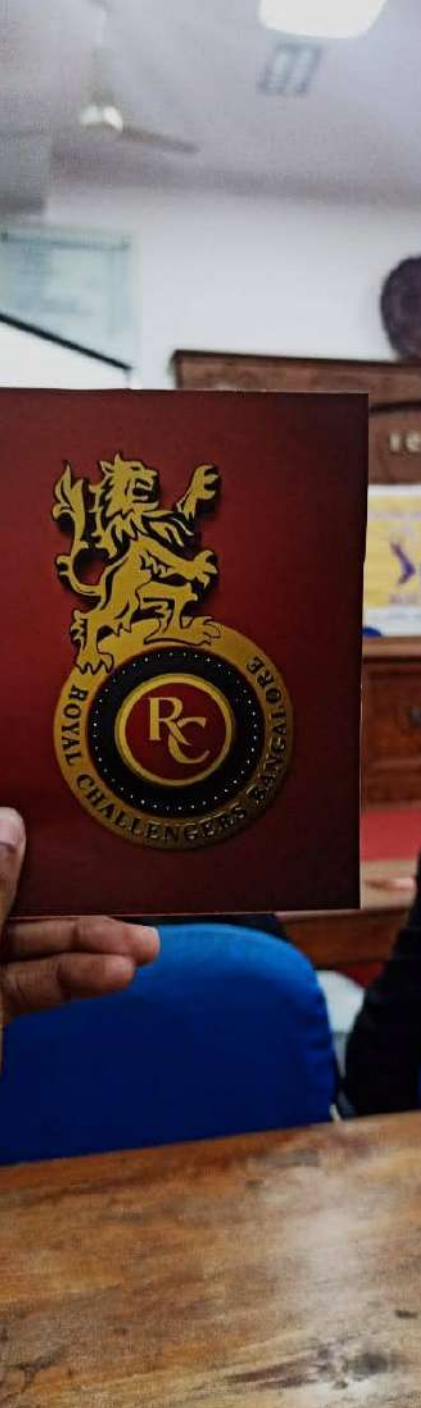


**SIRAJUNNISA T.A**  
SR0 0684520



**DIVYA M B**  
SR0 0569714





**IPL AUCTION**

**ICAI BHAWAN, ERNAKULAM**

**APRIL 11, 2021**

**11 SICASA / APRIL 2021**





# BLOOD DONATION DRIVE

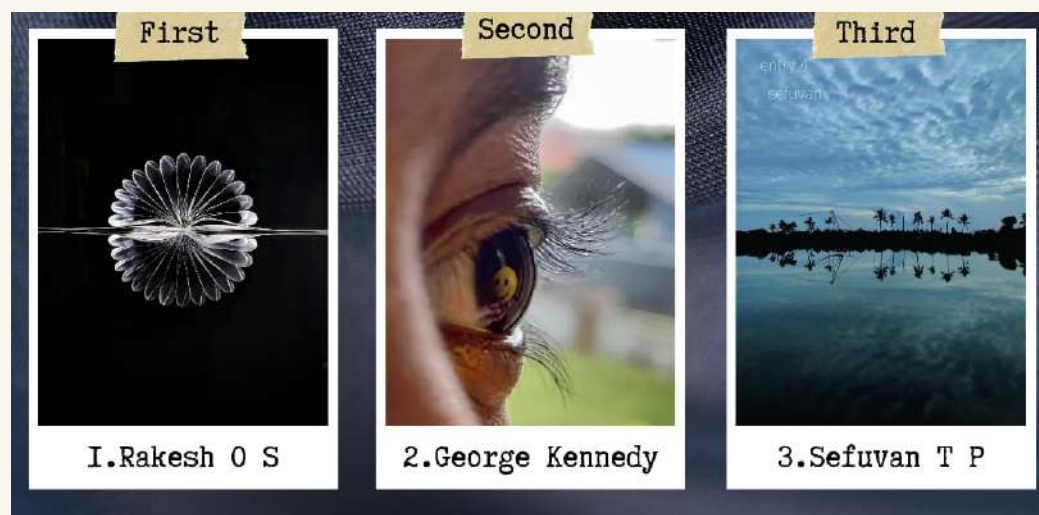
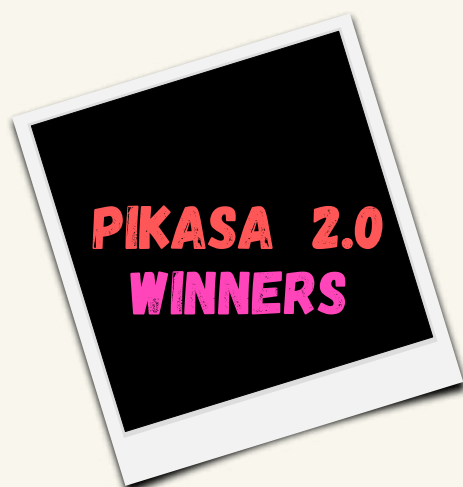
ICAI BHAWAN, ERNAKULAM

APRIL 29, 2021





# IPL AUCTION WINNERS



# FACE PAINTING COMPETITION WINNERS



## FIRST PRIZE

Sauparna S Pai  
(SRO 0638593)  
Akshaya Sabu  
(SRO 0644144)

## SECOND PRIZE

Surya S  
(SRO 0586834)  
Athira K  
(SRO 0698825)

## THIRD PRIZE

Amal TM  
(SRO 0629151)  
Kiran T Thankachan  
(SRO 0757360)

# A VIRTUAL CLASSROOM FOR ALL STUDENTS!



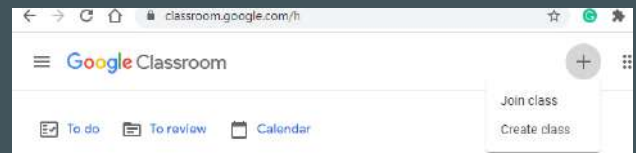
SICASA Ernakulam is committed to stand with the students and strive to add value to their skillset and life as a whole, through innovative means.

Join us on this endeavour, as we bring to you "The Virtual Classroom", a step closer to our goal!

We have created a completely virtual classroom where students would be provided with notes, given tests (which will be graded), academics assistance for the exams, and motivational articles.

How to can you join?

- Go to [classroom.google.com](https://classroom.google.com) or [click here](#) to register.
- Click on the "+" button ton the top right corner
- Enter the code bphmjcn



And voila! You are now part of the virtual classroom by Ernakulam SICASA


Download Google Classroom App to never miss out on anything! Link for [Android](#) and [IOS](#)


You are now a member of the classroom, as you followed the steps on the previous page. Add Google Classroom to your home screen from chrome on mobile or enable notifications to stay updated if you can't download the app. As explained earlier, this is an innovative way to provide all CA students with more value. The classroom will be synced to your Google Calendar so that you don't miss out on quizzes and assignments designed to help your study goals. We will also provide notes prepared by the faculties and students for webinars to help you in the long run.


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