

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Bengaluru Branch of SIRC e-Newsletter

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Happy
Independence Day

Kittur Rani Chennamma

(1778-1829)

JNANA  DASOHA

VIRTUAL CPE MEETINGS

- 1. Negotiation and Arbitration
2. Impact of recently amended Karnataka Land Reforms Act & other laws
8th August 2020
- Principle of Natural Justice in Tax law
12th August 2020
- Planning & Strategies to Pass IBBI – Limited Insolvency Exams
Insolvency & Bankruptcy Code – 2016
13th August 2020
- Recent Changes in CSR – Company Law & Taxation
14th August 2020
- Audit Conclusions and Reporting with special reference to SMCs and SMEs (Covering SA 700, 701, 705 & 706)
19th August 2020
- Standards on Auditing – Audit Evidence (Covering SA 500, 501, 505 & 570)
20th August 2020
- Valuation of Unquoted Equity Shares
21st August 2020
- Penalty under Sec. 271 AAD & New Form 26AS
25th August 2020
- Legal Issues in Tax Audit
26th August 2020
- Issues & Practical aspects in Tax Audit
28th August 2020

Pathway to Core Competence

Chairman's Communique . . .



My Dear Professional Colleagues,

This year, India is celebrating its 74th Independence Day to pay tribute to our brave freedom fighters who fought selflessly and even sacrificed their lives for our country to attain freedom from the British rule.

Every Indian remembering and honouring the sacrifice made by our freedom fighters, First Freedom Fight was in 1857 from Indian Soldier Mangal Pande who played a key part in the events immediately preceding the outbreak of the Indian rebellion of 1857. In Karnataka, Rani Chennamma was the Queen of Kittur best known for leading armed rebellion against the British India Company in 1824, three decades before the freedom rebellion of 1857 and she became a symbol of the Independence movement in India. The tribute will always be less for our freedom fighters but the salute to all will never be less. Saluting the entire nation, Happy Independence day!

As, we CA professionals' play a key role in the economic wellbeing of our Nation to fulfil our role of Partners in Nation Building by strictly adhering to transparency, integrity & values. On this occasion, we are celebrating the Independence Day on 15th August 2020 at 9.00 am at our Branch Premises.

The month that was July 2020 :

CA Day celebration was held on 1st July 2020. **CA. M. Marulasiddaiah, Senior Member of Bengaluru Branch of SIRC of ICAI & Past President, KSCAA** was the Chief Guest

for the event and gave his informative address filled with rich experience which was an inspiration to all of us. The Programme was followed by Sapling Distribution, Distribution of Food Kits to BBMP PuraKarmikas & School Bags to children of BALYA (A Free Home for Children) run by Annapoorna Charitable Trust, Bengaluru.

I thank **CA. B.P. Rao and CA. K. Raghu, Past President's of ICAI** for sharing their rich knowledge & experience on our profession and emerging opportunities to CAs in abroad in the DD Chandana Kannada Channel – TV program on 1st July 2020. I also thank all the members for watching DD Chandana TV program on this historic day.

AGM: The 58th Annual General Meeting of the members was held on 23rd July 2020 at S. Narayanan Auditorium, ICAI Bhavan, Vasanthnagar, Bengaluru. I thank all the Members for your valuable suggestions and support for the functioning of the Branch.

In light of the ongoing spurt of the COVID-19 virus all across the country, to facilitate the members in discharging their duties on the professional updates, Bengaluru Branch of SIRC of ICAI organized the following Ten Jnana Dasoha – Virtual CPE Meetings as per the CPE Guidelines.

Sl. No.	Date	Topics	Speakers	No. of Members availed Structured CPE
1	08.07.2020	Fraud Risk Management	CA. V. S. Kumar, FCA (IN), CFE, CIA Enterprise Risk Consultant EFTRAC Canada Inc, Canada	382
2	09.07.2020	US Taxation Overview and Opportunities for CAs	CA. Varun Nirmal	501
3	15.07.2020	IPOs and Pre IPO Funding for SMEs – A New Alternative	CA. S. Prabhudev Aradhya, Past Chairman, Bengaluru Branch of SIRC of ICAI & CS. Pranab Panigrahi	436

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Chairman's Communique . . .

◀ (Contd. from previous page)

Sl. No.	Date	Topics	Speakers	No. of Members availed Structured CPE
4	16.07.2020	1. Features of Co-operative Audit 2. Issues relating to Audit of Credit Co-operative Societies	CA. H. Shiva Kumar CA. Ravindranath B.V, Sagar	688
5	17.07.2020	1. Role of Chartered Accountant's in a Co-operative Bank as Professional Director / Concurrent Auditor / Statutory Auditor 2. Expectations by the Co-operative Audit Department from CA's	CA. Umesh Bolmal, Belagavi Shri. Prakash C Majgi Director of Co-operative Audit, Bengaluru	701
6	22.07.2020	Disclosures in Annual Report for COVID	CA. Shankar Jaganathan	732
7	23.07.2020	How to Capitalize the Excellent Professional Opportunities in Insolvency Practice for Chartered Accountants	CA. V. Venkata Sivakumar, Chennai	561
8	24.07.2020	Discussion on Demonetization related additions u/s 68 & 69 w.r.t 115BBE of Income Tax Act, 1961 – way forward in appeal	CA. Naveen Khariwal G	725

Sl. No.	Date	Topics	Speakers	No. of Members availed Structured CPE
9	29.07.2020	Common Errors in Financial Statements	CA. Amarjit Chopra Past President, ICAI	709
10	30.07.2020	Real Estate Sector – GST Issues	Adv. K. Vaitheeswaran, Chennai	689

I am glad to inform you that **around 700 Members registered for Jnana Dasoha – Virtual CPE Meetings on Co-operative Audit organized on 16th & 17th July 2020** was a memorable event. A first of its kind, Bengaluru Branch where in the above said number of Bengaluru Branch Members viewed and got benefitted from the Virtual CPE meeting.

I thank all the expert and eminent Speakers for their valuable contribution in addressing to our Members in the above said Jnana Dasoha – Virtual CPE Meetings.

Amid the coronavirus pandemic in accordance with the guidelines of CPE, on behalf of Bengaluru Branch of SIRC of ICAI is being organized a series of Virtual CPE Meetings on varied topics like Standards on Auditing, Income Tax, Legal & Practical aspects in Tax Audit between 4.00 pm & 6.00 pm. The details of the Meetings are presented elsewhere in this newsletter.

The difficulties being faced by Members in the time of pandemic, ICAI is sanctioning COVID grant of upto Rs. 1.50 lakhs to CA Members and their dependents who are Covid Positive. The details is hosted on the ICAI website at the CABF Portal at the link <https://cabf.icai.org/> a Wonderful initiative by the ICAI.

Before concluding, the lockdown and its resultant effects may worsen stress, and this is not going to stop anytime soon, help our CA Colleagues who need work, it may not be a big gesture but a small act of kindness can brighten up our community, support and hope.

Happy Ganesha Chaturthi, Muharam !

Stay Safe and Healthy.

In Service of the Profession,

CA. Raveendra S. Kore

Chairman

Bengaluru Branch of SIRC of ICAI



CALENDAR OF EVENTS JNANA DASOHA - VIRTUAL CPE MEETINGS FOR THE MONTH OF AUGUST 2020

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE HOURS
08.08.2020 Saturday	1. Negotiation and Arbitration Adv. Kirit Javali, <i>Supreme Court, New Delhi</i> 2. Impact of recently amended Karnataka Land Reforms Act & other laws Adv. Rajalaxmi Ankalagi	4.00 pm to 6.00 pm	2 hrs
12.08.2020 Wednesday	Principle of Natural Justice in Tax law CA. Kapil Goel, <i>New Delhi</i>	4.00 pm to 6.00 pm	2 hrs
13.08.2020 Thursday	Planning & Strategies to Pass IBBI – Limited Insolvency Exams Insolvency & Bankruptcy Code – 2016 CA. Vinay Mruthyunjaya <i>Past Chairman – Bengaluru Branch, Past SIRC Member & Treasurer – Karnataka State Cricket Association</i>	4.00 pm to 6.00 pm	2 hrs
14.08.2020 Friday	Recent Changes in CSR – Company Law & Taxation CA. Vijay Raja	4.00 pm to 6.00 pm	2 hrs
15.08.2020 Saturday	74th Independence Day Celebration Flag Hoist by the Chief Guest	Branch Premises 9.00 am	—
19.08.2020 Wednesday	Audit Conclusions and Reporting with special reference to SMCs and SMEs (Covering SA 700, 701, 705 & 706) CA. Chinnasamy Ganesan, <i>Chennai</i>	4.00 pm to 6.00 pm	2 hrs
20.08.2020 Thursday	Standards on Auditing – Audit Evidence (Covering SA 500, 501, 505 & 570) CA. R.S. Balaji, <i>Chennai</i>	4.00 pm to 6.00 pm	2 hrs

NO DELEGATE FEE FOR THE ABOVE VIRTUAL CPE MEETINGS

CALENDAR OF EVENTS JNANA DASOHA - VIRTUAL CPE MEETINGS FOR THE MONTH OF AUGUST 2020

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE HOURS
21.08.2020 Friday	Valuation of Unquoted Equity Shares CA. Premlata Daga, Nagpur	4.00 pm to 6.00 pm	2 hrs
25.08.2020 Tuesday	Penalty under Sec. 271 AAD & New Form 26AS CA. Naveen Khariwal. G	4.00 pm to 6.00 pm	2 hrs
26.08.2020 Wednesday	Legal Issues in Tax Audit CA. Prashanth G.S	4.00 pm to 6.00 pm	2 hrs
28.08.2020 Friday	Issues & Practical aspects in Tax Audit CA. Deepak Chopra	4.00 pm to 6.00 pm	2 hrs

Prior Registration is compulsory

NOTE :

- As per HO Guidelines only Bengaluru Branch Members can avail CPE. Maximum 1000 Members registration is allowed on first come first serve basis.
- No. Delegate Fees.
- Registration link will be sent through SMS, one day prior to the Programme commencing date.

NO DELEGATE FEE FOR THE ABOVE VIRTUAL CPE MEETINGS

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Branch
e-Newsletter**

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Quarter page	₹ 5,000/-

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

EDITOR :
CA. RAVEENDRA S. KORE

SUB EDITOR :
CA. SRINIVASA T

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



Appeal to Contribute in ICAI Covid 19 Relief Fund

Dear Professional Colleague,

As you have been noticing, humanity around the world has been affected by COVID-19, an infectious disease caused by a novel Coronavirus is exponentially spreading illness across the globe. The COVID-19 pandemic marks an unprecedented time in modern history that will require the best of humanity to overcome. Following the concept of 'Vasudhaiva Kutumbakam' the whole world is responding to the challenge as one family today.

I am pleased to share with you that with your support today, we are able to collect about Rs. 2 crore in "ICAI COVID-19 Relief Fund" and have deposited in PM National Relief Fund. Looking at the gravity of situation, and mammoth relief measures being undertaken by the government to feed poor, creating health infrastructure, and providing necessary push to overcome these national crisis much more needs to be done. It is unprecedented that India decides to accept foreign funds in PM CARES Fund to fight pandemic which itself reflect the seriousness of situation. Ours is big professional fraternity of 3 lakh members and with the contribution of just Rs. 1000 from each one of us we could garner Rs. 30 crore to the Fund. Being members of one of the most responsible profession, it is our social responsibility as well. I am sure you all will come forward, encourage your near and dear ones and all others to join hands and contribute to the Fund. Link to contribute online: <https://www.icai.org/covid19/>

To facilitate your help to the "ICAI COVID-19 Relief Fund" we have taken following further steps:

HDFC Bank

A/C No: 50100098409265

IFSC No: HDFC0000590

Contribution through State Bank of India 'Net banking' facility has been enabled

Now contribution can also be made in the Chartered Accountant Firm Name using Firm Name and FRN Number

All contributions towards this Fund are exempt from Income Tax under Section 80G. The donors are requested to give their name, membership number/student registration number/Firm Registration Number, address, amount and date of contribution, PAN details (if any) so that receipts could be obtained from Prime Minister's National Relief Fund/ PM CARES Fund for onward transmission to the donors. Further, the date for claiming deduction u/s 80G under IT Act has been extended by the government up to 30.06.2020, and now the donation made up to 30.06.2020 shall also be eligible for deduction from income of FY 2019-20.

Looking forward for your generous contribution in these special circumstances in the interest of mankind. Remember, "Alone we can do so little; together we can do so much."

All the best. Stay Safe, Stay Healthy!

With best regards

CA. Atul Kumar Gupta
President ICAI



JNANA DASOHA



**BENGALURU BRANCH OF SIRC OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

→ Stay Home → Stay Safe → Stay Prepared for Exam

**ORGANISING ONLINE COACHING CLASSES FOR
CA FINAL STUDENTS FOR MAY 2021 EXAMS – MORNING BATCH**

ADMISSIONS OPEN FOR ONLINE SUBJECTWISE COACHING

22nd August 2020 to March 2021 (Tentative Dates)

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



Sl no	Subject	Faculties
1	Paper-1: Financial Reporting	CA. Murali Nagaraj & CA. Kaleshwar Prasad
2	Paper-2: Strategic Financial Management	CA. Chinmaya Hegde
3	Paper-3: Advanced Auditing and Professional Ethics	CA. Vikas Oswal
4	Paper-4: Corporate and Economic Laws	CA Ankith Kumar Jain
5	Paper-5: Strategic Cost Management and Performance Evaluation	CA.V. Venkata Sivakumr, Chennai & CA. Ashwini K
6	Paper-7: Direct Tax Laws and International Taxation	CA. Deepak Chopra
7	Paper-8: Indirect Tax Laws	CA. Ramesh Kumar Soni

Course	Fees	Duration (6 Months)	Timings
CA Final	Rs. 14,000/- for Both Groups Rs. 9,000/- for Single Group Rs. 4,000/- for Single Subject	22 nd August 2020 to March 2021 (Tentative Dates)	06.30am to 09.30am (Monday to Sunday)

Schedule for all the subjects will be announced in due course

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

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

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

CA. Raveendra S. Kore
Chairman

CA. Srinivasa T.
Secretary

Pathway to Core Competence

Bengaluru Branch of SIRC of ICAI
"ICAI Bhawan", 16/O, Miller's Tank, Bed Area, Vasanthanagar, Bengaluru - 560052



JNANA DASOHA



BENGALURU BRANCH OF SIRC OF

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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ORGANISING ONLINE COACHING CLASSES FOR CA INTERMEDIATE & CA FINAL STUDENTS FOR MAY 2021 EXAMS – MORNING BATCH

ADMISSIONS OPEN FOR ONLINE SUBJECTWISE COACHING

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

Online Registrations Open

www.bangaloreicai.org

WHY YOU SHOULD CHOOSE ICAI – BENGALURU BRANCH

An Expert and Experienced Dedicated Faculty Members:

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

Course	Fees	Duration (6 Months)	Timings
CA Intermediate	Rs. 12,500/- for Both Groups	22 nd August 2020 to March 2021 (Tentative Dates)	06.30am to 09.30am (Monday to Sunday)
	Rs. 8,500/- for Single Group		
	Rs. 3,500/- for Single Subject		
CA Final	Rs. 14,000/- for Both Groups	22 nd August 2020 to March 2021 (Tentative Dates)	06.30am to 09.30am (Monday to Sunday)
	Rs. 9,000/- for Single Group		
	Rs. 4,000/- for Single Subject		

CA. Raveendra S. Kore
Chairman

CA. Srinivasa T.
Secretary

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

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

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Bengaluru Branch of SIRC of ICAI

“ICAI Bhawan”, 16/O, Miller's Tank, Bed Area, Vasanthanagar, Bengaluru - 560052



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ORGANISING ONLINE COACHING CLASSES FOR CA INTERMEDIATE STUDENTS FOR MAY 2021 EXAMS – MORNING BATCH

ADMISSIONS OPEN FOR ONLINE SUBJECTWISE COACHING

22nd August 2020 to March 2021 (Tentative Dates)

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



Sl no	Subject	Faculties
1	Paper -1: Accounting (Gr-1)	CA. Murali Nagaraj & CA. Nikhil Saraf
2	Paper-2: Corporate and Other Laws	CA. Mridul Agarwal
3	Paper-3: Cost and Management Accounting	CA. Modassar Irfat & CA Ashwini K
4	Paper-4: Taxation - Indirect Tax Laws	CA. Prashanth Bharadwaj & CA. Guruprasad Kasarvalli
	Paper-4: Taxation - Indirect Tax Laws	CA. Venkata Krishna Kothari & CA. Dilip Rajpurohith
5	Paper-5: Advanced Accounting	CA. Vinutha Hegde
6	Paper-6: Auditing and Assurance	CA. Vikas Oswal & CA. Anjan Babu
7	Paper-7: Enterprise Information Systems & Strategic Management	CA. Anand P Jangid
8	Paper -8: Financial Management & Economics for Finance	CA. Chinmaya Hegde

Course	Fees	Duration (6 Months)	Timings
CA Intermediate	Rs. 12,500/- for Both Groups Rs. 8,500/- for Single Group Rs. 3,500/- for Single Subject	22 nd August 2020 to March 2021 (Tentative Dates)	06.30am to 09.30am (Monday to Sunday)

Schedule for all the subjects will be announced in due course

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

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

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Pathway to Core Competence

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



JNANA DASOHA

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

Online Coaching Classes for CA Intermediate Students for Nov 2020 Exams

Consolidated Schedule from: 27.02.2020 to 25.10.2020 -Morning Batch

→ Stay Home → Stay Safe → Stay Prepared for Exam

**Admissions open for Subjectwise Coaching Classes for CA Intermediate Course for Nov. 2020 Exams
Timings from 6.30am to 9.30am (Monday to Sunday)**

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

Sl. No	Subject	Duration	Name of the Faculty
1	Paper -1: Accounting (Gr-1)	27.02.2020 to 12.03.2020 14.05.2020 to 02.06.2020	CA. Murali Nagaraj, All-India Rank Holder
2	Paper-6: Auditing and Assurance	03.06.2020 to 21.06.2020	CA. Anjan Babu
3	Paper-2: Corporate and Other Laws	22.06.2020 to 18.07.2020	CA. Mridul Agarwal
4	Paper -8: Economics for Finance	19.07.2020 to 28.08.2020	Dr. Seema Goel
5	Paper -8: Financial Management	29.08.2020 to 12.08.2020	CA. Chinmay Hegde All-India Rank Holder
6	Paper-7: Enterprise Information Systems & Strategic Management	13.08.2020 to 26.08.2020	CA. Anand P Jangid & CA. Satish R
7	Paper-4: Taxation - Direct Tax Laws	26.08.2020 to 15.09.2020	CA. Prashanth Bharadwaj
8	Paper-4: Taxation - Indirect Tax Laws	16.09.2020 to 27.09.2020	CA. Naveen Rajpurohith
9	Paper-5: Advanced Accounting	28.09.2020 to 25.10.2020	CA. Vinutha Hegde, All-India Rank Holder
Evening Classes Time 6.00pm to 9.00pm			
10	Paper-3: Cost and Management Accounting	13.08.2020 to 05.09.2020	CA. Modassar Irfat CA. Ashwini K

Course Fees:

Rs. 12,500/- for Both Groups

Rs. 8,500/- for Single Group

Rs. 3,500/- for Single Subject

Mode of Payment Online www.bangaloreicai.org / Cash

Registration & further details please contact Tel: 080 43944868 / 876 blrstudentevents@icai.org

**CA. Raveendra S. Kore
Chairman**

**CA. Srinivasa T
Secretary**



**Bengaluru Branch of SIRC of the Institute of Chartered Accountants of India
'ICAI Bhawan', #16/O, Millers Tank Bed Area, Vasanthnagar, Bengaluru – 560 052**



CASE STUDY – EMPLOYEE BENEFIT LIABILITIES & COST-PLUS REVENUE MODEL



CA. Ananth Prasad & CA. Farrel Arora

We often come across Companies which function on the cost-plus revenue model where the intent is to recover all the incurred costs and a revenue margin. This generally includes Employee benefit expenses such as Salaries, incentives, contribution to employee funds, gratuity, and other long-term employee benefits.

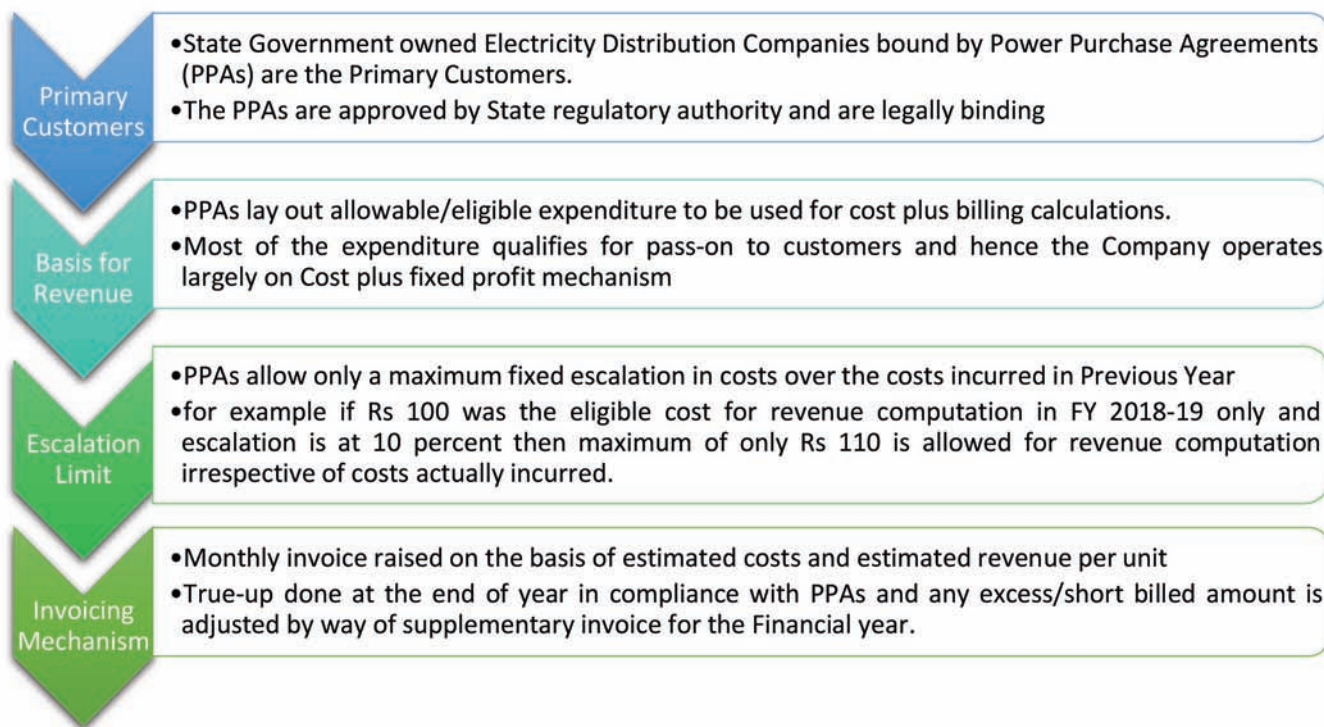
Accounting Standard 15 and Ind AS 19 provide for systematic recognition of future liabilities of long-term employee benefits over many years. The Companies recognize considerable liabilities based on valuations done by Actuaries and also include corresponding expenditure in their cost-plus calculations.

In this instance, we deal with a similar situation in the context of a Company functioning essentially on cost-plus revenue model and look at the impact of Actuarial valuation on its financial position in a particular scenario.

Background: Vidyut Limited is a State Government organisation engaged in generation of electricity.

The Company has transitioned to Ind AS in accordance with the roadmap laid by Ministry of Corporate Affairs in accordance with the Companies Act, 2013.

The Company has a fairly simple revenue model as described below:





The Company has about 3,000 employees and has executed a Wage settlement agreement with the labour union in accordance with the policies of the State and also provides Gratuity and Pension benefits to the employees as Defined Benefit Plans in the meaning of Ind AS 19 – Employee Benefits. The Company has setup separately administered funds which are managed by a trust.

The Company provides for a regular increment to the employees and the same is factored by the Actuaries in provision of Actuarial valuation report in accordance with Ind AS 19.

The previous Wage settlement agreement with the employees had expired on December 31, 2017. Negotiations between the Company and Employee Unions were in progress during the year ended March 31, 2018 and materialised during the year ended March 31, 2019.

The revised wage agreement provided for substantial increase of about 30 percent in the wage rates which directly impacted the Company's employee benefit expenditure and Defined Benefit Obligations under the Gratuity and Pension benefits. The employee benefit liabilities of the Company increase by an amount which was equivalent to 25 percent of the Company's turnover for the year ended March 31, 2019 and majority of increase was on account to Remeasurement losses of defined benefit plans as per the Actuarial Valuation reports.

The approximate increase in the liability of defined benefit plans was about Rs.2000 Crores out of which Rs.1500 Crores was attributable to remeasurement losses of defined benefit plans. Further, accounting of these costs breached/exceeded the escalation limit applicable for revenue recognition for the current year in terms of the PPA.

Based on previous experience, the Company has approached the State Regulatory Authority for such matters and was consequently allowed to bill such amounts to its customers as an exception in the years following its order.

The Matter on hand:



Solution

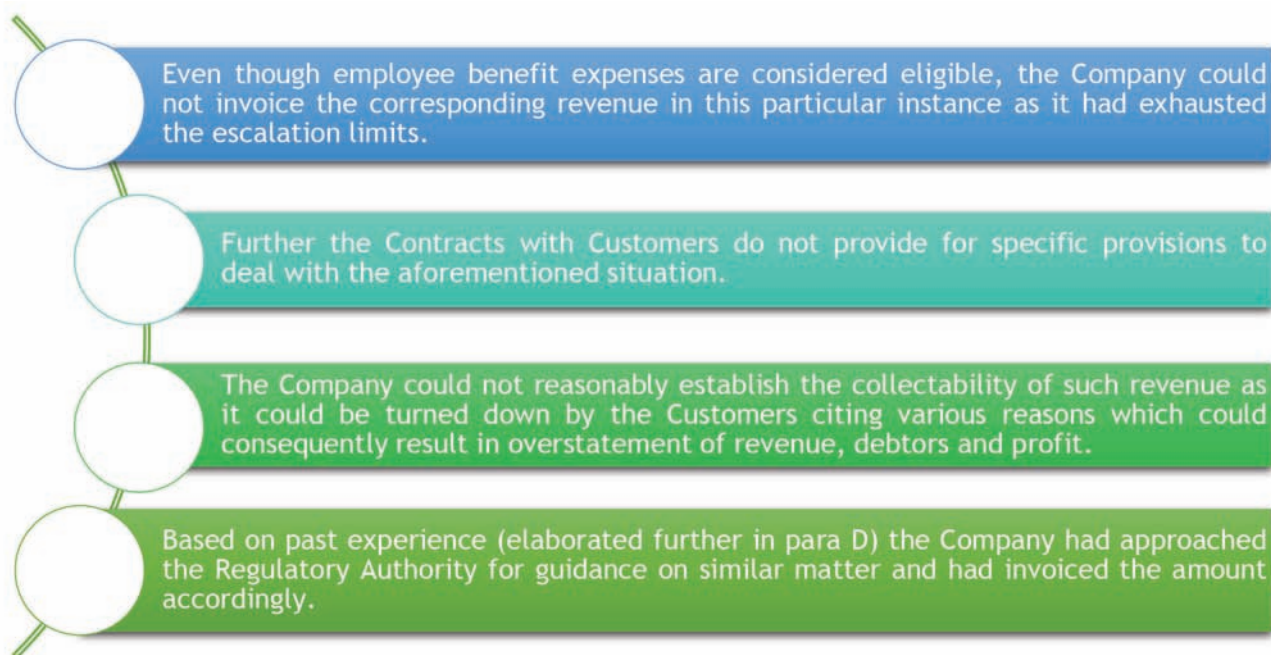
The Company analyzed the impact of the revision of wage agreement on its Balance sheet and Profit and Loss and also with reference to the various statutes applicable to it in order to ensure Compliance.

A) Compliance with Companies Act, 2013 and Ind AS:

- 1) The following entry was recorded by the Company to account for the increase in the liability in accordance with Ind AS 19 – Employee benefits,

Particulars (Rs in Crores)	Debit	Credit
Gratuity and Pension Expenditure (PL)	500	
Remeasurement losses (OCI)	1500	
Gratuity and Pension Liability (BS)		2000

- 2) Further, the Company accounted for income tax effect on the above in accordance with Ind AS 12 – Income Taxes with impact pertaining to the Remeasurement losses recorded in the Other Comprehensive Income section of the Statement of Profit and Loss.
- 3) Based on the principles laid down in Ind AS 115 – “Revenue from Contracts with Customers” the Company refrained from invoicing the revenue with respect to the increased costs incurred by it due to increase in Gratuity and Pension liability on account of the following considerations:



- 4) The Company further made appropriate disclosures in its financial statements explaining the necessary details of the matter to enable the readers of the financial statements to understand the reasons for substantial increase in the Gratuity and Pension Liabilities and regarding the approach taken by the Company.

The Company thereby ensured that the financial statements gave a True and Fair View of the state of affairs of the Company as required by the Companies Act, 2013.

B) Auditor’s Considerations in respect of Standards on Auditing (SA):

Specific considerations were given to the following SAs:

Audit Documentation (SA 230) – To ensure proper documentation such as Contract documents, Guidance from Regulatory Authority in previous years, compliance with applicable statutes and evidence to arrive at conclusion.

Consideration of Laws and Regulations in an Audit of Financial Statements (SA 250) – As the Company operates in a regulated sector in addition to the general laws applicable.



Communication with Those Charged With Governance (SA 260) – communication of the matter with the Company's Management.

Audit Evidence (SA 500) – To ensure that sufficient appropriate audit evidence was obtained to form opinion on the Audit of the financial statements.

The Auditor's Report on Financial Statements (SA 700) – The Auditor deemed it necessary and fit to include matter in Emphasis of Matter Paragraph in accordance with SA 706 as the matter was of such importance that they are fundamental to users' understanding of the financial statements.

C) Compliance with Income Tax Act, 1961:

The Company is also subject to Tax Audit as per the provisions of the Income Tax Act, 1961 and appropriate reporting under the Income Tax Provisions is done by the Tax Auditor.

Further, the Company disallowed the liability that was accrued but not paid and allowed the cash outflow. The Company also accounted for applicable deferred taxes in accordance with Ind AS 12 – Income Taxes.

D) The Company and the Auditors also referred to a similar instance in previous years:

In the year ended March 31, 2XXX the Company had faced a similar situation wherein there was substantial increase in Gratuity and Pension liabilities. The Company had then approached the Electricity Regulatory Authority for guidance, since the Company was unable to pass on the increase in Gratuity and Pension liabilities as it exceeded the upper ceiling limits fixated by the Power Purchase Agreements. Upon the receipt of directions from the Electricity Regulatory Authority, the Company was able to invoice the additional cost of wage revision proportionately in 5 subsequent years.

In the aforementioned situation, the Company was following the then Accounting Standards and IGAAP. The Company had made adequate disclosures in the notes to accounts about the matter and the accounting procedure it adopted. Further, the Statutory Auditors of the Company for the said period evaluated the matter in accordance with the all the legalities and Auditing procedures. Furthermore, the Company was also subject to Audit by Comptroller and Auditor General (C&AG) in accordance with the provisions of the Companies Act, 2013. The Statutory Auditors of the Company and the office of C&AG were satisfied with the treatment provided by the Company.





FILING OF E-FORM BY COMPANY WITH MCA

CA. Rishi Goyal

For the compliance of provisions of Companies Act, 2013, there is requirement of filing E-Form at web portal of Ministry of Corporate Affairs (MCA). MCA is notifying provisions and E-form on regular basis accordingly Company and officers are required to file E-form with MCA.

Here we are discussing about E-form which are required to file with MCA. There are two type of form:-

- (A) Non- Event based Form which is mandatory to file by company as per table given below.
- (B) Event based Form which is mandatory to file by company only in case of such event (as per table given below) occurred in company.

A. Non Event Based Form

FORM NAME	NATURE OF FILING	FREQUENCY OF FILING	APPLICABILITY ON COMPANY	EXCEPTION (IF ANY)
AOC 4 & MGT 7	ANNUAL FILING	YEARLY FILING	ALL TYPE OF COMPANY	FILING IS MANDATORY. NO EXCEPTION
AOC 4 (XBRL)	ANNUAL FILING	YEARLY FILING	IF COMPANY IS LISTED. IN CASE OF NON- LISTED COMPANY (IF TURNOVER IS MORE THAN 100 CRORES OR PAID UP SHARE CAPITAL IS MORE THAN 5 CRORE)	FILING IS MANDATORY. NO EXCEPTION
DIR 3KYC	DIRECTOR KYC	YEARLY FILING	ALL DIRECTOR	FILING IS MANDATORY. NO EXCEPTION
INC 20A	COMMENCEMENT OF BUSINESS	ONE TIME FILING	ALL TYPE OF COMPANY	FILING IS MANDATORY. NO EXCEPTION
MGT 15	AGM FILING	YEARLY FILING	LISTED COMPANY	FILING IS MANDATORY. NO EXCEPTION
NDH 1	NIDHI FILING	YEARLY FILING	NIDHI COMPANY	FILING IS MANDATORY. NO EXCEPTION
NDH 3	NIDHI FILING	HALF YEARLY FILING	NIDHI COMPANY	FILING IS MANDATORY. NO EXCEPTION
NDH 4	NIDHI FILING	ONE TIME FILING	NIDHI COMPANY	FILING IS MANDATORY. NO EXCEPTION



FORM NAME	NATURE OF FILING	FREQUENCY OF FILING	APPLICABILITY ON COMPANY	EXCEPTION (IF ANY)
DPT 3	RETURN OF DEPOSIT	YEARLY FILING	ALL TYPE OF COMPANY	FILING ONLY WHEN COMPANY HAS BORROWING/DEPOSIT AS PER PRESCRIBED RULES
CRA 4	COST AUDIT REPORT	YEARLY FILING	ALL TYPE OF COMPANY	FILING ONLY WHEN COST AUDIT OF COMPANY IS MANDATORY
BEN-2	BENEFICIARY FILING	YEARLY FILING	ALL TYPE OF COMPANY	FILING ONLY WHEN COMPANY RECEIVED BEN 1 FROM SIGNIFICANT BANAFICIARY OWNER AS PER PRESCRIBED RULES
MSME	RETURN OF MSME CREDITOR	HALF YEARLY FILING	ALL TYPE OF COMPANY	FILING ONLY WHEN COMPANY HAS MSME CREDITOR AND OTHER CONDITIONS AS PER PRESCRIBED RULES

B. Event based Form

NATURE OF FILING	FORM NAME
AUDITOR RELATED FILING	ADT 1, ADT 2, ADT 3
DIRECTOR RELATED FILING	DIR 3, DIR 11, DIR 12, DIR 5, DIR 6
CAPITAL RELATED FILING	PAS 3, SH 7, SH 8 , SH 9, SH 11
REGISTERED ADDRESS CHANGE FILING	INC 22, INC 23
CHARGE FILING	CHG 1, CHG 4, CHG 6, CHG 9
NAME CHANGE FILING	INC 24
MANGERIAL PERSONNEL FILING	MR 1, MR 2
OPC FILING	INC 3, INC 4, INC 5
RESOLUTION FILING	MGT 14

These form is required to file in case of related event is occurred in company as per applicable provisions and prescribed rules.

Author can be reached at carishi.rg@gmail.com.



CA. Swarnalatha T

Managing Committee Member of Bengaluru Branch of SIRC of ICAI (Term 2019-2022)

Resigned on 14th February 2020 and the same has been accepted.



MANAGING OUR FIRM REMOTELY

CA. Varun Nirmal

Never ever we had imagined prior to March 2020 that a disease like COVID-19 will struck so hard and become pandemic with such a big impact on our lives and work. Most of the Chartered Accountancy firms were stuck in on how to work or plunge into a new way of working which we have never used before. It is similar to venturing into an unknown territory without adequate time to prepare. Many of the accounting firms started moving their office to the cloud and working from home. Working remotely is going to be a New Normal, at least for a foreseeable future. While many of the firms have already moved to cloud or some way to manage the practice virtually, we still need to manage our team and ensure that we collaborate with them to achieve maximum productivity without fatigue among us. We, as Proprietors/Partners need to manage a team virtually which was earlier in front of us in office collaborating with us and with clients. Managing a team which is spread across different locations and working virtually becomes a difficult and challenging task.

My thoughts on few of the best practices we can adopt which can be effective in managing a remote team are as under:

Upgrading of Hardware

We need to ensure that each of the team member has laptop. We need to move

away from desktop PC to Laptop which will help our team work from anywhere virtually. Few of the firms were already doing it but still there are many of them who had team working on Desktop PC especially in Tier II and Tier III towns

Moving to Cloud Applications

We need to invest in Software which will keep our clients data online and safe. From a traditional desktop environment, it can be done in two ways

- i) Host our existing desktop data to cloud through a service provider and enable remote access
- ii) Move to online application completely which can be accessed through browser and data is available on the cloud.

Effectively this will become our oxygen to the new Virtual office. There are many software which are working on cloud. Eg : QuickBooks, ZohoBooks, RealBooks are some of the examples of Cloud accounting application, GreytHR, Kredily and Razorpay are few examples of Cloud payroll applications and Tax cloud for Income tax

Invest in Productivity tools

Since all the team members are going to work remotely in a distributed environment, chances of derailment are higher. Hence it is utmost importance that we invest in online practice

management tools which helps us communicate, collaborate and share/exchange documents with teams and clients. This is going to be most significant aspect as it would be the *brain* of our new remote office and working style. There are tools available like Papilio which helps us do that. Our respected ICAI leadership has done a commendable work in arranging a tie-up with them for the benefits of all the members. Google docs, Zohosheets, Dropbox are the other collaboration tools which we can as it is on cloud and also available on mobile for convenience. We need to inculcate a culture of sharing the document online and in one repository not only among our teams but also among clients.

Work on Communication tools

Communication tools will be the *eyes and ears* of new virtual office through which we interact with our team and our clients. We as a Chartered Accountant firms needs to invest in video meetings tools which will slowly become our new normal way of communication among team members and with clients. Tools like Microsoft Teams, Zoho meetings, Google meet not only help in meetings virtually but also help in sharing the document, assigning tasks, notifying team members or clients while Cisco Webex, Bluejeans, Skype and Zoom are the video meetings tools available. It was



not that we were not working on Virtual communication tools earlier. Tools like email and Google drive were already been used but now it is becoming the normal way to communicate, coupled with video meetings with team and clients. Daily standup meetings of 10-15 minutes will help. Right communication tool will help us achieve clear communication and thereby better team productivity in the team.

Security

Since we are dealing with financial data of the clients, security of data is of utmost importance as any one working virtually is susceptible for security risks.

To minimize security risks-

- i) Ensure network used by all team members is safe and proper Antivirus installed
- ii) Personal computer of employees are not used for office work
- iii) Office laptop not used for personal work
- iv) Selection of vendors for hosting or cloud service providers having adequate security standards

Keep it Normal and get ready for the Future

Lastly, do not over stress yourself with online working. Often we stretch

ourselves while working from home and forget our families. Spend adequate time with family, kids and maintain a good work life balance as during this pandemic our family also needs us. We are dealing with once in a century pandemic crisis and we as Chartered Accountants have to support our families emotionally and support our clients who needs our financial advice to pass through.

When the pandemic crisis is over, we would have learned from this crisis to strengthen ourselves and get ready for the future.



Karthik Foundation (R) Karthik Pre University College Kamala College of Management Studies

[Affiliated to Bangalore University]

No. 450, O.T.C. Road, Cottonpet, Bangalore - 560 053

College is
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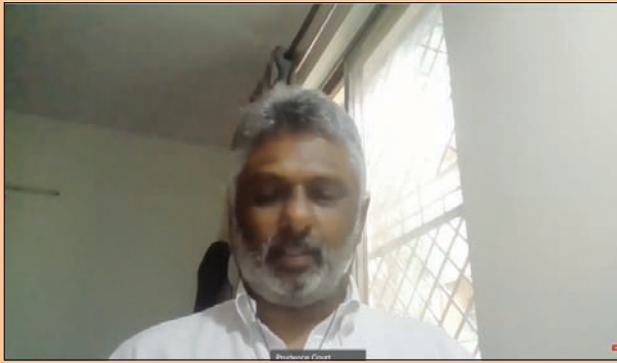
Students who are pursuing professional course can approach the college office for extra attention and classes

Web: <http://kamalacollegeofmanagementstudies.org>

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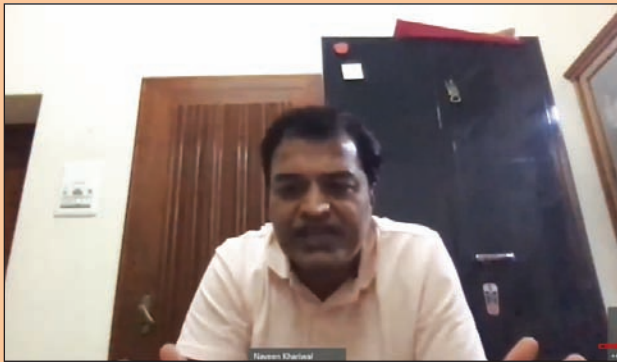
JNANA DASOHA VIRTUAL CPE MEETINGS - MEMBERS PROGRAMMES



CA. Shankar Jagannathan
Disclosures in Annual Report for COVID



CA. V. Venkata Sivakumar, Chennai
How to Capitalize the Excellent Professional Opportunities in Insolvency Practice for Chartered Accountants



CA. Naveen Khariwal G
Discussion on Demonetization related additions u/s 68 & 69 w.r.t 115BBE of Income Tax Act, 1961 – way forward in appeal



CA. Amarjit Chopra, Past President, ICAI
Common Errors in Financial Statements



Adv. K. Vaitheeswaran, Chennai
Real Estate Sector - GST Issues

58TH ANNUAL GENERAL MEETING



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



Managing Committee Members & Ex-officio Members

JNANA DASOHA VIRTUAL CPE MEETINGS - MEMBERS PROGRAMMES

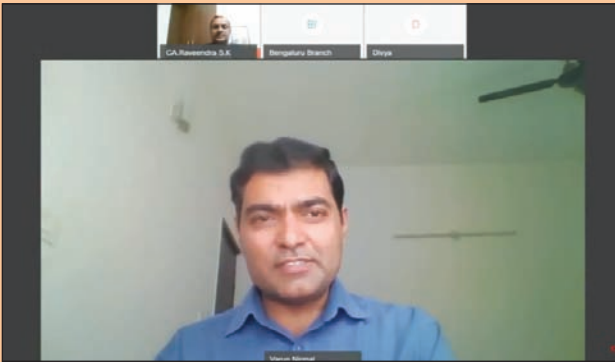


72nd CA Day Celebration - Chief Guest and Chairman Message

Chief Guest - CA. M. Marulasiddaiah, Senior Member of Bengaluru Branch of SIRC of ICAI & Past President, KSCAA, **Chairman** - CA. Raveendra S. Kore, Bengaluru Branch of SIRC of ICAI



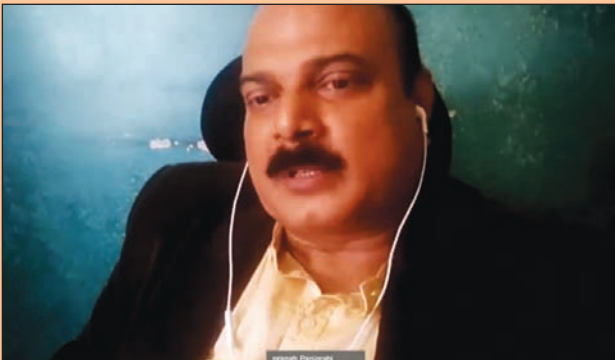
CA. V. S. Kumar, Canada
Fraud Risk Management



CA. Varun Nirmal
US Taxation Overview and Opportunities for CAs



CA. S. Prabhudev Aradhya
IPOs and Pre IPO Funding for SMEs – A New Alternative



CS. Pranab Panigrahi
IPOs and Pre IPO Funding for SMEs – A New Alternative



CA. Ravindranath B.V. Sagar, & CA. H. Shiva Kumar
Features of Co-operative Audit and Issues relating to Audit of Credit Co-operative Societies



Shri. Prakash C Majgi, Director of Co-operative Audit, Bengaluru
Expectations by the Co-operative Audit Department from CA's



CA. Umesh Bolmal, Belagavi
Role of Chartered Accountant's in a Co-operative Bank as Professional Director / Concurrent Auditor / Statutory Auditor