

The Institute of Chartered Accountants of India

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Bengaluru Branch of SIRC e-Newsletter

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"SHANKUSTHAPANA" - Foundation Stone Laying Ceremony
of S Janardhan Building at Rajajinagar



Inauguration of "SAHYADRI SAMBHRAMA" - 2 Day Residential Program in Sirsi
by Chief Guest Shri. Ananth Kumar Hegde, MP, Uttara Kannada Dist.

Race for Relevance
Ready for Radical Change
Unleash the Potential

CHARCHA GOSHTI

- 27th Awareness Programme on **Analysis of Union Budget 2020**
3rd February 2020
- Program on **Professional Secrets**
10th February 2020

TARKA SABHA

- Clause by Clause Discussion on **Union Budget 2020 – Direct Taxes**
15th February 2020
- A Programme on **Practical Issues of Accounting & Taxation**
17th February 2020

- Interactive Session on **International Taxation related Issues**
26th February 2020
- One Day Seminar on **Bank Branch Audit**
24th March 2020

- Two Day Conference on **GST New Returns & Key considerations for 2018-19, GST Audit and Annual Returns**
28th & 29th February 2020

Chairman's Communique . . .



My Dear Esteemed Members,

I feel, it is very recently that, I had started writing Chairman's Communique. As we see, the time is just passing very fast. I am reaching the beginning of the end of my tenure. I will be laying down my office as Chairman of this biggest Branch of ICAI on

17th February 2020. This is my final Chairman's Communique to my Dear Members.

The one year tenure of Chairmanship means a lot for me, though initially, had a sort of unexpressed, unexplained, ununderstood fear at the back of my mind, day by day and month by month, as things went on progressing, it brought me a lot of confidence, experience and ability to bear with tough things and handle difficult situations more efficiently. Yes, am glad that, I had blessings of many senior CAs and well-wishers from many young CAs and also the kind cooperation of Managing Committee Members, the whole hearted support from Speakers, Resource persons and the Staff.

During this period, I feel that, it has been a path breaking year on many counts.

1. Demonstrated that member from Industry can become Chairman and discharged the duties as may be ordinarily expected from any member in this position.
2. Tried to bring in traditional native Indian cultural touch in the affairs of ICAI
3. Tried to bring in the modern corporate culture as well to some extent
4. Tried to bring in technology absorption through website and mobile apps
5. Due to digitization of activities at HO, DCO office has been closed. Few of the grants from HO are stopped and we had to tighten our belt, to take a relook at the cost reduction measures etc and explore more revenue earning initiatives, which resulted in taking some bold steps.

The focus during my tenure was more in the following areas:

1. Enhancing the training facility for ITT, MCS and Orientation for students. Progress achieved has been noticeable this year. The students have not felt that much shortage of these classes like in the earlier years and bigger progress is likely in the coming years.

2. Increasing the MOC Exam facility for students.
3. Concerted focus on revamping the coaching classes. Tried to create positive image about coaching classes of the branch in the student community. Positive tone is set now. Seen an increase in participants. Expect to see further growth in the coming days.
4. Increased the faculty base through a rigorous selection process. Many thanks to CA Allama Prabhu, CA. K. Gururaj Acharya, CA Mohan R Lavi, CA Nanu Mallya, CA. Vinayak Pai and many other CAs who helped us in screening more than 80 faculty candidates and shortlisted good faculties and thereby enriched our faculty resource pool.
5. Additional ITT classes opened in VVN College, lined up to open in SSMRV College and Vijaya College also and will be opened up subject to final approval from HO.
6. In order to keep the Bengaluru Branch as the biggest branch, in order to tap the untapped opportunities and in order to survive and better position our branch, it is important to act differently now. The time is up for the branch to set a very high vision to grow and a strategy to achieve and an action plan to implement. Hence, we have set a 3 years action plan and a road map. Engaging very senior resources and also taking support of qualified professionals for public Liaoning and other support functions, with an endeavor to achieve some target with in the given time frame, like:
 - a. Implementing a strategic action plan to make CA students size from current 35,000 to 2X by next 3 years' time by using the tie up we have with Education Dept of Govt. of Karnataka and grow it as a focused area of activity.
 - b. Exploring more opportunities in sponsorship with a revised target.
 - c. Popularizing our coaching class among student community and double the size year over year for next 2-3 years.
 - d. Organizing mock test in a big way, as a separate line of activity.
 - e. Increasing FNFE programs and grow it as a focused line of activity throughout the year.
 - f. Increase certificate course and week-long workshops as a focused line of activity though out the year.

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Chairman's Communique . . .

◀ (Contd. from previous page)

- g. Starting new age Fintech classes and grow it as a focused line of activity and tap the untapped opportunities.
- h. Creating expert cells to develop better practice areas.

I believe, with the above action plans, we can see a significant change within 1-2 years. I am sure, the next incoming Chairman and Office Bearers will certainly stay focused on these initiatives and we will realize the result soon.

Snapshot of the CPE programs conducted from February 2019 to January 2020 is as below:

Programs	No. of Programmes	No. of CPE Hrs.	No. of Delegates Participated
One Day Seminars	21	126	5,002
Half Day Seminars	25	77	3,071
Study Circle Meets	39	24	2,080
Conferences	2	24	1,811
Workshops	9	120	1,236
Awareness Programs	3	5	479
Certification Courses	9	250	430
Other Programs	10	46	787
Total	118	672	14,896

Major programs in the month of January

1. **SHANKUSTHAPANA:** Foundation Stone Laying Ceremony for new premises in the property graciously donated by Mrs. Sudha Janardhan in Rajajinagar on 8th January 2020. I thank Mrs. Sudha Janardhan and Hon'ble President of ICAI, CA. Prafulla Chajjed, for foundation stone laying and thank Central Council Members, SIRC Chairman and SIRC Members, MC members, past Chairmen of the Branch, and other dignitaries for gracing the occasion.
2. **VIDWATH SABHA** - Half Day Seminar on Vedic Mathematics was originally scheduled on 9th November was cancelled due to Ayodhya Verdict and the same was held on Tuesday, 14th January 2020 at S. Narayanan Auditorium. It was a grand success. I thank Mr. Ravi Kumar, Mumbai & CA. K. Gururaj Acharya in enriching the knowledge and also thank participation Members got benefitted through the same.
3. **SAHYADRI SAMBHRAMA** – 2 Day Residential Refresher Program in Sirsi (Uttara Kannada District) jointly organized by Bengaluru, Hubballi, Belagavi Branches and Sirsi & Shimoga CPE Chapters of SIRC of ICAI on 17th & 18th January 2020 in Sirsi, and visit to Yaana etc. Shri. Ananth Kumar Hegde, MP of Uttara Kannada constituency and Former Union Minister of State for skill Development & Entrepreneurship was the Chief Guest. More than 90 Members participated. I thank all the guests and eminent Speakers, the CPE Chapters & the Branches and members for making this this a memorable event.
4. **VIDWATH SABHA** – One Day Seminar on GST Notices and Reply organized on 24th January 2020 at API Bhawan. It was a full house session with more than 450 participants and was a grand success. I thank all the speakers for sharing their rich knowledge on the same. Also I thank CA. Venugopal G, Programme Co-ordinator for sharing his inputs.

Following are the major Upcoming Programs:

1. **CHARCHA GOSHTI** : Analysis of Union Budget 2020 (27th year) An Awareness Program is being organized on 3rd February between 5.00 pm & 8.00pm at Dr. B.R. Ambedkar Bhawan. Details are presented elsewhere in this newsletter and I request Members to register online and avail the knowledge on the same.
2. **PROFESSIONAL SECRETS** : 4 CAs near 90 years age i.e. CA. H.A.K Rao, CA. K.P Rao, CA. S Krishnaswamy and CA. Shivaram Krishnan will be sharing their professional secrets and success on Monday, 10th February between 6.00 pm & 8.00 pm at S. Narayanan Auditorium.. Request Members to register in large numbers and get benefitted.
3. **TARKA SABHA** – The yearly program on Clause by Clause Discussion of Union Budget 2020 (only Direct Taxes) is being organized on Saturday, 15th February 2020 between 9.30 am to 6.00 pm at Dr. B.R. Ambedkar Bhawan.



I request members to register for these programs and avail the benefit of the same.

My Dear Members,

I realized that, the position as Chairman of Bengaluru Branch of SIRC of ICAI is something special, as it is the biggest branch, most vibrant branch and most advanced branch in its way of functioning. The whole country look up to this Chair. There is high respect, visibility and recognition. I am immensely honored to service in such a responsible position. Getting the position is incidental. Leaving the same is inevitable. Positions are not permanent. But, the memories are permanent. I will remember forever that I was the 50th Chairman of this lovely Bengaluru Branch and I also remember your love and affection showed to me. I will not forget one Sanskrit sloka which says:

स्थान स्थितानि पूज्यन्ते पूज्यन्ते च पदेस्थिताः ।
गते स्थाने नपूज्यन्ते कुशा दन्ता नखा नराः ॥

(Place holders are respected when they are in that place. Position holders are respected when they are in that position. After the place and the position are over, kusha (holy grace) danta (teeth) nakha (nail) nara (human being) will not be respected). People do not like these to be in front of them. This is human tendency and I am aware about this very well.

Finally, I am glad that, I have discharged the functions as Chairman at my best using all the energy at my command. My Managing Committee is happy and hope Members and Students at large are also happy about it. I had a wise Committee which has taken many right and bold decisions in the best interest of the Branch in the long run.

Before laying down my office as Chairman,

I would like to mention that, I have served 7 years in ICAI as MC Member and served in all office bearer position in a progressive manner and up to the position of Chairman. This has been made possible because of your faith in me, your collective mind power, your well wishes and kind support to me. It is my duty and I take this opportunity to

thank all the Managing Committee Members, Ex officio's, my mentors, all the Past Chairmen, Present and Past SIRC and Central Council Members and Past Presidents from Bengaluru who have been available to me for suggestions, guidance and also while sailing through the challenging times.

My heartfelt thanks to all the Speakers, Guest, Faculty Members and Program Co-ordinators who have helped me in structuring and handling various technical and other sessions. At times, Staff and Vendors had to stand on their toes to discharge their duties. Many thanks to them for their timely support and cooperation. My sincere thanks to all students who have supported directly or indirectly in all the student related activities and initiatives.

Friends, November Examinations results are announced. My heart felt congratulations to the students who have cleared their exams and those who have got qualified this year.

Last but, very importantly, you the Esteemed Members have elected me to MC for 3 terms. My whole hearted thanks to each one of you, who have been the source of inspiration for me to serve more and more.

We as CAs have very bright future. Our Bengaluru Branch has very high potential to grow and it is set to grow. I wish all the best to the incoming Chairman and the other new Office Bearers in their endeavor to serve the CA fraternity and take the branch to the newer heights.

Once again, before giving full stop to my Chairman's Communique and departing from the Chair, I wish you all a very happy and fulfilling years ahead and a bright future!

With Best Regards,

Sd/-

CA Bhat Shivaram Shankar

Chairman

Bengaluru Branch of SIRC of ICAI

CALENDAR OF EVENTS – FEBRUARY & MARCH 2020

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
03.02.2020 Monday	<p>CHARCHA GOSHTI 27th Awareness Programme on Analysis of Union Budget 2020 <i>Moderators :</i> CA. T. V. Mohandas Pai <i>Chairman, Aarin Capital, Chairman of Manipal Global Education</i> CA. H. Padamchand Khincha, <i>A Leading Tax Consultant</i> <i>Panelists :</i> Dr. Soumya Kanti Ghosh <i>Group Chief Economic Adviser, State Bank of India, Mumbai</i> Mr. Prashanth Prakash, <i>Accel Partners</i> Ms. Kiran Mazumdar Shah, <i>Chairman & Managing Director, Biocon Limited</i> Sri. S.S. Naganand <i>Senior Advocate, Just Law Advocates, Bengaluru</i> Mr. R.K. Misra, <i>Bengaluru</i> <i>Delegate Fee : Members : Rs.100/- (Inclusive of GST)</i> Non Members – No Fee Open to Public</p>	<p>Dr. B.R. Ambedkar Bhawan, Vasanthnagar, Bengaluru 5.00 pm to 8.00 pm</p>	2 hrs
05.02.2020 Wednesday	<p>TARKA SABHA Half Day Seminar on Recent Case Studies in Companies Act Topic : Recent case studies in Companies Act CS. J. Sundharesan <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.300/- (Inclusive of GST)</i> Non Members : Rs.750/- (Inclusive of GST)</p>	<p>Branch Premises 5.00 pm to 8.15 pm</p>	3 hrs
10.02.2020 Monday	<p>Program on Professional Secrets Speakers: CA. K.P. Rao, CA. H.A.K. Rao, CA. S. Krishna Swamy & CA. V. Sivaramakrishnan <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.100/- (Inclusive of GST)</i></p>	<p>Branch Premises 6.00 pm to 8.00 pm High Tea: 5.30 pm to 6.00 pm</p>	2 hrs
12.02.2020 Wednesday	<p>VIDWATH SABHA Half Day Seminar of Labour Law <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.300/- (Inclusive of GST)</i> Non Members : Rs.750/- (Inclusive of GST)</p>	<p>Branch Premises 5.00 pm to 8.15 pm</p>	3 hrs

*Note: Kindly note there is no 2 Hrs. CPE on every Wednesdays Study Circle Meet.



CALENDAR OF EVENTS – FEBRUARY & MARCH 2020

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
15.02.2020 Saturday	Clause by Clause Discussion on Union Budget 2020 – Direct Taxes Speakers : CA. S. Ramasubramanian CA. H. Padamchand Khincha CA K.K. Chythanya <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.1,250/- (Inclusive of GST)</i>	Dr. B.R. Ambedkar Bhawan, Vasanthnagar Bengaluru 9.30 am to 6.00 pm	6 hrs
17.02.2020 Monday	A Programme on Practical Issues of Accounting & Taxation <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.400/- (Inclusive of GST)</i> Non Members : Rs.750/- (Inclusive of GST) <i>Details at Pg. No. 9</i>	Branch Premises 2.00 pm to 6.30 pm	4 hrs
18.02.2020 Tuesday	Discussion on Union Budget 2020 - Income Tax Proposals Speaker : CA. Prashanth G.S <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.300/- (Inclusive of GST)</i> Non-Members Rs.400/- (Inclusive of GST)	TDCAA Premises, Near Sree Raj Theater, Sri Nagar, Tumakuru - 572103 10.30 am to 1.30 pm	3 hrs
19.02.2020 Wednesday	Half Day Seminar on Income Tax Act, 1961 Topic : Business Expenditure under the Income Tax Act, 1961 Speaker : CA. Prashanth G.S <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.400/- (Inclusive of GST)</i> Non Members : Rs.750/- (Inclusive of GST)	Branch Premises 5.00 pm to 8.15 pm	3 hrs

***Note: Kindly note there is no 2 Hrs. CPE on every Wednesdays Study Circle Meet.**

CALENDAR OF EVENTS – FEBRUARY & MARCH 2020

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
26.02.2020 Wednesday	<p>Interactive Session on International Taxation related Issues</p> <p>Topics:</p> <ol style="list-style-type: none"> 1. System Challan related Issues 2. Any Issues faced by the Assesse while engaging in transactions NRI ? 3. International Taxation related Issues <p>Speakers :</p> <p>Ms. Vandana Sagar, I.R.S., <i>Commissioner of Income Tax International Taxation, Bengaluru</i></p> <p>CPC TDS Officers, Gaziabad <i>Organized by Bengaluru Branch of SIRC of ICAI</i></p> <p>Delegate Fee : Members Rs.250/- (Inclusive of GST)</p>	Branch Premises 3.30 pm to 6.00 pm	2 hrs
28th & 29th February 2020 Friday & Saturday	<p>Two Day Conference on GST New Returns & Key considerations for 2018-19, GST Audit and Annual Returns</p> <p><i>Organized by Bengaluru Branch of SIRC of ICAI</i></p> <p>Delegate Fee : Members Rs. 1,800/- (Inclusive of GST) <i>Details at Pg. No. 10</i></p>	Devaraj Urs Bhawan, Millers Tank Bed Area, Vasanthnagar	12 hrs
04.03.2020 Wednesday	<p>Half Day Seminar on Start Up Funding</p> <p>CA. Rahul Saria <i>Organized by Bengaluru Branch of SIRC of ICAI</i></p> <p>Delegate Fee : Members Rs.300/- (Plus GST)</p>	Branch Premises 5.00 pm to 8.15 pm	3 hrs
11.03.2020 Wednesday	<p>Half Day Seminar on FEMA</p> <p>Topic : External Commercial Borrowings, Trade Credits and Structured Obligations</p> <p>CA. Santhosha Kumar <i>Organized by Bengaluru Branch of SIRC of ICAI</i></p> <p>Delegate Fee : Members Rs.300/- (Plus GST)</p>	Branch Premises 5.00 pm to 8.15 pm	3 hrs

*Note: Kindly note there is no 2 Hrs. CPE on every Wednesdays Study Circle Meet.



CALENDAR OF EVENTS – FEBRUARY & MARCH 2020

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
18.03.2020 Wednesday	Half Day Seminar on GST Updates CA. Naveen Rajpurohit <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.300/- (Plus GST)</i>	Branch Premises 5.00 pm to 8.15 pm	3 hrs
21.03.2020 Saturday	One Day Seminar on Bank Branch Audit <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fees : Members: Rs.2,200 (Inclusive of GST)</i> Non Members: Rs. 5,000/- (Inclusive of GST) <i>Details at Pg. No. 11</i>	Hotel Radisson Blu Atria, # 1 Palace Road Bengaluru 560 001 8.45 am to 5.45 pm	6 hrs
24.03.2020 Tuesday	Hands on Training on Excel for Bank Branch Audit CA. H. Shivakumar <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.300/- (Plus GST)</i>	ICAI, 29/1, Race Course Road, Next to Sugama Travels, Bengaluru – 560 001 5.00 pm to 8.00 pm	3 hrs
25.03.2020 Wednesday	Holiday	—	—
27.03.2020 Friday	Hands on Training on Excel for Bank Branch Audit CA. H. Shivakumar <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members Rs.300/- (Plus GST)</i>	ICAI, 29/1, Race Course Road, Next to Sugama Travels, Bengaluru – 560 001 5.00 pm to 8.00 pm	3 hrs

***Note: Kindly note there is no 2 Hrs. CPE on every Wednesdays Study Circle Meet.**

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Advt. material should reach us before 22nd of previous month.

EDITORS :

CA. BHAT SHIVARAM SHANKAR

CA. BHOJARAJ T SHETTY

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A Programme on Practical Issues of Accounting & Taxation

Organised by **Bengaluru Branch of SIRC of ICAI**

On **Monday, 17th February 2020**

Venue: **S. Narayanan Auditorium, Vasanthnagar Branch Premises**

Time: **2.00 pm to 6.30 pm**



Timings	Topics	Speakers
1.00 pm to 1.30 pm	NETWORKING LUNCH	
1.30 pm to 2.00 pm	REGISTRATION	
2.00 pm to 4.00 pm	Practical issues in Accounting & IND AS	CA. M.P. Vijay Kumar <i>Central Council Member, ICAI</i>
4.00 pm to 4.30 pm	TEA BREAK	
4.30 pm to 6.30 pm	Practical issues in Income Tax & Corporate Tax	CA. K. Gururaj Acharya

CA. Bhat Shivaram Shankar
Chairman

CA. Raveendra S. Kore
Vice Chairman
Bengaluru Branch of SIRC of ICAI

CA. B.T. Shetty
Secretary

Online Registration open

DELEGATE FEES:

FOR MEMBERS : RS. 400/- INCLUSIVE OF GST

FOR NON MEMBERS : RS. 750/- INCLUSIVE OF GST

Mode of Payment: Online / Cash / Cheque in favour of
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For Registration, Please contact:
Ms. Geetanjali D., Tel: 080-4394 4868

Email : **blrregistrations@icai.org**
Website : **www.bangaloreicai.org**



Two Day Conference on GST New Returns & Key considerations for 2018-19, GST Audit and Annual Returns

Organised by **Bengaluru Branch of SIRC of ICAI**
On **Friday & Saturday, 28th & 29th February 2020**
Venue: **Devaraj Urs Bhawan**, Millers Tank Bed Area, Vasanthnagar
Time: **9.30 am to 6.00 pm**

12 hrs
CPE

Timings	Topics	Speakers
DAY 1: FRIDAY, 28TH FEBRUARY 2020		
9.00am to 9.30am	Registration & Networking	
9.30 am to 10.00 am	Inauguration by the Distinguished Personality	
10.00am to 11.30am	Overview of New Returns	CA. Sandesh S. Kutnikar
11.30am to 12.00pm	Tea Break	
12.00pm to 1.30pm	Input Tax credit mechanism in New Returns	CA. Annapurna D Kabra
1.30pm to 2.30pm	LUNCH	
2.30pm to 4.00pm	Key consideration in filing March 2020 regular Return	CA. N.R. Badrinath
4.00pm to 4.30pm	Tea Break	
4.30pm to 6.00pm	e-Invoicing in GST	CA. Venugopal G
DAY 2: SATURDAY, 29TH FEBRUARY 2020		
10.00am to 11.30am	GST Audit focus Areas from ITC perspective	CA. V. Raghuraman*
11.30am to 12.00pm	Tea Break	
12.00pm to 1.30pm	GST Audit focus Areas from Supply perspective	CA. T.R. Rajesh Kumar
1.30pm to 2.30pm	LUNCH	
2.30pm to 4.00pm	How to fill GSTR 9 for FY 2018-19	CA. Annapurna Srikanth
4.00pm to 4.30pm	Tea Break	
4.30pm to 6.00pm	Key Validations before filing Annual Returns and Annual Audit	CA. Rishabh Singhvi

*Confirmation Awaited

CA. Bhat Shivaram Shankar
Chairman

CA. Raveendra S. Kore
Vice Chairman
Bengaluru Branch of SIRC of ICAI

CA. B.T. Shetty
Secretary

Online Registration open

DELEGATE FEES:

FOR MEMBERS : RS.1,800/- INCLUSIVE OF GST

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Ms. Geetanjali D., Tel: **080-4394 4868**

Email : **blrregistrations@icai.org**

Website : **www.bangaloreicai.org**

One Day Seminar on Bank Branch Audit

Organised by **Bengaluru Branch of SIRC of ICAI**

On **Saturday, 21st March 2020**

Venue: **Hotel Radisson Blu Atria**, # 1 Palace Road, Bengaluru 560001

Time: **8.45 am to 5.45 pm**



Timings	Topics	Speakers
8.45am to 9.15am	REGISTRATION & NETWORKING	
9.15am to 10.00 am	INAUGURATION by the Chief Guest	
10.00am to 11.30am	Critical issues in a Bank audit including changes during the year	CA. Anil K Saxena <i>Kanpur</i>
11.30am to 12.00 noon	TEA BREAK	
12.00 noon to 1.30pm	Audit of Advances & NPA – Critical Aspects	CA. Gautam Shah <i>Mumbai</i>
1.30pm to 2.30pm	LUNCH	
2.30pm to 4.00pm	Documentation and Reporting Requirements including LFAR & Certificates	CA. S Ramesh <i>Chennai</i>
4.00pm to 4.15pm	TEA BREAK	
4.15pm to 5.45pm	Audit considerations in Digital Banking	CA. R. Vittal Raj <i>Chennai</i>

CA. Bhat Shivaram Shankar
Chairman

CA. Raveendra S. Kore
Vice Chairman

CA. B.T. Shetty
Secretary

Bengaluru Branch of SIRC of ICAI

Online Registration open

DELEGATE FEES:

FOR MEMBERS : RS. 2,200/- INCLUSIVE OF GST

FOR NON MEMBERS : RS. 5,000/- INCLUSIVE OF GST

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"Bangalore Branch of SIRC of ICAI", payable at Bengaluru

For Registration, Please contact:
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Email : **blrregistrations@icai.org**
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Bengaluru Branch of SIRC of ICAI

Congrats

RANK HOLDERS - NOVEMBER 2019 EXAMS

Sl No.	Name	SRO NO	Roll No	Total Marks Obtained	RANK
Final - Old					
1	LOKESH P	SRO0540333	305526	480	15
2	NAMRATHA M S	SRO0439294	307950	468	21
3	SOUMYA K SIRDESHPANDE	SRO0485468	305517	461	25
Final - New					
1	SMARAN HARIDASHWA R	SRO0531893	404479	542	13
2	SIDHANT JAIN	SRO0561293	404295	506	46
3	BALRAJ C	SRO0557529	403559	502	50

IPCC - Old					
1	ARDHRA RAMESH	SRO0589520	507564	472	1
1	SATHYANARAYANA B	SRO0596943	509264	398	9
2	VISHWAJITH H	SRO0396860	508606	392	11
3	SHIVA SHANKAR V	SRO0573239	509229	391	14
IPCC - New					
1	VAIBHAV JAIN	SRO0678193	609977	638	14
2	MANASA RAMESH IYER	SRO0679021	607224	620	24
3	SHANTILAXMI YALAMATI	SRO0678443	610258	604	37
4	NIKHIL H	SRO0678861	610335	595	46
5	GOWRI R	SRO0678769	609796	594	47

FOUNDATION					
1	UJWAL BHANSALI	SRO0697324	107696	349	15
2	JANANI SRIKANTH	SRO0707803	109197	343	21
3	ISHIKA BADALIA	SRO0704585	109193	342	22
4	SREEVIDYA GUDDAPPAGARI	SRO0719721	110396	341	23
5	SANJAY D	SRO0715657	110294	339	25

Inviting Recruiters
For
**SPECIAL
PLACEMENT PROGRAMME**

(For Newly Qualified CA Final Rank Holders)

On 25th February, 2020 at Bangalore



Hire Smart CAs poised to become Business Leaders in Future

With the main objective of building upon leadership and managerial skills of newly qualified CA final rank holders, CMI&B is organizing 2nd Batch of Management Development Programme (MDP) from 3rd February to 26th February, 2020 at Manipal County, Bangalore which ends with Special Placement Programme on 25th February, 2020.

Major highlights of 1st Batch of MDP



82 rank holders participated



100% jobs offered to the participants



Highest packages per annum-
Overseas annual package- ₹ 36 lakh
Domestic annual package - ₹ 24 lakh



Major recruiters-



Organizations participating at any bigger centre on **Day Premier** in regular Campus Placement Programme for Newly qualified CAs can join this special placement programme **free of cost**



Organized by

Committee for Members in Industry & Business (CMI&B)

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

For more details about the Programme, please contact at 011-30110525/555 or e-mail cmib@icai.in

Upgrade your Managerial & Leadership skill with

2nd Batch of

MANAGEMENT DEVELOPMENT PROGRAMME (MDP)

(For Newly Qualified CA Final Rank Holders)

From 3rd to 26th February, 2020 at Manipal County, Bangalore



Programme Key Highlights:

- Customized Course focused on leadership and managerial skills having 23 days residential study
- Interactive & Participative Learning from Expert faculties
- Certification from Manipal Institute of Management, an Institute of Eminence
- Followed by Special Placement Programme on 25th February, 2020

Eligibility: Newly Qualified CA Rank Holders can enroll for the programme

Key highlights of 1st Batch of MDP



82 rank holders participated



100% jobs offered to the participants



Highest packages per annum-
Overseas annual package- ₹ 36 lakh
Domestic annual package - ₹ 24 lakh



Major recruiters-



Fees: ICAI has offered 80% of the course fee as subsidy and participants has to pay only 20% of the fees i.e. ₹ 20,000/- plus 18% GST and who belongs to the EWS* Category, entire fee shall be paid by ICAI



Organized by
Committee for Members in Industry & Business (CMI&B)
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*EWS means total annual income of whose parents is less than Rs. 5,00,000



**Bengaluru Branch of SIRC of
The Institute of Chartered Accountants of India
COACHING CLASSES ANNOUNCEMENT FOR NOV. 2020 EXAM**

Coaching Classes: CA Foundation, CA Intermediate & CA FINAL for Nov. 2020 Examinations (New Course)

Admissions open for Subjectwise Coaching

In pursuance of our objective to provide fruitful and quality teaching to our students, we are pleased to inform you that CA Foundation, CA Intermediate and CA FINAL coaching classes will be commencing at the Bengaluru Branch of SIRC of ICAI

WHY YOU SHOULD CHOOSE ICAI – BENGALURU BRANCH

An Expert and Experienced Dedicated Faculty Members:

1. Methodology – Conceptual teaching	5. Mock Test	9. Live Virtual Classes
2. Affordable Coaching Fee	6. Best Infrastructure	10. Crash Course
3. Renowned Faculty	7. Library Facility	11. Audio visual teaching aids
4. Periodical Test	8. Reading Room Facility	12. Quiz programmes
		13. Classroom presentations

Exclusive Morning Batch

Course	Fees	Duration (6 Months)	Timings
CA Intermediate	Rs. 12,500/- for Both Groups Rs. 8,500/- for Single Group Rs. 3,500/- for Single Subject	27 th Feb 2020 to September 2020 (Tentative Dates)	06.30am to 09.30am & (Monday to Saturday) 07.00am to 05.30pm (Sunday)

Regular Batch

Course	Fees	Duration (4 Months)	Timings
CA Foundation	Rs. 7500/-	28 th May 2020 to September 2020 (Tentative Dates)	04.30pm to 07.30pm (Monday to Saturday) 07.00am to 05.30pm (Sunday)
CA Intermediate	Rs. 12,500/- for Both Groups Rs. 8,500/- for Single Group Rs. 3,500/- for Single Subject	28 th May 2020 to September 2020 (Tentative Dates)	06.30am to 09.30am & 06.00pm to 09.00pm (Monday to Saturday) 07.00am to 05.30pm (Sunday)
CA Final	Rs. 14,000/- for Both Groups Rs. 9,000/- for Single Group Rs. 4,000/- for Single Subject	28 th May 2020 to September 2020 (Tentative Dates)	06.30am to 09.30am & 06.00pm to 09.00pm (Monday to Saturday) 07.00am to 05.30pm(Sunday)

**Venue: Bengaluru Branch of SIRC of ICAI
“ICAI Bhawan”, 16/O, Miller's Tank, Bed Area, Vasanthanagar, Bengaluru - 560052**

Schedule for all the subjects will be announced in due course of time.

Registration Fees - Mode of payment: Cash / Online www.bangaloreicai.org

For further details please contact: Tel: 080 - 4394 4868 /4876 Mob: 9606913003 / 3004

Email: blrstudentevents@icai.org | Website: www.bangaloreicai.org

CA. Bhat Shivaram Shankar
Chairman

CA. B. T. Shetty
Secretary



**BENGALURU BRANCH OF SIRC OF ICAI
KIND ATTENTION**

REGISTRATION OPEN FOR ICITSS ORIENTATION COURSE

Sl. No	Batch no.	From	To	Place	Timimngs
1	199th	13.02.2020	29.02.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
2	200th	13.02.2020	29.02.2020	RCR Sub Branch	Time 2pm to 8.30pm Afternoon Batch
3	201st	24.02.2020	14.03.2020	Vasanthnagar Branch	Time 7am to 1.30pm morning batch
4	202nd	24.02.2020	14.03.2020	Vasanthnagar Branch	Time 2pm to 8.30pm Afternoon Batch
5	203rd	05.03.2020	21.03.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
6	204th	05.03.2020	21.03.2020	RCR Sub Branch	Time 2pm to 8.30pm Afternoon Batch
7	205th	19.03.2020	04.04.2020	Vasanthnagar Branch	Time 7am to 1.30pm morning batch
8	206th	19.03.2020	04.04.2020	Vasanthnagar Branch	Time 2pm to 8.30pm Afternoon Batch
9	207th	26.03.2020	11.04.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
10	208th	26.03.2020	11.04.2020	RCR Sub Branch	Time 2pm to 8.30pm Afternoon Batch
11	209th	09.04.2020	25.04.2020	Vasanthnagar Branch	Time 7am to 1.30pm morning batch
12	210th	09.04.2020	25.04.2020	Vasanthnagar Branch	Time 2pm to 8.30pm Afternoon Batch
13	211th	16.04.2020	02.05.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
14	212th	16.04.2020	02.05.2020	RCR Sub Branch	Time 2pm to 8.30pm Afternoon Batch

For Registration through Cloud Campus Portal Only.
https://www.icaionlineregistration.org/Admin_Module/Login.aspx
Any queries please call 080 43944868/876, Mob: 9606913003 /004
E Mail id blrstudentevents@icai.org

**BENGALURU BRANCH OF SIRC OF ICAI
KIND ATTENTION**

REGISTRATION OPEN FOR ADVANCE ICITSS MCS COURSE

Sl. No	Batch no.	From	To	Place	Timimngs
1	155th	13.02.2020	29.02.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
2	156th	13.02.2020	29.02.2020	RCR Sub Branch	Time 2pm to 8.30pm Afternoon Batch
3	157th	24.02.2020	14.03.2020	Vasanthnagar Branch	Time 7am to 1.30pm morning batch
4	158th	24.02.2020	14.03.2020	Vasanthnagar Branch	10am to 5.15pm Regular Batch
5	159th	05.03.2020	21.03.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
6	160th	05.03.2020	21.03.2020	RCR Sub Branch	Time 2pm to 8.30pm Afternoon Batch
7	161st	19.03.2020	04.04.2020	Vasanthnagar Branch	Time 7am to 1.30pm morning batch
8	162nd	19.03.2020	04.04.2020	Vasanthnagar Branch	10am to 5.15pm Regular Batch
9	163rd	26.03.2020	11.04.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
10	164th	26.03.2020	11.04.2020	RCR Sub Branch	Time 2pm to 8.30pm Afternoon Batch
11	165th	09.04.2020	25.04.2020	Vasanthnagar Branch	Time 7am to 1.30pm morning batch
12	166th	09.04.2020	25.04.2020	Vasanthnagar Branch	10am to 5.15pm Regular Batch
13	167th	16.04.2020	02.05.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
14	168th	16.04.2020	02.05.2020	RCR Sub Branch	Time 2pm to 8.30pm Afternoon Batch

REGISTRATION OPEN FOR ADVANCE ICITSS MCS COURSE -WEEKEND

1	14th	28.03.2020	16.05.2020	RCR Sub Branch	Time 7am to 1.30pm morning batch
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For Registration through Cloud Campus Portal Only.
https://www.icaionlineregistration.org/Admin_Module/Login.aspx
Any queries please call 080 43944868/876, Mob: 9606913003 /004
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THE CODE ON WAGES, 2019: ANALYSIS

CA. Saraswathi Kasturirangan & CA. Pallavi Dhamecha



Background

In its path towards the simplification and consolidation of labour laws, the Ministry of Labour and Employment aims to consolidate more than 44 central labour laws into four broad categories of Labour Codes viz. Code on Wages, Code on Social Security and Welfare, Code on Occupational Safety, Health and Working Conditions and Code on Industrial Relations. While the latter three codes are at various levels of consultations with stakeholders, the Code on Wages (Code) has been enacted and Presidential assent has been received on 8 August 2019. While the implementation date is yet to be announced, the draft rules have also been issued for comments from the public. Till such pronouncement of implementation, the provisions of the Acts subsumed under the Code will continue to apply.

What is the Code on Wages, 2019?

This is a consolidation of four central labour law legislations relating to wages namely, the Equal Remuneration Act, the Payment of Wages Act, the Minimum Wages Act and the Payment of Bonus Act, into a single code.

The industry has been grappling with the multiplicity of definitions, different redressal processes, penalty proceedings etc under these various Acts. For instance, the definition of the term 'Wages' is

different under the Minimum Wages Act and under the Payment of Bonus Act. Further, the wage ceiling provided under these Acts are also varied for its applicability. The Payment of Bonus Act is applicable where the wages paid to employees do not exceed INR 21,000 per month, whereas, the Payment of Wages Act is applicable to employees who earn up to INR 24,000 per month. The inconsistency in definitions, the multiplicity of notifications and circulars to be complied with, the differing wage ceilings etc significantly enhances the complexity of regulations resulting in challenges to the industry in meeting the compliances.

The amalgamation is aimed at consolidating wage related codes under one umbrella to ensure consistency in definition, ease of implementing and monitoring the compliances without compromising on the basic concepts of welfare and benefits to workers.

A quick insight to the Acts relating to wages which were subsumed into the Code is given below:

- The Minimum Wages Act specifies the rate of minimum wage to specified employees of the organised sectors. The central government has the authority to fix the minimum wage in relation to scheduled employments under the central government such as railways, mines, oilfields etc. In all

other cases, the state government is empowered to fix the rate of minimum wage.

- The Payment of Wages Act regulates the payment of wages to employees in terms of the timing, fixation of wage period and provides for permissible deductions from wages etc.
- The Payment of Bonus Act provides for a minimum bonus of 8.33 percent and maximum bonus including productivity-linked bonus of 20 percent of the salary/wage for covered employees. Bonus payable is calculated on the higher of INR 7,000 or the minimum wage for scheduled employment.
- The Equal Remuneration Act prohibits discrimination in payment of wages between men and women.

Highlights of the Code on Wages

An Overview

The Code is spread across 9 chapters with 69 sections as against 115 sections in aggregate provided in all the 4 Acts subsumed in it. The first chapter deals with definition of various terms used in the Code. There are separate chapters in the Code to deal with specifics of minimum wage, payment of wages and payment of bonus. However, there is no separate chapter for equal remuneration. Provisions relating to



equal remuneration are captured in 4 sections of the first chapter. The Code also covers payment of dues, claim and audit, inspector-cum facilitator, offences and penalties, miscellaneous provisions etc.

Uniform coverage:

Unlike the existing Minimum Wages Act, Payment of Wages and the Payment of Bonus Act, which applies to a specified population, the Code on Wages covers all employees including those from the unorganised sector and all establishments and employers, unless specifically exempt in the code.

Definitions

The terms defined under the Code are applicable to all the chapters relating to the four specific Acts subsumed and hence results in uniformity of definitions across these legislations. Important to note is the definition of employer, employee and wages. Employer includes contractor, thus explicitly making such persons primarily responsible for all the compliances under the Code on wages. 'Employee' definition includes managerial and administrative persons. Thus, it is wider in its coverage and would have far-reaching impact from overtime payment perspective to such employees.

The definition of wages has three parts, an inclusion part, specific exclusions and percentage ceilings on exclusions and benefits enabling conditional inclusions. While the Minimum Wage Act provided for inclusion of HRA in the definition of wages, the same has now been specifically excluded. It is therefore important to analyse the impact of the Code on the specific salary structure of the employer.

Provisions relating to minimum wages:

The Code proposes to fix a national minimum wage and state / geography specific minimum wages. The minimum wages determined by the central or state governments shall not be lower than the national minimum wage. No reduction in minimum wages by the central/ state governments is permitted where the wages fixed earlier was higher than the national minimum wage. Criteria for fixing minimum wages would take into account minimum living standards of workers and different floor wage may be fixed for different geographical locations and skills and will be subject to review every five years. It would fix the normal working hours for an employee and provide for payment of overtime for extra hours worked by the employees. Given the wider definition of employees, the impact will specifically need to be analysed.

Provisions relating to payment of wages:

The Code provides for timely payment of wages and authorised deductions from wages to all employees irrespective of wage ceiling, bringing about equity in treatment.

The due day for payment of monthly wages is now fixed at the 7th of the subsequent month, advanced from the currently provided 10th of the subsequent month. While providing for daily, weekly or fortnightly wages, it specifies that the wage period cannot be more than a month. The impact of this for new joinees beyond the payroll cut-off period needs to be revisited.

The two-day wage settlement period applicable for removals/dismissal/ termination of employees has also been extended to resignations as well.

Deductions from wages including taxes, provident fund, fines, damages, advances etc cannot exceed 50 percent of the wages for that period. Given the wider definition of employees, this could have significant implications where benefits in kind such as stock options are provided and tax recovery is made from regular salary.

The payroll process and system needs to be geared up to comply with these requirements.

Provisions on Payment of Bonus:

These are applicable to establishments having 20 or more employees in an accounting year. Uniform accounting year has been specified i.e. commencing from 1st April. The common wage threshold for applicability (currently INR 21,000 p.m.) is to be prescribed by the appropriate governments. Hence possibility of multiple wage thresholds being announced cannot be ruled out. It may be noted that there is no change in the minimum and maximum bonus percentages.

Conviction on grounds of sexual harassment has been added to the disqualifications of employees from receiving bonus. Existing provisions under the Payment of Bonus Act include dismissal from services for fraud, theft, misappropriation or sabotage of any property of an establishment or riotous or violent behavior while on the premises of the establishment. The Code also provides that audited accounts of companies shall not normally be questioned and in case of dispute regarding the quantum of bonus, the authority may call upon the employer to produce the balance sheet, but shall not disclose any information unless agreed to by the employer.

Equal Remuneration:

Provides for non-discrimination in hiring / determining salary based on 'gender' as against the current terminology of men and women doing same or similar job.

Further, it uses the word employees as against workers as referred to in the existing Equal Remuneration Act. Thus, applicability of its scope has also expanded as the term worker is a subset of the term employee.

It may be noted that equality in wage is required for work of similar nature performed by employees of any gender. For the purpose of determining 'work of similar nature' 'experience' also needs to be considered in addition to skill, effort and responsibility. The term 'experience' is not part of the existing Act and hence, under the Code on Wages, this can form a basis for varied wages.

Wages for this purpose will include payments such as conveyance allowance, travel concession, house rent allowance, remuneration payable under any award/settlement/order of court or Tribunal or any overtime allowance which were otherwise excluded. The rationale for including over time allowances for this purpose is not clear.

Rationalising penalty provisions:

Fines for contravention of any provision of the Code and non-compliance in respect of payments due to the employees are very stringent with significant increase in the quantum of fines. Repeated offence within a period

of 5 years would be subject to double fine and attracts prosecution ranging from a month to 3 months. The Code provides for compounding of offence which is not available for a repeat offence. Penalties for non-maintenance of records are also included.

Inspector-Cum-Facilitator (ICF):

As a consultative approach towards compliance, advice may be sought from the ICF. In order to remove arbitrariness and malpractices in inspection, the Code provides for web-based / transparent inspection scheme. As a worker-friendly measure, the Code has also enhanced the period of limitation for filing of claims by a worker, to 3 years, as against the existing time period which varies from 6 months to 2 years.

Other miscellaneous provisions

The relevant authority can determine the claim payable to employees, upon a complaint from him, for any default in payment of wages, minimum wages, bonus etc. This can go up to 10 times of the amount due and is required to be paid within 3 months of such order. If not paid within 3 months, then recovery proceedings can be initiated.

Rules for maintenance of records and display of notice on the notice board at a prominent place at the establishments has been provided for. The notice should contain category wise wage rate, wage period, date and time of payment of wages, name and address of jurisdictional ICF. It may be noted that the term employer does not include

domestic household person and hence, is not required to comply with minimum wage, payment of wages, statutory bonus etc. However, it mandates such person to maintain specified records where number of domestic helps employed is more than 5.

Conclusion

Consolidation of the regulations under one Code, providing uniform definitions, introducing web-based inspection procedures etc will help the industry to meet compliances in an easy manner, ensuring enhanced compliance and transparency. Further, with increased accountability, effective enforcement and greater transparency, the Code is expected to go a long way in furthering the ease of doing business in India.

However, it is important for the industry to understand the implications and to be in a state of readiness to implement at a short notice. With the new definition of the term 'wages', company specific analysis to ensure conformity with the minimum wages, payment of bonus provision etc, is an absolute necessity. Given that the same definition of wages would potentially be applicable to Provident Fund contributions, it is important to check on the implications from a PF contribution perspective, more so for employees below the statutory wage ceiling and for International Workers.

The views expressed are personal views of authors. ■



VALUATION – LEGAL FRAMEWORK

CA. Chinmaya AM & CA. Surya Prakash



Valuation is the process of determining the fair value of an asset or an entity. Valuation is a subjective concept and is based on various assumptions that valuer takes in the process of determination of the value of an asset. Valuation can be undertaken for multiple reasons, which predominantly include price discovery for investment decision making, regulatory requirements, accounting requirements, etc.

In view of the sensitivity and subjectivity involved in valuation, to protect the interest of stakeholders involved and to ensure fair disclosure, various regulations in India mandate external and independent valuation of assets involved in transactions. In certain cases, regulations also mandate specific valuation methodology and qualification of valuers.

For one transaction there may be multiple laws requiring valuation with its own prescriptions – hence the valuation exercise to be undertaken in a manner which honors the requirements of all the laws or separate valuations to be conducted for different legal requirements. This article summarizes Valuation requirements under various regulations applicable in India:

1. Companies Act, 2013 and rules thereunder:

S.No	Regulation and Instance	Requirement
I. Issue of Shares and Securities		
(a)	Section 62 (1) (C): Private Placement of Shares	Issue shall be done at price determined by registered valuer
(b)	Rule 13(2)(h) of Share Capital and Debenture Rules: Issue of convertible securities	For issue of securities with an option to convert into equity shares on preferential basis, the price of the resultant shares pursuant to conversion shall be determined - (i) either upfront at the offer, on the basis of valuation report of the Registered Valuer, or (ii) at the time, when the holder of security becomes entitled to conversion, on the basis of valuation report of the registered valuer
(c)	Rule 13(2)(l) of Share Capital and Debenture Rules: Issue of shares for consideration other than cash	Where securities are allotted for consideration other than cash, the valuation of such consideration and value of securities being issued is required to be determined by the registered valuer.
(d)	Further Rule 13 (3) of Share Capital and Debenture rules: Issue of securities on preferential basis	Issue Price of securities shall not be less than the price determined by registered valuer.
(e)	Above regulations are intended to: <ul style="list-style-type: none">• Safeguard rights of existing shareholders from unfair dilution of their ownership.• Safeguard rights of incoming shareholders.	

S.No	Regulation and Instance	Requirement
II. Compromises, Arrangements & Amalgamations		
(a)	Section 230(2): Power to make compromise or make arrangements with creditors and members	Valuation report is required to be obtained with respect to shares, property and all other tangible and intangible assets of the Company, by person making application for compromise/ arrangement to the tribunal.
(b)	Section 232(2): Merger and Amalgamations of Companies	Board of Directors to circulate and place the report adopted explaining the effect of compromise, in particular on share exchange ratio at the meetings ordered by the tribunal.
(c)	Section 236(2): Purchase of Minority Shareholding	Price for acquisition of minority shares is required to be determined on the basis of valuation report
(d)	The above regulations intend to safeguard the interest of shareholders and stakeholders in the process of compromise.	
III. Other Requirements		
(a)	Section 54, Rule 8 (6): Price of Sweat equity shares	Sweat equity shares to be issued shall be valued at a price determined by a registered.
(b)	Section 54, Rule 8(7) – Valuation of IP, Know-how or value addition	Value of IP, know how or any value addition against which Sweat equity shares are issued shall be carried out by a registered valuer
(c)	Section 68: Power of Company to purchase its own securities (Buyback)	Board should specify Buy-back price along with justification for the same, in notice to general meeting, As a best practice, independent valuer's report will be circulated to justify the Buy-back price.
(d)	Section 192(2): Restriction on non-cash transaction involving directors	Value of assets involved in the transaction is required to be determined by the registered valuer.
(e)	Section 281(1): Submission of report by Liquidator	Report containing value of the assets determined by the registered valuer is required to be submitted to the tribunal along with other required documents.

Section 247(1) specifies that valuation of shares/ assets mandated under Companies Act, 2013 and rules thereunder shall be performed by Registered Valuer. A valuer can be enrolled as Registered Valuer on compliance of guidelines specified by Insolvency and Bankruptcy Board of India.

2. Income Tax Act:

(a) **Section 56(2)(viib): Issue of Shares at Premium:**

If a Company in which public are not substantially interested issues shares at a Premium, the higher of the consideration for issue and fair market value of shares shall be taxed in the hands of the Company, except in cases of certain specified issue of shares such as to a non-resident, Venture Capital Fund, etc.

Fair market value for this purpose shall be:

Unquoted Equity Shares:

- o Based on prescribed formula, i.e. (Book value of Assets – Book value of liabilities)/ Paid up equity share capital*Paid up value per share; **(or)**



- o Determined by Merchant Banker using DCF methodology

Other Securities: Open market value or value determined by Merchant Banker or Accountant

(b) Section 56(2)(x): Receipt of Shares for nil/lower consideration:

If any person receives shares/securities for a consideration which is lower than the fair market value of such shares/securities, difference between such fair market value and consideration (exceeding INR 50,000/-) shall be taxable in the hands of recipient.

(c) Section 50CA:

In case consideration received for transfer of unquoted shares is less than the fair market value of such shares, such fair market value of shares shall be deemed to be full value of consideration for the purpose of Capital Gains.

Fair market value for the purpose of (b) and (c) above shall be:

Unquoted Equity Shares: Based on prescribed formula, i.e. (Stamp Duty value of immovable property + Register valuer value of Jewelry and artistic work + Fair market value of securities held as per same regulation + Book value of Other Assets – Book value of liabilities)/ Paid up equity share capital*Paid up value per share;

Other Securities: Open market value or value determined by Merchant Banker or Accountant

3. Foreign Exchange Management Act (“FEMA”)

Transaction	Valuation Requirement
Issue of Shares by Indian Company to Non-Resident	Issue Price shall not be less than value determined by CA or Merchant Banker or Practicing Cost Accountant
Transfer of Shares	<p>Resident – Non-Resident: Transfer Price shall not be less than value determined by CA or Merchant Banker or Practicing Cost Accountant</p> <p>Non-Resident – Resident: Transfer Price shall not be more than value determined by CA or Merchant Banker</p>
Overseas Direct Investment	<p>a) Involving Swap of Shares: Valuation is required to be done by Merchant Banker or an Investment Banker or Merchant Banker registered with appropriate authority in host country</p> <p>b) ODI Value more than USD 5 Million: Valuation has to be done by a Merchant Banker or an Investment Banker or Merchant Banker outside India registered with the appropriate regulatory authority in the host country.</p> <p>c) Any other case: Valuation of shares is required to be done by a Chartered Accountant or Certified Public Accountant.</p>

4. Stamp Duty Regulations:

Stamp duty would be applicable in every transaction involving shares and securities. Guidelines for determination of Stamp duty liability would be differing from State to State, however, in majority of the instances such liability would be based on fair value of the share/security being transacted. Such fair value either can be arm’s length transaction price or price determined by Independent valuer.

5. Accounting Related Valuation requirements:

Section 129 of The Companies Act, 2013 requires the Companies to prepare their financial statements in accordance with the Accounting Standards specified under the Act. Certain Accounting Standards require the Company to perform fair valuation of their investments and assets. Also, guidance note issued by ICAI on ESOP require the Company to determine the ESOP expense using the fair value of the option granted as on the grant date. Fair value for the purpose of accounting standards is required to be determined by an independent valuer.

Valuation Base and Methodology:

For valuation of Unquoted Equity Shares under Income Tax Act, 1961 and rules thereunder, valuation base and methodology are specified in respective regulations.

Valuation requirements under Companies Act, 2013, FEMA, Stamp Duty regulations, Accounting requirements and for valuation of unquoted securities under Income Tax Act, 1961, valuation base is Fair Value. Though these regulations do not prescribe adoption of any specific valuation methodology, Income Approach – Discounted cashflow methodology can be adopted for all going concern valuations, subject to information availability and in relation to matured companies Market Approach – Internal and External Comparable Company based valuation to be followed. And in certain cases, Cost Approach or Net Assets Valuation could be suitable.

As explained above, Chartered Accountants in practice have vast opportunities for valuation and the above regulatory driver valuation opportunities are what is very evidential and obvious opportunities and there are many more opportunities in the field of valuation for professionals. ■

ICAI - Bengaluru: Announcing Batch II of 'Diploma in Information Systems Audit' - 29 Feb, 2020

Dear Members,

This is to inform your good-self that we have started accepting registrations for the '**Diploma in Information Systems Audit**' starting at Bengaluru from **29th Feb, 2020**.

Batch Days - **Weekends only**

Dates : **Feb, 2020 - 29th**

Mar, 2020 - 1st, 7th, 8th, 14th, 15th, 21st, 22nd, 28th & 29th

Timings - **9:45 am to 5:30 pm**

Venue - **Race Course Road Premises of ICAI**

For registration visit - <http://pqc.icai.org/>

Fee - **Rs. 20,000/-**

Contact : **C. R. Kulashekhar**, Section Officer (SU), Bangalore DCO
The Institute of Chartered Accountants of India
No. 16/0, Millers Tank Bed Area, Vasanth Nagar,
Bengaluru – 560 052, Tel - (080) 3056 3541





ELEVATING THE EVER - CHALLENGING CA PROFESSION : A SPIRITUAL PERSPECTIVE

Shri. Dattatray Pise (Financial Consultant), Maharshi Adhyatma Vishwavidyalay



The cut throat competition in every walk of life in today's world is leading to stress and strain. People lack mental strength to combat the challenges that they face in their profession and family life and to keep a balance between the two. Chartered accountants are not an exception to that. In this article, we will analyse the problems faced by CAs in their day-to-day lives and their solutions in a spiritual realm. Article is blended subtly with practical and theoretical points worth pondering upon by a CA !

Every person or profession has their own individual challenges. Chartered Accountancy is one of the prime qualifications in India thus facing many challenges.

Let's first brief through the challenges before the chartered accountants.

1. Rigorous course curriculum (Little time to develop other skills.)
2. Difficulty in Market penetration (For new entrants in Practice.)
3. High level of competition.
4. Developing a client base is not so easy.
5. Opportunities are largely confined to Finance (Few CA CEOs as compared to CFOs.)
6. Updating knowledge regularly with changing scenario wherein new skills / capabilities need to be developed as everything is getting online. Hence, one needs

to get away with old ways and accept newer ways of handling regular practice.

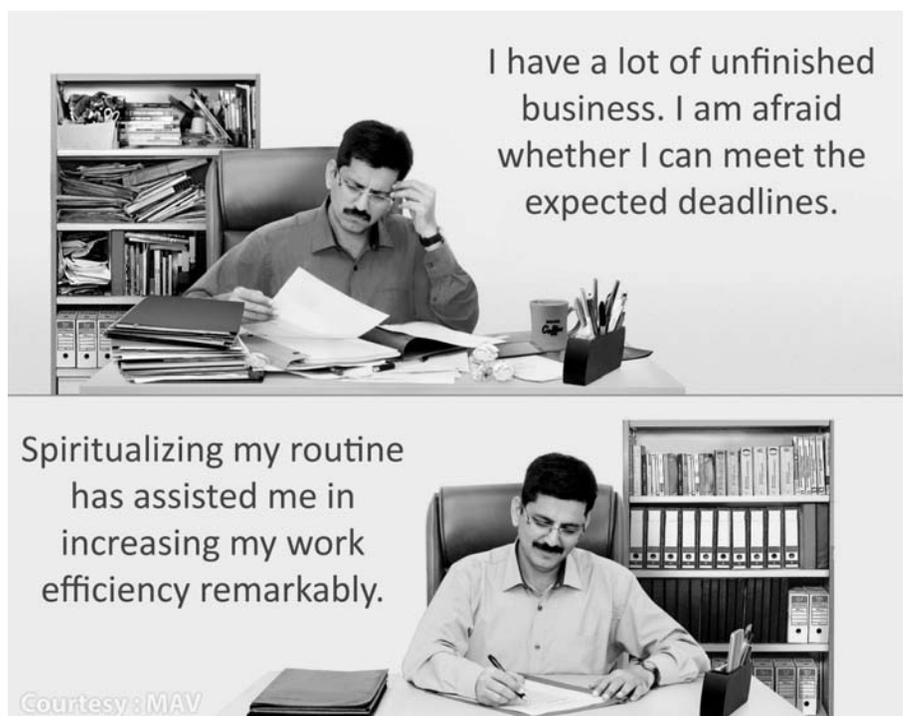
7. Adhering to due dates leads to lot of stress.
8. There are few cases where a person's whole career gets ruined after repeatedly appearing for exams and not passing or he passes out very late leading to settling late in life. This in turn leads to frustration culminating ultimately in reduced efficiency or increased anger.

Ever-changing acts

The profession of a Chartered Accountant demands one to remain updated and

lucid about the clauses in various laws, especially the Income Tax Act and the Companies Act and GST amongst other laws which keep changing from time to time. One needs to do a comparative study of the exact provisions in the subsection of several sections. In today's stressful life and with a busy profession, it is difficult even to study with the required level of concentration. Recent introduction of GST wherein even GST officers are learning, however clients expect CAs to know everything worsens the stress levels of the latter !!

Practicing spirituality can help in achieving concentration in less time. Studying can be done in less time. Research in this regard has been



accepted in many places around the world. Specifically, chanting God's name (*Namjap*) can help in increased concentration. This assists one to handle the things with a calm mind which can lead to lesser mistakes that may result from stress.

Increasing Responsibilities and Accuracy

International economic concepts like GST, duty drawback, CENVAT etc. have been adopted in India also. With enactment of new laws and transformation to the new tax regime, responsibilities of CA are increasing day-by-day. Recently government introduced GST, RERA, Benami law and other economy laws altogether. These initiatives of Govt are having major involvement of CAs. Moreover accuracy is also gaining vital importance. The responsibility of implementing these laws lies primarily with the CAs. CAs have to work patiently for that owing to the increasing accountability that the CAs need to shoulder. Spiritual Practice helps one develop patience in oneself, an essential quality that this profession demands.

Furthermore, recently a lot of responsibilities have been fixed on Auditors under the Companies Act and Income Tax for mis-information, reporting of frauds within company etc. Many CAs have resigned as auditors of listed companies owing to the heavy onus cast on CAs regarding frauds within company.

Intellectual Warfare

The clients also expect CAs to handle the notices they get and resolve them as soon as possible. In such cases, the CAs have to face various government officials. Hearings have to be attended.

It's an intellectual warfare wherein winning gives you intellectual pleasure, and losing becomes a nightmare. It hurts one's ego and may cause depression. At times, CAs have to face harassment at the hands of bureaucrats. The one who has a quality to keep his mind unaffected or say unturned by such situations and give oneself the right attitude, only can raise from the predicament and again sustain in the field. Spiritual practice plays an important role in such situations by correcting one's very attitude towards looking at the difficulties.

Stressful situations

A CA's work includes submitting different types of forms online under different laws. One of the disadvantages of online is that the forms cannot be submitted without the minutest details. CAs often experience stress in filling the forms within stringent deadlines. Internet issues or main server going down further add to their misery. At times, CAs' stress shoot up when clients give only partial information or delay in giving the required documents or give documents with incorrect information. High blood pressure and diabetes are becoming common amongst CAs.

Addictions : Furthering dilemmas !

Today, drugs and alcohol are looked upon as a solution for combating stress at least in western countries on a predominant scale. Our society is also getting accustomed and often many succumb to the tensions resulting in falling prey to one of the above addictions. One doesn't understand the solution they try to find in such adverse conditions is furthering their problems. Instead, proper spiritual practice can help in combating stress in a positive way. The way exercise increases the body's ability, spiritual practice is an exercise

of the mind. It makes one capable of withstanding stress and reduces the ill-effects of stress on the body, mind and even the intellect.

Honesty is the best policy !

The CAs are expected to be sincere and truthful by the clients and laws. That is the reason behind calling it a 'Noble Profession'. There are many temptations within the business. Many know clients' financial secrets. They know the weak points of the law enforcement officials. There are often possibilities of using them for personal gains. But the one who is spiritual can control his desires. He is well aware of his duties and credibility and don't fall prey to temptations.

Now let's look at a theoretical phenomenon which actually affects our practical lives everyday. CAs are not an exception to that.

Anxiety and ways to cope up !

A person's capacity to face anxiety depends on how much energy is available to face the stress. The mental energy available is less when there are undesirable characteristics in personality (personality defects) and unfinished business.

1. Personality defects

Personality defects are characteristics such as anger, fear, laziness, indecisive and being pessimistic. Such undesirable characteristics consume our thoughts during the day robbing us of mental energy. A CA is exhausted from Monday through Friday and feels that let's look towards the next week with enthusiasm and optimism. However, personality defects which are an integral part of the person actually forces him towards the onslaught in a new way in the upcoming week. This is a slow killing process towards anxiety.



2. Unfinished business

Unfinished business refers to unpleasant incidents in the past, which one is still fearful about and which causes one anxiety. For example, when a student failed in an examination, it caused him severe anxiety and depression. He remembers how he suffered then and is afraid that in case he fails again in life, he may have to suffer as in the past. (You may take an example of a CA who failed miserably in filling the form of one of his esteemed clients owing to the irresponsible behavior of the latter culminating in losing the client. This horrifying thought keeps taunting his mind in future whenever he is submitting forms of his clients.) So his mind continues to be burdened with unfinished business. Unfinished business also conditions the mind to react to the stress and strain of life in a particular way. Taking the same example, failure in an examination, which resulted in depression may condition one to react to failure in other fields of life as well, in the form of being depressed or becoming an addict. Having a long to-do-list also can be the cause of strain and can add to unfinished business.

Only getting rid of the undesirable qualities in a person or refrain from unfinished businesses cannot help until he tries to imbibe virtues. Virtues should regularly be practiced by CAs to raise above their stressful lives.

This is so, because in today's world of competition, a CA can never get rid of unfinished jobs. So, ways to deal with them have to be sorted out. Thus, the need of imbining virtues in oneself.

1. Appropriate time management : One should utilize the available time effectively and plan all activities ahead of the time.

2. Prioritizing : This virtue is one of the most effective tools to succeed in professional lives. Prioritizing tasks at hand and clearly jotting down their deadlines makes your work half-done.

3. First-Time-Right : Although experience teaches one to get this virtue, why not practice it from the very start of your CA career ? Introspect upon your hindrances (psychological or intellectual) and try to practice to get everything with perfection, the very first-time.

4. Punctuality : Punctuality is a trait of courtesy. One should be punctual at all times.

5. Honesty : Honesty depicts the virtue of simplicity of the mind. Everyone likes an honest person, or for that matter an honest CA. Clients keep returning to such CAs. An important point which needs to be noted here is that one needs to filter out clients who wants one to do "adjustments" even if it means reduced earnings.

6. Stability : One who remains stable in adverse situations can win the situation

however harsh it may be. Practicing spirituality can definitely assist one in attaining the tough aim of mental stability.

7. Remain Updated : Standardisation of process and regular training of juniors plays an important role in managing & adhering to timelines.

8. Ethics : Follow ethical principles – and learn to say "NO"! This reduces unnecessary stress.

Inculcation of virtues means enhancing your virtues. This is a process of systematically and consistently impressing virtues upon the mind and nurturing them. What needs to be emphasized here is removing one's personality defects and inculcating virtues coupled with practicing spirituality helps one not only to become tension free which in turn leads one to a blissful life but add to increased efficiency in one's profession. If these things are practiced by CA professionals on a larger scale, it definitely has the caliber to elevate the CA profession as a whole on an exponential scale.

Wanna experience calmness of mind even during life's storms ? Self-experimentation is the tool ! Concept may look abstract but works wonders if done in the right earnest. Using it today or tomorrow to reap its benefits is ultimately your choice.



ICAI BHAWAN - S. Janardhan Building Foundation Stone Laying at Rajajinagar



71st Republic Day Celebration



Flag Hoisting



Inauguration of 71st Republic Day by lighting the lamp



Chief Guest
CA. Ravindra Raj Bhandari



Felicitation to Chief Guest, CA. Ravindra Raj Bhandari



Participants

VIDWATH SABHA - One Day Seminar on GST Notices and Reply



Inauguration of Seminar by lighting the lamp



CA. K. S. Ravi Shankar



CA. C.R. Raghavendra



Adv. K.S. Naveen Kumar



CA. A. Sai Prasad

One Day Training Programme for Peer Reviewers



Inauguration of Seminar by lighting the lamp



CA. Abdul Majeed



CA. Vijay Joshi



CA. K. Viswanath,
Past Chairman, SIRC of ICAI

VIDWATH SABHA - Half Day Seminar on GST Refunds & Types of Supply



CA. Siddhartha Javali



CA. Dhanashree Prabhu

VIDWATH SABHA - Half Day Seminar on High Relevance to Practicing CAs



CA. Venkatesh Bhat



CA. Deepak Gupta

VIDWATH SABHA Half Day Seminar on Online Payment Ecosystems and Payment Security



CA. Bharath Lakshminarayana



CA. Narendra J Jain

VIDWATH SABHA Half Day Seminar on Practical aspects of New Internal Audit Standards



CA. M. Surendra Reddy



CA. Heena Kauser A. P.

VIDWATH SABHA Half Day Seminar on Vedic Mathematics



Mr. Ravi Kumar

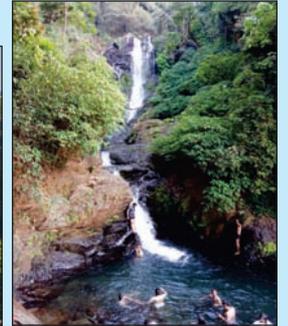


CA. K. Gururaj Acharya

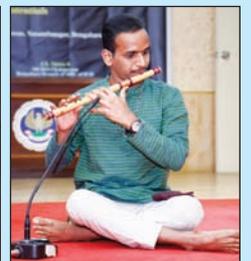
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