

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Bangalore Branch of SIRC e-Newsletter

Volume 07 | Issue 5 | December, 2018 | Pages : 20

English Monthly
For Private circulation only



- One Day Seminar on
Media and Entertainment Industry
4th December 2018

- Two Days' Conference on
GST Audit & Annual Returns
11th & 12th December 2018

- CA Students Conference**
@ Bangalore
15th & 16th December 2018

- One Day Seminar on
Pharma Industry
8th January 2019

- One Day Seminar on
Auditing Standards
12th January 2019

- One Day Seminar on
E-commerce Industry
19th January 2019

Chairman's Communique . . .



Dear Professional Colleagues,

Just like a woodcutter who needs to strategically sharpen his axe to get higher and faster output, we Chartered Accountants have to stay updated to stay relevant. We just moved through the busy season of Tax Audits and TP assignments, and now we have to embrace ourselves for the first ever GST audit and annual return season. December also reminds us to check if we are compliant with the CPE requirements

as per ICAI guidelines.

As the year draws to an end, we are also entrusted with the important responsibility of electing our future representatives of **ICAI - Regional and Central Council** – who shall work for the wellbeing of the members, students, employees and the profession as a whole. The election is scheduled on **7th & 8th December 2018**. We, being the LARGEST branch in the country are also known for the POOREST response when it comes to participating and casting our votes in the elections. **I, on behalf of ICAI, urge all members to come forward and cast their votes without fail.** The list of all candidates with their Serial Numbers is given below for your perusal.

LIST OF CANDIDATES - ELECTION 2018

CENTRAL COUNCIL		REGIONAL COUNCIL (SIRC)	
S.No.	Name	S.No.	Name
1	CA. Adusumilli Venkateswara Rao	1	CA. Abhishek M
2	CA. Babu Abraham Kallivayalil	2	CA. Alagappan V
3	CA. Balasubramanyam P S	3	CA. Baskar R
4	CA. Chadalawada Venkatram Ramireddygar	4	CA. Chengal Reddy
5	CA. Dayaniwas Sharma	5	CA. China Masthan Talakayala
6	CA. Gangadharan M V	6	CA. Dhavalagi Chandramappa Ramanna
7	CA. Madhava Murthy K S	7	CA. Dungar Chand U Jain
8	CA. Mallam Sreenivasula Reddy	8	CA. Geetha A B
9	CA. Muppala Sridhar	9	CA. Jalapathi K
10	CA. Phalguna Kumar E	10	CA. John Moris A
11	CA. Prasanna Kumar D	11	CA. Jomon K George
12	CA. Rajendra Kumar P	12	CA. Kandasamy R
13	CA. Rajgopal A	13	CA. Katta Ramachandra Reddy
14	CA. Ramakrishnan R	14	CA. Madhavan S
15	CA. Sabu Thomas	15	CA. Mandava Sunil Kumar
16	CA. Satyanarayana G V V	16	CA. Muralidharan K P
17	CA. Sekar G	17	CA. Naresh Chandra Gelli
18	CA. Srinivas Cotha S	18	CA. Pampanna B E
19	CA. Venugopal Swami B	19	CA. Panna Raj S
20	CA. Vijay Kumar M P	20	CA. Rajagopal C
21	CA. Viswanath Vinod Kumar	21	CA. Rajesh S
		22	CA. Revathi S Raghunathan
		23	CA. Sankar M S
		24	CA. Satheesan P
		25	CA. Sathyamoorthy N
		26	CA. Siva Prasad A S R S S
		27	CA. Subba Rao Muppala
		28	CA. Sumermal D Ostawal
		29	CA. Sundararajan R
		30	CA. Umamaheswara Rao O K
		31	CA. Yarra Tirupathaiah

The month that was – November 2018

One Day **Workshop on Issues in Assessments, Re-assessments, E-assessments (especially with respect to cash deposits post demonetisation), rectifications and replies online and prosecution during TDS proceedings** was organized on 10th November 2018 at Vasanthnagar Branch Premises. The deliberations during the Workshop by the distinguished Chief Guest - Hon'ble Justice of the High Court of Karnataka, Shri Vineet Kothari and Mr. Ravichandran Ramasamy, I.R.S., Pr- Director Income Tax Investigation (Karnataka & Goa) was informative. I thank the able Co-ordinator

CA. Naveen Khariwal for showing keen interest in the Branch activities and I thank all the speakers & participants. 190 Members were empowered through the same.

One Day **Seminar on Emerging Technologies – Navigating the Future** was organized on 17th November 2018. I thank CA. Babu Jayendran for co-ordinating & putting together a value additive seminar for our members. Also I thank all the speakers for making a valuable & successful seminar in this month. 196 Members benefitted.

To empower our members on the regulatory framework, in the field of GST and Income Tax, especially from the healthcare perspective, an industry-wise, One Day **Seminar on Healthcare Industry** was held on Tuesday, 27th November at Vasanthnagar Branch Premises. 173 Members were empowered through the same.

An Interactive Meeting on Income Tax Settlement Commission was jointly organised by Bangalore Branch of SIRC of ICAI and Federation Chambers of Commerce Industry (FKCCI) on Wednesday, 14th November 2018 at 5.00 pm at Tally Hall, Centenary Building, FKCCI. Mr. H.C. Jain, Hon'ble Vice Chairman, Income Tax Settlement Commission, Mumbai addressed on utilising the window of Income Tax Settlement Commission for settling Income Tax Disputes without penalties & prosecution.

To commemorate the **World Commerce Education Day** on 10th November, we organized Career Counselling programmes in 7 colleges in various parts of the city for the benefit of the students.

On 1st December 2018 **"Kala Kruti" - a Cultural Programme** was organized. This cultural programme was filled with lots of activities, a platform that helped members exhibit their talents with great joy and vigour. Smt. Sudha Baragur, a renowned speaker and a humorist (stand-up comedian), was invited for this Cultural programme, as a special guest, whose talk was very well appreciated and perceived to be a stress buster by many.

The months ahead – December 2018 & January 2019

A One Day **Seminar on Media and Entertainment Industry** - Trends and Crystal Gazing in the Future - is being organized on Tuesday, 4th December 2018 at Vasanthnagar Branch Premises between 10.00 am & 6.00 pm. Topics and Speaker details are presented elsewhere in this newsletter.

In continuation of my foreword, I humbly request all the Members to vote **on 7th & 8th December 2018 to the Twenty Fourth Central Council & Twenty Third Regional Council elections** at the allocated polling booths in Bangalore.

It's time to gear up for GST Audit and GST Annual Returns, hence a Two Days' **Conference on GST Audit & Annual Filings** is being organized under the aegis of Indirect Taxes Committee on Tuesday & Wednesday, 11th & 12th December 2018 at Dr. B.R. Ambedkar Bhawan Auditorium between 9.30 am & 5.30 pm. I request Members to register upfront on our website. Topics and speaker details are presented elsewhere in this newsletter.

On Thursday, 13th December 2018, **Hands on Training - Technology Tools in GST Audit** is being organized at Racecourse Road between 5.00 pm & 8.00 pm. This training is limited to only 55 Members.

Continuing our Industry wise Seminars, **One Day Seminars** are being organised by Bangalore Branch of SIRC of ICAI **between 9.30 am to 5.30 pm at Vasanthnagar Branch Premises**. The details and programme structures are presented elsewhere in this Newsletter.

I request members to register online for the said Seminars.

Programmes for Students:

The two day **CA Students' Annual Conference** is fast approaching. This conference is organized on 15th & 16th December 2018 at Ambedkar Bhawan, Bangalore. Interesting topics and Speakers are handpicked from their respective fields. Details are presented in this newsletter elsewhere. I request my professional colleagues to encourage CA students to participate in the said conference.

Before we sign off 2018, I wish all members and students a Merry Christmas!!

With warm regards,

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

CALENDAR OF EVENTS - DECEMBER 2018 & JANUARY 2019

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
01.12.2018 Saturday	"Kalaa Kruti" Kannada Rajyotsava Day Celebration Cultural Program by CAs	Branch Premises 3.30 pm to 8.00 pm	—
04.12.2018 Tuesday	One Day Seminar on Media and Entertainment Industry <i>Organized by : Bangalore Branch of SIRC of ICAI</i> <i>Delegate Fee : Members - Rs.750/- Inclusive of GST Non Members - Rs.2,000/- Inclusive of GST</i> <i>Details at Pg. No. 6</i>	Branch Premises 9.30 am to 5.30 pm	6 hrs
05.12.2018 Wednesday	Internal Controls in Service Industry & Role of Automation CA. Gopalakrishnan R	Branch Premises 6.00 pm to 8.00 pm	2 hrs
07.12.2018 & 08.12.2018 Friday & Saturday	24th Central Council & 23rd Regional Council Elections at 1. Queens Road, 2. ICAI – Vasanthnagar, 3. St. John's Medical College, Koramangala, 4. Ganganagar & 5. K.R. Puram	8.00 am to 8.00 pm	—
11.12.2018 & 12.12.2018 Tuesday & Wednesday	Two Days' Conference on GST Audit & Annual Returns <i>Organized under the aegis of Indirect Taxes Committee of ICAI</i> <i>Hosted by Bangalore Branch of SIRC of ICAI</i> <i>Delegate Fee : Members - Rs.1,750/- Inclusive of GST Non Members - Rs.5,000/- Inclusive of GST</i> <i>Details at Pg. No.: 7</i>	Dr. B.R. Ambedkar Bhawan Millers Road, Bengaluru 9.30 am to 5.30 pm	12 hrs
12.12.2018 Wednesday	Recent Notifications & Companies Amendment Act 2017 CS. Abhishek Bharadwaj	Branch Premises 6.00 pm to 8.00 pm	2 hrs
13.12.2018 Thursday	Technology Tools in GST Audit CA. H. Shivakumar	29/1, Racecourse Road Next to Sugam Travels Bengaluru -560 001 5.00 pm to 8.00 pm	3 hrs
19.12.2018 Wednesday	Equity Market Development CA. Mohit Bajaj	Branch Premises 6.00 pm to 8.00 pm	2 hrs
26.12.2018 Wednesday	Holiday – No Study Circle Meet		—
02.01.2019 Wednesday	NFRA Provisions and Case Studies from PCAOB - USA CA. Mohan R Lavi	Branch Premises 6.00 pm to 8.00 pm	2 hrs



CALENDAR OF EVENTS - DECEMBER 2018 & JANUARY 2019

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
08.01.2019 Tuesday	One Day Seminar on Pharma Industry <i>Organized by : Bangalore Branch of SIRC of ICAI</i> <i>Delegate fee : Members – Rs.750/- Inclusive of GST</i> Non Members – Rs.2,000/- Inclusive of GST <i>Details at Pg. No. 9</i>	Branch Premises 9.30 am to 5.30 pm	6 hrs
09.01.2019 Wednesday	Effective System of Internal Control & COSO 2013 CA. Ravi Kant	Branch Premises 6.00 pm to 8.00 pm	2 hrs
12.01.2019 Saturday	One Day Seminar on Auditing Standards <i>Organized by : Bangalore Branch of SIRC of ICAI</i> <i>Delegate fee : Members – Rs.750/- Inclusive of GST</i> Non Members – Rs.2,000/- Inclusive of GST <i>Details at Pg. No. 10</i>	Branch Premises 9.30 am to 5.30 pm	6 hrs
19.01.2019 Saturday	One Day Seminar on E-commerce Industry <i>Organized by : Bangalore Branch of SIRC of ICAI</i> <i>Delegate fee : Members – Rs.750/- Inclusive of GST</i> Non Members – Rs.2,000/- Inclusive of GST <i>Details at Pg. No. 11</i>	Branch Premises 9.30 am to 5.45 pm	6 hrs
16.01.2019 Wednesday	FEMA compliance during Statutory Audit CA. Santhosha Kumar	Branch Premises 6.00 pm to 8.00 pm	2 hrs
23.01.2019 Wednesday	Update on latest GST Advance Rulings CA. Kalyan Kumar. K	Branch Premises 6.00 pm to 8.00 pm	2 hrs
26.01.2019 Saturday	Republic Day Celebration	Branch Premises	—
30.01.2019 Wednesday	Recent Income Tax and Regulatory updates and rulings CA. Sandeep Jhunjunwala	Branch Premises 6.00 pm to 8.00 pm	2 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

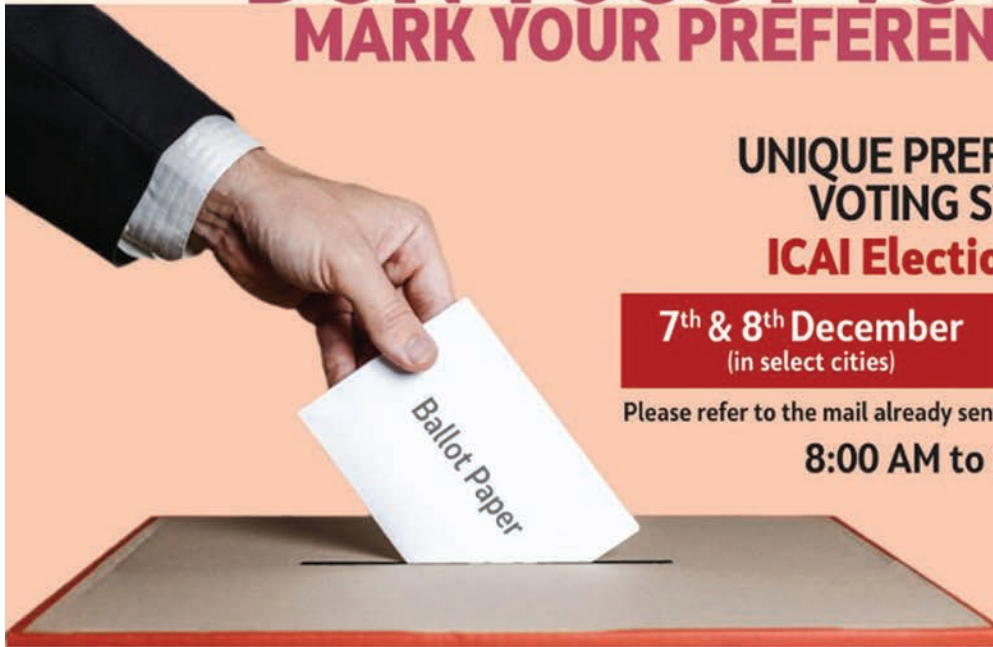
SUB EDITOR :
CA. RAVEENDRA S. KORE

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.



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

DON'T JUST VOTE – MARK YOUR PREFERENCE



UNIQUE PREFERENTIAL VOTING SYSTEM ICAI Elections 2018

7th & 8th December
(in select cities)

8th December
(all cities)

Please refer to the mail already sent regarding voting in your city

8:00 AM to 8:00 PM

What is Preferential Voting?

Preferential voting is a voting system where each voter can mark as many preferences as the number of candidates

READ THE IMPORTANT INFORMATION MENTIONED ON THE
MAILER ALREADY SENT / ICAI WEBSITE

IMPORTANT POINTS

- ➡ Indicate preference in Arabic Numerical Numbers i.e. 1 or 2 or 3 and so on in the assigned boxes against names of candidates, in the order of preference
- ➡ You can mark your preferences for maximum number of candidates contesting election
- ➡ Put a 'X' mark against the name of the candidate(s) you do not wish to vote for
- ➡ A ballot paper shall be invalid if it is so damaged or mutilated that its identity as a genuine ballot paper cannot be established
- ➡ Votes will be invalid for any of the following reasons :
 - ◆ In case Roman Numerals ((like i, ii, iii/I, II, III) or words (ONE, TWO, THREE/ एक, दो, तीन) are used
 - ◆ 1st preference is not mentioned
 - ◆ If number 1 is not marked or is placed against name of more than one candidate
 - ◆ Name of candidate is written
 - ◆ Voter's signature, name, any other marking by which the voter can be identified

For more details, please log on to www.icai.org



One Day Seminar on Media and Entertainment Industry

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

On **4th December 2018**

Venue: **Vasanthnagar Branch Premises**

Time: **9.30 am to 5.30 pm**



Timings	Topics	Speakers
9.00 am – 9.30 am	Registration	
9.30 am – 11.00 am	Media and Entertainment Industry – Trends and Crystal – Gazing in the Future	CA. Venkatesh Bhat
11.00 am – 11.30 am	Tea Break	
11.30 am – 1.00 pm	Critical Issues in Direct Tax for Media & Entertainment Industry	CA. Narendra J Jain
1.00 pm – 2.00 pm	LUNCH	
2.00 pm – 3.30 pm	Legal Aspects on Intellectual Property Rights, Copyright related to Media and Entertainment Industry	Adv. Abhishek Sharma
3.30 pm – 4.00 pm	Tea Break	
4.00 pm – 5.30 pm	Ind AS – Impact on Media and Entertainment Industry including Practical aspects	CA. Amrish Raj Chaudhary & CA. Shantanu Sonde

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 FEES:

RS. 750/- INCLUSIVE OF GST FOR MEMBERS

RS. 2,000/- 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**

Two Days' Conference on GST Audit & Annual Returns

Organized under the aegis of **Indirect Taxes Committee of ICAI**

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

On **11th & 12th December 2018**

Venue: **Dr. B.R. Ambedkar Bhawan Auditorium, Bengaluru**

Time: **9.30 am to 5.30 pm**

12 hrs
CPE

Timings	Topics	Speakers
TUESDAY, DAY 1		
8.30 am – 9.00 am	Registration	
9.00 am – 9.30 am	Inauguration by Distinguished Personality	
9.30 am – 11.00 am	Legal Provisions on GSTR 9 and 9C Overview of GSTR 9 – Supply related	CA. Jatin Christopher
11.00 am – 11.30 am	Tea Break	
11.30 am – 1.00 pm	Overview of GSTR 9 ITC related & Other Info	CA. Annapurna D Kabra
1.00 pm – 2.00 pm	LUNCH	
2.00 pm – 3.30 pm	Common areas of non-compliance having a high-risk exposure where auditees are likely to default <ul style="list-style-type: none"> ➤ Responsibility of Auditor ➤ Advisory role of an auditor – expectations and limits ➤ Standard on Auditing useful for GST Audits ➤ Discussion on suggestive standard checklist for GST Audits ➤ Analytical Procedures ➤ Audit Sampling ➤ Audit Documentation ➤ Communication of Audit Matters with Those Charged with Governance ➤ Written Representations ➤ Reliance on opinion of expert ➤ Desk Review, ICQ and Audit Plan / Program ➤ How to make working papers and its importance; Relevance on others (working paper) 	CA. Mohan R Lavi
3.30 pm – 4.00 pm	Tea Break	
4.00 pm – 5.30 pm	VAT Audit – For the period April 2017 to June 2017 – Issues and Complexities with examples	CA. Sanjay M Dhariwal



Timings	Topics	Speakers
WEDNESDAY, DAY 2		
9.30 am – 11.00 am	Approach for GSTR 9C outward Supply Reconciliation, Checklist, Reporting on reasons for difference	CA. Rajesh Kumar T.R
11.00 am – 11.30 am	Tea Break	
11.30 am – 1.00 pm	Approach for GSTR 9C ITC Related, Checklist, Reporting on reasons for difference	CA. Venugopal G
1.00 pm – 2.00 pm	LUNCH	
2.00 pm – 3.30 pm	Auditors Opinion on Additional Tax Liability	CA. Venkataramani S
3.30 pm – 4.00 pm	Tea Break	
4.00 pm – 5.30 pm	Points to consider in MRL, use of Automated tools, IT Environment Part B Audit report, qualification and points to consider	CA. Venugopal G

CA. Madhukar N Hiregange

*Chairman
IDTC of ICAI*

CA. Sharad Singhal

*Secretary
IDTC of ICAI*

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 FEES:

RS. 1,750 /- INCLUSIVE OF GST FOR MEMBERS

RS. 5,000/- 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

One Day Seminar on Pharma Industry

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

On **Tuesday, 8th January 2019**

Venue: **Vasanthnagar Branch Premises**

Time: **9.30 am to 5.30 pm**



Timings	Topics	Speakers
9.00 am – 9.30 am	Registration	
9.30 am – 11.00 am	Accounting & IND AS	CA. Anjani Khetan
11.00 am – 11.30 am	Tea Break	
11.30 am – 1.00 pm	Direct Tax & Transfer Pricing	CA. Subhobrata Sen
1.00 pm – 2.00 pm	LUNCH	
2.00 pm – 3.30 pm	GST Issues	CA. Jatin Christopher
3.30 pm – 4.00 pm	Tea Break	
4.00 pm – 5.30 pm	Pharma Industry- A capital market perspective	CA. Shubha Ganesh

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 FEES:

RS. 750/- INCLUSIVE OF GST FOR MEMBERS

RS. 2,000/- 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



One Day Seminar on Auditing Standards

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

On **Saturday, 12th January 2019**

Venue: **Vasanthnagar Branch Premises**

Time: **9.30 am to 5.30 pm**



Timings	Topics	Speakers
9.00 am – 9.30 am	Registration	
9.30 am – 11.00 am	Risk Assessment and Internal control procedures in Audit of SMEs – Covering SA 315, 330, 450, 402, 265	CA. Shyam Ramadhyani*
11.00 am – 11.30 am	Tea Break	
11.30 am – 1.30 pm	Special focus on Fraud reporting and increasing challenges related to Audit evidence and documentation - Covering SA 230, 240, 500, 530, 540, 600, 610, 620	CA. Shyam Ramadhyani*
1.30 pm – 2.30 pm	LUNCH	
2.30 pm – 4.00 pm	New Audit reports formats and Increasing responsibilities of Auditor – Covering SA 700, 701, 705, 706, 710, 720 and 570, 260	<i>Yet to finalize</i>
4.00 pm – 4.30 pm	Tea Break	
4.30 pm – 6.00 pm	Continuation of 3 rd Session	<i>Yet to finalize</i>

* Confirmation Awaited

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 FEES:

RS. 750/- INCLUSIVE OF GST FOR MEMBERS

RS. 2,000/- 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**

One Day Seminar on E-commerce Industry

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



On **Saturday, 19th January 2019**
Venue: **Vasanthnagar Branch Premises**
Time: **9.30 am to 5.45 pm**

Timings	Topics	Speakers
9.00 am – 9.30 am	Registration	
9.30 am – 11.00 am	Introduction to E-commerce – Recent developments from FEMA and FDI perspective - Summary of the key tax issues relevant to the E-commerce sector	CA. Vivek Mallya
11.00 am – 11.15 am	Tea Break	
11.15 am – 12.30 pm	Transfer Pricing – Global transparency and India impact – review of existing business models - APA	CA. A. Pradeep
12.30 pm – 2.00 pm	GST Issues relevant for the E-commerce sector	CA. Sandesh S Kutnikar
2.00 pm – 2.30 pm	LUNCH	
2.30 pm – 4.00 pm	Overview of the various structure – Discussion on related direct tax issues specific to the structures	CA. Narendra Jain
4.00 pm – 4.15 pm	Tea Break	
4.15 pm – 5.45 pm	Discussion on recent updates under the OECD 2017 and MLI	CA. Narendra Jain

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 FEES:

RS. 750/- INCLUSIVE OF GST FOR MEMBERS

RS. 2,000/- 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**

Please Visit: www.jobportal.bangaloreicai.org



**Bangalore Branch of SIRC of
The Institute of Chartered Accountants of India**
**Southern India Chartered Accountants Students
Association (SICASA)**



CA. Dhinal Ashvinbhai Shah
Conference Chairman &
Chairman, Board of Studies, ICAI



CA. Madhukar N Hiregange
Conference Director &
Central Council Member

Conference Co-Chairman &
Vice-Chairman, Board of Studies, ICAI



CA. Shravan Guduthur
Conference Coordinator &
Chairman, Bangalore Branch of SIRC
of ICAI



CA. Srinivasa T
Conference Coordinator &
Chairman, Bangalore Branch of SICASA
of SIRC of ICAI

SICASA - Student Committee Members

Ms. Lakshmi Vice Chairperson 8123996343	Mr. Prasad Secretary 9963937404	Mr. Srivatsa Treasurer 9066722331	Mr. Vedanth R PRO 8310985258
Mr. Ram Prasad J 9986497089	Mr. Atharva 9845412578	Ms. Sanjana P 9538151969	Mr. Sai Chaitanya 6281146093



CA STUDENTS CONFERENCE-2018

Organized by:
Board of Studies, ICAI

Hosted By:
Bangalore Branch of SIRC of ICAI

**Date: 15th and 16th
DECEMBER 2018**

Venue: **Dr. B R Ambedkar Bhavan,
Millers Road, Bengaluru.**

Day1

Time	Particulars
10.00AM to 10.45AM	Inaugural Session
10.45AM to 11.30AM	Special Session : I Interaction and Open House with Board of Studies CA Dhinal Ashvinbhai Shah , Chairman, Vice-Chairman, Board of Studies, ICAI Motivational Session: CA Madhukar N Hiregange Chairman IDTC, ICAI CA Babu K Thevar , Treasurer, SIRC of ICAI
11.30AM to 12.00PM	Tea break
12.00PM to 01.00PM	Technical Session : I Topic: Whether Capital Gain is a real Gain Considering the recent Changes? Session Chairman: CA Sachin Kumar B P
01.00PM to 02.00PM	Lunch
02.00PM to 03.00PM	Technical Session : II Topic: Conduct of GST Audit- Role of assistant Session Chairman: CA Jatin Christopher
03.00PM to 03.45PM	Special session : II Topic: How CA Profession help the student to reach on self-actualization stage? CA K Raghu , Past President of ICAI
03.45PM to 04.15PM	Tea break
04.15PM to 05.15PM	Technical Session : III Topic: Critical Changes in Company law Session Chairman: CA Vijay Raja

Day2

Time	Particulars
09.00AM to 10.00AM	Breakfast
10.00AM to 11.00AM	Special Session :III Topic: Motivational Session CA Yandamuri Veerendranath
11.00 AM to 12.00PM	Technical Session : IV Topic: Audit Approach for E – Commerce Business Session Chairman: CA Kamal Garg
12.00PM to 12.30PM	Tea break
12.30PM to 01.30PM	Special Session :IV - a) Opportunities and Success stories by: Dr. CA Padmini Srinivasan , IIM Professor & Chairperson, MBA Programs. b) Risk Management for an Enterpris and role of CA by: CA Sathya Padmanaban , Managing Director Investment Management Division, Goldman Sachs.
01.30PM to 02.30PM	Lunch
02.30PM to 03.30PM	Technical Session :V Topic: Key Difference between AS & Ind AS Session Chairman: CA Mohan R Lavi
03.30PM to 04.00PM	Tea break
04.00PM to 04.45PM	Technical Session :VI Topic: Technological Trends in Accounting and Auditing Session Chairman: CA Narasimhan Elangovan
04.45PM to 05.15PM	Valedictory Session

Dear Budding CAs'
Greetings!!!

I whole heartedly welcome you all for the upcoming Students conference on December 15th and 16th 2018. I being a Chairman SICASA, as your representative in the committee. I enjoyed conducting varied programs to rekindle your knowledge and to make you stay towards your goal of becoming CA. I thank you all for making use of those programs by your active participation and I also thank all the principles those who are encouraged their articles to take part in our program. Now it is the time to show case ourselves in a bigger way by conducting a two day state level conference, for this I need your active, whole hearted and committed support in organizing this conference. Please take part in this conference as a speaker/delegate/Volunteer & make it a grand success.

Best regards
Srinivasa.T
Chairman, SICASA

Delegate Fee : Rs. 500/-

Please contact for Registration: **Mrs. Radha R** Tel: 080-30563548,
Mrs. Manjula Tel : 080 - 30563547, **Ms. C R Rajalaxmi** Tel: 080-40929607

Visit us: www.bangaloreicai.org / E-mail : blrsicasa@icai.org
Venue: "ICAI Bhawan", #16/0,
Millers Tank Bed Area, Vasanth Nagar, Bengaluru-560052



NFRA RULES- A DISCUSSION

CA. Mohan R Lavi

Notification

On the 13th of November 2018, through Notification No G.S.R.1111(E), the Ministry of Corporate Affairs (MCA) notified the National Financial Reporting Authority Rules 2018 (NFRA Rules). As notified, the NFRA Rules contain 19 clauses and 1 form.

Applicability

As per Clause 3 of the NFRA, the NFRA can exercise over the following classes of companies:

1	companies whose securities are listed on any stock exchange in India or outside India;
2	unlisted public companies having paid-up capital of not less than Rs 500 crores or having annual turnover of not less than Rs 1000 crores or having, in aggregate, outstanding loans, debentures and deposits of not less than Rs 500 crores as on the 31st March of immediately preceding financial year
3	insurance companies, banking companies, companies engaged in the generation or supply of electricity, companies governed by any special Act for the time being in force or bodies corporate incorporated by an Act

4	(d) any body corporate or company or person, or any class of bodies corporate or companies or persons, on a reference made to the Authority by the Central Government in public interest; and (e) a body corporate incorporated or registered outside India, which is a subsidiary or associate company of any company or body corporate incorporated or registered in India if the income or net worth of such subsidiary or associate company exceeds twenty per cent. of the consolidated income or consolidated net worth of such company or the body corporate
---	---

Form NFRA-1

Every existing body corporate other than a company governed by these rules, shall inform the Authority within thirty days of the commencement of these rules, in Form NFRA-1, the particulars of the auditor as on the date of commencement of these rules. The form asks very basic details on the appointment etc of auditors.

Functions and duties of the authority:

Clause 4 of the NFRA Rules lay out the functions and duties of the authority to be:

- protect the public interest and the interests of investors, creditors

and others associated with the companies or bodies corporate governed under rule 3 by establishing high quality standards of accounting and auditing and exercising effective oversight of accounting functions performed by the companies and bodies corporate and auditing functions performed by auditors.

- maintain details of particulars of auditors appointed in the companies and bodies corporate specified in rule 3;
- recommend accounting standards and auditing standards for approval by the Central Government;
- monitor and enforce compliance with accounting standards and auditing standards;
- oversee the quality of service of the professions associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service
- promote awareness in relation to the compliance of accounting standards and auditing standards
- co-operate with national and international organisations of independent audit regulators in establishing and overseeing adherence to accounting standards and auditing standards



- perform such other functions and duties as may be necessary or incidental to the aforesaid functions and duties.

Recommending accounting standards and auditing standards

Clause 6 of the Rules state that the Authority shall receive recommendations from the Institute of Chartered Accountants of India on proposals for new accounting standards or auditing standards or for amendments to existing accounting standards or auditing standards- the Authority can seek additional information if necessary.

Modus operandi

The Authority may review the financial statements of such company or body corporate and if so required, direct such company or body corporate or its auditor to provide further information or explanation or any relevant documents relating to such company or body corporate within a reasonable time. For the purpose of monitoring and enforcing compliance with auditing standards the Authority may review working papers (including audit plan and other audit documents) and communications related to the audit and evaluate the sufficiency of the quality control system of the auditor and the manner of documentation of the system by the auditor and perform such other testing of the audit, supervisory, and quality control procedures of the auditor as may be considered necessary or appropriate. On the basis of its review, the Authority may direct an auditor to take measures for improvement of audit quality including changes in their audit

processes, quality control, and audit reports and specify a detailed plan with time-limits.

Penalty for non-compliance

The NFRA rules outsource penalising a company or any officer of a company or an auditor or any other person contravening any of the provisions of these rules to Section 450 of the Companies Act, 2013. As per Section 450 of the Companies Act, a company and every officer of the company who is in default or such other person shall be punishable with fine which may extend to Rs 10,000/- and where the contravention is continuing one, with a further fine which may extend to Rs 1000/- for every day after the first during which the contravention continues.

Discussion

A glance through the 8 " powers and duties" of NFRA is enough to conclude that all these functions are already being carried out by the Institute of Chartered Accountants (ICAI). Prescribing accounting and auditing standards these days requires a high degree of expertise which the staff at NFRA may take time to get to grips with. In addition, India is on par with IFRS Standards- apart from leases and insurance contracts, most of the action on accounting

standards would be amendments to existing standards. Existing accounting standards are also being revised to ensure that the non-Ind AS entities are also almost on par with Ind AS. In this scenario, there is very little the NFRA can actually achieve. Unless the NFRA is manned by professionals who understand the nuances of audit documentation, it would be very difficult for them to comprehend the contents of large audit files and documentation. At best, NFRA can serve as a conduit between the ICAI and MCA. The question that needs to be asked is " When two professional bodies are going about their tasks with no major problems, is there a need for a conduit?"



IS DIVIDEND DISTRIBUTION TAX PAID IN EXCESS, A SUNK COST?

CA. Sandeep Jhunhunwala & CA. Sonali Debnath



The Finance minister is set to follow the established convention of presenting an interim budget for FY20 on February 1, 2019. Union Budget in 2019, being a transition budget, is expected to highlight the outgoing Government's achievements and laying out vision for the next 5 years, in addition to announcing few tax measures. Issues hovering around Dividend Distribution Tax (DDT) have been one of the prime concerns of Corporate India. A domestic company, distributing dividend, is required to pay DDT on the already taxed profits, at an effective rate, as high as 20.55 percent after "grossing up" and investors in receipt of dividends above INR 10 lakhs are required to pay 10 percent income tax (plus surcharge and cess). Expenses incurred for earning such exempted dividend income are not allowable under Section 14A read with Rule 8D and has been a major cause of tax litigation. It is also currently difficult for foreign investors to claim Foreign Tax Credit (FTC) as DDT is borne by the company, not by them. Participation exemption clauses in several EU countries entail that a significant portion of foreign dividend is tax-exempt, thereby making DDT a heavy sunk cost for the parent or affiliate investor country.

Whenever a new tax/ levy is introduced, corresponding changes are also made in relevant sections and this has been the case with DDT as well, that was brought in by the Finance Act of 1997. However,

one aspect related to DDT that has not been touched by the lawmakers so far is the mechanism to claim excess DDT paid. Payment of DDT in excess could be on account of various reasons such as application of wrong rate of tax or surcharge or due to reversal of dividends on amalgamation of a company (paying dividends) with its shareholder company from a date prior to date of declaration of dividends or when DDT is paid on interim dividends out of insufficient profits etc.

The ruling of Gujarat High Court in the case of *Torrent Private Limited vs CIT [35 Taxmann 300]* provides guidance on the issue of grant of DDT refund as per the provisions of Section 237 of the Income Tax Act. In the case of Torrent, dividend paying and dividend earning companies were amalgamated, which in effect, had resulted in no payment of dividend. In view of the above, the amalgamated company had sought the refund of the DDT paid to the Government Treasury. The Honorable High Court in this ruling has made an observation that Section 237 of the Act provides that if any person satisfies the tax officer that the amount of tax paid by him or on his behalf for any assessment year exceeds the amount with which he is properly chargeable under the Act for that year, he shall be entitled to a refund of the excess amount. The Hon'ble Gujarat High Court has interpreted the provisions of Section 237 of the Income Tax Act in

favor of taxpayer and had directed the tax officer to grant refund of excess DDT paid. One may dive deeper into the rules of interpretation and notice that Section 237 mentions about excess payment of "tax". The term "tax" has been defined under Section 2(43) of the Income Tax Act to include all taxes payable under the Act. DDT, as per Section 115-O of the Income Tax Act is an additional tax payable. The Revenue's argument on this has been based on a restrictive interpretation that there is no specific provision under the Income Tax Act to grant refund of excess DDT paid and such perspective is also armored by sub-clauses 4 and 5 of Section 115-O, that treats DDT as final payment of tax in respect of dividends and provides that no further credit is to be allowed. The Revenue has filed an appeal before the Apex Court against the Gujarat High Court verdict and the matter is currently *sub-judice*.

If inadvertent payment of DDT in excess comes to the notice of taxpayer instantaneously, one may evaluate the approach to consider changing the nature/ type of payment in the challan from DDT to advance tax or self-assessment tax, as claiming refund of advance tax/ self-assessment tax is a comparatively easier process (in the absence of explicit guidance on DDT refund process). Alternatively, a request could be made to consider excess payments as subject to appropriation



against future years. Even in such case, there seems to be no provision under the Income Tax Act to grant interest on such excess DDT remitted (Section 115P of the Income Tax Act contains a provision for payment of interest for short/delayed payment of DDT by domestic companies, but not the other way round). Another route worth attempting could be to make an application to the Central Board of Direct Taxes (CBDT) under Section 119 of the Income Tax Act, explaining the reasons leading to excess DDT payments and the part that there is no express provision in the law for grant of refund of such excess DDT payments. Although the CBDT is not empowered to issue orders specific to an assessee, an administrative instruction/ direction could be issued to facilitate processing of such refunds. A writ petition route could be explored in case where these available alternative remedies are exhausted. The issue becomes much more contentious in a situation where the excess payment of DDT comes to light after few years by when the return of income for the year in which DDT paid has been paid is already filed or where due date to revise the return of income for that year has elapsed.

While India's mechanism of DDT was drawn from the South African regime, the latter had abolished this system several years back. DDT continues to

be burdensome for corporates due to various factors such as high rate, litigation on disallowance, issues of double taxation etc, resulting in diminishing return on capital employed by the investors. It has been the hope of corporate India for a long time that the Government rationalises the effective corporate tax rate by abolishing DDT and restoring the classical system of taxation of dividends in the hands of shareholders. Abolishing the 20 percent DDT, by all accounts is a win-win and could also mean the Government getting taxes on these dividends at the maximum rate, as most of the recipients

who get the bulk of dividend income occupy the top-most tax bracket. The members of the task force set up to draft a new direct tax legislation appeared to be in favour of abolishing DDT, as per few business dailies. The task force, with a new convener now, is likely to submit its report to the Government by February 28, 2019. Even if the future of DDT under the proposed direct taxes code is to get replaced with withholding tax, a clarity is much needed on the refund aspect related to excess DDT paid by companies.

The views expressed above are the personal views of the Authors.

**TURNING
YOUR AMERICAN
DREAM INTO
REALITY!**

If any of your clients are planning to live and work in the United States, we are here to help fulfill that dream. We are experts in obtaining the **EB5 visa** and provide complete end to end solution.

**GREEN CARD
RESOLUTIONS**
A Division of E.S. Professional Services LLP

Mumbai : +91-9326529031/+91-9833656655 **Chennai :** +91-6351585637 **Hyderabad :** 040-48503840

www.greencardresolutions.com
#304, 3rd Floor, Brigade Links, 1st Main Road, Seshadripuram, Bangalore-560020
PH : 080 - 23344408 ; +91-9892782043

Adv.



AGRICULTURE 2.0 – TAXING THE FUTURE

CA. Ishita Bhaumik

Picture the traditional agriculturist and one gets vivid images of a farmer relentlessly toiling under the hot sun and tilling his land. Every year huge tracts of farmland gets converted for development purposes. The pressure on yield is forcing agriculture to innovate to keep pace with the growing demand for its produce.

New age farming includes amongst other Hydroponics, Aeroponics and Aquaponics. Hydroponics uses liquid, sand, gravel and other materials to grow plants away from a soil environment. The roots get nutrients from water that is enriched with liquid plant food. Aeroponics is a method of growing plants in a moist environment. The plants are suspended in an enclosed setting and water, mixed with plant food, is sprayed onto the roots. Aquaponics uses a combination of aquaculture and hydroponics. Aquaponics systems work by using the waste from fish to naturally provide nutrients to nearby water-grown plants. The interesting part about the above three systems is it is devoid of contact with land as we traditionally know it and uses new age techniques to supply nutrients and support.

Income from agriculture has enjoyed an exempt status since inception. The Constitution of India has reserved the right to tax agricultural income with the States and outside the purview of the

Union and agricultural income has been defined to mean agricultural income as defined for the purposes of Income tax enactments.

Under the Income-tax Act the term Agricultural Income has been defined to mean amongst others income derived from land by agriculture. Thus there is a linkage to land in the definition itself.

Attention is invited to the landmark ruling of the Honourable Supreme Court in the case of CIT Vs. Raja Benoy Kumar Sahas Roy (1957) [32 ITR 466] on agricultural issue wherein it was held that the term 'agriculture' is "cultura" i.e. cultivation of the "agar" i.e. field/land. Agricultural activity requires expenditure of human skill and labour, upon the land itself and this should result in effectively raising a "product" from the land. The "product" should have some utility either for consumption, for trade and commerce. The term "Agriculture" receives a wider interpretation both with regard to its "operations" as well as the "results" of such operation.

As regards the new age farming techniques, the tax authorities contention is that unless there is activity involved on 'land' it does not constitute agriculture eligible for exemption. Land according to the authorities is immovable and is a fixed part of the topography. Soil is a component of

land/earth but loses its identity of land once removed from land. Thus even if the assessee performs certain activities which are akin to cultivation it cannot be treated as agricultural income absent activities on land.

There are two interesting decisions which have come out in the recent past covering this issue.

In Best Rose Biotech Pvt Ltd, the assessee was growing rose plants under the hydroponics system above the ground level with the use of MS stands and plastic trays. The assessing officer held that the rose plants were not planted on earth and no basic agricultural operations were carried out on land and denied the exemption. The Ahmedabad Tribunal ruled in favour of the assessee and granted the exemption of agricultural on the premise that there is a linkage to land as the mother rose plant is always attached to land. The basic activities and allied activities together constitute agricultural income even if the green house embedded MS stands place the rose plants two feet above earth.

The Hyderabad Special Bench in the case of Inventaa Industries Pvt Ltd had to consider a case where the assessee was cultivating mushrooms under controlled conditions in racks placed on shelves above land. The question was merely because instead of horizontal use of



soil, vertical space is used, does growth of mushroom qualify as an agricultural operation.

The Special Bench gave a wider interpretation to the term 'land' and using purposive interpretation concluded that soil is part of land and land is part of earth and when soil is placed on trays it does not cease to be land. For the purpose of understanding the nexus between an agricultural operation and an agricultural land, what needs to be inferred from the term 'land' is that, the cultured top layer of the earth, which is fit for any sort of cultivation, is land for

this purpose. Hence, in our opinion, the soil which is placed on the vertical space above the land in trays, in one sense of the term, is also land. Thus the Special Bench ruled in favour the assessee and held the activity of mushroom cultivation in racks as an agricultural activity.

Considering that farmland is shrinking, population is burgeoning and there is always pressure to find newer and efficient ways of farming, looking into the future it is imperative that tax laws also keep up pace with the change and perhaps be forward looking to. The above rulings while delinking the land

from the soil in defining agricultural activity, nevertheless tried to have some proximity to soil. It is possible that in the new age farming techniques, the plants could be completely detached from soil say as in aquaponics or aeroponics.

It would be in order to recognize agricultural activity which fulfils the definition in substance rather than link it to activity at land or soil level. One way to go about is to have a notified list of activities which qualify as agricultural activity based on developments in technology.



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

One Day Seminar on Emerging Technologies – Navigating the Future



Inauguration



CA. Babu Jayendran
Programme Co-ordinator



CA. Abdul Rafeq



CA. Anand P Jangid



CA. B.P. Sachin Kumar



CA. Narasimhan Elangovan



CA. Naga Subramanya



Panel Discussion

One Day Workshop on Issues in Assessments, Re-assessments, E-assessments (especially with respect to cash deposits post demonetisation), rectifications and replies online and prosecution during TDS proceedings



Inauguration by Chief Guest Shri Vineet Kothari, Hon'ble Dr. Justice,
High Court of Karnataka



Chief Guest
Shri Vineet Kothari



CA. Naveen Khariwal G.,
Prog. Co-ordinator & Moderator



CA. Deepak Chopra



Sri C.P. Ramaswami,
Advocate, Hyderabad



Valedictory Programme Chief Guest, Mr. Ravichandra Ramasamy, I.R.S,
Pr. Director, Income Tax, Investigation (Karnataka & Goa)



Felicitation to Chief Guest

One Day Seminar on Healthcare Industry



Dr. Kanaka Naidu



CA. Amith A Prabhu



CA. Seema Zacharia



CA. Asha M

World Accountancy Education Day for the Students of Secondary / Higher Secondary / Graduate / Past Graduate / Others, Organized by: Career counselling, Sub - Group Under BOS, ICAI



CA. Anjan Babu, at Seshadripuram Composite PU College



CA. Ashwini K, at Soudarya Institute of Management and Science



CA. Bharath Holla, at Poorna Prajana Education Centre, Bangalore



CA. Jitendra, at S.E.A. College



CA. Mohan Kumar, at Brindhavan College



CA. Ravindranath N Rao, at MES Kishor kendra college



CA. Satish R, at Acharya College



CA. Vishakh Manchi, at New Oxford Public School



Mr. Rajeev D, P.G.T. Commerce Injanadeepa Seniro Secondary School, Javalli, Shimoga Dist.

Kalaa Kruti - Kannada Rajyotsava and Cultural Program by Members



Inauguration by Special Guest Smt. Sudha Baragur, a famous humorist



CA. Shrvan Guduthur, CA. Raveendra S. Kore,
Chairman Secretary



Welcoming the Guest



CA. Shivaram Bhat,
Vice Chairman



Talk by Smt. Sudha Baragur



Felicitating Smt. Sudha Baragur



Singing & Reading self authored poems by Members



Kannada Quiz Master - Ms. Sanjana



Harate by Members - CA. Shivakumar H, CA Venkatesh Babu T.R., CA. Raveendra S. Kore, CA. Gururaj Acharya,
CA. Raghavendra Puranik, CA. Mohan Kumar M, CA. Sujatha Raghuraman



Taalammaddale by Members - CA. Shambhu Sharma, CA. B.T. Shetty, CA. Satish Kalkur, CA. Shivaram Bhat, Mr. Chinmay Bhat



Study Circle Meetings



CA. Umesh Rao



Ms. Ruby Thomas



CA. Hanish S



CA. Pradyumna Nag



CA. Narasimhan Elangovan

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