



Bangalore Branch of SIRC e-Newsletter

Volume 06 | Issue 10 | May, 2018 | Pages : 24

English Monthly
For Private circulation only



3 day Weekend Course on
Analytics for Chartered Accountants
25th, 26th & 27th May 2018

Diploma in Information Systems Audit
5th May, 2018 to 3rd June, 2018

Certificate Course on GST
May, 2018 - 5th, 6th, 12th, 13th, 19th, 20th, 26th, 27th
June, 2018 - 2nd & 3rd

One Day Seminar on
Co-operative Audits
31st May 2018

Three Days Residential Refresher Course
22nd, 23rd & 24th June 2018



15 KARNATAKA STATE LEVEL CAs' Conference

Hosted by Bangalore Branch
of SIRC of ICAI
Jointly organized by
Belgaum, Bellary, Hubli, Kalaburgi
Mangalore, Mysore & Udupi Branches
of SIRC of ICAI

15th & 16th June 2018 . Bengaluru
Jnana Jyothi Auditorium
Central College Campus
Bengaluru

Chairman's Communique . . .



Dear Professional Colleagues,

Dreams transform into thoughts and thoughts result in action. Nothing ever grows without a seed and nothing ever changes without a dream.

We, the accountancy professionals, will have to move on to identify newer areas where we can contribute. Change is the only constant thing in this world. Just like seasons, life, people, etc., our profession, and more importantly the demands

and expectations there from are increasing day by day. Plan for change. The technology view beyond the next two to three years is getting hazier. Artificial Intelligence has been seeping into applications and software platforms at an increasingly steady pace. This will impact the industry, the profession and thus the questions – Are we ready? Can we face the future? As systems' decision-making abilities improve, it's wouldn't be farfetched to think about a computer's potential role in evaluating financial and accounting records as part of taxation, audit and valuation. Probably, blockchain technology holds great promise in the accounting profession. A record that is self-auditing can mean huge changes for not just how much time and effort it takes to verify company financials but drastic reductions to the difficulty and complexity of audits. Things are changing. They will change. The same questions repeat – Are we ready? Can we face the future?

The need is to strengthen skills that will support the applications and systems of tomorrow. Knowledge of data analysis and data modelling will be a key part of work engagements with clients going forward. Awareness of best-practices in IT security, client nurturing, strategic advice, etc. will be critical in positioning a firm for the future.

Research shows that people's response to change can be generally bucketed as follows:

- 5% will champion change
- 20% will be early adopters
- 50% will adopt a 'wait and see' approach
- 20% will resist until they have no choice but to change
- 5% will never change.

We, at the Bangalore Branch of ICAI, recognise the importance of imparting skills to our members to make them future ready. As a part of this drive we have modelled a 2 course session on "Analytics" – Basic and Advanced. The former is planned on 25th, 26th and 27th May 2018.

Bank audits, another responsibility shouldered by our fellow professionals, just concluded. We all are now gearing up for Statutory and other audit assignments for various organisations. I wish all my friends a very happy audit season!

The month that was – April 2018

A Special CPE Session on **MSME IPO** was held where the members learnt about an alternative route to cater to the funding requirements of MSMEs.

A first of its kind **4-day workshop on Customs and FTP**, targeted at members interested in specialising in these areas, was held in the month of April. The deliberations during the Workshop by the eminent **Chief Guest Shri R. Sudeep, General Manager, Foreign Exchange Department, RBI** and the learned Speakers of the Workshop made it very remarkable. It was attended by 96 Members. Let me profusely thank Shri R. Sudeep, the Chief Guest of this workshop, and the Speakers who shared their expertise and experience for the Workshop.

The months ahead – May and June 2018

An all new series of '**Breakfast Meetings**' is being organized by the branch on selected Saturdays, starting on 19th May on the topic "Amendments applicable for AY 18-19 and penalties under IT Act". Two other breakfast meets are organised in May and June, the details of which are presented elsewhere in this newsletter.

In continuation of my foreword, a 3 day week end course on "**Analytics - Basics**" for Members is being organized on 25th, 26th & 27th May 2018 at Race course Road. Details are presented elsewhere in this newsletter. This course is limited only to 55 members.

A one day Seminar on **Co-operative Audit** is being organized on 31st May 2018 at our branch premises where Practical issues, Reporting requirements and GST implications in case of co-operatives will be touched upon. Details are mentioned elsewhere in this newsletter.

Certificate Courses on DISA, GST, Concurrent Audit, Anti Money Laundering and Valuation have been launched and the details are presented elsewhere in this Newsletter.

"360 – Envision, Equip, Excel", the 15th State Level Conference is being hosted by Bangalore Branch of SIRC of ICAI and jointly organised by Bellary, Belgaum, Hubli, Kalaburagi, Mangalore, Mysore & Udupi Branches of SIRC of ICAI. The said annual mega event is on **Friday, 15th & Saturday, 16th June 2018** at Jnana Jyothi Auditorium, Central College Campus, Bengaluru. The best of the speakers, handpicked from all over the country, in the field of Taxation, GST, Audit and allied laws including speakers on special topics relating to economy are invited to present papers on current topics of professional interest. Details are mentioned elsewhere in this newsletter. On behalf of the Bangalore Branch, I request your whole hearted participation in the said mega Conference and get benefitted.

Residential Refresher Course is being organized by Bangalore Branch in association with Bellary Branch at ICAI on 22nd, 23rd & 24th June at **JSW Steel premises**. This Seminar will give us an opportunity to network with members, and to take a break from our busy work schedule. Details are mentioned elsewhere in this newsletter.

Sports activities inspire sportive spirit to face challenges in our day to day life. Hence, a one day **Cricket match** among our Chartered Accountant's community is being organized on 30th June at BEL Ground.

Programmes for Students:

In order to rekindle the potential in students, and help them achieve positive results by knowing more about the best practises in preparation for exams, SICASA Bangalore Branch conducted **How to face CA examinations** on 7th April which was very well received.

Half a day Workshop on **Performance Enhancement through Brain Coherence** was conducted in April. I profusely thank Dr. Naveen K Visweswaraiiah and the team members for having taken initiative to conduct this Workshop.

Conclusion:

Karnataka Legislative Assembly election 2018 is scheduled to be held across the state on May 12, 2018. I urge all professionals to exercise their civil right and fulfil their moral duty by casting their vote without fail.

The month of May is also the month of Examinations. Best wishes to all the students for their exams, Good Luck!

CA. Shravan Guduthur

Chairman

Bangalore Branch of SIRC of ICAI

CALENDAR OF EVENTS - MAY & JUNE 2018

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
02.05.2018 Wednesday	Cyber Crime & Financial Fraud CA. T.P.S. Easwaran	Branch Premises 6.00 pm to 8.00 pm	2 hrs
May, 2018 - 5th, 6th, 12th, 13th, 19th, 20th, 26th, 27th June, 2018 - 2nd & 3rd	Certificate Course on GST <i>Details at Pg. No.: 6</i>	Hotel Fortune JP Cosmos 49, Cunningham Crescent Rd, Behind Sigma Mall Bengaluru - 560 052 Tel: (080) 3988 4422 9:30 am to 5:30 pm	30 hrs
5th May, 2018 to 3rd June 2018	Diploma in Information Systems Audit <i>Details at Pg. No.: 6</i>	Institute of Chartered Accountants of India 29/1, Racecourse Road, Next to State Bank of India Bengaluru – 560001 Tel: (080) 4092 9607 9:30 am to 5:30 pm	30 hrs
09.05.2018 Wednesday	IND AS – 115 CA. Mohan Lavi	Branch Premises 6.00 pm to 8.00 pm	2 hrs
16.05.2018 Wednesday	AS 15 & Actuarial Valuation - key terms decoded from a CAs perspective CA. Sowparnika Sundaram	Branch Premises 6.00 pm to 8.00 pm	2 hrs
19.05.2018 Saturday	Breakfast Meeting Amendments applicable for AY18-19 and Penalties as per Income Tax Act CA. K.L. Prashanth Fee for Members: Rs. 200/- Inclusive of GST	Branch Premises Breakfast: 7.45am to 8.30am Meeting: 8.30 am to 10.30 am	2 hrs
23.05.2018 Wednesday	Practical aspect of Housing Society: GST and Income Tax perspective CA. Anand Kumar Jaiswal	Branch Premises 6.00 pm to 8.00 pm	2 hrs
25.05.2018 Friday 26.05.2018 Saturday 27.05.2018 Sunday	3 day weekend Course on Analytics for Chartered Accountants Delegate Fee - Members: Rs. 7,500/- plus GST <i>Details at Pg. No.: 7</i>	Institute of Chartered Accountants of India 29/1, Racecourse Road, Next to State Bank of India Bengaluru – 560001 Tel: (080) 4092 9607 10.00 am to 5.30 p.m	15 hrs



CALENDAR OF EVENTS - MAY & JUNE 2018

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
26.05.2018 Saturday	Breakfast Meeting Companies Amendment Act, 2017 CA. Gururaj Acharya Fee for Members: Rs. 200/- Inclusive of GST	Branch Premises Breakfast: 7.45am to 8.30am Meeting: 8.30 am to 10.30 am	2 hrs
30.05.2018 Wednesday	Start-up Economy – Pitfalls and Benefits from Regulators CA. Chinmaya A.M & CA. Heena Kauser	Branch Premises 6.00 pm to 8.00 pm	2 hrs
31.05.2018 Thursday	One day Seminar on Co-operative Audits Delegate Fee - Members : Rs. 750/- Inclusive of GST Non Members : Rs. 3000/- Inclusive of GST <i>Details at Pg. No.: 9</i>	Branch Premises 9.00 a.m to 5.30 p.m	6 hrs
02.06.2018 Saturday	Breakfast Meeting General Mistakes in Financial Statements & Issues pertaining to Schedule III of Companies Act 2013 CA. Ravi Prasad	Branch Premises Breakfast : 7.45am to 8.30am Meeting : 8.30 am to 10.30 am	2 hrs
06.06.2018 Wednesday	ITR Forms – Whats new? CA. Krishna Upadhyay	Branch Premises 6.00 pm to 8.00 pm	2 hrs
13.06.2018 Wednesday	Forex Transactions & Derivatives <i>Details will be informed later</i>	Branch Premises 6.00 pm to 8.00 pm	2 hrs
15.06.2018 Friday & 16.06.2018 Saturday	15th Karnataka State Level CAs' Conference <i>Hosted by Bangalore Branch of SIRC of ICAI</i> <i>Jointly organized by Belgaum, Bellary, Hubli, Kalaburgi, Mangalore, Mysore & Udupi Branches of SIRC of ICAI</i> Delegate Fee - Members : Rs. 2200/- plus GST Non Members : Rs. 5000/- plus GST <i>Details at Pg. No.: 24</i>	Jnana Jyothi Auditorium Central College Campus, Bengaluru 9.00 am to 6.00 pm & 8.30 am to 5.30 pm	12 hrs

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. SHRAVAN GUDUTHUR

SUB EDITOR :
CA. RAVEENDRA S. KORE

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.

CALENDAR OF EVENTS - MAY & JUNE 2018

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
20.06.2018 Wednesday	TDS – Domestic & Foreign Remittances CA. D.R. Venkatesh & CA. C. Sandeep	Branch Premises 6.00 pm to 8.00 pm	2 hrs
22.06.2018 23.06.2018 & 24.06.2018 Friday, Saturday & Sunday	Three Days Residential Refresher Course <i>Hosted by Bangalore and Bellary Branch of SIRC of ICAI</i> Delegate Fee - Rs. 6,500/- (For Members – Residential) Rs. 6,000/- (For Non Members – Residential) Rs. 3,500/- (For Members – Non Residential) Rs. 3,500/- (For Non Members – Non Residential) <i>Details at Pg. No.: 10</i>	JSW Steel Ltd. Vidyanagar, Toranagallu	12 hrs
27.06.2018 Wednesday	GST updates CA. Hanish .S	Branch Premises 6.00 pm to 8.00 pm	2 hrs
30.06.2018 Saturday	CA Day Activities	–	–

Kind Attention

Students Seeking Admission for the Weekends Advance ICITSS MCS Course

We are delighted to inform you that the
3rd Batch of Weekends Advance ICITSS MCS Course

will be held by **Bangalore branch of SIRC of ICAI**

from **9th June 2018 to 28th July 2018**

enabling the employed newly qualified students to apply for membership and who are not able to avail 15 days leave from their firm where they are having the articulated training.

Interested students are requested to contact **Mr. Girish** at the branch on **080 3056 3555** or send Mail: **blrstudentevents@icai.org** for further detail & registration please visit **https://www.icaionlineregistration.org/Admin_Module/Login.aspx**

CA. Shravan Guduthur
Chairman

CA. Raveendra S. Kore
Secretary



KIND ATTN. MEMBERS

Bangalore Branch is delighted to inform you that the
Registration commenced for

'Diploma in Information Systems Audit'

at Bengaluru on 5th May, 2018

No. of days: 10, Batch Days: Weekends only

Dates: 5th May, 2018 to 3rd June, 2018

Timings: 9:30 am to 5:30 pm

Fees: Rs.20,000/- for Members only

**30^{hrs}
CPE**

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

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

For more details about the course, please visit: <http://cit.icaai.org/StaticPages/aboutisapqc.html>

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

KIND ATTN. MEMBERS

Bangalore Branch is delighted to inform you that the
Registration commenced for

"Certificate Course on GST"

at Bengaluru on 5th May, 2018

No. of days: 10, Batch Days: Weekends only

Dates: May, 2018 - 5th, 6th, 12th, 13th, 19th, 20th, 26th, 27th, June, 2018 - 2nd & 3rd

Timings: 9:30 am to 5:30 pm

Venue: Hotel Fortune JP Cosmos

49, Cunningham Crescent Rd, Behind Sigma Mall

Bengaluru - 560 052, Phone : (080) 3988 4422

**30^{hrs}
CPE**

For more details about the course, please visit:

<http://idtc.icaai.org/about-certificate-course.html>

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

Three Day Week End Course on Analytics for Chartered Accountants

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

On **25th, 26th & 27th May 2018**

Time: **10.00am to 05.45pm**

15 hrs
CPE

Venue: **ICAI**, 29/1, Racecourse Road, Next to State Bank of India, Bengaluru – 560001

Date	Topics	Learning Outcomes	Schedule
Day - 1			
25.05.2018	Basic data processing in Excel <ul style="list-style-type: none"> Text functions Date and Time functions Nested Functions Mr. Manoj M.	Basic mathematical and conditional formulae, array formula, handling errors, text-column functions, Text functions (MID, LEFT, RIGHT, LEN, FIND, SEARCH, TRIM, CONCAT), IF (COUNTIF, SUMIF & Nested IF) function, time & date (Network day, Yearfrac), Cell function, Logical functions (AND, FALSE, IFERROR), Name Manager, Match and Index function, Vlookup & Hlookup	Session 1 (10:00 AM to 11:30 PM) Session 2 (11:45 AM to 01:15 PM) LUNCH BREAK Session 3 (02:30 PM to 04:00 PM)
	Use of Data Analysis toolpak in Excel <ul style="list-style-type: none"> Built-in Addins Data Sample Techniques Mr. Kamal Das	These tools helps in finding optimal solutions and data analysis. We learn Correlation, moving average, exponential and linear regression (Forecasting) and what-if analysis using Solver add-in	Session 4 (04:15 PM to 05:45 PM)
Day - 2			
26.05.2018	Pivot Tables & Formatting <ul style="list-style-type: none"> Formatting data in Excel Custom formats Tables Mr. Manoj M.	Pivot Tables and Pivot Charts Tables- Slicers, formatting Formatting Data and Conditional formatting; Text and Cell functions to manipulate cell formats	Session 1 (10:00 AM to 11:30 PM) Session 2 (11:45 AM to 01:15 PM) LUNCH BREAK Session 3 (02:30 PM to 04:00 PM)



Date	Topics	Learning Outcomes	Schedule
26.05.2018	Data Visualization <ul style="list-style-type: none"> • Best practices in Data Visualization • Understanding Tableau Software: Business Intelligence and Analytics • Histograms • Line graphs • Scatter plots & 2D Graphs • Bubble & Waterfall charts Mr. Kamal Das	Auditing Formulas using trace dependents/ precedents and error checking Underlining the importance of visualization through illustrations and identifying the appropriate tools and options Understanding how to manipulate data to organize and communicate visually using Excel. Introduction to Tableau (time permitting)	Session 4 (04:15 PM to 05:45 PM)
Day - 3			
27.05.2018	Forecasting Model <ul style="list-style-type: none"> • Understanding Forecasting Models • CMA Reports preparation • Use of Conditional Formatting & Formulae Audit • Automation and MIS reporting CA. Venu Gopal	Forecast Models: Moving Avg, Deseasonalized, Presentation of CMA Reports Autogeneration of MIS Reports using excel charts & power point through a hands on case study.	Session 1 (10:00 AM to 11:30 PM) Session 2 (11:45 AM to 01:15 PM) LUNCH BREAK
	Case Study <ul style="list-style-type: none"> • Auditing/Accounting Case study using Macros CA. Venu Gopal	An overview of Excel with a case study using Macros	Session 3 (02:30 PM to 04:00 PM) Session 4 (04:15 PM to 05:45 PM)

CA. Shravan Guduthur
Chairman,
Bangalore Branch of SIRC of ICAI

CA. Raveendra S. Kore
Secretary,
Bangalore Branch of SIRC of ICAI

Online Registration open

DELEGATE FEE: Rs.7,500/- + GST for Members
(LIMITED ONLY TO 50 PARTICIPANTS)

Mode of Payment: Online/Cash/Cheque/DD 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**

One Day Seminar on Co-Operative Audit

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

On **Thursday, 31st May, 2018**

Venue: **Bangalore Branch Premises, Bengaluru**

Time: **9.00 am. to 5.30 pm.**

6 hrs
CPE

Timings	Topics	Speakers
09.00am to 09.45am	Registration	
09.45am to 10.15am	Inauguration	
10.15am to 11.45am	Overview of Co-operative Audit & Professional Opportunities	CA. Ravindranath B.V <i>Sagar</i>
11.45am to 12.00pm	Tea Break	
12.00pm to 01.30pm	Practical issues in Co-operative Audits & Reporting Formats	CA. Umesh Bolmal <i>Belagavi</i>
01.30pm to 02.30pm	LUNCH	
02.30pm to 03.45pm	Controversial issues in Income Tax of Co-operative Societies & Co-operative Banks	CA. D.R. Venkatesh <i>Bengaluru</i>
03.45pm to 04.00pm	Tea Break	
04.00pm to 05.30pm	GST applicability & implications on Co-operative Institutions	CA. Prateek Marlecha <i>Bengaluru</i>

CA. Shravan Guduthur
Chairman
Bangalore Branch of SIRC of ICAI

CA. Raveendra S. Kore
Secretary
Bangalore Branch of SIRC of ICAI

Online Registration open

DELEGATE FEE:

Rs.750/- (Inclusive of GST) for Members,

Rs. 3,000/-(Inclusive of GST) for Non-Members

Mode of Payment: Online/Cash/Cheque/DD 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 Days Residential Refresher Course

JSW Steel Ltd., Vidyanagar, Near Hampi

Hosted by **Bangalore and Bellary Branch of SIRC of ICAI**

22nd, 23rd & 24th June 2018 (Fri, Sat & Sun)

Venue: **JSW Steel Ltd.** Vidyanagar, Toranagallu

Hotel - JSW Vidyanagar Residency or in **Hotel Rock Regency**, Toranagallu



Day 1 - Friday 22 nd June 2018
Technical Sessions from 9 AM to 4 .40 PM Sightseeing: Kaladham, International Sports Complex, Museum Dinner with Musical Night
Day 2 - Saturday 23 rd June 2018
Cricket & Trekking - 06.00 AM to 08.00 AM Technical Sessions from 9 AM to 4 .40 PM, Valedictory - 04.40 to 05.00 PM 5 PM onwards: Visit to JSW Steel Plant
Day 3 - Sunday 24 th June 2018
Breakfast - 07.30 to 08.15 AM Checkout & Sightseeing to Hampi (Vijayanagara Dynasty) After Sightseeing depart with Sweet Memories

CA. Yerriswamy C

Chairman, Ballari Branch of SIRC of ICAI

CA. K. Honnur Swamy

Secretary, Ballari Branch of SIRC of ICAI

CA. Shravan Guduthur

Chairman, Bangalore Branch of SIRC of ICAI

CA. Raveendra S. Kore

Secretary, Bangalore Branch of SIRC of ICAI

	Delegate Fees	Delegate Fees -Early Bird -registration Before 31.05.2018	To and Fro Sleeper Coach Bus (Facility offered only for registrations received upto 31.05.2018)
RESIDENTIAL			
For Members	Rs. 6,500/-	Rs. 6,000/-	Rs. 2,500/-
For Non-Members	Rs. 6,000/-	Rs. 5,500/-	Rs. 2,500/-
For Children: Children (aged upto 12 years) accompanying in the room of parents, Rs. 3,500/- per Child (with Extra Bed). If extra room is required for children, charges will be applicable at par with non members			
NON-RESIDENTIAL			
For Members	Rs. 3,500/-	Rs. 3,000/-	Rs. 2,500/-
For Non-Members	Rs. 3,500/-	Rs. 3,000/-	Rs. 2,500/-

BANK DETAILS FOR PAYMENT

Account Name Bellary Branch of SIRC of ICAI
Account Number 91102001259720
Bank Axis Bank Ltd.
Branch Ballari
IFSC UTIB0000267
Branch Contact Details:
Tel - 08392-260523; E-Mail: bellary@icai.org

NOTES:

1. Limited Seats are available. Registrations are on First Come First Serve Basis
2. Train and Bus is connected directly to Vidyanagar, Toranagallu JSW Steel Ltd.
3. Accomodation for 2N3D will be provided at JSW Vidyanagar Residency or in Hotel Rock Regency, Toranagallu
4. Bangalore Branch will arrange Bus Travel in Sleeper Coach from Bangalore to Vidyanagar on 21st June night and Hospet to Bangalore on 24th June night only for registrations received before 31.05.2018 at Rs. 2500/- additional cost per delegate.

Kind Attn: Members

Three Hundred Sixteenth Batch of the Certificate Course on Concurrent Audit of Banks

on June 9 & 10, 23 & 24, and July 7 & 8, 2018

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
June 9, 2018	09:45 AM to 10:00 AM	Inaugural Session
	I - 10:00 AM to 11.30 AM	Effective Concurrent Audit
	II - 11.45 AM to 01.15 PM	Legal and Regulatory Framework
	III - 02.15 PM to 03.45 PM	KYC norms & Obligation of banks under Prevention of Money Laundering Act (PMLA 2002) Negotiable Instrument Act, 1881
	IV - 04:00 PM to 05.30 PM	Book Debts and Stock Audit Review of Due-Diligence Reports and Credit Audit Reports
June 10, 2018	V - 10:00 AM to 11.30 AM	Loans and Advances
	VI - 11.45 AM to 01.15 PM	
	VII - 02.15 PM to 03.45 PM	Prudential Norms on Income Recognition, Assets Classification and Provisioning pertaining to Advances
	VIII - 04:00 PM to 05.30 PM	
June 23, 2018	IX - 10:00 AM to 11.30 AM	FOREX AND TRADE
	X - 11.45 AM to 01.15 PM	
	XI - 02.15 PM to 03.45 PM	
	XII - 04:00 PM to 05.30 PM	Fraud Detection, Classification and Reporting
June 24, 2018	XIII - 10:00 AM to 11.30 AM	Concurrent Audit Procedures
	XIV - 11.45 AM to 01.15 PM	
	XV - 02.15 PM to 03.45 PM	
	XVI - 04:00 PM to 05.30 PM	
July 7, 2018	XVII - 10:00AM to 11.30 AM	Treasury and Investment Function Part I
	XVIII - 11.45 AM to 01.15 PM	Treasury and Investment Function Part II



Date	Technical Sessions (90 minutes each)	Topics
July 7, 2018	XIX - 02.15 PM to 03.45 PM	Implementation of Basel Capital Regulatory Requirements in India Disclosure Requirements
	XX - 04:00 PM to 05.30 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.
July 8, 2018	XXI - 10:00 AM to 11.30 AM	Audit in CBS Environment
	XXII - 11.45 AM to 01.15 PM	
	XXIII - 02.15 PM to 03.45 PM	Software Usage in Banks
July 21, 2018 (Saturday)	11:00 AM to 12:30 PM	Objective assessment 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>
- Participation Fees:**

FEES DETAILS	Metro Cities	Online payment link	Registration Form
For Members of ICAI born before 01.01.1988	Rs. 17,700 (Rs. 15,000 per participant +18% GST)	https://ccm.icai.org/?progid=1679	https://goo.gl/forms/zXkmlX1hWcJ5Acfm2
For Members of ICAI born on or after 01.01.1988*	Rs. 14,160 (Rs. 12,000 per participant +18% GST)	https://ccm.icai.org/?progid=1678	

- *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 1.1.1988 will be considered as young member for calendar year 2018.*
- 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. Anil Satyanarayan Bhandari
Chairman,
Internal Audit Standards Board

Course Co-ordinator :
CA. Shravan Guduthur
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**

AADVIKA

5th Women CA's Conference

6 hrs
CPE

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

On **Saturday, 7th July 2018**

Venue: **Chancery Pavilion**, #135, Residency Road, Bangalore – 560 025

Time: **10.00am to 5.30 pm**

Timings	Particulars / Topics
9.30 am to 10.00 am	Registration
10.00 am to 11.00 am	Inauguration by a Distinguished Personality
11.00 am to 11.15 am	Tea Break
11.15 am to 12.15 am	The Leader in You CA. Rajat Rashmi
12.15 am to 1.30 pm	PANEL DISCUSSION – Technology in Accounting - Robotic Accounting - Evolving Tools in SAP & ERP - Cloud Accounting
1.30 pm to 2.30 pm	LUNCH
2.30 pm to 4.00 pm	Unlocking Self-health Awareness
4.00 pm to 4.15 pm	Tea Break
4.15 pm to 5.30 pm	Grooming - Physical to Logical Ms. Deepa Holimath – Grooming Physical Dr. Sarvamangala Khanapuri – Grooming Logical

CA. Shravan Guduthur
Chairman
Bangalore Branch of SIRC of ICAI

CA. Geetha A.B
Convenor, Immediate Past Chairperson
Bangalore Branch of SIRC of ICAI

CA. Raveendra S. Kore
Secretary
Bangalore Branch of SIRC of ICAI

Online Registration open

DELEGATE FEE : Rs. 800/-

Mode of Payment: Online/Cash/Cheque/DD 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**

Please Visit: **www.jobportal.bangaloreicai.org**



**This is to convey to your good-self that ICAI is now accepting applications for
'Diploma in International Taxation' course**

**that is scheduled to start in
Bangalore from 9th June, 2018.**

The complete schedule is given as under:-

June, 2018 - 9th, 10th, 23rd, 24th

July, 2018 - 7th, 8th, 14th, 15th, 21st, 22nd, 28th, 29th

August, 2018 - 11th, 12th, 18th, 19th, 25th, 26th

September, 2018 - 1st & 2nd

Tentative venue - **Hotel Fortune JP Celestial**, Near Anand Rao Circle

Total 20 days, all weekends.

Further details can be had via the links given as under:-

- a) **Course details:** https://www.icaai.org/new_post.html?post_id=13126
- b) **Course Curriculum:** <https://resource.cdn.icaai.org/42389citax32097cc.pdf>
- c) **Registration and payment links:** https://www.icaai.org/post.html?post_id=13125
- d) **Past Year's Papers Link:** https://www.icaai.org/post.html?post_id=13546

Bangalore Branch of SIRC of ICAI

Is looking for immediate purchase, a commercial building
between 20,000 to 30,000 Sqft of built up area with adequate parking facility.
Preferably, a prime location with minimum 40ft width approach road in
South and or West Bangalore,
having connectivity to Metro/ Bus Station with clear title documents.
Property duly constructed as per the BBMP approved plan, with OC and
ready to move in condition shall only be considered. Brokers excused.

Interested parties may immediately contact as under:

Email: blrchairman@icaai.org / blradmin@icaai.org | Ph: 080 - 3056 3508



Bangalore Branch of SIRC of ICAI

ANNOUNCEMENT

Coaching Classes: Foundation Course/CPT, IPCC & FINAL Students IPCC/
Intermediate & FINAL for Nov 2018 Examinations

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/CPT, IPCC/Intermediate and FINAL coaching classes will be commencing at the Bangalore Branch of SIRC of ICAI from May 2018. The classes will be concluded by August 2018.

Salient features

- * Experienced, Expert and Dedicated faculty members
- * Methodology – Conceptual teaching
- * Affordable Coaching Fee

The journey of CA with Bangalore Branch is that of progress with innumerable activities of knowledge supported and guided by our senior renowned faculty members- resource persons.

During the course, amazing , inspiring and motivational sessions and Orientation classes will be conducted . Hence be proud to be a part of the Branch by enrolling as a student to become a prestigious member of this glorious profession

**Attention:
Foundation/CPT, IPCC &
FINAL Students**

Course	Fees	Duration (4 Months)	Timings
Foundation/CPT Course	Rs.8,500/-	24 th May 2018 to August 2018	04.30pm to 07.30pm (Monday to Saturday) & 08.00am to 12.30pm (Sunday)
IPCC/ Intermediate	IPC/Intermediate Rs. 13,500/- for Both Groups Rs. 9,500/- for Single Group Rs. 3,500/- for Single Subject	24 th May 2018 to August 2018	06.30am to 09.30am & 06.00pm to 09.00pm & (Monday to Saturday) 08.00am to 05.30pm (Sunday)
CA FINAL	FINAL Rs.15,000/- for Both Groups Rs. 10,000/- for Single Group Rs. 4,000/- for Single Subject	24 th May 2018 to August 2018	06.30am to 09.30am & 06.00pm to 09.00pm & (Monday to Saturday) 08.00am to 05.30pm (Sunday)

CA. Shravan Guduthur

Chairman

CA. Raveendra S Kore

Secretary

CA. Srinivasa T

Chairman, SICASA

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

Registration Fees - Mode of payment: DD should be drawn in favour of
"Bangalore Branch of SIRC of ICAI" payable at Bangalore.

For further details please contact: Tel: 080-30563500 / 547 /511/555

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



GENERAL ANTI AVOIDANCE RULES IN INDIA – IMPACT ON BUSINESS TRANSACTIONS

CA. Chandrashekara Acharya & CA. Sajini Sivaraman



Indian tax laws, though had certain specific anti avoidance measures, did not have any general anti avoidance rules or regulations. The Courts have over the years drawn out the general parameters and principles in outlining whether a transaction or scheme would be considered as tax avoidance/tax evasion or tax planning under the tax laws, though the uncertainty continues.

Tax mitigation (also referred as tax planning) is a situation where the taxpayer uses a fiscal incentive available to him in the tax legislation by submitting to conditions and economic consequences that the particular tax legislation entails¹.

On the other hand, tax avoidance is the result of actions taken by the assessee, none of which is illegal or forbidden by the law in itself². Thin line of difference between tax planning and tax avoidance has led to litigation between taxpayers and tax authorities.

Taxes are one of the prime revenue source for the governments. Tax avoidance measures leading to base erosion and profit shifting, results in loss of revenue for governments, with estimates (based on research undertaken since 2013) indicating annual losses of anywhere from 4-10% of corporate income-tax revenues i.e. USD 100 to 240 billion annually³.

¹ Final report on GAAR in Income-tax Act, 1961 by Expert Committee, 2012

² Hela Holdings Pvt Ltd v CIT [2003] 263 ITR 129 (Calcutta HC)

This compelled various countries to introduce anti avoidance measures as a part of their domestic tax laws.

General Anti-Avoidance Rule commonly known as 'GAAR' is an anti-avoidance provision introduced by the Indian Government under the Income Tax Act, 1961 ('Act'). It empowers the revenue authorities to deny tax benefits to transactions or arrangements whose main purpose is to obtain tax benefit and which satisfies other prescribed conditions like transaction lacking commercial substance, creation of rights or obligations which are not normally created between persons dealing in arm's length.

International presence

Australia was one of the first countries to introduce GAAR in its tax laws. It was introduced in 1981, which was later amended to incorporate the Multinational Anti-Avoidance Law as a part of their GAAR rules. GAAR provisions were also introduced by other countries like Belgium, Canada, China, France, Germany, Italy, New Zealand, Poland, Singapore, South Africa, UK etc. These anti-avoidance rules target the arrangements and transactions that were entered to obtain tax benefits, to avoid PE status, etc.

Introduction in the Indian Income Tax Act, 1961 ('Act')

GAAR⁴ provisions were introduced in the Act by Finance Act 2015 and is applicable

³ Information brief on OECD BEPS Final reports

⁴ Refer Chapter X-A of the Act

from 1 April 2017 after much deferment. The underlying principle of GAAR provisions is "substance over form".

The Act gives the power to the revenue to presume that the main purpose of any arrangement is to obtain tax benefit, unless proved otherwise by the taxpayer, if the main purpose of a step in or part of the transaction is to obtain tax benefit. This is irrespective of the fact that the main purpose of the entire arrangement is not to obtain tax benefit. Thus, tax authorities have vast powers to bring any transaction/arrangement under the clasps of GAAR provisions.

Once the arrangement is considered as impermissible under GAAR provisions, the tax and treaty benefits otherwise available to the taxpayer may also be denied.

Thus, GAAR provisions override all other provision including the beneficial treaty provisions⁵.

Exclusions from GAAR

As per the Income Tax Rules⁶, GAAR provisions shall not apply:

- (i) when the tax benefit in an assessment year to all the parties of the arrangement does not exceed Rs. 3 crores in aggregate
- (ii) to Foreign Institutional Investor ('FII') who is an Income-tax assessee invested in securities as per the SEBI regulations, whether listed or

⁵ Section 90A(2A) of the Act

⁶ Rule 10U of Income-tax Rules, 1962

not and has not taken any treaty benefits

- (iii) Non-resident for investments made in a FII
- (iv) Income from transfer of investments (i.e. assets held by an enterprise for earning income by way of dividend, interest, rentals and for capital appreciation⁷) made before 1 April 2017

GAAR provisions could be invoked on any arrangement, if tax benefit from such arrangement is derived after 1 April 2017, irrespective of date of arrangement, but subject to satisfaction of other prescribed conditions.

Thus, any arrangement (even if entered prior to 1 April 2017) structured for reducing the tax incidence on income streams such as royalty, fees for technical services, interest, etc. could be covered under the GAAR provisions if any tax benefit from such arrangement is derived after 1 April 2017.

Only exception to the above provision is income from transfer of investments which would be covered by GAAR provisions only if investment is made after 1 April 2017.

An Impermissible Arrangement – Interpretation and Implications

The trigger point of invoking GAAR is when an arrangement is categorized as “impermissible”. The Act defines the term impermissible avoidance arrangement⁸. When the main purpose of any arrangement is to obtain the tax benefits and it

- i. Creates rights/obligations which are not ordinarily created in dealings among third parties
- ii. Results in misuse of income tax provisions

iii. Lacks or deemed to lack commercial substance

iv. Carried out in a manner not ordinarily employed for bonafide purposes

These provisions are so wide and subjective, that it gives the tax authorities the authority to categorize even the day-to-day transactions as an “impermissible arrangement”. To add to this, GAAR may also be applied even to a part of an arrangement

The Act only defines the term commercial substance⁹ in the third condition. For the first condition, one may refer to the arm’s length determination in transfer pricing legislation.

Other two conditions are subjective in nature and no clear instructions are available under the Act as to what can be construed as a misuse of tax provisions or as a bonafide business act. Post introduction of GAAR, CBDT has also released certain clarification¹⁰ on implementation of GAAR provisions.

Let us discuss few common business scenarios which could come under the scanner of the tax officers as an impermissible arrangement

1. Discount given to customers

- Discounts are the most common and lucrative trade incentive given to the customers.
- A Ltd., wholesale dealer gave discounts to all its customers. However, the discount given to B Ltd. was higher than given to other parties.
- The tax officer may invoke GAAR on discount given to all customers/ higher discount given to B Ltd. on the following grounds:

➤ Main purpose of offering discount is to obtain tax benefit in the form of higher deductible expenditure

➤ Offering discounts higher than other wholesale dealers in the industry does not satisfy the arm’s length criteria (first condition)

➤ Offering discount to B Ltd higher than other customers of A Ltd, also does not satisfy arm’s length criteria (first condition)

- A Ltd could substantiate rationale for higher discount offered to its customers when compared to other players in the industry with business reasons such as market penetration strategy, retention of existing customers or expansion of market base.
- A Ltd. could substantiate higher discount only to B Ltd. with commercial reasons such as long term customer relationship, huge volumes of transaction, etc. and contend that main purpose of offering such discount is not to obtain tax benefit.
- Whether such business reasons for offering higher discounts would be accepted by tax authorities/ approving panel/appellate authorities needs to be seen as the law on GAAR provisions is evolving.

2. Intra-group Reimbursements

- In case of companies belonging to same group, there may be various group corporate expenses, which one of the entities in the group incur on behalf of other entities.
- P Ltd. a Singapore based entity in the PQR group of companies incurs software license cost on behalf of other group companies including

⁷ Circular No 7/2017 dated 27 January 2017

⁸ Section 96 (1) of the Act.

⁹ Section 97 of the Act

¹⁰ Circular No 7/2017 dated 27 January 2017



R Ltd, an Indian tax resident. P Ltd pays the software license cost to X Ltd, a German tax resident.

- The expenses incurred by P Ltd. is cross charges to R Ltd. on actual cost basis. No taxes are deducted by R Ltd. on such payments to P Ltd. as the same is considered as reimbursements.
- The tax authorities may invoke GAAR provisions considering that had the transaction been directly entered between R Ltd. and X Ltd., then the same would have been income arising in India taxes would have been deducted on such income in India
- P Ltd may also be considered as an accommodating party by the tax authorities
- If R Ltd. can substantiate the business reasons for routing the transaction through P Ltd (say, administrative convenience, higher discount availed through centralized procurement etc), then it has a good case to argue that GAAR provisions should not be invoked.

3. Interest on outstanding receivable

- Off late, transfer pricing authorities in several cases are imputing notional interest on receivables due from associated enterprises and making an adjustment to arm's length price.
- Tax authorities could invoke GAAR provisions to re-characterize such receivables due from domestic as well as foreign associated enterprises and impute notional interest.
- Taxpayer could put forth business reasons for outstanding receivables

(like extended credit period as per contractual terms, interest not charged on third party receivables) to contend that GAAR provisions should not be invoked on outstanding receivables.

- In respect of outstanding receivables from foreign associated enterprises, taxpayer could also contend that specific anti avoidance provisions in the form of transfer pricing provisions are applicable and hence GAAR provisions cannot be invoked.

4. Funding options: Equity vs Debt

- An enterprise may choose to issue debt instruments over equity options, as the cost of debt is a tax-deductible expense as against the profits distributed as dividends in case of equity.
- Under the Act, such interest expenses to AE is already limited to 30% of profits¹¹. Therefore, there is a SAAR (Specific anti- avoidance Rule) in place. However, as per CBDT Circular¹², GAAR and SAAR can co-exists and are applicable, based on facts and circumstances of the case.
- If there are commercial reasons for opting for debt vis-à-vis equity like dilution in ownership, administrative convenience of serving debt when compared to equity etc. then taxpayer can defend invocation GAAR provisions
- Taxpayer can also contend that when there are multiple options for carrying out a transaction, GAAR provisions cannot interplay with the right of taxpayer in choosing one of them.

¹¹ Section 94B of the Act

¹² Circular No.7/2017 dated 27 January 2017

Interplay between the GAAR and MLI

Multilateral Instrument ('MLI'), for implementation of BEPS Action Plan 15, was introduced to strengthen the anti-abuse measures in tax treaties.

India is a signatory to MLI and the MLI requires all signatories to meet certain treaty-related minimum standards to counter abuse of treaties. One of these minimum standards is the Principal Purpose Test (PPT), wherein tax treaty benefits can be denied if one of the principal purposes of an arrangement or transaction is to directly or indirectly obtain a tax benefit.

PPT is broader in ambit than GAAR as treaty benefits can be denied if one of the principal purposes is to obtain tax benefit whereas GAAR requires fulfilment of main purpose test as well as any of the four prescribed conditions. Consequently, an arrangement which could be outside the purview of GAAR (on the ground that main purpose is not to obtain tax benefit) can still be denied treaty benefit if PPT is satisfied.

Way Forward

Post introduction of GAAR, the first financial year has just ended. No doubts that introduction of GAAR has widened the powers of the tax authorities extensively, though subject to approval from an independent approving panel. It will take some time for clarity and certainty on various aspects of GAAR given that it has not been tested and there is a long way to go before it gets picked up for tax audit, litigated and then settled.

The views in this article are personal views of authors.



CYBER CRIME

CA. T.P.S. Easwaran, FCA, DISA (ICAI) CISA

*"There is enough in this world
for every man's need, but there isn't
enough for every man's greed"*

- Mahatma Gandhi

The word "Cyber" is derived from cybernetics, the study of communication and control systems in living beings and machines. *Cybernetics* was the title of a book written by mathematician Norbert Wiener in 1948. "Cyber" can be added to (almost) any word to create an Internet reference (e.g., cybersecurity, cyberspace, cybercrime, cyberwar).

Cyber Crime is a general term used to refer all criminal activities done using medium of computers, mobile phones (personal Digital Assistants). Cybercrime involves criminal activities which affect a person monetarily by unlawful acts. In this type of crime computer is used as tool with the help of software. In future Nuclear bomb is not required to destroy enemies. Cyber Terrorism is going to play an important role to destroy the economy of a country. Indian Law has not defined the Cyber Crime. On the contrary it is covered in Chapter XI of the Indian Information Technology Act 2000. This includes

Tampering with computer source code

Hacking

Data Theft

Spreading virus & Computer

Contaminants

DOS Attacks

Source Code Theft

Publishing, transmitting or causing to be published any information in the electronic form.

The first recorded cybercrime took place in year 1820. That is not surprising considering the fact that abacus, which was thought to be the earliest form of a computer, has been around since 3500 BC in India, Japan and China. The era of modern computers however began with analytical engine of Charles Babbage.

In 1820 a Textile manufacturing company in France produced loom using a device in the production. This device allowed the repetition of a series of process in weaving of fabrics. Fear was created among the employees as they felt that their livelihood has been threatened by this invention and they indulged in sabotage to discourage new technology.

Today Information Technology revolution provides the multiplier effect for committing fraud. A click of mouse can inflict an exponentially greater damage.

Different Types of Cyber Crime.

Hacking - Unauthorised attempts to bypass security system of the Information System.

Spreading virus or Worms

Phishing - Criminally fraudulent process to attempting to acquire sensitive information.

Email Bombing - Sending high volume of email to over flow the mail box

Cyber Bullying - User of Information technologies to online transaction of purchase from portal.

Identity Theft - Theft in the form of cheating of another person's identity.

Email Fraud - Email is an inexpensive and most popular method of sending fraudulent messages. It can target financial, banking or social media with the tool of email.

Email Spoofing - Sending email by altering the sender's addresses and the other parts of the email header.

Credit and Debit Card Fraud

Photography - sexually explicit subordination of woman through pictures. Child abuse images

DOS - Denial of service attack means flooding a computer with more request beyond the capacity it can handle.

Web Defacement - Substitution of original home page of a website with another page by a hacker.

Software Piracy - Unauthorised copying and usage of software without licence.

The top four cyberthreats in 2016 were malware, web-based attacks, web application attacks and DoS attacks. These attacks are successful because



cyber attackers invest significant amounts from their profits to advance and mature their infrastructures.

Some basic principles behind cyber risk are reviewed by first distinguishing between information, IT and cybersecurity.

Information Security Defined

Information is data that are:

- Accurate and timely
- Specific and organised for a purpose
- Presented within a context that gives them meaning and relevance
- Able to lead to an increase in understanding and decrease in uncertainty

In the past 25 years, the nature of corporate asset value has changed significantly, shifting away from the physical and toward the virtual. Nearly 90 percent of the total value of the Fortune 500 now consists of intellectual property (IP) and other intangibles. Along with the rapidly expanding digitization of corporate assets, there has been a corresponding digitization of corporate risk. Accordingly, policy makers, regulators, shareholders and

the public are more attuned to corporate cybersecurity risk than ever before.

The US National Institute of Standards and Technology (NIST) defines the control families shown in figure 2. Many of these control families include varying combinations of prevention, deterrence, avoidance, detection, correction and recovery controls.

ISO/IEC 27032:2012 defines cybersecurity as the “preservation of confidentiality, integrity and availability of information in the cyberspace.” Cyberspace is the interaction of people, software and services on the Internet. For this article, cybersecurity is a single catch-all term meaning the protection of the use of cyberspace from cyberattacks.

In one survey, when asked how likely it is that the enterprise will experience a cyberattack in 2017, 80 percent of cybersecurity professionals replied, “very likely” or “likely.” And 61 percent of global CEOs list cyberthreats in the top 10 threats facing their businesses.

According to the “2017 Sarbanes-Oxley Compliance Survey” of global consultancy firm Protiviti, organizations

pay far more attention to cybersecurity and allocate substantial time and resources for compliance than way back in 2002.

To keep up with the times, a proposed new bill, the Cybersecurity Systems and Risks Reporting Act, will amend SOX to also apply to cybersecurity systems and cybersecurity systems officers and bring it up to date.

Currently, there are two SOX sections that relate specifically to cybersecurity.

- The first is Section 302 which requires companies to have systems in place that protect against data tampering – both internally by unauthorized personnel as well as externally by malware or hackers.
- The second is Section 404 which requires that the organization's security system can protect the handling of data which should be verified independently. All data must be made available to auditors, including financial records as well as any potential security breaches.

With the new bill, the current Sections 2, 3, and 10 will be modified to add cybersecurity.

Figure 2—NIST Control Families

ID	FAMILY	ID	FAMILY
AC	Access Control	MP	Media Protection
AT	Awareness and Training	PE	Physical and Environmental Protection
AU	Audit and Accountability	PL	Planning
CA	Security Assessment and Authorization	PS	Personnel Security
CM	Configuration Management	RA	Risk Assessment
CP	Contingency Planning	SA	System and Services Acquisition
IA	Identification and Authentication	SC	System and Communications Protection
IR	Incident Response	SI	System and Information Integrity
MA	Maintenance	PM	Program Management

Source: National Institute of Standards and Technology, Special Publication SP800-53 Rev. 4, USA, 2013. Reprinted with permission.

In Section 2 – Cybersecurity and information system requirement, the current Section 2(a) of SOX will be amended by changing “financial statements” to “financial statements and information systems”. In the current Section 3 (a) “and financial” will be replaced by “financial, and cybersecurity systems”, and in Section 10(b) “quality control policies and procedures” will be replaced by “quality control policies and procedures, cybersecurity systems standards and practices.”

The bill will also add three sections that define the terms information system, cybersecurity system and cybersecurity risk. The latter refers to “a significant vulnerability to, or a significant deficiency in, the security and defence activities of a cybersecurity system.”

A comprehensive cybersecurity assessment led by senior management is a critical first step to identify gaps in the organization’s cybersecurity capability and the practical steps needed to improve protection of data and systems and respond and recover from a cyberattack incident.

The starting point for the organization’s

(now required) cybersecurity improvement road map should be a current-state assessment based on a formal cybersecurity assessment framework. One widely recognized approach is the US NIST Cybersecurity Framework (NIST CSF). Further controls from other control libraries such as Centre for Internet Security’s Critical Security Controls, Australian Government’s Essential Eight and Information Security Manual, and ISACA’s COBIT 5 can enhance the assessment baseline of controls.

Framework core consists of the following five concurrent and continuous functions:

1. Identifying information assets and support functions to manage cybersecurity risk to data, systems and service capabilities
2. Protecting information and systems through appropriate safeguards to ensure delivery of critical infrastructure services
3. Detecting the occurrence of a cybersecurity event
4. Responding decisively to a detected cybersecurity event

5. Recovering quickly to maintain resilience and restore the services impaired by a cybersecurity event.

Conclusion

Given the pervasive nature of cyberattacks, it is not possible to protect everything. Security teams must focus on protecting the organization’s most critical information and systems. That changes the definition of successful defence from “keeping cyberattackers out” to “sometimes, cyberattackers are going to get in.”

In achieving cybersecurity protection objectives, it is important to focus on bigger-picture business processes rather than just the three pillars of confidentiality, integrity and availability. Business process assurance is the ultimate objective of information, IT and cybersecurity.

Source reference

Cyber Laws & Cyber Crimes Author Advocate Prashant Mali (BSC(Phy) Msc (Comp.Sci), LLB) Show white Publication. Information Technology Act 2008 with New IT Rules, 2011.

OBITUARY



We deeply regret to inform sad demise of
CA. H.R. Venkatesh Prasad
on 20-04-2018
Membership No.: 020542



We deeply regret to inform sad demise of
CA. Tarachand Mehta
Past Chairman - 2007-08,
Bangalore Branch of SIRC of ICAI
on 23-04-2018
Membership No.: 024918

May their soul rest in peace.



Bangalore Branch of SIRC of ICAI

INTRODUCING "JOB PORTAL" TO HELP CA FIRMS RECRUIT

- Article Trainees
- Paid Assistance
- Chartered Accountants

Please Visit-

www.jobportal.bangaloreicai.org

CA. Shravan Guduthur
Chairman
Bangalore Branch of SIRC of ICAI

CA. Raveendra S. Kore
Secretary
Bangalore Branch of SIRC of ICAI

Congratulations



CA. N. Nityananda

has been co-opted on the
Auditing and Assurance
Standards Board [AASB]
of ICAI for the year 2018-19.





The Institute of Chartered Accountants of India (ICAI)
(set up by an Act of Parliament)



ENVIION . EQUIP . EXCEL

Hosted by Bangalore Branch
of SIRC of ICAI
Jointly organized by
Belgaum, Bellary, Hubli, Kalaburgi
Mangalore, Mysore & Udupi Branches
of SIRC of ICAI

15th KARNATAKA STATE LEVEL CAs' Conference

15th & 16th June 2018 . Bengaluru
Jnana Jyothi Auditorium
Central College Campus
Bengaluru

day 01

Friday, 15th June 2018

09.00 AM - 10.00 AM	REGISTRATION
10.00 AM - 11.00 AM	Inauguration by a Distinguished Personality
11.00 AM - 11.30 AM	TEA/COFFEE BREAK
11.30 AM - 01.00 PM	TECHNICAL SESSION Fortifying your Organization – Designing & Implementing Controls for Fraud Prevention CA. Chetan Dalal, Mumbai
01.00 PM - 01.30 PM	TECHNICAL SESSION Alternative Investment – A Strong Investment Substitute – VS Stocks Bullion Real- estate
01.30 PM - 02.30 PM	LUNCH BREAK
02.30 PM - 04.00 PM	TECHNICAL SESSION Internal Auditor as Business Leader – Innovation & Effectiveness CA. Himanshu Kishnadwala, Mumbai
04.00 PM - 04.30 PM	TEA/COFFEE BREAK
04.30 PM - 06.00 PM	TECHNICAL SESSION GST – Audit Perspective CA. Jatin Christopher
06.30 PM onwards	Entertainment - Cultural Program

day 02

Saturday, 16th June 2018

08.30 AM - 09.15 AM	BREAKFAST
09.15 AM - 10.00 AM	Health Session
10.00 AM - 10.45 AM	TECHNICAL SESSION Code of Conduct and Professional Ethics CA. T.N. Manoharan
10.45 AM - 11.15 AM	TEA/COFFEE BREAK
11.15 AM - 12.00 AM	SPECIAL SESSION East Vs. West - The Myths that mystify CA. M.R. Venkatesh, Chennai
12.00 PM - 01.30 PM	TECHNICAL SESSION ICDS - Confusion and Distortion -Final Position CA. Gururaj Acharya
01.30 PM - 02.30 PM	LUNCH BREAK
02.30 PM - 03:45 PM	TECHNICAL SESSION Income tax- Section 115BBE implications & cash transactions- post demonetisation CA Kapil Goel
03:45 PM - 04.00 PM	TEA/COFFEE BREAK
04.00 PM - 04.30 PM	TECHNICAL SESSION Sponsor Session
04.30 PM - 05.30 PM	TECHNICAL SESSION Startups - Angel Investment: Not Simple Any More Ms. Sharda Balaji and Mr. Ravindra Krishnappa

PROGRAMME SCHEDULE

CA. Shravan Guduthur
Chairman . Bangalore Branch of SIRC of ICAI

CA. Raveendra S Kore
Secretary . Bangalore Branch of SIRC of ICAI

CA. Madhukar N Hiregange
CCM and Chairman, IDTC, ICAI . Conference Convener

CA. Cotha S Srinivas
Immediate Past Chairman of SIRC of ICAI . Conference Convener

DELEGATE FEE

Members - Rs. 2200 plus GST
Non Members – Rs. 5000 plus GST

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

For Registration, please contact :
Ms. Geetanjali D . 080 3056 3513 / 3500

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

Bangalore Branch of SIRC News Letter English Monthly Printed, Published & Edited by Editor CA. Shravan Guduthur, Chairman, on behalf of Bangalore Branch of SIRC of ICAI., No.16/O, 'ICAI Bhawan', Millers Tank Bed Area, Vasantnagar, Bangalore-560052, Karnataka

Tel : 080 - 3056 3500, Fax : 080 - 3056 3542, www.bangaloreicai.org e-mail : bangalore@icai.org

Printed at: Jwalamukhi Mudranalaya Pvt. Ltd., 44/1, K.R. Road, Basavanagudi, Bangalore-560 004, Ph : 080-26617243, e-mail : jwalmuki@gmail.com