



Bangalore Branch of SIRC e-Newsletter

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English Monthly

For Private circulation only

Newly Elected Office Bearers for the term 2018-19



CA. Shivaram Bhat
Vice Chairman

CA. Shravan Guduthur
Chairman

CA. Raveendra S. Kore
Secretary

CA. B.T. Shetty
Treasurer

- A Two Day Week-end Conference on
UAE VAT for Chartered Accountants
03rd & 04th March 2018

- One Day Seminar on
Bank Branch Audit
24th March 2018

- Four Day Week End Workshop on
Customs and FTP for Chartered Accountants
20th, 21st, 27th & 28th April 2018

Wish you all happy & prosperous Ugadi

Chairman's Communique . . .



Dear Colleagues,

Through this newsletter, I express my sincere gratitude to all of you for electing me to the Managing Committee (2013-16 and 2016-19) and eventually choosing me to lead the Bangalore Branch of ICAI as the Chairman for the term 2018-19.

I enter into my sixth year at the Committee, where I have previously served for the cause of the profession in all the capacities – as the SICASA Chairman, the Treasurer, the Secretary, the Vice Chairman, and now as the Chairman and incidentally the **Youngest Chairman of the Largest Branch of ICAI**. The tag indeed puts a lot of expectations on me and my team and I am sure we will cope up to the anticipations and deliver to the best of such expectations with your support and blessings.

The office bearers for term 2018-19 comprise of

CA Shravan Guduthur	– Chairman
CA Shivram Bhat Shankar	– Vice Chairman
CA Raveendra S Kore	– Secretary
CA BT Shetty	– Treasurer

Initiatives implemented in February 2018 –

- 1. Job Portal** – To bridge the gap existing between the students looking for articleship / paid assistant jobs and CA firms looking for enrolling articles for training, Bangalore Branch has launched a job portal, which can be accessed at jobportal.bangaloreicai.org. This service is being offered to CAs as well who are looking for a job. Interested members / firms are required to create an account and post the necessary job details to attract the required talent, and similarly students are required to update their skills and profile post creating an account. This portal is made available to all Branches of ICAI in Karnataka. I request members to pass on suggestions to make the experience and utility of this portal better.
- 2. Recording Room** – There is little doubt that we are currently living in the age of technology. With ever evolving technology at our fingertips, and logistics problem booming, it is imperative that we adopt the benefits of the same in knowledge dissemination to students and members.

Bangalore Branch has inaugurated the Recording Room at its Vasanthnagar premises with the intention of using the same for recording lectures and webcasting them on our website for the benefit of the large population of CA students and members.

We have planned a couple of major programmes during the month of March 2018 including a first of its kind 2-Day UAE VAT Conference under the aegis of IDT Committee, ICAI. Two Seminars on Bank Branch Audit – one for members and one for students is being organised on two different dates. The details of the programmes are mentioned elsewhere in this newsletter. Members and students are requested to attend the same. Online registrations are available at bangaloreicai.org.

A total of 50 hours of 'Vitamin K' rich programmes were conducted in the month of February 2018. A host of members benefitted from the 2 day clause by clause discussion and Annual Regional Residential Course on Audit, Accounts & Company Law organised by SIRC and hosted by Bangalore Branch. The two day weekend Training Programme on GST for Accounts Executives of CA Firms & Corporate was yet another impactful programme.

I would like to place on record my huge appreciation to the outgoing chairperson, **CA Geetha Adhyam**, for making a mark in the branch not only as the first woman chairperson but also for planning and meticulously delivering her action plan for the term 2017-18 successfully. My congratulations to **CA Cotha Srinivas**, who completed a commendable tenure at SIRC of ICAI as its Chairman. I wish both of them all the very best for their future endeavours.

I would like to congratulate **CA Naveen ND Gupta** who has occupied as the President of ICAI and **CA Prafulla Premsukh Chhajed** for being elected as the Vice President of ICAI. I am happy to note that **CA Madhukar Hiregange** has been nominated as the Chairman of Indirect Taxes Committee of ICAI. Let me also congratulate the new SIRC chairman **CA Adusumilli Venkateshwara Rao** and his entire new team at SIRC for a vibrant 2018-19. Karnataka is glad to have **CA Babu K Thevar** elected as the Treasurer of SIRC and **CA Panna Raj** as the Chairman of SICASA. **CA Srinivasa T** has been nominated as the Chairman of SICASA, Bangalore.

Talking about the recent undesired and untoward rough patch that our profession has gone through, I strongly believe that ICAI and its members stand for integrity and are the true beholders of trust that makes the fabric of our nation's financial system stronger. Let us all continue to play the ever significant role, as always, for the betterment of the nation and help it move in the right direction.

To conclude, I am confident that the term 2018-19, with all your support, would be yet another eventful and enjoyable term. For any suggestions and comments, please note that I am just an email away.

Regards,

CA Shravan Guduthur
Chairman

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Bank Branch Audit Seminar

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

On **Saturday, 24th March 2018**

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

Time : **9.30 am to 5.45 pm**

6 hrs
CPE

Timings	Topics	Speakers
09.00 am to 09.30 am	Registration	
09.30 am to 10.00 am	INAUGURATION Chief Guest: Shri. Rakesh Sharma <i>Managing Director, Canara Bank</i>	
10.00 am to 11.30 am	Overview of Bank Audit; Analysis of Recent & Important Circulars by RBI	CA. Shyam Ramadhyani
11.30 am to 11.45 am	Tea Break	
11.45 am to 1.30 pm	Documentation, Reporting & Various Certification in a Statutory Bank Audit, including LFAR	CA. M.R. Vikram , <i>Hyderabad</i>
01.30 pm to 02.30 pm	Lunch	
02.30 pm to 04.00 pm	IT Consideration in Audit of CBS branches	CA. Vittal Raj , <i>Chennai</i>
04.00 pm to 04.15 pm	Tea Break	
04.15 pm to 05.45 pm	Audit of Advances - Issues	Shri. Ashit Hegde <i>Banking Consultant, Bangalore</i>

DELEGATE FEES FOR MEMBERS

Rs. 2,200/- (Inclusive of 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**, Tel.: **080 3056 3513 / 3500**
Email: **blrregistrations@icai.org** | Website: **www.bangaloreicai.org**

CA. Shravan Guduthur
Chairman
Bangalore Branch of SIRC of ICAI

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

CALENDAR OF EVENTS - MARCH & APRIL 2018

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
03.03.2018 & 04.03.2018 Sat. & Sun.	A Two Day Week-end Conference on UAE VAT for Chartered Accountants <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: Rs.1,500/- (Inclusive of GST) For Members</i> <i>Details at Pg. No. : 7</i>	Branch Premises 9.30 am to 5.30 pm	12 hrs
07.03.2018 Wednesday	Recent Amendments under GST CA. Gella Praveen Kumar	Branch Premises 6.00 pm to 8.00 pm	2 hrs
14.03.2018 Wednesday	"Labour Laws" – Management Tips Sri. Ram K Navaratna , <i>Chief Executive – HR Resonance</i>	Branch Premises 6.00 pm to 8.00 pm	2 hrs
21.03.2018 Wednesday	Taxability of Bitcoin & Important Amendments in Budget 2018 CA. Naveen Khariwal G	Branch Premises 6.00 pm to 8.00 pm	2 hrs
22.03.2018 Thursday	Hands on Training on Excel for Bank Branch Audit CA. Venu Gopal G <i>Delegate Fee: Rs.500/- (Inclusive of GST)</i>	29/1, ICAI Bhavan, Race Course Road, Gandhi Nagar, Next to SBI Bank, Bangalore 5.00 pm to 8.00 pm	3 hrs
24.03.2018 Saturday	One Day Seminar on Bank Branch Audit <i>Delegate Fee: for Members: Rs.2,200/- (Inclusive of GST)</i> <i>Details at Pg. No.: 4</i>	Chancery Pavilion #135, Residency Road, Bangalore 560 025 9.30 am to 5.45 pm	6 hrs
27.03.2018 Tuesday	Hands on Training on Excel for Bank Branch Audit CA. Venu Gopal G <i>Delegate Fee: Rs.500/- (Inclusive of GST)</i>	29/1, ICAI Bhavan, Race Course Road, Gandhi Nagar, Next to SBI Bank, Bangalore 5.00 pm to 8.00 pm	3 hrs
28.03.2018 Wednesday	Consolidation Process & Auditing Challenges CA. Madhavi D. K	Branch Premises 6.00 pm to 8.00 pm	2 hrs
04.04.2018 Wednesday	RERA – A Refresher Session CA. Sandeep Jhunjunwala	Branch Premises 6.00 pm to 8.00 pm	2 hrs
11.04.2018 Wednesday	US Tax & Reporting obligations for US citizens – Green Card Holders CA. Mithun D'souza	Branch Premises 6.00 pm to 8.00 pm	2 hrs
18.04.2018 Wednesday	Project Reports And Business Plans – Formulation and Presentation CA. & CS. Pratap Giri S., IIM, Bangalore	Branch Premises 6.00 pm to 8.00 pm	2 hrs



CALENDAR OF EVENTS - FEBRUARY & MARCH 2018

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
20.04.2018 & 21.04.2018 Fri. & Sat.	Four Day Week End Workshop on Customs and FTP for Chartered Accountants	Branch Premises 9.30 am to 5.30 pm	24 hrs
27.04.2018 & 28.04.2018 Fri. & Sat.	Delegate Fee: Members : Rs. 4,500/- plus GST Non Members : Rs.10,000/- plus GST <i>Details at Pg. No.: 8 to 10</i>		
25.04.2018 Wednesday	How to use Tally ERP 9 for Assurance & verifying Compliances CA. Abdul Rafeq & Mr. Pugal T , Founder/CEO – Potential Solutions	Branch Premises 6.00 pm to 8.00 pm	2 hrs

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

'Diploma in Information Systems Audit'

at Bengaluru on 7th April, 2018

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

Dates: **April, 2018 - 7th, 8th, 14th, 15th, 21st, 22nd, 28th, 29th, May, 2018 - 5th & 6th.**

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

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

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: kulashekhar@icai.in / Telephone: **(080) 3056 3541**

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EDITOR :
CA. SHRAVAN GUDUTHUR

SUB EDITOR :
CA. RAVEENDRA S. KORE

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A Two Day Week End Conference on UAE VAT for Chartered Accountants

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

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

On **3rd & 4th March 2018**

Venue: **Branch Premises** | Time: **9.30 am to 5.30 pm**

12 hrs
CPE

TIME	SESSION	TOPIC	SPEAKERS
DAY 1 – Saturday, 3rd March 2018			
09.00 am to 09.30 am	Registration		
09.30 am to 09.45 am	Inauguration		
09.45 am to 10.15 am	Session – I	Professional Opportunities	CA. Madhukar N Hiregange
10.15 am to 11.45 am	Session – II	Basic Concepts, Overview and comparison with GST	CA. Sandesh S Kutnikar
11.45 am to 12.00 am	TEA BREAK		
12.00 am to 01.30 pm	Session – III	Levy and Scope of Tax	CA. Deepak P
01.30 pm to 02.15 pm	LUNCH BREAK		
02.15 pm to 03.45 pm	Session – IV	Place of Supply	CA. Hanish S
03.45 pm to 04.00 pm	TEA BREAK		
04.00 pm to 05.30 pm	Session - V	Time of Supply	CA. Rahul Saria
DAY 2 – Sunday, 4th March 2018			
10.00 am to 11.30 am	Session – VI	Input Tax Credit	CA. T.R. Rajesh Kumar
11.30 am to 11.45 am	TEA BREAK		
11.45 am to 01.15 pm	Session – VII	Valuation	CA. Jatin Christopher
01.15 pm to 02.00 pm	LUNCH BREAK		
02.00 pm to 03.30 pm	Session – VIII	Registration, Designated Zone	CA. Deepak P
03.30 pm to 03.45 pm	TEA BREAK		
03.45 pm to 05.15 pm	Session – IX	Accounts, Audit and Returns	CA. Yeshwanth G N
05.15 pm to 05.30 pm	Open House		

CA. Madhukar N Hiregange
Chairman, IDTC of ICAI

CA. Sharad Singhal
Secretary, IDTC of ICAI

CA. Shravan Guduthur
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DELEGATE FEES: Rs.1,500/- (INCLUSIVE OF GST)

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



Four Day Week End Workshop on Customs and FTP for Chartered Accountants

Organized by: Indirect Taxes Committee of ICAI

Hosted by: Bangalore Branch of SIRC of ICAI

Date : 20th, 21st, 27th & 28th April 2018

Time : 9.30 am to 5.30 pm

Venue : Vasanthnagar, Bangalore Branch Premises

Day 1 - Friday, 20th April 2018

**24 hrs
CPE**

Session	Time	Topics	Speakers
1st session	9.30 A.M to 11.15 A.M	<ul style="list-style-type: none">♦ Introduction to Customs♦ What is import? What are common misconceptions?♦ Illustration based on comparative study of 13 and 23 extend to 21, 22 and 24♦ HSN and Customs classification♦ Requirements for Import documentation♦ Practice on identification of HSN for some sample products.	CA. Jatin Christopher
Short-break	11.15 A.M to 12.15 PM		
2nd Session	11.30 A.M to 12.15 PM	<ul style="list-style-type: none">♦ Import / export valuation including value rejection and provisional assessment♦ SVB procedure – background, purpose, benefits and transparency	
3rd session	12.15 PM to 1 PM	<ul style="list-style-type: none">♦ Practical case studies – personal imports, gifts, samples, demo supplies, etc.♦ Practical case studies – free-issue materials, royalty, conditional payments, etc.♦ Practical case studies – identification of general exemptions and preferential tariff agreement.	
Lunch break	1.00 P.M to 2.00 P.M		
4th session	2.00 P.M to 2.45 P.M	<ul style="list-style-type: none">♦ Background – India’s share in global exports♦ Purpose of duty/tax neutralization in exports♦ Non-impact of export incentives to domestic industry	Mr. A.S. Harihara Kumar, Chennai
5th session	2.45 P.M to 3.30 P.M	Comparative view of duty drawback u/s 74 and 75 <ul style="list-style-type: none">♦ Analysis of Drawback Rules, 1995 – also covering excise and service tax♦ Practice based on Sample Illustrations	
Short-break	3.30 P.M to 3.45 P.M		
6th session	3.45 P.M to 5.30 P.M	Principle of advance license and replenishment license including sample format of the documents/licenses involved <ul style="list-style-type: none">♦ Survey of Pre-export licensing schemes including ARO and AIL♦ Survey of Post-export licensing schemes including duty credits including sample format of the documents/licenses involved	

Day 2 - Saturday, 21st April 2018

Session	Time	Topics	Speakers
1st session	9.30 A.M to 10.30 A.M	<ul style="list-style-type: none">♦ Import procedure – workflow prescribed with role of all participants♦ Postal imports, Courier imports and Project Imports♦ Practice tips – import payments (FEMA circular), TDS and ST impact, etc.	CA. Jatin Christopher
2nd session	9.30 A.M to 11.15 A.M	<ul style="list-style-type: none">♦ Export procedure – workflow prescribed♦ Postal export and courier exports♦ Practice tips – export declarations (FEMA), netting-off / write-off, etc.	
Short-break	11.15 AM to 11.30 AM		
3rd session	11.30 A.M to 1.00 PM	<ul style="list-style-type: none">♦ Baggage Rules and transfer of residence procedure♦ Practice tips – common errors including GST/VAT refunds at exit-port	
Lunch break	1.00 P.M to 2.00 P.M		
1st session	2.00 P.M to 3.00 P.M	<ul style="list-style-type: none">♦ Framework of EOU scheme♦ Setting-up of EOU – FTP and Customs/Central Excise♦ Brief on provisions under State laws for EOUs	CA. T.R. Rajesh Kumar
2nd session	3.00 P.M to 4.00 P.M	<ul style="list-style-type: none">♦ Concessional Procurement Rules – process, checks and controls♦ End-use monitoring of duty-free purchases♦ De-bonding of duty-free purchases	
Short-break	4.00 PM to 4.15 PM		Yet to be confirmed
3rd session	4.15 P.M to 5.30 P.M	<ul style="list-style-type: none">♦ Service exporters as EOUs♦ Operation of Cenvat Credit Rules♦ Refund of service tax – history, important amendments and accounting issues Export of Service and e-BRC♦ Refund of service tax – history, important amendments and accounting issues♦ Export of Service and e-BRC	

Day 3 - Friday, 27th April 2018

Session	Time	Topics	Speakers
4th session	9.30 A.M to 10.30 A.M	<ul style="list-style-type: none">♦ Framework of SEZ♦ Role of Development Commissioner♦ Contrast comparison with EOU♦ Imports and exports by SEZ♦ DTA supplies to SEZ	CA. Gopal Kedia, <i>Mumbai</i>
5th session	9.30 A.M to 11.15 A.M	<ul style="list-style-type: none">♦ SEZ Developer – special provisions♦ Rebate and concessions♦ Is Cenvat available to SEZ units?♦ Service tax refund to SEZ	
Short-break	11.15 AM to 11.30 AM		
6th session	11.30 A.M to 1.00 PM	<ul style="list-style-type: none">♦ Exit from SEZ♦ Exit from EOU♦ Comparative study♦ Advance Ruling and Settlement Commission Aspects	
Lunch break	1.00 P.M to 2.00 P.M		



Session	Time	Topics	Speakers
4th session	2.00 P.M to 3.00 P.M	♦ Survey of EPCG scheme including sample format of the documents/licenses involved	*CA. Abhishek Sharma
5th session	3.00 P.M to 4.00 P.M	♦ Background to deemed exports Survey of deemed export benefits – TED, deemed –Dbk, WB projects, etc.	
Short-break	4.00 PM to 4.15 PM		
6th session	4.15 P.M to 5.30 P.M	♦ Survey of incentive schemes like SEIS, MEIS, etc. including sample format of the documents/licenses involved	

Day 4 - Saturday, 28th April 2018

Session	Time	Topics	Speakers
1st session	9.30 A.M to 10.30 A.M	♦ Practical questions on EOU & SEZ Schemes	Yet to be confirmed CA. K.S. Naveen Kumar <i>Advocate</i>
2nd session	10.30 A.M to 11.15 A.M	♦ Background to appellate provisions ♦ Appeal under Customs ♦ Appeal under FTP	
Short-break	11.15 AM to 11.30 AM		
3rd session	11.30 A.M to 1.00 PM	♦ Options of approaching High Court ♦ Circumstances where writ not maintainable ♦ Circumstances where writ maintainable ♦ Principle of 'latches'	
Lunch break	1.00 P.M to 2.00 P.M		
4th session	2.00 P.M to 3.00 P.M	♦ Offences – smuggling activities and common wrongs amounting to such offence ♦ Penalties – various types and its purpose ♦ Penalty in-lieu of confiscation – valuation of offending articles	* CA. V. Raghuraman
5th session	3.00 P.M to 4.00 P.M	♦ Search (conveyance and persons), seizure and confiscation ♦ Prosecution	
Short-break	4.00 PM to 4.15 PM		
6th Session	4.15 P.M to 5.30 P.M	♦ Open Discussion & Q&A Session	

*Confirmation Awaited

DELEGATE FEE : **Rs. 4,500/- + GST for Members**
Rs. 10,000/- + GST for Non Members

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

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

KNOW YOUR E-WAY BILL FOR EFFECTIVE USAGE

CA. G Praveenkumar



E-Way Bill (EWB) system has been enabled for movement of Goods under GST law across the country mandatory from 01.02.2018 uniformly. However, the same has been put on hold indefinitely vide Notification:11/2018 dtd: 02.02.2018

Basics of EWB:

- EWB is required for causing movement of goods whose value is more than Rs.50,000/- either by a Registered person or a Transporter
- Value to be considered for above threshold limit for EWB generation to include corresponding Taxes
- EWB is not required for Exempted goods as per Notification 02/2017 CTR dtd: 28.06.2017 as amended from time to time; or goods as per Rule 138(14)

Specific person to prepare EWB in exceptional case:

- Principal in one state, who cause movement of goods to a Job Worker located in another state. Principal shall generate the EWB
- Person who is exempted from Registration u/s 24 of CGST Act, 2017 dealing with handicraft goods, which are transported from one state to another

Modes of generation of EWB:

- Through common portal
- Through registered mobile via SMS

- Through Android application
- Through Application Program Interface
- Goods and Service Tax Suvidha Provider

General Mistakes during preparation of EWB:

- Clerical error in preparation of EWB towards
 - Conveyance details
 - Invoice number/ value
 - GSTN
- Wrong place of delivery
- Expiry of EWB before termination of movement of goods
- Details of taxable vis-à-vis exempted goods

Challenges to be examined:

- A professional registered under GST carries his work tools such as Motor Vehicle, Electronic gadgets and other business assets each having value more than Rs.50,000/- to his clients place for professional work. Does this can be construed as movement of goods "other than supply" call for utilization of EWB
- Manufacturing company owns transportation vehicles for its business. Does, movement of such vehicles call for generation of EWB meant for other than supply
- Can a Registered person take delivery of material from a supplier

at work site which is not a place of business for execution of a Works Contract and issue an EWB at such location as Place of Delivery

- Movement of material caused by a Registered person. Due to some exigency conveyance has to be changed and appropriate changes can't be done in the EWB due to net connectivity issue. Can the manually edited EWB to vehicle number can be construed as non-compliance with GST provisions for movement of goods

EWB Requirements:

GST Provision reference:

Section 68 – Inspection of goods in movement

Section 129 – Detention seizure and release of goods and conveyances in transit

Rule 138 – Information to be furnished prior to commencement of movement of goods and generation of EWB

Procedural Requirements:

Details to be filled up in Part A and Part B of EWB duly for the movement of goods caused

Important aspects to be considered for filling EWB:

- Place of supply is not relevant for Place of Delivery. Carefully, address of the delivery has to be quoted for the movement of goods



- For service contracts where material movement is necessary having value more than Rs.50,000/- EWB is mandatory if such goods are taxable. However, SAC can't be applied, rather relevant HSN has to be quoted duly
- Selection of "Reason for Transportation" has to be carefully chosen and the same has to be duly established on the EWB. Movement of goods other than Supply has to be carefully examined with the relevant documents and registers to be updated
- Due reconciliation has to be done towards the EWB issued/generated for the Inward and Outward movement of goods with relevant Books of Accounts maintained
- Cancellation/Rejection of EWB has to be duly exercised within given 24/72 hours of its generation
- There is no methodology of Amendment/Deletion of EWB once generated. Only updation of conveyance details during goods in transit is permitted
- There is no mandatory specification for issuance of EWB separately for each Invoice/Delivery challan issued for movement in same consignment. An EWB can be issued consolidating all the documents issued for causing movement of goods in the same conveyance

Consequences for Non-carrying EWB or any contravention in EWB:

- Any contravention with respect to preparation or usage of EWB shall call for applicability of Section 129 of CGST Act, 2017

resulting in Detention of the Conveyance

- Penalty shall be imposed before release of such Conveyance as below:

Situation	Goods are Taxable
Owner of the goods come forward for payment of Tax and Penalty	Applicable tax and Penalty equivalent to 100% of Tax payable
Owner of the goods does not come forward for payment of Tax and Penalty	Applicable tax and Penalty equal to 50% of value of goods reduced by tax amount paid

Expectation for usage of EWB from Departmental perspective:

- Proper compliance for movement of goods
- Proper usage of EWB for its intended usage only
- Accountability on the Registered person for the EWB's used in relation to Inward/ Outward movement of goods

Conclusion:

A careful examination of EWB provisions have to be understood towards its utilization and person responsible for generation of such EWB. All EWB's reflecting on the common portal in one's login window should be carefully examined on periodical basis for either its acceptance or rejection duly.



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CAREER OPPORTUNITY

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Advt.

MLI – THE NEW AGE GLOBAL TAX AGREEMENT

Ishita Bhaumik, Uttam Shetty, Simarjot Singh



"It was less than 2 years ago when we finalised the BEPS package to fix international tax loopholes that collectively cost countries upto 240 billion (USD) in foregone revenue. That's about 10% of the global corporate tax revenue. Renegotiating tax treaties has always been a significant hurdle, its time consuming, it's resource intensive, it's cumbersome. And that is what makes this convention so remarkable. Tonight, with a collective stroke of your pens you will begin amending more than 1,100 tax treaties. This would have normally taken decades."

- Angel Gurría,

Secretary-General, OECD

The above speech on 7 June 2017 during the signing ceremony of the 'Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting' aptly encapsulates the quantum and the growing concern over tax revenue and sets clearly the intention of the global tax authorities to address this issue. The convention and its intended objects has been discussed in detail in the ensuing paragraphs.

Background:

The exploitation of gaps and mismatches in tax rules of various countries to artificially shift profits to low or no-tax jurisdiction by multi-national, collectively termed as Base Erosion Profit

Shifting ('BEPS'), has been a matter of concern in the international circles among the governmental revenue authorities. OECD¹, which is a global policy forum that promotes policies to improve the economic and social well-being of people around the world, has stated that the revenue losses from such arrangements could be conservatively estimated at USD 100-240 billion annually, or the equivalent of 4-10% of global corporate income tax revenues².

Considering the scenario, the OECD with co-operation from G20 (*international forum comprising the world's 20 leading industrialised and emerging economies*) and other developed and developing countries initiated the 'OECD/G20 BEPS project' to specifically identify the tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations.

Based on the inputs from the member nations, the forum set-out 15 action points to equip the governments with domestic and international instruments to address tax avoidance, ensuring that profits are taxed where economic activities generating the profits are performed and where value is created.

Out of the 15 actions, the last action i.e., Action 15 pertained to 'A Mandate for the Development of a Multilateral Instrument on Tax Treaty'. This action plan could be considered as the most important action plan as this enabled countries to streamline the implementation of the BEPS treaty measures by providing an effective platform resolving cross border tax agreements.

During the signing ceremony, 67 countries including India, France, Canada, Singapore, Luxembourg and Cyprus signed the 'Multilateral Convention to Implement Tax Treaty Related Measures' (MLI) and an effective instrument was born to radically transform the way the tax treaties have been modified.

Purpose/objective of MLI:

The action plan sought to develop a 'multilateral instrument' which would be used to modify existing bilateral tax treaties in a synchronised and efficient manner to implement the tax treaty measures developed during the BEPS Project, without the need to expend resources individually renegotiating each treaty bilaterally.

In any other situation, the sheer time and effort that could be involved in amending the 2,000 tax treaties in order to implement the anti-tax abuse practices could take several bilateral

¹ Organisation for Economic Co-operation and Development

² <http://www.oecd.org/tax/major-step-forward-in-international-tax-cooperation-as-additional-countries-sign-landmark-agreement-to-strengthen-tax-treaties.htm>



negotiations and several years in time and could affect the ultimate success BEPS project itself.

Apart from the objective of instant application of BEPS action plans in the tax treaties, the MLI:

- a) Enables a smoother introduction of the BEPS recommendations to the government
- b) Strengthens the anti-abuse measures in tax treaties
- c) Provides an effective Dispute Resolution Mechanisms to act predictability for tax payers
- d) Circumvents the process of lengthy bi-lateral discussions for treaty amendments

Features of MLI:

- a) **Flexibility:** MLI has influenced its existence due to its flexibility provisions, which enables a choice to the countries listed in MLI to adopt certain provisions of the MLI or opt out of the other provisions or to reserve their rights to not to apply the provisions of MLI to certain countries or to apply certain provisions of the MLI only with certain countries etc.
- b) **Mandatory requirement:** However, signatories to the MLI are mandatorily required to follow the BEPS Action plan 6 on minimum standards which requires each country to implement the following suggestions to address treaty abuse concerns:-
 - Amendment of the title and preamble to tax treaty conventions to include that treaties are intended to eliminate double taxation without creating any opportunities for tax avoidance and/or evasion
 - Insert Specific Anti-Avoidance Rule (SAAR) – an LOB clause – to prevent

circumstances where a person tries to circumvent limitations provided by the treaty itself; and/or

- Insert the General Anti Avoidance Rules regime (GAAR) to prevent cases where a person tries to circumvent limitations provided by the treaty itself.

Application of MLI

Considering the above flexibilities provided by the MLI, tax treaties needed to be applied in a particular circumstance upon the effectiveness of MLI after considering the following aspects:-

- a) Existing scope of the bilateral tax treaty.
- b) Scope of MLI.
- c) Whether the other party is also a signatory to the MLI.
- d) Whether both the parties has adopted a particular provision as a covered tax agreement i.e. both the jurisdictions have agreed to submit their agreement with the OECD to apply the particular provisions of MLI with the other partner of MLI.

Upon the cumulative satisfaction of all the above aspects, the agreed 'Articles' of the MLI shall apply to the bilateral tax treaties.

Effective date

The MLI will be subject to each jurisdiction's treaty procedures for ratification, acceptance, or approval (collectively, ratification).

Pursuant to its terms, the MLI will not enter into force until three months after at least five jurisdictions have deposited instruments of ratification with the OECD. Thereafter, the MLI generally enters into force with respect to a jurisdiction on the first day of the month

following a period of three months after it deposits its instrument of ratification with the OECD.

Effect on the existing Indian tax treaties

The MLI provisions will automatically modify the bilateral tax treaties covered by MLI, where treaty partner has also opted for the amendment in the respective provisions.

Carve in / Carve outs by certain countries:-

- a) Some treaty partners have reserved the right of applicability of certain articles of MLI e.g. UK, Canada, Singapore, Luxembourg and Cyprus for Article 12.
- b) Some are not yet a signatory to the MLI e.g. United States.
- c) Some of the treaty partners have not notified the tax treaty with India as a covered tax agreement i.e. where either or both the parties of the DTAs not agreed to modify their treaties, using the MLI e.g. China, Germany and Mauritius
- d) Some treaty partners e.g. France, Netherlands and Japan, have opted for Article 12 of the MLI and the agency PE rules would be effectively modified for tax residents of these countries once the MLI is effective.

Indian scenario

India has submitted a list of 93 tax treaties entered into by India and other jurisdictions that India would like to designate as Covered Tax Agreements (CTAs), i.e., tax treaties to be amended through the MLI. Together with the list of CTAs, India also submitted a provisional list of reservations and notifications (MLI positions) in respect of the various provisions of the MLI.

Further, India's efforts to bring into effect the BEPS action plans in its domestic laws is provide below:-

number to 78 countries, which have signed the MLI, and the list is still open to be signed by the other signatories.

Way ahead

Does the MLI override the existing treaty provisions?

If the contracting state has also opted for corresponding provisions of MLI, to that extent the Treaty automatically gets modified and the beneficial provision will apply.

If the contracting state is not a signatory to MLI or if the treaty is not notified as a CTA, the existing Treaty vis-à-vis domestic law, whichever is beneficial will be applicable.

However, if there is no treaty with the contracting state, domestic laws shall prevail.

Sl. No	Amendment made / Proposed	Amendment by	Corresponding BEPS action plan
1	Introduction of equalization levy	Finance Act 2016	Action Plan-1 on "Addressing the Tax Challenges of the Digital Economy"
2	Furnishing of report in respect of international group	Finance Act 2016	Action Plan-13 on "Transfer Pricing Documentation and Country-by-Country Reporting"
3	Proposed amendment to the definition of business connection	Finance bill 2018	Action Plan-7 on "Additional guidance on Attribution of Profits to Permanent establishment"

Current position of MLI and its expected date of effectiveness

Based on the latest updates dated 24 January 2018³, there is an increase in

Further, it is provided that four jurisdictions i.e. Austria, the Isle of Man, Jersey and Poland have so far ratified the Convention, which will enter into force three months after a fifth jurisdiction deposits its instrument of ratification.

<http://www.oecd.org/tax/major-step-forward-in-international-tax-cooperation-as-additional-countries-sign-landmark-agreement-to-strengthen-tax-treaties.htm>

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Bangalore Branch of SIRC of ICAI

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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,

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ready to move in condition shall only be considered. Brokers excused.

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ON STRESS MITIGATION

Ramakrishnan KP



Situation one. Unfair boss could shorten your life

This is a case study done in 2005, which holds good at all times.

Chicago: That crummy boss in the window office could be slowly killing you, according to a study of British workers published on Monday.

Researchers in Finland who did the study found that workers who felt they were being treated fairly had a much lower incidence of coronary heart disease, the leading cause of death in all Western societies.

"Most people care deeply about just treatment by authorities," study author Mika Kivimäki of the Finnish Institute of Occupational Health wrote in this week's Archives of Internal Medicine.

"Lack of justice may be a source of oppression, deprivation and stress."

People consider that they are being treated fairly at work when they believe their supervisor considers their viewpoint, shares information about decision-making and treats individuals fairly and in a truthful manner, the study said.

The researchers tracked the 10-year incidence of heart disease in over 6,400 male civil servants in London who had been polled on their perceived level of justice and injustice in the workplace.

"In men who perceived a high level of justice, the risk of coronary heart disease was 30 percent lower than among those who perceived a low or an intermediate level of justice," the researchers said.

That finding was not accounted for by other risk factors, from age and

socioeconomic status to cholesterol levels, alcohol consumption and physical activity, the authors said.

However, if the leaders in organizations endeavored to practice a Dharmik approach, comprising the four pillars of Dharma, viz. Integrity (Sathyam), Compassion (Daya), Austerity (Tapah – Live life need based) and Cleanliness (Souham), the rest of the members would be motivated to follow suit, to the benefit of the organization. Ancient India was quite Dharmik. However, more than 1,000 years of foreign occupation, particularly the colonial rule under British, who had established a unique "Colonial Administrative System" closest to the "Master and slave" kind of relationship, instilled a new management system here, for almost 250 years, which refuses to disappear even after 1947. Therefore, it would be ideal if the leaders endeavour to reintroduce the four Dharmik principles in management principles. The value systems inculcated in Tata Group of companies are quite well known.

Situation two. "Well sir. I told you, I can sleep when the wind blows."

One catch communication in the airline industry is, "Plan for the best, but, be prepared for the worst".

They dreaded the awful storms that raged across the Atlantic, wreaking havoc on the buildings and crops. As the farmer interviewed applicants for the job, he received a steady stream of refusals.

Finally, a short, thin man, well past middle age, approached the farmer.

"Are you a good farmhand?" the farmer asked him.

"Well, I can sleep when the wind blows," answered the little man.

Although puzzled by this answer, the farmer, desperate for help, hired him.

The little man worked well around the farm, busy from dawn to dusk, and the farmer felt satisfied with the man's work.

Then one night the wind howled loudly in from offshore. Jumping out of bed, the farmer grabbed a lantern and rushed next door to the hired hand's sleeping quarters. He shook the little man and yelled, "Get up! A storm is coming! Tie things down before they blow away!"

The little man rolled over in bed and said firmly, "No sir. I told you, I can sleep when the wind blows."

Enraged by the response, the farmer was tempted to fire him on the spot. Instead, he hurried outside to prepare for the storm. To his amazement, he discovered that all of the haystacks had been covered with tarpaulins. The cows were in the barn, the chickens were in the coops, and the doors were barred. The shutters were tightly secured. Everything was tied down. Nothing could blow away.

The farmer then understood what his hired hand meant, so he also returned to his bed to sleep while the wind blew.

MORAL: When we are prepared, spiritually, mentally, and physically, we have nothing to fear. Therefore, the point for introspection is - can we sleep peacefully when the wind blows through life?

One day Seminar on Bank Branch Audit for CA Students

Organised by
Bangalore Branch of SIRC of the ICAI
Southern India Chartered Accountant Students Association (SICASA)
 On **Wednesday, 21st March 2018**
 Venue: **Bangalore Branch of SIRC of ICAI**, Time: **10.00 am to 5.00 pm**

Timings	Particulars	Speakers
9.00 am to 10.00 am	Registration	
10.00 am to 10.30 am	Inauguration Chief Guest: CA. K. Viswanath <i>Past Chairman, SIRC of ICAI</i>	
10.30 am to 11.30 am	Introduction to Bank Branch Audit, Audit Working Papers	CA. Venugopal G
11.45 am to 1.00 pm	Tax Audit, Long form Audit Report	CA. Georgy Mathew
1.00 pm to 2.00pm	Lunch Break	
2.00 pm to 3.30 pm	Bank Branch Audit under computerized environment and related documentation	CA. Deepak Chitlur
3.30 pm to 3.45pm	Tea Break	
3.45 pm to 4.45 pm	Session Continues	CA. Deepak Chitlur

Registration fee: **Rs.250/-** Please contact for Registration **Mrs. Radha G**, Tel: **080 - 3056 3547**

Offline Payment: Cheque in favour of **Bangalore Branch of SICASA** Payable at Bangalore

For Online Payment: Visit us: **www.bangaloreicai.org** | E-mail: **blrsicasa@icai.org**

CA. Shravan Guduthur
Chairman

CA. Srinivas T
Chairman, SICASA

Rankers Meet How to face CA Exam

on **17th March 2018, Saturday**

Time: **10.00 am to 1.30 pm** at **Bangalore Branch of SIRC of ICAI**

A unique Program An interactive session with nearly 10 Rank Holders

Timings	Particulars	Speakers
9.00 am to 10.00 am	Registration	
10.00 am to 10.30 am	Inauguration	Chief Guest <i>Yet to be confirmed</i>
	CA Final Rank holders: Shoba Suresh, Ashish Dhariwal, Avni Mehtha, Abhishek V, Annapoorna Srikanth	IPCC Rank holders: Aradhana Upadhyay, Kishan Ballal, Deepak Achary, Prabha V, Kamal M Drolia
10.30 am to 12.00 Pm	Interaction with rankers	
12.00 pm to 12.15 pm	Tea Break	
12.15 pm to 1.15 pm	Session continues	

Objective:

- To rekindle the potential in students to achieve positive result.
- To know more about How to prepare for the exam and approach towards exams
- To get motivated to be a member of the profession at the earliest.
- To induce a feeling **Why cant I be one of the outstanding students? Yes I Can**

Registration fee: Rs. 200/- (Seats limited 150 students only)

Please contact for Registration: **Mrs. Radha G**, Tel: **080 - 30563547**

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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