E-Newsletter FEB&MAR 2025



MADURAI BRANCH (SIRC) THE INSTITUTE OF CHARTERED **ACCOUNTANTS OF INDIA**

MBSIRC of ICAI, ICAI Bhawan, Old Natham Road, Opp. Balamandiram School, Madurai - 625 014.





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FROM THE CHAIRMAN DESK

Dear Professional Colleagues,

Greetings!

It is with a profound sense of gratitude and renewed enthusiasm that I address you, in my tenure as Chairman of our esteemed branch effective from 5th March, 2025.

I want to begin by expressing my sincere gratitude to the outgoing Chairman, CA Jayakrithika, and all the past Chairmen and members of the previous committee. They have handed over a legacy of hard work, dedication and significant achievements. Their unwavering commitment to



the branch has laid a strong foundation upon which we will continue to build. I acknowledge the tremendous effort they invested in strengthening our community and advancing our professional goals. Their contributions will continue to inspire us as we move forward.

Taking on this role has been an honor, and I am committed to upholding the values and traditions that make our branch so special. I will continue to focus on providing valuable resources, fostering professional growth, and promoting a spirit of collaboration among our members.

As I outlined in my acceptance speech, my vision for this term is centered on three core pillars: Professional Excellence, Student empowerment and Infrastructure development. We have already begun laying the groundwork to achieve these goals.

In the past month, we have:

- 1. Celebrated women's day at the branch with fun and entertainment. I thankCA Venkatalakshmi for co-ordinating the entertainment program for women members. Further, CMA Chitra Ganapathy, Managing Director of Kadambavanam Ethnic Resorts, Madurai addressed the gathering on பெண்ணின் பெருந்தக்கயாவுள! (The contribution of women for the society since Tamil Sangam period).
- 2. Conducted bank audit seminar which was inaugurated by CA D Prasanna Kumar, Vice President of ICAI, with IRAC Norms by CA Dhananjay Jayanth Gokhale from Mumbai, Excel as Bank audit tool by CA U Saran Kumar from Hyderabad and Leveraging technology for bank audit documentation by CA Dungar Chand U Jain, Past Chairman of SIRC of ICAI.



FROM THE CHAIRMAN DESK

Annual Registration Scheme (ARS) 2025-26:

The Annual Registration scheme for 2025-26 was opened on 28th March, 2025. I appeal to the members to subscribe for ARS scheme which ensures your active participation in CPE programs thereby complying to the CPE requirements and fostering knowledge enhancement.

We are committed to fostering a vibrant and inclusive community where every member feels valued and empowered. I encourage you to actively engage in our upcoming events, share your ideas, and contribute to the collective growth of our branch.

Dr.APJ Abdul Kalam says "Excellence happens not by accident but because of constant and continuous improvement".

Let us work hand in hand continuously to elevate our profession, strengthen our community, and make a lasting impact.

Best regards,

CA. P.S. Sathish Kumar

Chairman, Madurai Branch (SIRC)

The Institute of Chartered Accountants of India

MANAGING COMMITTEE



MANAGING COMMITTEE FOR THE YEAR 2024-2025 OF MADURAI BRANCH OF SOUTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



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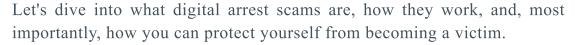


CA. J Alex Christopher Editor

DIGITAL ARREST – EVOLVING THREAT OF AN ERA

Introduction

In the fast-paced digital world, cyber scams have become increasingly sophisticated, with one of the most alarming threats being digital arrest scam. Unlike general cyber fraud, digital arrest scam involves criminals impersonating law enforcement officials to intimidate victims into transferring money or sharing sensitive information. If you've ever received a suspicious call or message from someone claiming to be a government authority, you might have encountered this tactic.





CA. B. NIRANJANKUMAR

What is a Digital Arrest Scam?

A digital arrest is a fraudulent tactic used by cybercriminals to falsely accuse individuals of breaking the law, often claiming the existence of a digital arrest warrant. These scammers pose as officials from organizations such as customs, income tax department or even central investigative agencies. Their goal? To intimidate you into paying money or providing sensitive personal details.

Modus Operandi:

Fake Authority Claims: The scammer pretends to be a law enforcement official or agent.

Threat of Arrest: Scammers then warn victim about a supposed arrest warrant issued in victim's name for unpaid taxes, customs violations, or other fabricated charges.

Request for Video Communication: Victims are often coerced into switching to video calls via platforms like WhatsApp or Skype to make the interaction appear more legitimate.

Fake Police Station Set-up: Scammers may create a convincing "police station" backdrop to gain trust of the victim.

Demand for Money: Victims are then pressured to pay a fee, often via a bank transfer or UPI ID, to "settle the matter" and avoid arrest.

Vulnerability of People:

- 1. Fear and Panic: Fear of arrest threats push victims to comply without rational thought.
- 2. Lack of Knowledge: Unfamiliarity with law enforcement procedures makes it difficult for victims to distinguish legitimate claims from fraud.



- 3. Social Stigma: Fear of social stigma and impact on family motivates victims to comply to avoid embarrassment.
- 4. Manipulative Techniques: Use of voices, professional logos, and simulated video calls to appear credible and increase victim compliance.
- 5. Isolation and Control: Scammers isolate victims by preventing them from seeking verification, making it easier to control them.
- 6. Increased Target Vulnerability: Trusting, less tech-savvy, or stressed individuals are prime targets for easier deception.



What is the Status of Cyber Scams in India?

Overview: According to the **Indian Cyber Crime Coordination Centre (I4C)**, cyber scams in India have shown a significant rise in both frequency and financial impact. This alarming trend indicates a persistent and evolving threat landscape in India's digital ecosystem.

Complaints and Losses: The number of complaints increased significantly over the years, with 1,35,242 complaints in 2021, 5,14,741 in 2022, and 11,31,221 in 2023. The total monetary loss from cyber frauds has reached Rs 27,914 crore between 2021 and September 2024.

Major Scams:

Stock Trading Scams: It is the most significant source of loss with Rs 4,636 crore from 2,28,094 complaints. Under it, scammers offer unrealistic returns trading stocks, foreign currencies, or cryptocurrencies but victims end up being defrauded.





Ponzi Scheme Scam: Caused Rs 3,216 crore in losses with 1,00,360 complaints.

"Digital Arrest" Frauds: Accounted for Rs 1,616 crore in losses from 63,481 complaints.

New Money Siphoning off Tactics: Cybercriminals have adapted their strategies to siphon off money.

Withdrawal Methods: Stolen money is often withdrawn through various channels, including cheques, CBDC, fintech ATMs, merchant payments, and e-wallets.

Mule Accounts: The I4C has identified and frozen around 4.5 lakh, used primarily for laundering funds from cybercrime.

Indian Cyber Crime Coordination Centre (I4C)

About: I4C was launched by the **Ministry of Home Affairs in 2020** to deal with all types of cyber crimes including cyber fraud in a comprehensive and coordinated manner.

Objectives of I4C:

- 1. To act as a nodal point to curb Cybercrime in the country.
- 2. To strengthen the fight against Cybercrime committed against women and children.
- 3. Facilitate easy filing Cybercrime related complaints and identifying Cybercrime trends and patterns.
- 4. To act as an early warning system for Law Enforcement Agencies for proactive Cybercrime prevention and detection.
- 5. Awareness creation among the public about preventing Cybercrime.
- 6. Assist States/UTs in capacity building of Police Officers, Public Prosecutors and Judicial Officers in the area of cyber forensic, investigation, cyber hygiene, cyber-criminology, etc

National Cyber Crime Reporting Portal:

Under I4C, the National Cyber Crime Reporting Portal is a citizen-centric initiative which will enable citizens to report cyber fraud online and all the complaints will be accessed by the concerned law enforcement agencies for taking action as per law.

Let's look at some real cases of Digital Arrest Scam from the news headlines:

Income Tax Fraud: A Mumbai-based professional received a call from someone posing as an income tax officer, threatening immediate digital arrest for unpaid taxes. The victim, fearing legal trouble, transferred ₹50,000 to the scammer.

Customs Violation Hoax: A Chennai resident was tricked into paying a hefty amount after being accused of customs violations related to an international parcel they had never ordered.

Social Media Targeting: An influencer was contacted on Instagram by someone claiming to be from a cybercrime department, accusing them of copyright infringement. They were asked to pay a "fine" to avoid further legal action.

These examples demonstrate how criminals exploit fear and authority to deceive victims



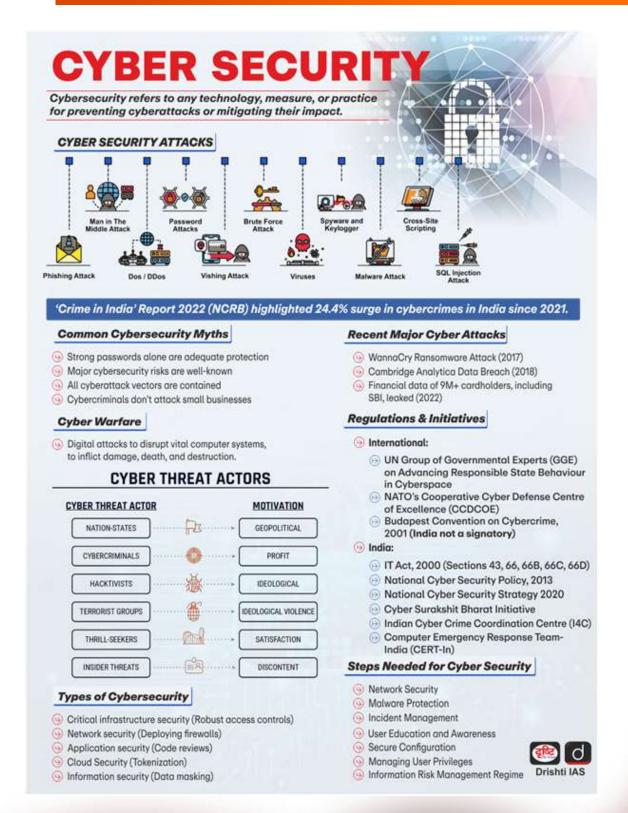
How to protect yourself from Digital Arrest Scams?

Always remember, there is no provision for digital arrest under Indian criminal law. Staying vigilant and informed is the best defense against such frauds. Here are practical steps to safeguard yourself:

Verify the Source: If someone claims to be an official, take their name, organization and contact number. Cross-check this information by contacting the agency through official channels.

Be Suspicious of Immediate Payment Requests: Legitimate authorities will never demand instant payments over the phone or via online transfers.

Avoid Sharing Personal Details: Do not disclose sensitive information, such as Aadhaar numbers, bank details, or OTPs, over the phone or online.



ARTICLE ON METAVERSE

METAVERSE

Introduction:

The metaverse is a hypothetical continuation of the internet that allows people to meet, share ideas, create, work, and explore the web in a virtual environment. It will help to connect with people when they aren't physically in the same place and get us even closer to that feeling of being together in person.

It's a combination of the physical and digital worlds, and it's powered by technologies like augmented reality (AR) and virtual reality (VR).



CA. S. VIVEK KUMAR

Key industries impacted by the metaverse:

The metaverse in education is a way to create more engaging learning environments by combining virtual and physical realities. It can help students learn from people and institutions they can't access locally.

It presents a significant shift for retail and commerce, offering immersive 3D shopping experiences and new ways for brands to engage with customers, potentially leading to personalized experiences and innovative product displays.

Its potential to revolutionize the finance industry includes creating new customer experiences, exploring decentralized finance, and facilitating financial inclusion, all while leveraging technologies like blockchain and AI.

It transforms the banking industry by enabling virtual branches, immersive customer experiences, and new avenues for financial services, all accessed within persistent virtual environments.

The metaverse in manufacturing is a virtual space that uses technology like virtual reality and 3D modeling to create a digital replica of the physical world. It can help manufacturers improve productivity, quality, and supply chain management.



ARTICLE ON METAVERSE

Mode of exchange in Metaverse:

In the metaverse, transactions typically involve users using cryptocurrencies, often supported by blockchain technology, to buy, sell, and trade virtual assets and experiences.

And using Non-Fungible Tokens. NFTs represent unique digital items and assets, and their ownership is recorded on the blockchain.

Users can convert local currencies into cryptocurrencies and use them to transact within the metaverse.

Examples of transactions:

Buying Virtual Land: A user might use a platform's native token to purchase a piece of virtual land in Decentral or The Sandbox(i.e. metaverse platforms).

Trading NFTs: An artist could create and sell NFTs of digital artwork, and users could then trade them with each other using cryptocurrency.

So, Users will need to use digital wallets to store and manage their cryptocurrencies and digital assets within the metaverse.

Legal Framework in Metaverse:

Metaverse law refers to legal systems, policies and theories concerning metaverse technologies involving virtual reality, augmented reality and hyperreality.

The legal framework for the metaverse is still emerging and requires adapting existing laws to encompass new digital realms, addressing issues like intellectual property, data privacy, and criminal law while considering the complexities of virtual interactions and jurisdictional challenges.

So, more tailored legal framework is necessary for the metaverse to ensure that it is safe, fair, and accessible for all users.



ARTICLE ON METAVERSE

In India, the proposed Digital India Act is intended to replace the Information Technology Act, 2002, and regulate virtual and augmented reality realms, including the metaverse.

How Metaverse relates to Chartered Accountant?

For the accounting sector, the emergence of virtual reality (VR) and the metaverse offers an exciting opportunity. Modern technologies like blockchain, artificial intelligence (AI), and data analytics, which come together to form a virtual environment that reimagines the function of the accountant.

CA's may audit digital asset bought in metaverse platforms in future. Further, personalized client portals provide a secure and user-friendly interface for clients to access financial reports, track transactions, and communicate with their virtual Chartered Accountants. The system also automates routine accounting tasks, enabling Chartered Accountants to focus on strategic financial planning and advisory services.

The proposed system for virtual Chartered Accountants aims to revolutionize the delivery of financial and accounting services through advanced digital technologies. Leveraging cutting-edge virtualization tools and cloud-based platforms, this system prioritizes seamless remote access to financial data, allowing clients to interact with their Chartered Accountants from anywhere at any time.

The future hold promising trends with the integration of blockchain technology, continued emphasis on client satisfaction, and the potential impact on traditional accounting firms, making it a dynamic and evolving field.

Conclusion:

The metaverse is no longer a distant dream, but a tangible reality that's rapidly taking shape With its limitless possibilities and unparalleled opportunities for innovation, the metaverse is poised to transform our world in ways both subtle and profound. As the boundaries between the physical and virtual worlds continue to blur, the metaverse is set to become an integral part of our daily lives.

PHOTO GALLERY



CPE Meeting on Analysis of Union Budget 2025 by Dr. CA Phalgunakumar, Past Chairman, SIRC of ICAI on 04th February 2025 and Review of Indirect Tax Provisions by CA G Saravanakumar G & CA J Balasubramanian













Installation Meeting on 05th March 2025











PHOTO GALLERY



Women's day Meeting on 08th March 2025





One Day Seminar MADURAI BRANCH OF SIRC OF ICAI on 17th March 2025

IRAC Norms with Practical Examples by: CA. Dhananjay Jayant Gokhale, Mumbai Excel as a Bank audit tool by CA. Saran Kumar U, Hyderabad Leveraging Technology for Bank Audit Documentation by CA. Dungar Chand U Jain, Madurai













EDITORIAL BOARD

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6	CA. J Alex Christopher	Editor

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MADURAI BRANCH OF SOUTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



ICAI MOTTO

Ya esa suptesu jagarti kamam kamam Puruso nirmimanah |

Tadeva sukram tad brahma tadevamrtamucyate |

Tasminlokah sritah sarve tadu natyeti Kascan | etad vai tat | |

य एष सुप्तेषु जागर्ति कामं कामं पुरूषो निर्मिमाण : ।

तदेव शुक्रं तद् ब्रह्म तदेवामृतमुच्यते ।

तिसमंल्लोकाः श्रिताः सर्वे तदु नात्येति कश्चन । एतद् वै तत् ।।

(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 wasking 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: cf. Eckhart: 'On reaching God all progress ends.')