

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Bangalore Branch of SIRC e-Newsletter

Volume 7 | Issue 9 | April 2019 | Pages : 33

English Monthly
For Private circulation only



Happy Ugadi - 2019

VIDWATH SABHA

- One Day Seminar on
Labour Law
13th April 2019
- One Day Seminar on
**Annual Returns GSTR 9 &
Annual Audit 9C**
23rd April 2019
- Certificate Course on
Concurrent Audit of Banks
12th to 21st April 2019
- MANTHANA**
Half day Seminar on
Audit Quality Issues and Indicators
26th April 2019
- 5th Residential Seminar on
International Taxation
3rd to 5th May 2019

✓ **Race for Relevance** ✓ **Ready for Radical Change** ✓ **Unleash the Potential**



My Dear Esteemed Members,

Wish you a very happy Ugadi.

Time is up again!. We are marching ahead saying, March end, March end and March end!. For CAs, March end never ends till April or May!.

As every year end, this year end is not an exception. We are aware that our members are busy in getting ready for time bound Bank Branch Audit. Many members are getting this Audit after cooling period and are busy in audit planning, resource allocation etc. Yes. We have onerous duty of timely completion of Branch Audit of various Banks especially with in the given short time span. While you are in hurry to complete the audit due to pressure, you are hereby gently reminded again to exercise due care, diligence and independence. Quality matters. Take adequate time to complete quality audit procedures. We wish you all the best!.

On behalf of Bangalore Branch of SIRC of ICAI and esteemed members of this branch, while we congratulate the rank holders from Bangalore and the students who passed IPCC, CPT and Final examinations, we also encourage the other students to try again with full confidence and stop not till they become CA. We wish them a great career ahead!

We deeply regret to inform about the sudden demise of CA Sabbhir Pasha, Past Chairman of Bangalore Branch, who rendered selfless service to our Branch and the profession at large. We pray, his soul to rest in peace!.

Status update on our new initiatives

1. Online Grievance Cell:

We have opened up online Grievance Cell for members, students and faculty on a trial basis. The Cell consists of DCO, elected SIRC members and MC members. Aggrieved members/students or faculty may submit their concerns online and the same will be taken up for suitable resolution. Depending up on the effectiveness, the Cell will be regularized.

2. Insurance products for self and article students :

Many outstation students stay in hostel, shared rooms or PGs and being new to Bangalore traffic, are required to travel on official work as article trainees. To mitigate the risk on employer on the one hand and to extend helping hand to the Article Trainees on the other, we have opened up online Medical and Personal Accident insurance products at a special rate in our website. In addition to that, Members can avail E & O Policy, and other regular policies online. My personal appeal to you is to take medical and personal accident policies for your Article students. With the increased liability attached to the attest functions by CAs, it is advisable to keep an active E & O policy.

3. Missed opportunity :

It is a matter of great concern for us, if any member has missed an opportunity to attend our programs. Hence, our website is upgraded with an option, wherein, after the booking is closed, members can click a button “ **I missed this opportunity** ” and submit few details. It helps us to serve you better, either by shifting the venue to a bigger facility or by repeating the programs. . This is a small change, but, made a big impact. More than 24 members missed opportunity for Bank Branch Audit seminar and immediately got seat in the 5 Day Workshop for Bank Branch Audit. More than 30 members missed opportunity for Advanced Excel Training session and we are conducting the same session once again to accommodate the members' interest. If you missed opportunity, it is our humble request, please take a minute and submit the details online. It helps us to serve you better.

4. Career counselling program

Every time we say, Bangalore Branch is the biggest and most vibrant branch in India. To keep that status in the future, we have taken initiative to increase yearly registration for CA course from current size of about 11,000 students to about 15,000 students in Bangalore this year. This is expected to bridge the immediate demand supply gap in article trainees and demand for CAs in the long run.

We are taking various branding and awareness initiatives. One of such plan is to go the colleges where we had studied B Com / PUC and conduct Career Counselling programs to create awareness about CA course to the students.

Before requesting members to do that, it is my duty to practice it first. Hence, I personally conducted career counselling program in my college, i.e. Govt First Grade Degree College in Yellapur, NK District. It was the happiest moment to meet my lecturers there and they were extremely pleased to meet their own old student visited the college as CA and were delighted to organize a fantastic session with B Com students. While visiting, I took along with me 4 CAs in the same locality. It made a big difference. We had wonderful interaction with young yet, brilliant brains of the college and I am glad that, many students who were unaware about the course have showed interest.

My humble request to our esteemed members is to make it a point to visit your college and conduct career counselling program, preferably before 31st May 2019. Bangalore branch has plans to support up to 100 counselling programs in 100 colleges and ICAI will reimburse cost up to Rs 5,000/- per college and also provide required banner, stationery, memento etc. Kindly visit your college, and witness different experience which is heartening.

5. Revamping and Promotion of coaching classes

It is observed that many CA students take up private coaching and we felt the need for revamping the coaching facility in the Branch. I thank Dr Rabbi Puthiran, Principal UM Degree College, near Corporation Circle who has provided facility for us to conduct additional coaching classes and also, I thank CA I S Prasad for readily helping us with the new coaching class facilities in Vasavi Vidya Nikethana Basavanagudi. While thanking the regular faculty for their committed service in teaching the students, I also thank many eminent resource persons who have readily agreed to handle special sessions for students. Our plan of accommodating coaching for minimum 2,000 students this year should be a reality. We have distributed more than 5,000 brochures in over 50 PU exam centers to promote our coaching classes. Plan is to reach out to 20,000 students in next 1 moth's time.

(Contd. on Next Page) ►

Chairman's Communique . . .

◀ (Contd. from previous page)

6. Improving the faculty pool.

Needless to say that our resource persons and faculty in Bangalore are extremely good and other branches with in SIRC look up for Bangalore Branch programs. To stay relevant in the race, we wanted to improve the faculty pool and the increased faculty base is required for providing coaching to the additional students base also.

7. Greater Transparency in selection process of new faculty.

To provide a fair opportunity to willing members to become faculty or resource persons and to bring in greater transparency in selection of faculty and speakers, we are opening up the online registration of subject wise faculty in the website. An internal screening committee is being setup to rank the applicants and based on the order of subject wise ranking, coaching slots will be allotted. Request members to look up for online registration facility soon

Those applicants who are ranked below a threshold will be eligible for internal faculty development program to help them to reach the expectation.

Collectively, we expect to regain the popularity and better success rate from our coaching class and attain the ultimate satisfaction for the Gurus.

8. Additional ITT lab with 150 systems

In order to meet the growing needs of students, our proposal to set up 150 systems lab is pending approval from HO. In the interest of time, we are making standby arrangement and taking 80 computers lab in VVN and opening up registration for additional ITT and advanced ITT classes in early April 2019. Hope this short term arrangement will address the immediate concerns of students taking exam in November 2019.

9. Change in examination schedule

ICAI is known for its standard schedule for November and May examinations. However, as you are aware, in view of the upcoming elections, this year, the May examinations are postponed. Our reading rooms are open for extended time. The delay is blessings in disguise. Let your Articles continue to stay focused on study and do well in the examinations. We wish the students all the very best !.

10. We are glad to inform you that we have started providing free lunch to MCA & Orientation Students.

Major programs held:

In line with our mantra for the year- **Race for Relevance, Ready for Radical change and Unleash the potential**, apart from regular study meetings, we witnessed few major programs as under:

1. Glad to inform to you that, **"Investor Awareness"** a program held on 2nd March 2019 in Narayana Auditorium, ICAI Bhavan, under the aegis of Investor Protection Committee of ICAI and Half Day Seminar on cross border investments, reporting in Ind AS and taxation there on was a unique program of its own and was attended by over **160** members and was a grand success.
2. I am happy to share that, in the **"MANTHANA"** Half Day Seminar

on **TDS related issues**, Income Tax Commissioners addressed our members along with CA D R Venkatesh, the resource person. More than 180 members participated and was an excellent program.

3. It is my pleasure to share with you that, **"Annual Bank Branch Audit"** a full day seminar was held on 23rd March 2019 in Hotel Chancery Pavilion and over 440 members participated and was a memorable event. I thank Chief Guest, Dr. Charan Singh, Chairman, Punjab & Sind Bank for addressing the members in the seminar.
4. Immediately after Bank Branch audit, Seminar, we had **"VISHARADA"** 5 Day Work Shop for the first time, for hands on training in Bank Branch Audit and more than 160 members participated and benefited.
5. We had training on using excel tools for Bank Branch audit. More than 60 members participated. Due to increased demand, we had to repeat the sessions.

Major upcoming programs:

6. **"VIDWATH SABHA"**, One day seminar on Labour Law Compliance - practice opportunities is scheduled on 13th April 2019. Online registrations are open both in the website and in our Mobile App.
7. **"SAMARTHA"** 16th Karnataka State Level Conference is being scheduled on 7th and 8th June 2019 in Jnanajyoti Auditorium, Bangalore. Various topics in line with our Mantra for the year and addressing by eminent speakers from Dubai, Australia and India are expected to be of immense benefit to the members. Registrations are open and request members to register at the earliest.

Make use of the facilities

It is my humble request for both members and students to make use of the following:

- ✓ Bangalore ICAI Mobile App
- ✓ Online booking of programs
- ✓ Live programs on ICAI Bangalore facebook, ICAI Bangalore App and our live TV on our website.

We have many initiatives and action plans for the entire term of 2019-22 in line with the 3 mantras as mentioned herein earlier. I look forward to unfold the plans in next messages and request you to early wait till then.

Before signing off my message, I would like to seek your blessings and solicit your continued friendly suggestions and co-operation as always in our efforts to serve for the cause of the profession and the students in our race for relevant, ready for radical change and unleashing the potential.

सर्वे जनाः सुखिनो भवन्तु । सर्वे सन्तु निरामयाः ॥

सर्वे भद्राणि पश्यन्तु । माँ कश्चित दुःख माप्नुयात् ॥

Thanking you,
Yours faithfully,

Sd/-

CA Bhat Shivaram Shankar
Chairman



CALENDAR OF EVENTS - APRIL & MAY 2019

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
02.04.2019 Tuesday	Hands on Training on Excel for Bank Branch Audit CA. H. Shivakumar Delegate Fees: For Members : Rs. 500/- Inclusive of GST	ICAI, 29/1, Race Course Road, Next to Sugama Travels, Bengaluru – 560 001 Tel : 080 4092 9607 5.00 pm to 8.00 pm	3 hrs
03.04.2019 Wednesday	Significant Economic Presence CA. S. Anantha Padmanabhan	Branch Premises 6.00 pm to 8.00 pm	2 hrs
10.04.2019 Wednesday	Reporting on Struck down Companies being revived from NCLT CA. Sunil Bumralkar	Branch Premises 6.00 pm to 8.00 pm	2 hrs
12-Apr-2019 to 21-Apr-2019	Certificate Course on Concurrent Audit of Banks <i>Organized by :</i> Internal Audit Standards Board of the ICAI <i>Hosted by :</i> Bangalore Branch of SIRC of the ICAI Details at Pg. No.: 8	ICAI, 29/1, Race Course Road, Next to Sugama Travels, Bengaluru – 560 001 Tel : 080 4092 9607	30 hrs
13.04.2019 Saturday	VIDWATH SABHA One Day Seminar on Labour Law <i>Organized by :</i> Bangalore Branch of SIRC of ICAI <i>Delegate Fees :</i> Members : Rs. 750/- Inclusive of GST Non Members : Rs. 2,000/- Inclusive of GST Details at Pg. No.: 6	Branch Premises 9.30 am to 5.30 pm	6 hrs
17.04.2019 Wednesday	Reporting on Going concern absent Companies CA. S. Sundaresan	Branch Premises 6.00 pm to 8.00 pm	2 hrs
23.04.2019 Tuesday	VIDWATH SABHA - One Day Seminar on Annual Returns GSTR 9 & Annual Audit 9C <i>Organized by :</i> Bangalore Branch of SIRC of ICAI <i>Delegate Fees :</i> Members : Rs. 600/- Inclusive of GST Non Members : Rs. 2,000/- Inclusive of GST Details at Pg. No.: 10	Branch Premises 9.30 am to 6.00 pm	6 hrs
24.04.2019 Wednesday	Reporting of Specified Financial Transactions (SFT) under Income Tax Act & TDS on Salary Income & Related matters CA. Tarun Kumar Jain	Branch Premises 6.00 pm to 8.00 pm	2 hrs
26.04.2019 Friday	MANTHANA - Half day Seminar on Audit Quality Issues and Indicators <i>Organized by :</i> Bangalore Branch of SIRC of ICAI <i>Delegate Fee :</i> Members: Rs. 300/- (Inclusive of GST) Details at Pg. No.: 11	Branch Premises 5.00 pm to 8.15 pm	3 hrs

CALENDAR OF EVENTS - APRIL & MAY 2019

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT									
27.04.2019 Saturday	Half day Seminar on Income Tax aspects relating to Co-operative Society <i>Organized by :</i> Bangalore Branch of SIRC of ICAI Topic : Broad Provisions of Act & Case Laws CA. Prakash Hegde Delegate Fees : Members : Rs. 350/- (Inclusive of GST)	TDCAA Premises Near Sree Raj Theater, Sri Nagar, Tumkuru 2.00 pm to 5.30 pm	3 hrs									
03.05.2019 Friday to 05.05.2019 Sunday	5th Residential Seminar on International Taxation Organized by : SIRC of ICAI Hosted by : Bangalore Branch of ICAI <table><tr><th>Delegate Fee (Including GST)</th><th>Residential</th><th>Non Residential</th></tr><tr><td>Members</td><td>Rs.14,750/-</td><td>Rs.10,620/-</td></tr><tr><td>Non Members</td><td>Rs. 23,600/-</td><td>Rs.14,160/-</td></tr></table> Details at Pg. No.: 12	Delegate Fee (Including GST)	Residential	Non Residential	Members	Rs.14,750/-	Rs.10,620/-	Non Members	Rs. 23,600/-	Rs.14,160/-	The Golden Palms Hotel & Spa Makali, Off Tumkur Road, Bangalore – 562 123 Details at Pg. No.	16 hrs
Delegate Fee (Including GST)	Residential	Non Residential										
Members	Rs.14,750/-	Rs.10,620/-										
Non Members	Rs. 23,600/-	Rs.14,160/-										
08.05.2019 Wednesday	Audit Documentation CA. Abraham B Cherian	Branch Premises 6.00 pm to 8.00 pm	2 hrs									
15.05.2019 Wednesday	Relevance of Accounting Standards in IND AS regime CA. Asha M	Branch Premises 6.00 pm to 8.00 pm	2 hrs									
18.05.2019 Saturday	Half day Seminar on Recent changes under Companies Act 2013 <i>Organized by :</i> Bangalore Branch of SIRC of ICAI Topics : Recent Amendments & Private Company Compliances CS Abhishek Bharadwaj Delegate Fees : Members : Rs. 350/- (Inclusive of GST)	TDCAA Premises Near Sree Raj Theater, Sri Nagar, Tumkuru 10.00 am to 1.00 pm	3 hrs									
22.05.2019 Wednesday	Auditing Standards applicable to Private Companies CA. Srinivas K.P	Branch Premises 6.00 pm to 8.00 pm	2 hrs									
29.05.2019 Wednesday	New Challenges in Cyber Security CA. Babu Jayendran	Branch Premises 6.00 pm to 8.00 pm	2 hrs									

May 1, 2019, Wednesday - Holiday, No Study Circle Meet

Advertisement Tariff for the Branch e-Newsletter

COLOUR FULL PAGE

Outside back	₹ 40,000/-
Inside front	₹ 35,000/-
Inside back	₹ 30,000/-

INSIDE BLACK & WHITE

Full page	₹ 20,000/-
Half page	₹ 10,000/-
Quarter page	₹ 5,000/-

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

EDITOR :

CA. BHAT SHIVARAM SHANKAR
CA. BHOJARAJ T SHETTY

Disclaimer: The Bangalore Branch of ICAI is not in anyway responsible for the result of any action taken on the basis of the articles and advertisements published in the e-Newsletter. The views and opinions expressed or implied in the Branch e-Newsletter are those of the authors/guest editors and do not necessarily reflect that of Bangalore Branch of ICAI.



"VIDWATH SABHA"

One Day Seminar on Labour Law

Organised by **Bangalore Branch of SIRC of ICAI**

On **Saturday, 13th April 2019**

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

Time: **9.30 am to 6.00 pm**

6 hrs
CPE

Timings	Topics	Speakers
9.00 am – 9.30 am	Registration	
9.30 am – 10.00 am	Inauguration by the Distinguished Chief Guest	
10.00 am – 10.10 am	Introduction today's topic	CA. Saraswathi Kasturirangan
10.10 am – 11.30 am 80 minutes	Domestic workers <ul style="list-style-type: none"> ➤ Applicability of PF ➤ Challenges in determining pay in light of the recent supreme court decision ➤ Contract employees and principal employer obligations ➤ PMRPY Scheme ➤ Other judicial precedents to be considered e.g. employer employee relationship, contribution beyond statutory wage limit etc ➤ Timelines and compliances to be met ➤ Interest and damages ➤ Practical challenges 	CA. Pallavi Dhamecha CA. Sumit Jain CA. Abishek Kumar Kedia
11.30 am – 12.00 pm	Tea Break	
12.00 pm – 1.00 pm 60 minutes	International workers <ul style="list-style-type: none"> ➤ Meaning of International Worker ➤ Compliance differences between Domestic Worker and International Worker ➤ Impact of recent Supreme Court ruling and how it will result in discrimination. ➤ Social Security Agreements ➤ Certificate of Coverage ➤ Withdrawal process ➤ Practical challenges 	CA. Arvind Vyas CA. Vijay Bharech
1.00 pm – 2.00 pm	LUNCH	

Timings	Topics	Speakers
2.00 pm – 3.00 pm 60 minutes	In-house provident fund trust <ul style="list-style-type: none"> ➤ Compliances to be met ➤ Processes to be followed ➤ Challenges and learnings ➤ Caution points 	CA. Manikantan T
3.00 pm – 3.30pm	Tea Break	
3.30 pm – 4.00 pm 30 minutes	Accounting Standard, Statutory and Tax Audit aspects relating to social security payments	CA. Srinivasulu Keta
4.00 pm – 4.30 pm 30 minutes	Tax aspects covering <ul style="list-style-type: none"> ➤ Tax withholding –Where the PF account is with RPFC ➤ Tax withholding –Where the PF account is with PF Trust ➤ Taxability of interest earned post cessation of employment ➤ Taxability on PF withdrawal ➤ PMRPY – Section 80JJAA ➤ Deduction under section 43B and 36 	CA. S. Srividya
4.30 pm – 5.30 pm 60 minutes	Labour law related aspects and compliances <ul style="list-style-type: none"> ➤ Minimum Wages Act ➤ Payment of Bonus Act ➤ Industrial Dispute Act ➤ ESIC ➤ Shop and Establishment Act ➤ Payment of Gratuity Act ➤ Maternity Benefit (including provision of crèche etc) ➤ Amendments in Industrial Employment (Standing Orders) Act and Central Rules ➤ Others 	Shri. Ram K Navaratna

CA. Bhat Shivaram Shankar
Chairman
Bangalore Branch of SIRC of ICAI

CA. Saraswathi Kasturirangan
Programme Co-ordinator

CA. B.T. Shetty
Secretary
Bangalore Branch of SIRC of ICAI

Online Registration open

DELEGATE FEES:

FOR MEMBERS : RS. 750/- INCLUSIVE OF GST
FOR NON MEMBERS : RS. 2,000/- INCLUSIVE OF GST

Mode of Payment: Online / Cash / Cheque in favour of
"Bangalore Branch of SIRC of ICAI", payable at Bengaluru

For Registration, Please contact:

Ms. Geetanjali D., Tel: 080 - 3056 3513 / 3500

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



Three Hundred Fifty Ninth of the Certificate Course on Concurrent Audit of Banks

on April 12 & 13 & 14 and 19 & 20, 21, 2019

at Race Course Road Premises of Bangalore Branch,

29/1, Racecourse Road, Next to State Bank of India, Bengaluru – 560001

Organized by **Internal Audit Standards Board of the ICAI**

Hosted by **Bangalore Branch of SIRC of the ICAI**

Date	Technical Sessions (90 minutes each)	Topics
April 12, 2019	9:45 AM to 10:00 AM	Inaugural Session
	I 10:00 AM to 11.30 AM	Effective Concurrent Audit
	II 11.45 AM to 1.15 PM	Legal and Regulatory Framework
	III 2.15 PM to 3.45 PM	KYC norms & Obligation of banks under Prevention of Money Laundering Act (PMLA 2002) Negotiable Instrument Act, 1881
April 13, 2019	IV 4:00 PM to 5.30 PM	Book Debts and Stock Audit Review of Due-Diligence Reports and Credit Audit Reports
	V 10:00 AM to 11.30 AM	Loans and Advances
	VI 11.45 AM to 1.15 PM	
	VII 2.15 PM to 3.45 PM VIII 4 PM to 5.30 PM	Prudential Norms on Income Recognition, Assets Classification and Provisioning pertaining to Advances
April 14, 2019	IX 10:00 AM to 11.30 AM	FOREX AND TRADE
	X 11.45 AM to 1.15 PM	
	XI 2.15 PM to 3.45 PM	
	XII 4 PM to 5.30 PM	Fraud Detection, Classification and Reporting
April 19, 2019	XIII 10:00 AM to 11.30 AM	Concurrent Audit Procedures
	XIV 11.45 AM to 1.15 PM	
	XV 2.15 PM to 3.45 PM	
	XVI 4 PM to 5.30 PM	
April 20, 2019	XVII 10:00AM to 11.30 AM	Treasury and Investment Function Part I
	XVIII 11.45 AM to 1.15 PM	Treasury and Investment Function Part II
	XIX 2.15 PM to 3.45 PM	Implementation of Basel Capital Regulatory Requirements in India Disclosure Requirements

Date	Technical Sessions (90 minutes each)	Topics
April 20, 2019	XX 4 PM to 5.30 PM	Banker Panel Discussion (GMs of Banks to Address) Concurrent Audit-Banker's perspective and Expectations - To be finalized by the Branch The objective is to get banker's views on expectations from concurrent auditors and how the chartered accountants can add value to concurrent audit.
April 21, 2019	XXI 10:00 AM to 11.30 AM XXII 11.45 AM to 1.15 PM	Audit in CBS Environment
	XXIII 2.15 PM to 3.45 PM	Software Usage in Banks
Objective assessment	XXIV	The Board would send e-mail to all the participants of the said batch about the examination date, timings and venue.

- For detailed Course Structure, please refer link: <https://resource.cdn.icai.org/29877course-structure19476.pdf>
- CPE Hours:** 30 hrs.
- Participation Fees:**

FEES DETAILS	Metro Cities	Online payment links	Registration Form
For Members of ICAI born before 01.01.1989	Rs. 17,700 (Rs. 15,000 per participant +18% GST)	http://ccm.icai.org/?progid=2220	https://goo.gl/forms/0Vml03tbrDKRMnxt2
For Members of ICAI born on or after 1.01.1989*	Rs. 14,160 (Rs. 12,000 per participant +18% GST)	http://ccm.icai.org/?progid=2219	

* I. Chartered Accountant up to the age of 30 years on 1st January of every calendar year will be considered as Young Member i.e. Members born on or after 1.1.1989 will be considered as young member for calendar year 2019.

II. The members who are suffering from permanent disability of 50% and above be treated at par with young members and all those concessions which are available to the young members may be extended to such members provided such member is not a partner in a firm.

Course Chairman

CA. Charanjot Singh Nanda
Chairman
Internal Audit Standards Board

Course Co-ordinator

CA. Bhat Shivaram Shankar
Chairman
Bangalore Branch of SIRC of the ICAI

For Registration, please contact:

Mr. C R Kulashekhar
Contact No. **(080) 3056 3541 / 42 / 45 / 16**
Email: **kulashekhar@icai.in**



"VIDWATH SABHA"

One Day Seminar on Annual Returns GSTR 9 & Annual Audit 9C

Organised by **Bangalore Branch of SIRC of
The Institute of Chartered Accountants of India**

**6 hrs
CPE**

On **Tuesday, 23rd April 2019**

Venue: **S. Narayan Auditorium, Vasanthnagar Branch Premises, Bengaluru**

Time: **9.30 am to 6.00 pm**

Timings	Topics	Speakers
9.30am to 10.00am	Registration & Networking	
10.00am to 11.30am	Session - 1 - Understanding of Annual Returns (GSTR 9 and GSTR 9A)	CA. Annapurna D Kabra
11.30am to 12.00pm	Tea Break	
12.00pm to 1.30pm	Session - 2 - Issues in GSTR 9 - Filing of GSTR 9 on Portal Consideration in closure of books for FY 2018-19	CA. Venugopal Gella
1.30pm to 2.30pm	LUNCH	
2.30pm to 4.00pm	Session - 3 - Understanding of GSTR 9C	CA. Madhur Harlalka
4.00pm to 4.30pm	Tea Break	
4.30pm to 6.00pm	Session - 4 - Issues and possible solutions in finalizing GSTR 9C - Filing of Audit report on portal	CA. G. Praveenkumar

CA. Bhat Shivaram Shankar
Chairman
Bangalore Branch of SIRC of ICAI

CA. B.T. Shetty
Secretary
Bangalore Branch of SIRC of ICAI

Online Registration open

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

MANTHANA

Half day Seminar on Audit Quality Issues & Indicators

Organised by **Bangalore Branch of SIRC of ICAI**

On **Friday, 26th April 2019**

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

Time: **5.00 pm to 8.15 pm**

3 hrs
CPE

Timings	Topics	Speakers
4.30 pm to 5.00 pm	Registration	
5.00 pm to 6.30 pm	Audit Quality Issues faced Globally	CA. Abdul Majeed J
6.30 pm to 6.45 pm	Tea Break	
6.45 pm to 8.15 pm	Emerging Audit Quality Indicators	CA Abdul Majeed J

CA. Bhat Shivaram Shankar
Chairman
Bangalore Branch of SIRC of ICAI

CA. B.T. Shetty
Secretary
Bangalore Branch of SIRC of ICAI

Online Registration open

DELEGATE FEES:

FOR MEMBERS : RS. 300/- INCLUSIVE OF GST

Mode of Payment: Online / Cash / Cheque in favour of **"Bangalore Branch of SIRC of ICAI"**, payable at Bengaluru

For Registration, Please contact: **Ms. Geetanjali D.**, Tel: **080 - 3056 3513 / 3500**

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

Bangalore Branch is delighted to inform you that the Registration commenced for
"Diploma in Information Systems Audit" (Batch II of 2019)
at Bengaluru from 25th May 2019.

No. of days : **10**
Batch Days : **Weekends only**
Dates : **May, 2019 - 25th, 26th**
June, 2019 - 1st, 2nd, 8th, 9th, 15th, 16th, 22nd & 23rd.
Timings : **9:30 am to 5:30 pm**
Venue : **To be Decided**
Fee : **Rs. 20000/- for Members only**

Payment to be made online by visiting : **<http://pqc.icai.org/>**

Contact : **C. R. Kulashekhar** / Telephone - **(080) 3056 3541** / email id : **kulashekar@icai.in**



Southern India Regional Council
The Institute of Chartered Accountants of India
 (Setup by an Act of Parliament)
 and

Bangalore Branch of SIRC of ICAI

Cordially invites you to the

5th Residential Seminar on International Taxation



Day & Date: **Friday to Sunday, 3rd to 5th May 2019**

Venue: **The Golden Palms Hotel & Spa, Makali, Off Tumkur Road, Bangalore - 562 123.**

Day 1: 3 rd May 2019		
12.00 Noon to 02.30 pm	Check-in, Lunch & Registration	
03.00 pm to 03.30 pm	Inaugural Session	
03.30 pm to 05.00 pm	Group Discussion on Paper	Case Studies on International Taxation - Transfer Pricing CA. Narendra Jain, Bengaluru
05.00 pm to 05.15 pm	Coffee / Tea Break	
05.15 pm to 06.45 pm	Paper Presentation	Taxation of Startups including Share Premium CA. P. V. S. S. Prasad, Hyderabad
06.45 pm to 07.00 pm	Break (Only change of Dias)	
07.00 pm to 08.30 pm	Presentation on Group Discussion Paper	Case Studies on International Taxation - Transfer Pricing CA. Narendra Jain, Bengaluru
08.30 pm Onwards	Dinner	
Day 2: 4 th May 2019		
07.30 am to 08.00 am	Breakfast	
08.00 am to 09.30 am	Group Discussion on Paper	Case Studies on International Taxation - Royalty & FTS CA. Dhinal Shah, Ahmedabad
09.30 am to 11.00 am	Paper Presentation	Introduction to Multi Lateral Instruments MLI's CA. Padamchand Khincha, Bengaluru
11.00 am to 11.15 am	Coffee / Tea Break	
11.15 am to 12.45 pm	Presentation on Group Discussion Paper	Case Studies on International Taxation - Royalty & FTS by, CA. Dhinal Shah, Ahmedabad
12.45 pm to 02.00 pm	Paper Presentation	Recent Decisions on International Taxation CA. K. R. Sekar, Bengaluru
02.00 pm to 03.00 pm	Lunch	
03.00 pm to 04.30 pm	Paper Presentation	Foreign Trusts - Tax and FEMA Provisions CA. Rashmin Sanghvi, Mumbai
04.30 pm to 05.00 pm	Group Photograph of the Participants	
05.00 pm to 07.30 pm	Games for the Members	
07.30 pm Onwards	Dinner	
Day 3: 5 th May 2019		
07.30 am to 08.30 am	Breakfast	
08.30 am to 10.15 am	Paper Presentation	Tax Risk Managament in International Taxation CA. P. V. Srinivasan, Bengaluru
10.15 am to 10.30 pm	Break	
10.30 am to 12.15 pm	Paper Presentation	Sec. 94B - Limitation of Interest Deductions CA. Bhaumik Goda, Mumbai
12.15 9m to 01.30 pm	Paper Presentation	Significant Economic Presence and Digital Commerce Taxation CA. Ganesh Rajgopalan, Mumbai
01.30 pm to 02.00 pm	Valedictory	
02.00 pm Onwards	Lunch & Departure	
Delegate Fee (Including GST)		
Members	Residential	Non - Residential
	Rs. 14,750/-	Rs. 10,620/-
Non- Members	Rs. 23,600/-	Rs. 14,160/-
<div>1. Mainly Members are allowed to Participate</div> <div>2. Non-members should be International Tax Professionals</div> <div>3. Spouse and Children are not allowed, except where they are members of ICAI</div> <div>4. Members Participation is restricted to 100 on First Cum First Serve Basis</div> <div>5. It is purely a Technical Conference.</div> <div>6. Interested members can give their names to become group leaders for leading the Group Discussions</div> <div>7. Members are requested to send queries in advance so as to collate and include for brain trust session</div> <div>8. RRC consists of 2 Group Discussions, 8 Paper Presentation</div> <div>9. Increasing the number of participants will be at the discretion of organisers.</div> <div>10. CPE is granted strictly based on attendance obtained on each day.</div> <div>11. Residential Members should report at the venue at 12.00 Noon on 3rd May 2019.</div> <div>12. The above fees includes Food, Stay arrangements and Background Material.</div>		
For Online Registrations, please visit: www.sircoficai.org		
CA. Jomon K. George Chairman, SIRC of ICAI	Program Director: CA. Cotha S. Srinivas, Past Chairman, SIRC of ICAI	CA. K. Jalapathi Secretary, SIRC of ICAI
CA. Bhat Shivaram Shankar Chairman, Bangalore Branch of SIRC	Program Co-ordinators: CA. Pampanna B. E., Treasurer, SIRC of ICAI CA. Geetha A.B. Regional Council Member, SIRC of ICAI	CA. Bhojaraj T Shetty Secretary, Bangalore Branch of SIRC

Announcement

Dear Members,

This is to inform your good-self that Bangalore Branch of SIRC of ICAI launching the 'Educational Course by ICAI Registered Valuers Organisation' in Bengaluru from 27th April, 2019. The Educational Course as prescribed by Insolvency and Bankruptcy Board of India (IBBI) is being handled by ICAI Registered Valuers Organisation (RVO) (which is a separate Section 8 company formed by ICAI and recognised by IBBI). The Certificate Course of Valuation by the ICAI has been discontinued.

Further a Chartered Accountant, Cost Accountant, Company Secretary, MBA/ PGDBM in Finance and an individual having post graduate degree in finance, with at least 3 years' experience are eligible for taking up the educational Course by ICAI, RVO.

The schedule is as under:

No. of days : **8**

Batch Days : **Weekends**

Dates : **April, 2019 - 27th, 28th
May, 2019 - 4th, 5th, 11th, 12th,
18th and 19th**

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

Payment : DD / NEFT. DD should be in favour of
'ICAI Registered Valuers Organisation'.
Payable at New Delhi.
NEFT details are given as under:-

A/c name : ICAI Registered Valuers Organisation

Bank name : State Bank of India
A/c No. - 37678658160
IFSC - SBIN0005222

Venue : To be confirmed.

For further information please visit https://www.icai.org/new_post.html?post_id=15509&c_id=240

Participants have to Fill the attached form and send along with the DD / NEFT confirmation to the following address:-

CA. Sarika Singhal, Deputy Secretary
ICAI Registered Valuers Organisation
A-29, 4th Floor, Administrative Block, ICAI Bhawan, Sector - 62, Noida, India

OBITUARY



We deeply regret to inform sad demise of

CA. S. Shabbeer Pasha

Past Chairman (2000-2001)

Bangalore Branch of SIRC of ICAI

passed away on **19th March 2019**

Membership No. 25393

May his soul rest in peace



Kind Attention : Members

This is to inform your good-self that we are starting the Course on

'Finance for Non Finance Executives' (FNFE)

from 27th April, 2019 in Bangalore.

We request our Members to kindly disseminate the information to their clients regarding the same. The course will end on 9th June, 2019.

The schedule is as under :

No. of days : **14**
Batch Days : **Weekends**
Timings : **9:30 am to 5:30 pm**
Cost of the course : **Rs. 18,000/-** (Including GST)
Payment : **via Demand Draft / Online.**

Demand Draft should be in favour of **'Bangalore Branch of SIRC of ICAI'**. Payable at Bangalore.

Venue capacity : **50 participants**

Venue : **Race Course Road Premises of Bangalore Branch Institute of Chartered Accountants of India**
29/1, Racecourse Road, Next to State Bank of India
Bengaluru – 560001, Tel: (080) 4092 9607

For online payment link visit - **http://bangaloreicai.org/home/online_registration**

For offline payment link visit - **<http://bangaloreicai.org/home/fnfe>**

Contact : **C. R. Kulashekhar**
Telephone - **(080) 3056 3541**
email id : **kulashekar@icai.in**

Announcement

CAREER COUNSELLING PROGRAM

Dear Members,

As you are aware, Bangalore branch is the biggest and most vibrant branch of ICAI. It is because of the contributions of all esteemed members of this Branch.

It is important for us to keep this pride for ever. Hence, a small yet, an important step is required to be taken by us.

Annually, there are about 11,000 students register for CA course in Bangalore. This year, our plan is to get at least 15,000 students to register for CA course. It is easy and simple if every member is willing to take one step extra.

Hence, our appeal to you is as under:

Request our members to go to the college where you have studied your PU / Degree. They will be very happy to receive you.

1. Request for an opportunity to address students about CA course
2. It will be a memorable day to share your thoughts about our course with the students
3. Preferably 2-3 members to visit together so that, you can have 1-2 hours decent program about our course, our coaching class, talk about opportunities after the course is completed and share your personal experience after becoming CA and advise them how to get in to the course etc. It will be a great help for students.

In this regard, we provide the following support:

1. We will send request email to the college selected by you, based on contact details shared by you
2. We will provide standard PPT and other program materials like standard banner, attendance sheet and other stuff
3. We will provide a memento to be gifted to the Principal of that college
4. We will reimburse the commuting and other costs actual up to Rs 3,000/- per college
5. We will provide 1 hour briefing session about how to handle the session in the colleges
6. We request you to kindly submit your interest to volunteer and be part of this noble initiative of Bangalore Branch of SIRC of ICAI on or before 20th April 2019. **Online registration is available at bangaloreicai.org**

If any other information is required, please feel free to contact

Name	Email	Phone
CA Panindra Gupta	pani.gupta@gmail.com	9964070037

Thank you very much in advance for your interest in this noble initiative

For and on behalf of Bangalore Branch of SIRC of ICAI

CA Shivaram Bhat
Chairman

CA B T Shetty
Secretary

Bangalore Branch of SIRC of the ICAI Southern India Chartered Accountants Students Association (SICASA)

Calendar of Events – April 2019 for CA Students

SI NO	Date and Day	Topic / Speaker	Venue/Time	Fee
13	03.04.2019 Wednesday	Study Circle Meet on Accounting Standards Part –I (Expert & Experienced Speakers will be presenting the Topic) (With Snacks for program)	ICAI 29/1, Race Course Road Next to State Bank of India Bengaluru – 560 001 Tel : 080 4092 9607 6.00 pm to 8.00 pm	Free Program
14	05.04.2019 Friday	Half Day Seminar on “How to Face CA Exams ” (Expert & Experienced Speakers will be presenting the Topic) (With Snacks for program)	Branch Premises 02.00 Pm to 5.00 pm	100 / -
15	07.04.2019 Sunday	SICASA Speaker Forum Program Oral Communication & Leadership Skill Development (With Breakfast for program)	ICAI 29/1, Race Course Road Next to State Bank of India Bengaluru – 560 001 Tel : 080 4092 9607 8.00 am to 10.00 am	Free Program
16	10.04.2019 Wednesday	Workshop on ROC Filling Part –I (Expert & Experienced Speakers will be presenting the Topic) (With Snacks for program)	ICAI 29/1, Race Course Road Next to State Bank of India Bengaluru – 560 001 Tel : 080 4092 9607 6.00 pm to 8.00 pm	Free Program
17	14.04.2019 Sunday	SICASA Speaker Forum Program Oral Communication & Leadership Skill Development & Student Festival Cultural Program (With Breakfast for program)	ICAI 29/1, Race Course Road Next to State Bank of India Bengaluru – 560 001 Tel : 080 4092 9607 8.00 am to 11.00 am	Free Program
18	17.04.2019 Wednesday	Study Circle Meet on Accounting Standards Part –II (With Snacks for program)	ICAI 29/1, Race Course Road Next to State Bank of India Bengaluru – 560 001 Tel : 080 4092 9607 6.00 pm to 8.00 pm	Free Program
19	20.04.2019 Saturday	One Day Seminar on “GST” (Expert & Experienced Speakers will be presenting the papers on GST) (With Lunch for program)	Branch Premises 10.00 am to 5.00 pm	200 / -
20	21.04.2019 Sunday	SICASA Speaker Forum Program Oral Communication & Leadership Skill Development & Student Festival Cultural Program (With Breakfast for program)	ICAI 29/1, Race Course Road Next to State Bank of India Bengaluru – 560 001 Tel : 080 4092 9607 8.00 am to 11.00 am	Free Program
21	24.04.2019 Wednesday	Workshop on ROC Filling Part –II (Expert & Experienced Speakers will be presenting the Topic) (With Snacks for program)	ICAI 29/1, Race Course Road Next to State Bank of India Bengaluru – 560 001 Tel : 080 4092 9607 6.00 pm to 8.00 pm	Free Program
22	28.04.2019 Sunday	SICASA Speaker Forum Program Oral Communication & Leadership Skill Development & Student Festival Cultural Program (With Breakfast for program)	ICAI 29/1, Race Course Road Next to State Bank of India Bengaluru – 560 001 Tel : 080 4092 9607 8.00 am to 10.00 am	Free Program

Registrations on First come, first serve basis

Please Contact: **Mrs. Manjula - 080-30563547**

Payment Mode: cheque / DD in favor of **“Bangalore Branch of SICASA”** payable at Bangalore

For online registration visit us: **www.bangaloreicai.org**



Bangalore Branch of SIRC of the Institute of Chartered Accountants of India

"ICAI Bhawan", 16/O, Miller's Tank Bed Area Bangaluru-560052

Attention: IPCC / Intermediate New & Old Syllabus Students











Admissions open for Subject wise Coaching Classes for IPCC / Intermediate Course for Nov. 2019 Examination - New & Old Syllabus.

Consolidated Schedule for IPCC / Intermediate Course for November 2019 Examination.

Tentative scheduled faculty may change due to non availability at that point of time

Duration of the Course : 21st Feb 2019 to September 2019

Timings : From 6.30am to 9.30am (Morning Batch)

SL No.	Duration	Subject	Faculty Name
01	21.02.2019 to 15.03.2019 & 25.03.2019 to 10.04.2019	Paper-1: Accounting	CA. Murali Nagaraj All - India Rank Holder 
02	16.03.2019 to 24.03.2019 & 11.04.2019 to 16.04.2019	Paper-8: Financial Management	CA. Chinmaya Hegde All - India Rank Holder 
03	17.04.2019 to 07.05.2019	Paper-3: Cost and Management Accounting / Cost Accounting	 CA. Kriti Goel  CA. Punith Kumar N
04	08.05.2019 to 26.05.2019	Paper-4: Taxation: Direct Tax Laws	CA. Prashanth Bharadwaj 
05	27.05.2019 to 10.06.2019	Paper-4: Taxation: Indirect Tax Laws	CA. Ramesh Kumar Soni 
06	11.06.2019 to 21.07.2019	Paper-5: Advanced Accounting	CA. Vinutha Hegde All - India Rank Holder 
07	22.07.2019 to 31.07.2019	Paper-8: Economics for Finance	Dr. Seema Goel 
08	01.08.2019 to 18.08.2019	Paper-2: Corporate and Other Laws / Business Laws, Ethics and Communication	CA. Mridul Agarwal 
09	19.08.2019 to 03.09.2019	Paper-6: Auditing and Assurance	CA. Anjan Babu 
10	04.09.2019 to 22.09.2019	Paper-7: Enterprise Information Systems & Information Technology Strategic Management	 CA. Anand P Jangid  CA. Satish R

Venue: Bangalore Branch of SIRC of the Institute of Chartered Accountants of India

"ICAI Bhawan", #16/O, Millers Tank Bed Area, Vasanthnagar, Bangalore – 560 052

Course Fees

Rs. 13,500/- for Both Groups

Rs. 9,500/- for Single Group

Rs. 3,500/- for Single Subject

Mode of payment: CASH / DD in favour of

"BANGALORE BRANCH OF SIRC OF ICAI" PAYABLE AT BANGALORE

To Register & further details please contact : Mr. Girish B C

Tel: 080-30563555 / 500 / 548

blrstudentevents@icai.org | www.bangaloreicai.org

CA. Bhat Shivaram Shankar
Chairman

CA. B. T. Shetty
Secretary





Bangalore Branch of SIRC of The Institute of Chartered Accountants of India

CA COACHING CLASSES ANNOUNCEMENT

CA FOUNDATION

CA INTERMEDIATE / IPCC

CA FINAL

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 Foundation, Intermediate / IPCC and FINAL coaching classes will be commencing at the Bangalore Branch of SIRC of ICAI from 23rd May 2019, the classes will be concluded by September 2019

Online
Registrations
Open

www.bangaloreicai.org



Dear Aspiring Students wishing to be a Chartered Accountant (CA)

Bangalore Branch of SIRC of ICAI is a dynamic Branch in providing excellent CA Coaching classes for CA Foundation, Intermediate / IPCC & Final having its Head Office at Vasanthnagar, South Center & Sub Branch at Race Course Road.

About Bangalore Branch of SIRC of ICAI

Bangalore Branch of SIRC of ICAI established on 1st April 1962 (notification 1-CA(24/61)) dated March 19, 1962, is the **LARGEST BRANCH IN INDIA**. Currently, Bangalore is the largest branch in the country having more than 13,500 members and 35,000 students.

Visit www.bangaloreicai.org for further information on programmes and courses. Download **bangaloreicaiapp** from playstore.

WHY YOU SHOULD CHOOSE ICAI – BANGALORE BRANCH

An Expert and Experienced Dedicated faculty members:

- Experienced, Expert and Dedicated faculty members
- Methodology – Conceptual teaching
- Affordable Coaching Fee
- Renowned Faculty
- Periodical Test
- Mock Test
- Best Infrastructure
- Library Facility
- Reading Room Facility
- Live Virtual Classes
- Crash Course
- Audio visual teaching aids
- Quiz programmes
- Classroom presentations

IN ADDITION TO OUR REGULAR CLASSES WE HAVE SPECIAL SESSIONS SPECIAL SESSION SPEAKERS



CA. H. Padamchand
Khincha



CA. K S Ravishankar



CA. S. Venkataramani



CA. K K. Chythanya



CA. Madhukar N.
Hiregange



CA. D. R. Venkatesh



CA. V. Raghuraman



CA. P. V. Srinivasan



CA. Jatin
Christopher



CA. Vikas Oswal



CA. Anand
Prakash Jangid

Three Stages of CA Coaching :

There are three exams which need to be written and passed in order to be eligible to become a Chartered Accountant:

CA Foundation :

A student who has appeared in the Class 12 examination may register for CA Foundation Course.

CA Foundation Course

Principles and Practices of Accounting

Business Law & Business Correspondence & Reporting

Business Mathematics and logical Reasoning & Statistics

Business Economics & Business and Commercial Knowledge

Fees	Duration (4 Months)	Timings
Rs. 7,500/-	23rd May 2019 to Sep. 2019 (Tentative Dates)	04.30pm to 07.30pm (Monday to Saturday) & 7.00am to 1.30pm (Sunday)



IPCC/Intermediate :

A Candidate becomes eligible to register for Intermediate after passing CA foundation or through direct entry. In direct entry, a graduate in commerce & secured minimum of 55% can register. Also, non- commerce graduates can also register for Intermediate who has secured 60% marks in graduation/ post-graduation.

CA Intermediate / IPCC New & Old Course		
Paper-1: Accounting	Paper-5: Advanced Accounting	
Paper-2: Corporate and Other Laws / Business Laws, Ethics and Communication	Paper-6: Auditing and Assurance	
Paper-3: Cost and Management Accounting / Cost Accounting	Paper-7: Enterprise Information Systems & Strategic Management/ Information Technology	
Paper-4: Taxation	Paper-8: Financial Management & Economics for Finance	
Fees	Duration (4 Months)	Timings
Rs. 12,500/- for Both Groups Rs. 8,500/- for Single Group Rs. 3,500/- for Single Subject	23rd May 2019 to Sep. 2019 (Tentative Dates)	06.30am to 09.30am & 06.00pm to 09.00pm & (Monday to Saturday) 07.00am to 05.30pm (Sunday and Other Holidays)

CA Final :

A CA Final student has to undergo Advanced ITT & MCS Course before appearing for final examination.

CA Final New & Old Course		
Paper-1: Financial Reporting	Paper-5: Strategic Cost Management and Performance Evaluation /Advanced Management Accounting	
Paper-2: Strategic Financial Management	Paper-6: Information Systems Control and Audit	
Paper-3: Advanced Auditing and Professional Ethics	Paper-7: Direct Tax Laws and International Taxation	
Paper-4: Corporate, Economic Laws & Allied Laws	Paper-8: Indirect Tax Laws	
Fees	Duration (4 Months)	Timings
Rs. 14,000/- for Both Groups Rs. 9,000/- for Single Group Rs. 4,000/- for Single Subject	23rd May 2019 to Sep. 2019 (Tentative Dates)	06.30am to 09.30am & 06.00pm to 09.00pm & (Monday to Saturday) 07.00am to 05.30pm (Sunday and Other Holidays)

VENUE:

Sub Branch of Bangalore Branch of SIRC of ICAI
#29/1 Keonics Building,
Race Course Road,
Phone No. 080 40929607

United Mission College
Mission Road,
Near City Corporation
Bangalore – 560 027
Tel: 080 30563500/555

South Centre:
Vasavi Vidyaniketan College For Women
in Basavanagudi, Bangalore
No. 3, Vani Vilas Road, Vishweshwarapura,
Basavanagudi, Bangalore - 560004
Landmark: Near Vasavi Coventional Hall

We give ample and appropriate time period to prepare for CA Foundation Entrance level exam. After successful completion of this level, we provide the required 4 weeks of ICITSS training along with preparation for CA Intermediate/IPCC exam. Our staff and faculty make sure that the entire batch keeps up with the course curriculum and passes both the groups with flying colours.

■ Articleship Induction and Training :

Two and half years of Articleship Training is an important aspect and mandatory before becoming a CA and ICAI-Bangalore Branch Classes impart Articleship Induction Program on the above. We help in getting in to the articleship program along with continued preparation for the final exam. This is a long period of time but we do not leave our students distracted and keep them regularly in touch with the course curriculum and AICITSS training.



Head office:	Bangalore Branch of SIRC of The Institute of Chartered Accountants of India 'ICAI Bhawan', #16/O, Millers Tank Bed Area, Vasanthnagar, Bangalore – 560 052
South Center:	Sub Branch of Bangalore Branch of SIRC of ICAI Sanjay Towers, # 216 SubbaramaChetty Road, Near Netkallappa Circle Bangalore-560004
Sub Branch:	Sub Branch of Bangalore Branch of SIRC of ICAI #29/1 Keonics Building, Race Course Road, Bangalore-560001 Phone No. 080 40929607

■ Performance:

- A student must ensure to attend all the classes.
- While Bangalore branch are aimed at enhancing the institute performance of a student to score high marks, it is essential that the student displays continuing, participative interest and involvement during the classes.

What our students say about us...

"It was my pleasure to be a part of ICAI BANGALORE BRANCH COACHING CLASS which was a best CPT coaching for me from a Technically sound lecturers, who are very friendly and helpful to each and every student and environment of ICAI gives us a peaceful mind to concentrate well on our studies. Thanks to the ICAI OFFICIALS for providing such a great facility to the students in feasible fee."
Name : RANJEETHA.B - MARKS OBTAINED IN CPT :110

"Faculty are much supportive and every faculty are very Good and Mainly focuses on concept I am Die heart fan muralinagraj sir's teaching" Name. Suhail khan, Marks obtained 131 out of 200

Subiya farheen A
Secured 235 out of 400 in foundation exam of
November 2018

"Though I belong from different place I started attending the classes for my profession in "ICAI bhawan", Bangalore. The duration of 6 months taught not only the subjects but also motivated to push ourselves even in difficult situations. I was lucky enough to be a student under the experienced and talented staffs. The way staffs interact with students helps us to solve our doubts. I cleared my Cpt and joined for Intermediate classes in ICAI bhawan itself. Overall it is affordable to all with good environment." Name: Syed Suheb, Marks obtained in CPT: 111

Related To: ICAI Coaching Classes
Name: Swetha N
Subject: Feedback on Coaching Class
Complaints/Suggestions: Hello, I'm attending IPCC-Nov-2019 coaching classes and it is really knowledgeable. Our teacher, is teaching technically as well as he gives detail information of a particular topic within a frame of time. ICAI is offering the valuable teaching with reasonable cost and I request the same quality of teaching should be maintained. I feel glad to be a part of ICAI. Thanks to ICAI.

*I am Soniya V, student of Bangalore branch of SIRC of ICAI, vasanth nagar.
I have successfully cleared my foundation course and want to thank all my faculties who equipped me well for my exams.*

Further details please contact :
Mr. Girish B C, Tel: 080-30563555
Email : blrstudentevents@icai.org
To register please contact :Tel: 080-30563500/548
www.bangaloreicai.org

Admission / Enquiry Timings:
10.00 am to 6.00 pm, Monday to Saturday

*"Below is the testimonial on Institute Coaching class
It was only after attending classes in CA Institute; I could clear my final exams
For clearing exams, along with coaching you need to have a correct and systematic approach towards studies, which was thought to us by the faculties here
With convenient timings, affordable fees, renowned faculties and reading room facilities, Bangalore branch provides everything a CA student can ask for."*

CA. Bhat Shivaram Shankar
Chairman

CA. B. T. Shetty
Secretary

BANGALORE BRANCH OF SIRC OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

'ICAI Bhawan', #16/O, Millers Tank Bed Area, Vasanthnagar, Bangalore – 560 052
Tel: 080-30563500 / 510 / 548 / 555 blrstudentevents@icai.org | www.bangaloreicai.org



RACE FOR RELEVANCE – BACK TO BASICS

CA Sathiya Padmanaban

In the age of ever changing Technology, newer financial models, Unicorn start-ups, Artificial Intelligence and Robotics looking to replace most administrative and accounting jobs, how does one stay relevant?

While being abreast with the changes happening in one's domain is extremely important, in the pursuit of keeping pace with the changes, one shouldn't forget the basic tenets of one's profession. With all the data sciences and analytics in the world, if another financial crisis were to happen, the relevance of and confidence in our profession could be greatly impacted. Two of the key attributes of a good accountant that are probably less emphasized are Good Judgement and Challenging the Status quo.

Let's look at some market events to understand this better – Multi-billion dollar impact from incorrect Cashflow discounting: Most Accountants would think, what's the big deal in cash flow discounting? Right from school days, we've learnt that future cashflows are discounted at an appropriate discount rate, used to fund the cashflow and where the future cashflow is funded with the firm's capital the discount rate equals the Weighted Average Cost of Capital (WACC). Simple, huh? Despite this, for decades we've continued to discount future cashflows in derivatives and in many instances even debt at libor. Why is that? When someone talks about derivatives, boot strapping, Black Scholes, Monte Carlo and adds a few

jargons to it, we completely lose our basics and accept what the Quant or financial modeler tells us. A derivative is nothing but a financial instrument the value of which is derived from an underlying asset and in almost all instances, predicted future cashflows are discounted to present value at an appropriate discounting rate.

So at what rate should a future cashflow in a derivative be discounted? If you pick up financial books, most of them would recommend Libor (Inter-bank offered rate) or Overnight Indexed Swap (OIS) rate or a variation of these and would attribute various reasons to it. How many of us question that to say why isn't it the rate at which I fund the future cashflows in the derivative, which is what I've learnt right from school? Worse still, when a few organizations moved from Libor to OIS rate discounting, several others blindly started discounting future cashflows in derivatives at OIS rates, which could potentially make their valuations more incorrect, depending on their real cost of funding the derivatives.

So why did some organizations move from Libor to OIS discounting over the past few years? It has nothing to do with the Libor scandal or the demise of Libor rates that's being discussed about across the street. Typically these organizations are banks and they have Credit Agreements with their derivatives counterparties, commonly referred to as Credit Support Annex (CSA). These CSAs require the counterparty to the

derivative agreement with a payable balance to post collateral (usually cash) and the counterparty that receives the collateral to pay interest on the collateral received. The mutually agreed interest rate paid on the collateral is typically OIS, and for these derivatives, OIS is used as the discounting rate (the true cost of funding the transaction). If the interest rate paid on the cash collateral per the CSA is not OIS or the collateral received is not Cash, it doesn't make sense to use simple OIS rate discounting. What is the period of settlement of the interest, is the interest compounded, if the collateral is a security, what is the cost of funding that security, if there is no collateral, then what's the cost of raising funds to fund that derivative should all be part of determining the appropriate discounting rate¹.

The change from Libor discounting to the appropriate rate of funding the derivative cost firms billions of dollars across the street. There are still several organizations who continue to use incorrect rates to discount future cash flows leading to poor risk management. What does it take to make amends – Back to Basics - Challenge the Status quo, ask questions, use your judgement to determine the appropriate rates.

Huge losses from stock trading, private investments, crypto currencies etc. all have one thing in common – poor judgement.

(Contd. on page 23) ►



RECENT CHANGES IN COMPLIANCES UNDER THE GST LAW

CA Annapurna D Kabra



- With the span of more than twenty months in implementation of GST, still there is gap in compliances due to frequent changes in the GST law. What has to be done to achieve compliances? There is no robust system that will elevate GST compliances. GST is not just a tax reform but a business reform affecting almost every aspect of the operations in the business. The way the compliances are getting added, it is believed that every business entity should have the system of maintaining checklist periodically for the compliances.
- The way the amendments are notified at different point of time has created the confusions to different business entities in different manner which may lead to non-compliances. For example, it was notified that the taxes payable under reverse charge under section 9(4) is deferred till September 2019 which has led to conclusion to some business entities that even reverse charge under section 9(3) is also deferred which has led to non-compliance or there were certain recommendations in GST Council which may be yet to be notified but in many instances the business entity deem the recommendation as law notified which may lead to unconsciously compliance of the law. The rate of tax for real estate as recommended has given a significance to the buyers deeming that such rates are notified immediately and started negotiating with the builders accordingly.
- The preparedness of compliance under GST law is not predictable as many times the non-compliance happens due to multiple dates notified for filing the Returns. The due date of filing form ITC-04 was March 2019. The attempt was made to file the same, but it was not successful due to technical glitches. Then again, the filing of ITC-04 got extended till 30th June 2019. Therefore, the registered person should keep on changing the track of filing the different statutory forms at different point of time.
- The Amendments in different versions in Format of Annual Return (Form 9) is alleging that whether it has to be complied immediately or should wait till due dates for compliance as these Annual Returns cannot be revised once it is uploaded and filed. There are certain columns in the Annual Return which may require amendments to suit to the new requirements under GST law. Even the New Returns is yet to be notified and may start working on trail basis from 1st April 2019 and simultaneously the GSTR-1 and Form 3B to be filed for April 2019 to June 2019. This is the additional compliance by the entity and also bring a doubt that the new Return which will be implemented will be fully tested Returns without creating any technical glitches while filing the Returns. It takes time to the business entity to absorb and resume the multiple amendments and within that span of time if is not implemented then it may lead to non-compliance.
- The GSTR 2A is generated based on filing of GSTR-1 by the supplier irrespective of whether such supplier has filed Form GSTR 3B and has paid taxes or not. Therefore, though the recipient has complied by reconciling GSTR 2A with the input tax credit as availed but there is no assurance that such recipient has complied with the GST law as it carries the risk of non-compliance in case the supplier has not paid the taxes.
- Generally, the Person applies for composition scheme to reduce multiple compliance and administrative inconvenience. The composition scheme turnover limit has been increased from one crore to one and half crore. Recently the composition scheme for all service providers is notified at 6% with the aggregate turnover of Rs. 50 lakhs. The Manufacturer is liable to pay tax on turnover of the state and the trader is liable to pay tax on taxable supplies of goods and or services. But the way the tax is structured and different rate of taxes applicable for different type of composition supplier with different taxable values has dispirited to apply for the composition scheme.

- There is an Amendment in section 49A wherein there is change in order of utilization of Input Tax credit. Input tax credit on account of Integrated tax shall first be utilised towards payment of Integrated tax, and the amount remaining, if any, may be utilised towards the payment of Central tax and State tax. Therefore, the IGST credit to be used for payment of IGST liability and balance of IGST credit can be used for payment of CGST **or** SGST Liability. In case there is excess credit in CGST and cash payment in SGST then the credit of IGST can be set off against SGST in priority of CGST. Initially the mechanism of utilisation of input tax credit was introduced but the GSTN Portal for utilisation of Input tax credit was not activated simultaneously so the tax payers utilised the input tax credit as per old mechanism while filing Returns. It is anticipated the current amendment in utilisation of Input tax credit will be integrated with the updation in the GSTN Portal.
- In many instances the persons whose registration were cancelled under section 29(2) of GST Act 2017 have not applied for revocation of cancellation of registration and have applied for fresh registration (Separate registration on same PAN in same state is permissible). The Authority can issue the deficiency memo against the application for registration, if the applicant suppresses the information and in many instances such person would not have given the information of earlier registration. Therefore, the officers can reject the application of registration if the applicant has not filed application for revocation of registration and has not paid the taxes and not filed the Returns for earlier registration as cancelled under section 29(2) of the CGST Act 2017.
- The transfer or change in the ownership of business will include transfer or change in the ownership of business due to death of the sole proprietor. If the business is continued by a successor or transferee and the unutilized input tax credit balance in Electronic Credit ledger will be transferred with following instructions like the Successor should apply for Registration by stating the status '**death of the proprietor**' in **REG-01** and Legal heir can file application for Registration in **GST REG-16** for reason as "death of the proprietor". The GSTIN of transferor and transferee should be mentioned to link the transfer of business. The Transferee/Successor shall be liable to pay any tax, interest or penalty due from the transferor in case of transfer of business due to death of sole proprietor and the Transferee/Successor should file **FORM GST ITC-02** before filing application for cancellation of Registration.
- Any person who is engaged in exclusive supply of goods and whose aggregate turnover does not exceed forty lakhs is not liable for Registration. This is not applicable to persons who is required to take compulsory Registration under section 24 or voluntary Registration under the CGST Act 2017.
- There are various other compliances which has been clarified that Registered persons making supply of goods or services or both in the course of inter-State trade or commerce shall specify the place of supply along with the name of the State in the Tax Invoice.
- The Registered persons making inter-State supplies to unregistered persons shall report the details of such supplies along with the place of supply in Table 3.2 of FORM GSTR-3B and Table 7B of FORM GSTR-1 as mandated by the law. The Contravention of any of the provisions of the Act or the rules made there under attracts penal action under the provisions of section 125 of the CGST Act.
- After the implementation of the GST law, there are various compliances required at different point of time and therefore it is imperative to understand the scope, working and implications of such compliances and to comply with that it will be absolutely necessary to keep ourselves abreast of the amendments in GST law.

RACE FOR RELEVANCE – BACK TO BASICS

◀ (Contd. from page 21)

The entire world relies on the financial statements produced & attested by Accountants. People invest their hard earned money in companies, relying on these financial statements. Robotics, data science, big data analytics, artificial intelligence, NLP, can all aid future accountants in automation, controls and

decision making and its very important that we leverage them. So as you think about joining the next python class or hiring the next data scientist to enhance your controls, always remember to go back to your basics!

Talking about back to basics is incomplete without quoting our ICAI motto:

"Ya esa suptesu jagarti ..."

("That person who is awake in those that sleep...")



HR AND LABOUR LAW COMPLIANCE MANAGEMENT

Ram K Navaratna



1. Today in industrial world it is said corporate compliance management is essential for achieving better corporate governance. There are many organizations which are large and diverse with hundreds of daily transactions that company has to comply with innumerable regulations of respective countries/states. In such case compliance issues have to be taken seriously, investigate each one and many times revisit their operational controls. In few companies they conduct policies, set expectations that all employees will comply with all laws and regulations governing their company's behavior. Thus, today compliance of relevant, applicable law has come as need of business without which their business is at jeopardy. This has not only become legal but business essential and social need also. That is why in few sectors it is called social audit compliance. Today most customers/buyers/business houses are serious about these issues and they lay solid foundation and continuously update and upgrade their compliance issues.

2. Dimensions: Thus, compliance has to be seen from different angles like labour law, social, business, HR and legal need. Each dimension plays important role and have their impact in compliance. Non-compliance, deviations in this area lead to unionism, discontentment among employee's legal exposure and risk

to the management represented by their directors. In addition, today retention of employees, talent management, attrition of good professionals needs all this in order. As such compliance of employment and HR laws have become basic need of healthy establishment. Statistics reveal reduction of loss of man hours, labour unrest, strike and lockouts due to growing awareness about compliance among employers and employees.

Many times, compliance personnel are bored with stereo type compliance system and sometimes they get doubt about how to make compliance in time? But in few cases and in general executives and organizations lack knowledge about its applicability. Today corporate compliance can't be considered as just another burdensome, complicated, back office operation monotonous work but they have to see as an opportunity in them. In reality an opportunity lies in good corporate governance. Only the culture of adherence to good compliance can keep a company ahead on sustainable basis and bring in larger revenue and profit.

Therefore, compliance has to be seen in letter and spirit. One of the rules therefore laid – board shall periodically review reports of all laws applicable to the company prepared by the company as well as steps taken by company to rectify

instances of non-compliance. Ensure all the time compliant.

3. What is compliance of law? Compliance of all laws not just like any other compliance but it is a hidden treasure for all stake holders. Thus, one has to understand their company, see what is applicable and analyze relevant applicable laws periodically and make an assessment. This will ease for business as well comfort to the Directors who are responsible to run the business and accountable for governance.

4. Compliance Timings: Every compliance will have timings and evaluation like fixed regular and event based. Thus, compliance department has to make and develop compliance management tools by preparing various check lists. They may be law wise or period wise and also, they have to be on their toes constantly to keep update on this. Eg. Karnataka Minimum wage rules amendment, drastic revision of minimum wages of 37 scheduled industries in Karnataka, Maternity benefit revised provisions. Awareness on recent bill on Wages, enhancement of penal provisions under Karnataka Minimum wage rules, Employee compensation liberal provisions, Deposit Linked insurance (DLI) etc. Such many updates will impact organizations and have to display exhibit their proactive approach. By using proper and right compliance system one can convert

their role from traditional to strategic by making an impact in the business.

5. Various Compliance:
 - a. Competition law: Employees may not engage in anti competitive conduct nor permitted to take unfair advantage of any customer, supplier, competitor or other person through manipulation, concealment, misrepresentation of material fact or other unfair dealing practices.
 - b. Environmental law: Today this is gaining upper hand and has become the need. Hence employees have to become familiar with relevant applicable regulation being employment responsibilities.
 - c. Contractual Obligations: Employees, contractors, sub contractors have to understand their contractual obligations to make compliance successful and avoid any problems to company and to its products.
6. Employment and labour law Policy: Today many establishments acclaim employees as their valuable assets. That is the reason today it is called Human capital rather than Human Resource. Organization policy is to comply all applicable laws and regulations including those concerning hours, compensation, rights and responsibilities, working conditions etc.

In additions to various regulations child labour is prohibited. Same way many buyers insist avoidance of forced or compulsory labour. Modern economy companies declare - It is our policy that all employees work in a clean, orderly and safe environment. The company requires full compliance with applicable work place safety and industrial hygiene

standards mandated by many laws including factories act.

7. Labour law compliance: Business in India is synonymous with the need to understand company and to stay out of legal issues. Whether it is statutory compliance or labor law compliance, progressive and bottom line focused managements understand that any form of compliance should be viewed as a dynamic item of cost, rather than a passive charge on profits. A superior operational fineness is needed to achieve this goal. Insight into compliance can make all the difference in getting workflow remaining competent as ever. Meaningful self assessment exercises on and often also helps for better compliance practices and structures.

Noncompliance of employment laws lead to many problems and their consequences are far reaching. Some deviation or noncompliance is risky. Example - Minimum wages, PF ESI, safety, overtime provisions. Hence it can be called as risk management also.

On an average any factory or establishment depending on the nature of business around 14-16 labour laws applicable like

Factories act, Shops act, payment of wages, minimum wages act, contract labour act, payment of bonus, payment of gratuity act, labour welfare fund, Building and other construction workers regulations and Cess rules, National and festival holidays act, Maternity Benefit act, Equal remuneration act, Prevention of Sexual harassment provisions like committee, EPF and ESI, Industrial Dispute Act provisions like Grievance Redressal committee, lay off, retrenchment, working

conditions etc, Standing order provisions, Subsistence allowance rules, Motor transport workers act, Interstate Migrant workers regulations, Employment Exchange notification regulations, Stringent safety provisions like On site emergency preparations, operation of safety management, First aid, Health provisions like water, toilets, preventive measures like health checkup, Welfare measures like canteen, creche, rest shelters

Employees participation measures like Safety committee, Internal Committee, Canteen committee, Works Committee, Joint consultations, Bi partite agreements, settlements, LTS adoptions, Discipline and its management by following Principles of natural justice.

While more responsibilities are cast on employer, employee's duties and responsibilities are also regulated in factories act. Thus, to avoid frictions, and disputes, differences one must be aware rights and duties of employees under various laws and also by terms of employment.

In HR systems for effective and fair management practices, various systems like good and fair selection practices, joining formalities, right communications at the time of induction, maintenance of personal file of employees as per sop, legal documents like declarations of pf, esi, gratuity etc, follow of probation period, extension, termination, appraisal at appropriate time, proper salary structure under law and industry practices of course income tax law provisions, professional tax, proper allowances, deductions, leave management, review of salaries with proper base and assessments, assessing the performance



periodically, making employee happy and deliverable, promotion and demotion, transfer based on laid down practices, relieving formalities, final settlement system, bonus and incentive payment, accident management, employee reduction and right size exercises etc. all have legal and other bearings which to be fit into applicable requirements of law and practices which all need appropriate compliance and their validity as well revalidation from time to time. All these forms good compliance for sound footing/stand of any organisation.

8. Risk Management in Compliance aspect- Steps to follow.

1. Stay informed by experts:

Ignorance of law is no excuse. As such there is no plea for ignorance. Laws are constantly changing and hence it is employer's responsibility to get updated. Refer various journals, business house periodicals, chamber of commerce bulletins, professional bodies, employer's associations etc. Government cites are now improving. Once, I faced a problem in minimum wage compliance. Every year in April law publishers publish minimum wage rates of various scheduled industries. One of employer in the month of May purchased the book and after reference followed notified wages. But to his bad luck after one quarter their union raised an objection for short payment of minimum wage. They came with another law publisher's booklet. When compared earlier book it was not changed with latest and was not update but was stereotype. Consequently,

employer ended in difference payment without his fault. Hence double check in essential.

2. Choose the right expert source:

Law is the only subject in the world, where many people can opine differently on one matter. Hence choose your counsel, consultant, compliance agency competent one who is research oriented with update mind.

3. Reject Copy Paste advice:

Compliance is more about judgment than templates. Take information from source to adapt to your company's variable needs. Consult experts who are with wide case studies, expertise and experience. It should not be one stop shop.

4. Document policy and incidents.

Authorities, courts, regulatory agencies look for evidence and abundant care, all reasonable care precaution beyond doubts. Hence employees hand books, manuals, related document, and proof of receipt is a must to prove your case. The same case in issue of safety equipments. Example - Personal protective equipments (ppes). The employer need to prove the employee knew what was expected. Consistency of enforcement without discrimination is critical. In accident case, incident reports, failure reports, misappropriation cases valid relevant job descriptions and clear compliant performance appraisals are contributory tool sets.

Consider self certification, voluntary compliance review for risk areas and laws to build affirmative defense through

reasonable care. Example: Few states self certification model.

5. Train the Concerned: Culture of learning play a very important role. To quote one leading industrialist- "Training is expensive but nontraining is still more expensive and risky" Hence training of employee in operations procedure, liability aversion, documentation and diversity is important. While the employer is not ultimately expected to control each and every work place action, the employer is held accountable to reasonable care. Proper training averts risk, and act of training builds affirmative defense. This is the reason HRD department Government of India has fixed minimum man days training for public sector employees to keep them competitive and also to meet needs of industries. Example in Karnataka safety training programs conducted by department of factories add value in safety compliance management for safety award in industries and considered as plus point.
6. Stay current and prepare for Change: The employer who has been non compliant 'has never had a problem' is probably due. Everyone is vulnerable. As long as problem do not arise it is ok. As long as employees don't ask it is ok. But once above two turn – problem starts and pinch in multiple ways. Hence don't waive off vulnerability. Like in any business insurance protect your interest but it is the responsibility of the employer to protect their own interest. Stay up to date

with regular compliance review for practices and policies. Take reasonable care and secure update validation for compliance.

9. Trained and educated managers/ management will keep business in labour law compliance.

Managers, supervisors, shop floor personnel are primary contact with most of rank and file employees in any organization. In any factory, establishment, organization all managers interact with their staff on regular basis. As such education for this cadre goes a long way.

Manager's role is to provide proper oversight and direction to a group that is trying to accomplish certain task. They may also act as a mediator between those under them. Managers may need to be called upon a times to be disciplinarians or morale boosters.

Managers are communication link between employees and higher management. Any wrong move by manager may expose the organization. Recently in one of the organization when employees approached for review in already granted increments production manager made a statement in arrogant way that they can leave the organization which resulted in union formation. They may virtually become employment law and human resource experts to do their job properly.

Trained and educated managers = Safe employers.

While you may have hired your manager to make sure the work place to run smoothly or to maintain productive atmosphere, equally if not more important is to make sure your management team is aware of

the various laws that govern their daily interaction with their staff and workers.

10. Steps for Protecting Company Interests:

1. Make sure managers/ supervisors are familiar with all company policies and procedures including certified/model standing order
2. They should actively review employee hand book/instructions
3. Must be familiar with Mission Statement
4. Should be positive role model. Always act ethically with motivational/leadership skills
5. Always act professionally and pro actively
6. Encourage them to attend training sessions further to educate themselves
7. Constantly and consistently they have to contact HR/ legal department before taking any employee related action

Knowing, understanding and following above practices will go long way to help organization remain compliant with employment and labour laws while promoting a positive and motivated work environment.

Thus, in Labour/employment laws depending on the nature of industry registration, amendment, renewal, opening, closing, displays, returns, notices, maintenance of statutory registers, statutory payments, coverage of employees in social securities like EPF, ESI, BOC, safety provisions, formation of committees like safety, Internal Committee, Grievance Redressal committee, adhering to certified standing order provisions etc. play important role and need constant vigil on this.

If employees are organized by way of union, then knowing the terms of settlement and honoring the agreement also forms compliance from the point of view of smooth run of establishment.

11. Advantages of Compliance Management:

Thus, to summarize advantages of compliance management,

1. Establishing risk appetite
2. Easy quantification of risk
3. Identify and prioritize controls
4. Multitude of compliance obligations
5. Gaining competitive edge
6. Good compliance system leads to excellence in operations
7. Laying strong and solid foundation
8. Law abiding will always protect as value addition and many more

12. Conclusion: Now with the change in outlook and various other factors reduce inspection raj, Ease of business, Self certification procedures, third party audit etc are changes. ISO, Osha, various other certifications insist these and other compliance. As such it is becoming more and more self imposed/ business/customer driven system rather than like regulatory authority's insistence. Make your company a good governed company.

Compliance cost is cheaper than litigation cost. Comply and be safe.

Surve janaha sukhino bhavanthu. Let all people prosper and be happy. (Ref: a. From various Sources
b. Audits and exposure in the field)

*For compliance issues,
author can be reached at
Email: hrresonanc@gmail.com*



FILING OF TAX RETURNS BY FOREIGN COMPANIES AND OTHER NON RESIDENTS

CA. Vishnu Moorthi H



Under section 139 (1) of the Income Tax Act, every company or a firm is required to file the return of income within the due date. They are required to file the return whether they have any taxable income or not. Definition of 'Company' in terms of section 2 (17) of the Income Tax Act, 1961(ITA), includes any body corporate incorporated by or under the laws of a country outside India. Thus, a plain reading of section 139 (1) along with the definition of 'Company' makes it mandatory for all the Companies in the world to file their tax returns in India. However, this has to be read down to the extent that only those foreign companies having income in India are required to file their return of income.

A foreign company would be normally non-resident in India unless their Place of Effective Management is in India, in which event, those companies will be treated as 'resident' in India. Scope of income of a non-resident foreign company is covered by section 5 (2) of the Income Tax Act, 1961 (ITA) and accordingly, it shall include all income from whatever source derived which-

- (a) Is received or deemed to be received in India in such year by or on behalf of such person or
- (b) Accrues or arises or is deemed to accrue or arise to him in India during such year.

Section 9 of the ITA provides for various incomes which shall be deemed to accrue

or arise in India. This section provides that all income accruing or arising, whether directly or indirectly, through or from any business connection in India, or through or from any property in India or through or from any asset or source of income in India or through the transfer of a capital asset situated in India. Sweeping amendments have been made to section 9 of the Income Tax Act regarding business connection of non-residents over the years, more particularly through Finance Act, 2018, wherein, the concept of significant economic presence in India is also brought as a business connection. Further, the definition of 'royalty' also underwent substantial change effective 1.4.2012. These changes have enlarged the scope of income of the foreign companies operating in India directly or indirectly.

Though domestic ITA has been amended to expand the scope of 'business connection' and the definition of 'royalty', Double Taxation Avoidance Agreements signed by India with other countries remain intact, where, one would find restricted scope of business connection as it is linked to only the cases where a Permanent establishment is found to be in existence. Similarly, the definition of 'royalty' is also found to be restrictive in its scope in the treaties. In terms of section 90 (2) of the ITA, one can choose the provisions between the treaty and the domestic law, whichever is more beneficial. This has led to several foreign

companies having taxable income in India as per ITA, while, such incomes are exempt from tax under the treaties and finally, not having any taxable in India.

1. Obligation to file returns by foreign Companies :

Section 139 (1) of the ITA makes it mandatory for a company to file the return of income. A plain reading of the section makes it clear that the return is required to be filed whether the company has any income or loss. Under section 115AC of ITA exempts a non-resident from filing the return of income in case the non-resident receives only interest income and dividend income from India and the applicable tax at source has been deducted. Thus, there is no exemption from filing the return of income in case the non-resident receives royalty income or fees for technical services. In view of limited exceptions provided in the ITA, non residents are required to file their return in all other cases.

2. Filing of return by foreign companies whose income is taxable as per domestic law, but exempt as per the treaties:

An important issue is filing of returns by the foreign companies, whose income is taxable as per the domestic law, but, exempt by virtue of the treaty provisions. Some of the reasons why an income which is chargeable to tax under the

domestic law may be exempt by virtue of treaty provisions are as under:

- a. Definition of Permanent Establishment in the treaties narrowing the scope of 'business connection';
- b. Definition of 'royalty' and "fees for technical services' under the treaty being narrower than the definition u/s 9;
- c. Application of article 14 regarding services by independent persons (professional services).

Thus, by virtue of the treaty provisions, many foreign companies escape from taxes in India, though, as per the domestic law, they are clearly taxable in India. This aspect takes us to the question of requirement of filing of return by those companies, whose income is exempt by virtue of treaty provisions, but, taxable as per the ITA. There are controversial Advance Rulings in this regard, some holding that once the income is taxable as per ITA, return is required to be filed even if such income is exempt from tax by virtue of treaty between the countries. In the following cases, it is held that the foreign company is not required to file the returns if their income is exempt due to treaty provisions, but, taxable as per ITA:

- a. *Vanenburg Group B.V., In re* [2007] 159 Taxman 219 (AAR);
- b. *Factset Research Systems Inc., In re* [2009] 182 Taxman 268 (AAR); and
- c. *Dow Agro Sciences Agricultural Products Ltd, In re* [2016] 65 taxmann.com 245 (AAR)

In the following cases, it is held that

the foreign company is required to file the return once their income is taxable as per ITA, even if finally exempt due to treaty provisions:

- a. *XYZI ABC Equity Fund v. CIT* [2001] 116 Taxman 719 (AAR);
- b. *VNU International B.V., In re* [2011] 198 Taxman 454 (AAR);
- c. *Deere & Co., In re* [2011] 11 taxmann.com 388 (AAR); *Castleton Investment Ltd., In re* [2012] taxmann.com 150 (AAR); and
- d. *SmithKline Beecham Port Louis Ltd., In re* [2012] taxmann.com 153 (AAR)

It can also be noted that recently, based on information collated from withholding tax returns (Form 27Q) filed by Indian entities, etc., the Income Tax authorities have been issuing notices to foreign companies calling for the return of income in India.

Considering the controversy and a clear requirement to file the return without any exemption, it is advisable that the foreign companies having receipts from India, though exempt under the treaty provisions, but taxable under the ITA should file the returns in India.

3. Filing of return by foreign companies having receipts from India without TDS, having significant transactions:

Indian parties may be remitting various amounts to foreign companies on account of import of goods or services or combination of both without deducting tax at source based on various grounds including by basing their decision as per the Double Taxation Avoidance

Agreements. A question would arise whether such companies who had receipts from India, but, are not taxable as decided by the remitters are required to file the return of income. Tax Authorities may issue notices to such payees calling for the return of income based on the information in their possession. Hence, it is important to analyse whether a foreign company which has no taxable income as per their interpretation, but, to whom Indian parties have made remittances. Explanation 2A to section 9 (1) provides that significant economic presence (SEP) of a non-resident in India shall constitute a 'business connection' in India. SEP shall mean transaction in respect of any goods, services or property carried out by a non-resident in India including provision of download of data or software in India, if the aggregate of payments arising from such transaction/s during the previous year exceeds such amount as may be prescribed or systematic and continuous soliciting of business activities or engaging interaction with such number of users in India through digital means, as may be prescribed. Though this Explanation has been inserted in section 9, it is operative only if the Permanent Establishment definition is expanded in the treaties or in the case of countries with which India has not signed a treaty or in case of limited treaties. Once the foreign company has a business connection in India by virtue of SEP, then, the income from such activities shall deemed to accrue or arise in India, subject to treaty provisions. However, this is going to be highly controversial.



4. Filing of return by foreign companies, whose shares are held by Indians or Indian entities:

With the amendments to section 6 (3) of the ITA, in the case of a company, residential status would be determined based on its location of place of effective management (POEM). Explanation to section 6 (3) provides that POEM means a place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made. Though Government has issued notification providing for certain guidelines, this is still going to be controversial. A question would arise whether such of those companies who are outside the definition of POEM, but, whose control and management is located in India should file the return of income. Ideally, if the POEM is not situated in India, then, such company will not be a resident in India and therefore, there may not be any need to file the return of income in India, unless they have taxable income in India. Tax Authorities could issue notices to such companies to file their returns in India to verify their status and taxability and it is expected that fresh controversy will begin in this regard.

5. Applicability of section 44AB of the ITA- Tax audit report for foreign companies:

Once the income of a foreign company is taxable in India, one has to determine the head of income under which such income is chargeable to tax. If the income is chargeable to tax under the head

“profits and Gains of business or profession”, all the provisions of chapter IV regarding computation of income would apply. Accordingly, the foreign company is also required to get their accounts audited u/s 44AB. A question could arise whether there is any need for a foreign company to get the tax audit report u/s 44AB if the entire income is by way of royalty or fees for technical services and chargeable to tax on gross basis at special rates. In such cases, the foreign companies may argue that since the income is charged on gross basis without claiming any deduction, there is no need for getting the accounts audited. Under the gross basis of taxation, where a foreign company files a return of income without claiming any expenditure or allowances as deductible expenses, conducting a tax audit would be redundant. This is also being confirmed in the case of Snam Progetti Spa [TS-5212-ITAT-2005(DELHI)-O], (2005) 95 TTJ 0424 wherein it is held as follows:

19. The contention of the assessee appears to be correct. Under the gross basis of taxation, as is the case herein, where a foreign company files a return of income without claiming any expenditure or allowances as deductible expenses, conducting a tax audit would be redundant. In the present case also, the assessee is taxable at a flat rate of 20 per cent under s. 44D r/w s. 115A. The assessee has not claimed any deductible expenses comprising expenditure or allowances. Therefore, it is justified in asserting that conducting an audit under s. 44AB would not at all be required. Moreover, in such circumstances,

penalising the assessee for not getting its accounts audited, is entirely uncalled for. As such, when in the said facts, the provisions of s. 44AB do not apply to the assessee, the penalty imposed cannot be sustained. It is hereby deleted.

However, apparently, there is no such exemption for such companies opting to pay tax on gross basis at special rates specified u/s 115A and hence, it is advisable to comply with this requirement.

6. Applicability of Transfer pricing Regulations and potential disputes:

Foreign companies whose income arises from an “international transaction” (transaction between Associated Enterprises) are also required to comply with the Transfer Pricing Regulations including obtaining an audit report and documentation. It may be noted that even foreign companies who are paying tax on gross basis at special rates u/s 115A are required to comply with the Transfer Pricing Regulations as the recipient is required to prove that the transactions are at arm’s length. In respect of foreign companies, some controversial interesting issues may come up under the Transfer Pricing Regulations as under:

- Waiver of income by foreign company in favour of its Associated Enterprise in India;
- Charging amounts to the Indian Associated Enterprises at favourable terms in respect of various international transactions.

Whether Foreign company is required to offer their income at arm’s length

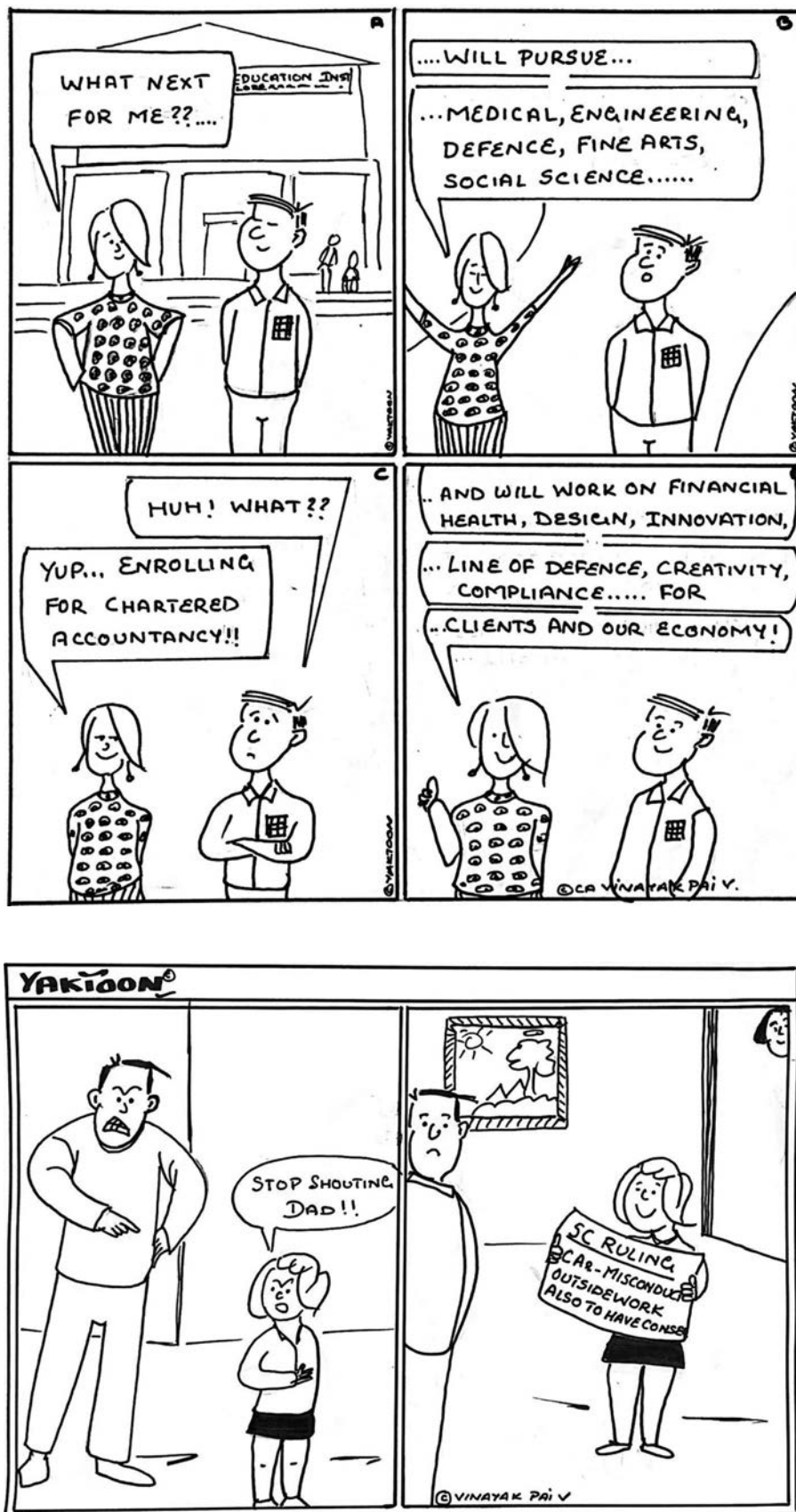
in respect of their transactions with AEs is a vexed question. Whether tax can be levied on such shortfall in the income of the foreign company due to the concessions extended to their Associated enterprises in India has to be watched in the days to come.

7. Consequences of not filing the return of income:

- a. If any tax is due, non-resident is required to pay interest u/s 234B and 234C of the Income Tax Act.
- b. Further, interest u/s 234A is also leviable for not filing the return of income within the due date.
- c. U/s 234F, foreign company which fails to file the return of income is liable for a fee of Rs.5,000/- if the return is filed after the due date for filing the return, but before 31st of December and Rs.10,000/- thereafter.
- d. If there is any underreporting of income by a non-resident, penalty can be levied u/s 270A of the Income Tax Act.
- e. U/s 276CC, if a person wilfully fails to furnish in due time the return of income which he is required to furnish u/s 139 (1) or in response to a notice u/s 142 (1) or u/s 148 or section 153A, he shall be punishable with imprisonment.

This article has been written briefly outlining some of the controversies involved in this topic and not intended to be an exhaustive analysis of the underlying provisions.

Author can be reached at
E-mail: vishnu@vishnudaya.com



Half Day Seminar on How to Face CA Exams



Inauguration



Chief Guest
CA. K Raghu
Past President, ICAI



Guest of Honour
CA. Cotha S Srinivas,
Past Chairman of SIRC



CA. Vikas Oswal



CA. Narasimhan
Elangovan



CA. Chandrashekar
Shetty S



All India Rank Holders



One Day Seminar on Bank Branch Audit for CA Students



Inauguration



Chief Guest
Shri. V. Seetharaman,
DGM (B&O) State Bank of India



CA. P.R. Suresh



CA. S. Ananda
Krishna



CA. Priyanka Jain

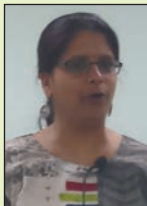


CA. Anand P Jangid

SICASA Women's Day for Students



SICASA - Study Circle Meeting



CA Annapurna
Kabra



CA Naveen
Khariwal G.



CA. Venugopal
Gella



CS. Prasad



CA. Divya S, Chairperson, SICASA & CA. Shravan Guduttur, Past Chairman, Bangalore Branch
presenting Book to students



CA Student Festival

Career Counselling at Govt. Degree College, Yellapur, North Canara



Inauguration of CPE Chapter in Sirsi, North Canara



One Day Seminar on Bank Branch Audit



Inauguration of the Seminar by lighting the lamp



Chief Guest Dr. Charan Singh, CA. P. R. Suresh
Chairman, Punjab & Sind Bank



CA. Shyam Ramadhyani



CA. Vittal Raj
Chennai



CA. A. V. Pal



Felicitation to Chief Guest Dr. Charan Singh



Cross section of delegates

Manthana - Half day Seminar on TDS & Interaction with TDS Officials



Inauguration of Seminar - MANTHANA by lighting the lamp



CA. D. R. Venkatesh



CA. Sandeep . C



Shri. Karuppusamy, I.R.S.,
Additional Commissioner
of Income Tax (TDS),
Range 1 Bengaluru



Dr. Vinod Sharma, I.R.S.,
Joint Commissioner
of Income Tax (TDS),
Range 3 Bengaluru



Felicitation to Shri. Karuppusamy, I.R.S.



Felicitation to Dr. Vinod Sharma, I.R.S.

VISHARADA Five Days Workshop on Bank Branch Audit



Inauguration of Workshop - VISHARADA
by lighting the lamp



Chief Guest CA. B. P. Rao, CA. K. R. Suresh,
Past President, ICAI
Chennai



One Day Seminar on Investor Awareness Programme



Inauguration of Seminar by lighting the lamp by the
Chief Guest CA. Sathiya Padmanaban,
Investment Management Division Controllers, Bengaluru Goldman Sachs



CA. Sathiya
Padmanaban



CA. Rudramurthy B.V



CA. Anil Bharadwaj



CA. Anjani Khetan



CA. P.V. Srinivasan

Study Circle Meeting



Felicitation to CA. Sathiya Padmanaban



Shri. Ram K Navaratna



CA. A. Saiprasad



CA. Mohan R Lavi



CA. Ashish Chadha

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