The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Kumbakonam Branch (SIRC)

At the Helm of ICAI for the Year 2026-27



CA. PRASANNA KUMAR D
President, ICAI



CA. MANGESH PANDURANG KINARE
Vice-President, ICAI

Office Bearers of Kumbakonam Branch of SIRC of ICAI for the Year 2026-27



CA.H.VIJAY SARATHI
Chairman



CA.MSK.PRASANNA KUMAR
Vice-Chairman



CA.SITHARASAN .V.A
Secretary



CA.VENKATESH R
Treasurer



CA.VIVEK MANOHAR
SICASA Chairman



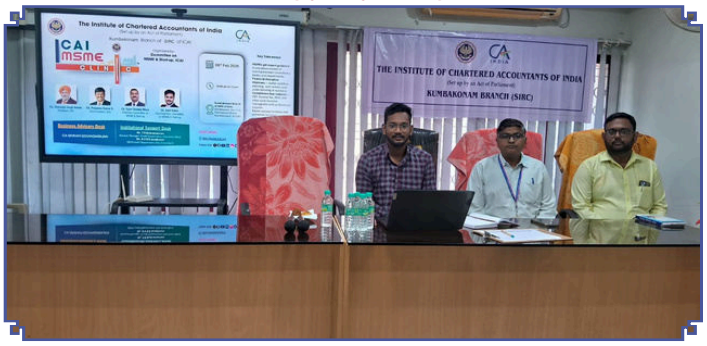
CA. G.GANESH
Immediate Past Chairman

NEWSLETTER

MARCH 2026

CPE PROGRAMMES FEBRUARY2026

MSME Clinic
06.02.2026



Resource Persons : CA Sriram Govindrajan
Mr. P V Srikanth, Deputy Manager, CUB

Virtual Seminar on New Labour Code
07.02.2026



Resource Person : CA. Chaitanya E

Two Day Conference on Income-tax Act, 2025
Under the aegis of Direct Taxes Committee Jointly with Tiruchirappalli Branch (SIRC)
21st & 22nd February 2026
SASTRA University, Kumbakonam



The conference commenced with the auspicious lighting of the ceremonial lamp.



Welcome address by **CA G Ganesh**, Chairman, Kumbakonam



Special Address by **CA Vidhubala Sathish**, Chairperson, Tiruchirappalli



Inagural Address by **CA A V Arun**, RCM, SIRC



CA K Shanmuganathan, 1st Session Chairman setting the tone for the session



1st Session Speaker **CA GIRISH AHUJA,** led the session.



CA J SADAGOPAN, Past Chairman, Kumbkonam Branch (SIRC), Paving the way for the 2nd session.



2nd Session Speaker **Adv.CA.T.BANUSEKAR** Disseminating his expertise



CA P Vaidyanathan, session Coordinator, Framing the direction of the 3rd session.



3rd Session Speaker **Adv.CA.V.RAMNATH** Imparting his knowledge



CA V Alagappan, Past Chairman, Tiruchirappalli Branch (SIRC), Laying the foundation for the 4th session.



4th Session Speaker **CA GURURAJ ACHARYA,** Enriching the participants with his knowledge



CA B NATARAJAN, Past chairman, Kumbakonam Branch(SIRC), Setting the context for the 5th session.



5th Session Speaker **CA NAVEEN KHARIWAL,** Enlightening the participants on the topic



CA A GUHANESWARAN, Past chairman, Kumbakonam Branch (SIRC),Setting the context for the 6th session.



6th Session Speaker **CA COTHA S SRINIVAS,** Providing valuable insights on the topic



SMT. R RAJARAJESWARI,
Addl. Commissioner of Income Tax,
Delivered the Address to the Gathering



Clips During Past Chairman Felicitation



Vote of Thanks by **CA Vijay Sarathi H,** Vice chairman, Kumbakonam Branch (SIRC)

From The Chairman's Desk

Esteemed Members:



Greetings from Kumbakonam Branch (SIRC)

It is a great honour and privilege for me to assume office as the Chairman of the Kumbakonam Branch of SIRC of ICAI. Our branch has a proud tradition shaped by the dedicated efforts of many respected past chairmen and members. To be entrusted with this responsibility is both a matter of pride and a commitment to serve our professional community with sincerity and dedication.

At the outset, I would like to express my heartfelt gratitude to all those who have guided and supported me in this journey. I place on record my sincere thanks to our senior members, past chairmen, and the managing committee members whose cooperation and encouragement have been invaluable. I also acknowledge the excellent work carried out by our Immediate Past Chairman, which has set high expectations and a strong foundation for the year ahead.

During the current year, the branch aims to focus on meaningful professional development and member engagement. We plan to organise a series of technical programmes including a three-day programme on the New Income-tax Act, 2025, certificate courses such as FAFD and AICA Level 2, and specialised programmes on emerging areas like IND AS and the Digital Personal Data Protection (DPDP) Act. In addition, monthly Excel masterclasses will be conducted for members and students to strengthen practical skills.

To enhance knowledge sharing within the branch, we are also launching a monthly branch newsletter. Alongside technical learning, we intend to organise mental wellness programmes and sports activities to promote holistic development and stronger bonding among members and students.

Another important aspiration for our branch is the establishment of a new institute premises, which has been a long-standing dream of our members. We will continue to make sincere efforts towards achieving this goal.

I look forward to the active participation and support of all members and students in making this year meaningful and impactful.

Jai ICAI. Jai Hind.

With Best Regards

CA. H. Vijay Sarathi

Chairman, Kumbakonam Branch (SIRC)

Kumbakonam Branch (SIRC)

FORTH COMING PROGRAMMES, MARCH- 2026

Date	Day	Timing	Place	Mode	Topic	Resource Person	Fee (Inc. GST)	CPE
7 Mar 2026	Sat	10:00 am to 11:30 am	RAS Residency, Kumbakonam	Phy	Branch Installation Programme for the Year 2026-27	CA Rajendra Kumar CCM, ICAI	-	-
7 Mar 2026	Sat	11:30 am to 01:30 pm	RAS Residency, Kumbakonam	Phy	Seminar on AI in Bank Audit	CA Mohan R Lavi	₹300.00	2 Hrs
7 Mar 2026	Sat	02:30 pm to 04:30 pm	RAS Residency, Kumbakonam	Phy	Women's Day Celebration- Unleash Your Inner(s) Hero	CA Sarradha Ravindran	₹300.00	3 Hrs
14/3/2026	Sat	02:30 pm to 05:30 pm	Zoom	Virtual	Online Training Programme in Bank Audit for Article Assistans	CA S Padmaja CA S Ramesh	Free	NA
18/3/2026	Wed	05:30 pm to 07:30 pm	Zoom	Virtual	Online Seminar on CCFS 2026	CS Poornima N S	₹118.00	2 Hrs (Unstructured CPE)

ARTICLE

PROFESSIONAL RISKS IN CERTIFICATE ISSUANCE

Contributed by: CA.MSK.PRASANNA KUMAR, Vice-Chairman



Introduction

In recent years, certificate issuance has moved beyond a procedural function and has emerged as a significant area of professional exposure for Chartered Accountants. Certificates issued by members are increasingly relied upon by banks, financial institutions, regulatory authorities, courts, and government agencies as documents carrying professional assurance. As verification systems become more sophisticated, the responsibility attached to such certification has correspondingly increased.

Why Certificate Risk Has Increased

In the present regulatory environment, authorities no longer rely merely on the face value of certificates. The underlying figures, assumptions, and supporting records are often independently cross-verified.

For instance:

- Banks cross-verify turnover with GST returns
- Authorities reconcile net worth with income tax disclosures
- Subsidy agencies require supporting documentation
- Courts examine the basis and scope of certification

Accordingly, any certificate issued without adequate documentary foundation may expose the practitioner to continuing professional, regulatory, and disciplinary risk.

Common High-Risk Certificates

Practitioners commonly issue the following certificates:

- Net worth certificates
- Turnover certificates
- Capital contribution/Infusion certificates
- Stock and Book debts certifications
- Project cost certificates
- Income certificates
- Fund utilization certificates
- Tender eligibility certificates
- End use certificate

These certifications often influence lending decisions, statutory approvals, contractual eligibility, and regulatory determinations. The professional responsibility attached to such assignments therefore extends far beyond mere numerical confirmation.

Core Professional Principle

In line with the ICAI Guidance Note on Reports or Certificates for Special Purposes and the Handbook on Reports and Certificates issued by ICAI in October 2025, which provides model formats and practical guidance for members, certification should always remain strictly confined to the scope of verification actually performed.

Every certificate should clearly distinguish between information independently verified by the practitioner, data derived from books and records examined, and information based on management representations.

Failure to maintain this distinction may unintentionally enlarge professional exposure beyond the scope originally intended.

Essential Safeguards for Certificate Issuance

In line with ICAI guidance, the following safeguards should be incorporated in every certificate:

1. Clear and Specific Title
   The title should indicate the basis of certification
(e.g., "Certificate of Turnover Based on Books of Account Produced Before Us")

2. Specific Addressee
   Clearly identify the intended recipient

3. Defined Purpose and Restriction on Use
   Include:
"This certificate is issued solely for submission to ___ and should not be used for any other purpose."

4. Records Examined
   Explicitly state the documents and records relied upon

5. Exact Period Covered
   Avoid ambiguity; specify precise dates

6. Scope Limitation
   Clearly state:
"We have not carried out an audit or independent verification beyond the records produced before us."

7. Management Responsibility Clause
   Include:
"Responsibility for maintenance of books and records rests with the management."

8. Avoidance of Absolute Assurance Language

Avoid terms such as:

"Certified true in all respects"

Use: "Based on records produced" / "As per information furnished"

9. Others

Date, place, UDIN compliance, membership number, and firm registration number must invariably form part of the certificate

10. Importance of Management Representation Letter

Where certification relies partly on information furnished by management, obtaining a Management Representation Letter assumes considerable importance.

The Management Representation Letter should confirm:

- completeness of records furnished,
- authenticity of information provided,
- responsibility of management for underlying data, and
- disclosure of all material facts relevant to certification.

Although such representation does not replace verification, it strengthens documentation and supports professional defence where later questions arise regarding factual inputs supplied by the client.

11. Importance of Engagement Letter

An Engagement Letter should ideally precede certificate assignments, irrespective of whether the assignment appears routine or limited in scope.

The Engagement Letter should clearly define:

- The nature of certificate requested,
- Scope of examination proposed,
- Records expected from the client,
- ·Limitations of responsibility, and
- Intended use of the certificate.

A properly drafted engagement understanding reduces ambiguity and protects both practitioner and client from future misunderstanding.

12. Working Paper Documentation

Maintain proper documentation including:

- Client request
- Supporting documents
- Working notes
- Final issued certificate
- UDIN records

13.Avoid Certification Based on Oral Representations
Every certificate must be supported by documented evidence

14.Appropriate Limitation Clause
Include suitable wording to limit scope and responsibility

Fees Must reflect professional Responsibility

Certificate issuance should not be approached as a low-value clerical exercise. Every certificate carries professional responsibility and potential future scrutiny.

Accordingly, fees should be collected on a rational basis consistent with the effort involved, documentation required, professional judgment exercised, and responsibility assumed. Members should ensure that fees are commensurate with the nature of work performed, time involved, documentation required, and professional responsibility assumed.

Inadequate fee often leads to inadequate examination, which in turn increases professional vulnerability.

Model Structure of a Safe Certificate

A professionally compliant certificate should include:

- Introductory paragraph
- Description of records examined
- Scope and limitation paragraph
- Result / certification paragraph
- Restriction on use
- Signature block

Common Mistakes and Correct Approach

S.No.	Particulars	Incorrect	Correct
1	***Absence of Basis***	This is to certify that the turnover is Rs. X	Based on the books of account, sales registers and related records produced before us and according to the information and explanations furnished, we certify that the turnover reflected in such records for the financial year ended 31 March 2026 is Rs. ----------
2	**No Defined Purpose**	Certificate issued on request	This certificate is issued at the specific request of the client for submission to _____ Bank for the limited purpose of processing credit facilities and should not be used for any other purpose.
3	***No Scope Limitation***	We certify that stock value is Rs. X	Based on stock statements, inventory records and valuation details produced before us, and without independent physical verification, the stock value as per records as on 31 March 2026 is stated at Rs.------

S.No.	Particulars	Incorrect	Correct
4	**Absence of Management Responsibility Clause**	Directly certifying financial strength without stating who maintains records	Responsibility for maintenance of books of account and underlying supporting records rests with the management. Our responsibility is limited to examination of records produced before us for the purpose stated herein
5	Net Worth Certificate Without Basis	Net worth of Mr. B is Rs.------	Based on statements of assets and liabilities furnished by the applicant, supporting records produced before us and subject to ownership documents made available for verification, the net worth as computed on book value basis as on 31 March 2026 is Rs. ------
6	No Period Mentioned	Income certificate for current year	For the financial year commencing from 1 April 2025 and ending on 31 March 2026

Professional Reality in 2026

Certificate issuance is no longer merely an administrative exercise; it is a professional assertion capable of later scrutiny.

Every certificate should be capable of answering: Can the issuing Chartered Accountant substantiate the basis of this certificate with proper documentation, even after several years?

Conclusion

The sustainability of professional practice increasingly depends on discipline in documentation and clarity in certification.

A carefully drafted certificate:

- Protects the practitioner
- Supports the client
- Enhances professional credibility

A casually issued certificate, however, may result in significant professional exposure.

Disclaimer:

This document is intended solely for professional awareness and discussion among members. It does not constitute authoritative guidance and should not be considered a substitute for the ICAI Guidance Note on Reports or Certificates for Special Purposes, the Code of Ethics, or professional judgment.

ARTICLE

HOW SMALL AND MEDIUM CA FIRMS CAN COMPETE IN 2026

Contributed by: CA R Ganesh, Past Chairman, Kumbakonam



The professional environment in 2026 is changing rapidly. Clients today expect faster responses, practical solutions, digital convenience, and strategic guidance rather than only statutory compliance. For small and medium Chartered Accountant firms, this change is not a disadvantage; in many ways, it creates a strong opportunity.

Large firms may have scale, but smaller firms possess an advantage that remains highly valuable — direct partner involvement, trust-based relationships, and local business understanding.

1. Move from Compliance Provider to Problem Solver

Traditional services such as audit, tax filing, and certification will continue, but clients increasingly value firms that can explain:

- what a number means,
- what risk exists,
- what action is required next.

A return filing may be routine, but advising the client on cash flow, tax impact, or documentation quality creates lasting value.

2. Build Sector Familiarity

A small firm need not know everything. It should know certain sectors deeply.

For example:

- temples and trusts
- rice mills
- educational institutions
- MSMEs
- textile traders
- transport operators

When a firm understands one sector thoroughly, referrals improve naturally.

3. Adopt Simple Technology Without Fear

Competing in 2026 does not require expensive systems. Even simple disciplined tools improve efficiency:

- structured Excel templates
- document trackers
- digital working paper folders
- client reminder systems
- standard certificate formats

Technology should reduce repeat work, not create complexity.

4. Improve Documentation Standards

Professional scrutiny is increasing. Even small assignments now require stronger documentation.

A small firm should maintain:

- engagement understanding
- document checklist
- working note summary
- representation copy
- issue tracker

Good documentation protects reputation more than verbal explanation later.

5. Respond Faster Than Bigger Firms

Many clients stay with smaller firms because access is easier.

A quick reply, even if preliminary, creates strong client confidence.

In 2026, responsiveness itself is a professional advantage.

6. Collaborate Instead of Competing Alone

A medium-sized firm cannot internally master every domain.

Practical approach:

- collaborate for valuation
- partner for IND AS work
- seek expert input for legal matters
- use peer consultation for specialised audits

Professional collaboration increases capability without increasing fixed cost.

7. Invest in People Inside the Firm

Even one trained assistant can transform output quality.

Train team members in:

- working paper discipline
- client communication
- Excel accuracy
- filing review

A strong small team often outperforms a weak large structure.

8. Keep Learning Visible

Clients notice firms that stay updated.

Attend and apply learning in:

- AI tools
- data protection compliance
- new tax developments
- reporting expectations

Knowledge should visibly improve service.

9. Protect Professional Identity

Growth should never dilute core professional values:

- clarity
- caution
- ethics
- independence

In a competitive market, trust remains the strongest long-term advantage.

Conclusion

Small and medium CA firms do not need to become large firms to succeed in 2026. They need to become more disciplined, **more focused, and more relevant.**

The future belongs not merely to size, but to firms that combine **professional judgment, timely delivery, and trusted relationships**

ARTICLE

WORK LIFE BALANCE: THE JAR AND THE THREE THINGS

Contributed by: CA.VIVEK MANOHAR, SICASA Chairman



A senior Chartered Accountant was known for being calm, successful, and never "too busy." One day, his stressed junior asked:

"Sir, how do you manage everything—clients, deadlines, and still have a life?"

The senior didn't answer directly.
Instead, he took out **a large empty jar.**

First, he placed **big stones** into it until it couldn't hold any more.

"Is it full?" he asked.
The junior said, "Yes."

Then the senior added **small pebbles**, which filled the gaps.

"Now is it full?"
"Probably."

Then he poured **sand,** which filled every tiny space.

Finally, he poured **water** into the jar.

The junior looked confused.

The senior smiled and said:

"This jar is your life.
The big stones are the most important things—your health, family, peace of mind.
The pebbles are your career and clients.
The sand is everything else—emails, small tasks, noise."

Then he added:

"If you put sand first, there's no space for what truly matters."

The real message for you
In your profession, work can easily become "sand that fills everything."

So daily:

- Protect your big stones first (health, rest, personal time)
- Then handle your work (pebbles)
- Let the small things fit in later

One small action to start today

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Kumbakonam Branch (SIRC)