

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Bengaluru Branch (SIRC) e-Newsletter

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HAPPY

2024

NEW YEAR



PRAGJNANA PRAYATHNA

Conscious Attempts

CPE MEETINGS

- Study Circle Meeting
Recent developments in the Income-Tax law on Charitable Trusts
3rd January 2024
- The MSME and Start up Conclave 2024 and Business Excellence Awards with the Theme "Fostering growth through Entrepreneurship"
6th January 2024
- CPE Program
Practical Issues relating to 194C, 194M, 194R, 194Q & 194S
10th January 2024
- One Day Training Programme for Peer Reviewers
10th January 2024
- Study Circle Meeting
SC Ruling on MFN - Unsettling the Settled?
10th January 2024
- Study Circle Meeting
Inventory – Audit & Accounting Issues
17th January 2024
- Study Circle Meeting
Presentations before NFAC/CIT (A)
24th January 2024
- CPE Program
Capital gains relating to Shares (F & O, Commodity Trading & Speculation Transactions etc.)
30th January 2024
- Study Circle Meeting
Manner of Books of Accounts to be kept in Electronic mode – Impact on Audit Report & Audit considerations
31st January 2024
- Study Circle Meeting
Year end tax round up - Things to take care before closing the books in March 2024
7th February 2024
- Study Circle Meeting
Issues in 45(5A), 50C & 43CA
14th February 2024
- Study Circle Meeting
Succession Planning - Wills and Private Trusts
21st February 2024
- Study Circle Meeting
Internal Audit - From the Lens of Stakeholders
28th February 2024



Dear Professional Colleagues,

Each year-end marks a new beginning & it's time as the New Year dawns and celebrate the coming year with new hopes, new aspirations, and a new beginning with renewed vigour and enthusiasm. On this New Year 2024, I wish all the Chartered Accountant Members lots of joy. I am very grateful to say that we at the Bengaluru Branch conducted several programmes on topics of professional interest safeguarding the interest of our profession in the digital era 2023 with the wonderful support of my colleagues in the Managing Committee, staff at ICAI and all my professional friends. Cheers to New beginnings! I wish you a very happy and healthy New Year!

A brief about December 2023 Programs :

We had a Breakfast Meeting on 2nd December 2023 by an expert and eminent Speaker CA. Girish Kaushik on How to take away the benefits of Multi-Disciplinary Practice. 70 Members were benefitted from this Meeting.

To create awareness, increase the Startups Registration, Help in nurturing their ideas capacity building, provide assistance for developing Startup needs and boost in economy to achieve 5 Trillion dollar economy, Bengaluru Branch of SIRC of ICAI Hosted **ICAI Startup Yatra – Startup Manthan** Jointly Organized by Committee for Development of International Trade, Services &

WTO & Committee on MSME & Startup, ICAI on 6th & 7th December 2023. I thank all the stalwarts CA. Siddarth Pai, CA. Ankit Fatehpuria, CA. Guruprasad M, Mr. Shart Chandra, Mr. Bhushan Arun Patil, CA. K.L. Prashanth, CA. Narasimhan E & CA. Deena Jacob for sharing their valuable insights & innovative strategies in the tech Startup Yatra. 493 Members were benefitted through the same.

Two Days' CPE Conference emphasizing the need for professionals to adapt to change and keep up with the rapid pace of technological advancements Organized on 15th & 16th December 2023. The deliberations by all the Speakers CA. Chetan Dalal, Mumbai, CA. K. Gururaj Acharya, CA. Anand P Jangid, CA. (Adv) Ashjwani Taneja, Ex-Member, Income Tax Appellate Tribunal, Founder Partner, Prudent Law Chambers, New Delhi, Advocate Amit Khemka, Prudent Law Chambers, New Delhi, CA. A. Jatin Christopher & CA. Narendra J Jain was very informative & making this Conference a resounding success in this month. 1060 Members were empowered in this said conference.

Every Wednesday's Regular **Study Circle Meetings** were conducted on 13th, 20th & 27th December 2023. I thank the Speakers CA. Pritesh Shah, CA. Mohan R Lavi & CA. Deepak Chopra for sharing their expertise in these above said Meetings.

To brush our knowledge and gain a thorough understanding of Cost Control and Tax Planning, Technical Amendments & practical issues in GST Returns filing, and in continuation of our endeavour to keep our members updated, **One Day CPE Seminar on GST** Organized on 21st December 2023. I thank the expert & experienced Speakers CA. Mahadev R, CA. Akshay Hiregange & CA. Annapurna D Kabra on addressing all the issues & was very helpful to 484 Members participated in this Seminar.

On 22nd December 2023, **Revised Code of Ethics** Organized at API Bhavan. I thank CA. S. Sundaresan & CA. Meena S Rao covering on the best International Practices in ethics. 387 Members benefitted from the above.

(Contd. on page 5) ►

ICAI Startup Yatra – Startup Manthan

Jointly Organized by Committee for Development of International Trade, Services & WTO & Committee on MSME & Startup, ICAI



Inauguration of the ICAI Startup Manthan by lighting the lamp



CA. Cotha S Srinivas
Central Council Member, ICAI



CA. Dheeraj Kumar Khandelwal
Chairman, MSME & Startup
Committee of ICAI



CA. Pramod R Hegde
Vice Chairman
Bengaluru Branch of SIRC of ICAI



CA. Manjunath M Hallur
Secretary
Bengaluru Branch of SIRC of ICAI



CA. K.L. Prashanth



CA. Guruprasad M



CA. Ankit Fatehpuria



CA. Deena Jacob



CA. Narasimhan E



CA. Siddharth Pai



Mr. Bhushan Arun Patil



Mr. Sharat Chandra



Felicitation to the MSME & Startup Committee Chairman

CPE Seminar on Nuances around the CA Practice for Startup Ecosystem



Inauguration of Seminar by lighting the lamp



CA. Akhila Chakrala



CA. Chinmaya A M



CA. Deepak Gupta



CS. Chandra Shekhar

Study Circle Meetings



CA. Deepak Bhatt



CA. Deepak Chopra



CA. Mohan R Lavi



CA. Pritesh Shah

Breakfast Meeting



CA. Girish Kaushik

CPE Program on Revised Code of Ethics



CA. Meena S Rao

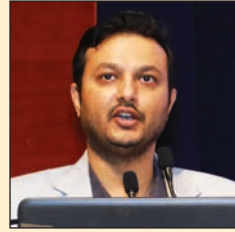


CA. S. Sundaresan

Two Days' CPE Conference



Inauguration of Conference by lighting the lamp



CA. Pramod R Hegde
Vice Chairman
Bengaluru Branch of SIRC of ICAI



CA. Cotha S Srinivas
Central Council Member
ICAI



CA. Manjunath M Hallur
Secretary
Bengaluru Branch of SIRC of ICAI



CA. Chetan Dalal
Mumbai



Advocate Amit Khemka
Prudent Law Chambers
New Delhi



CA. (Adv) Ashjwani Taneja
Ex-Member, Income Tax Appellate
Tribunal, Founder Partner
Prudent Law Chambers, New Delhi



CA. A. Jatin Christopher



CA. K. Gururaj Acharya



CA. Anand P Jangid



CA. Narendra J Jain

One Day Seminar on Standards on Auditing



Inauguration of Seminar by lighting the lamp



CA. Anjan Babu



CA. Balaji V



CA. Jaideep Trasi



CA. Rajesh R

Seminar on International Taxation



Inauguration of Seminar by lighting the lamp



CA. Bhamini GS



CA. G.S. Prashanth



CA. K.L. Prashanth



CA. S. Krishnan

CPE Seminar on GST



Inauguration of Seminar by lighting the lamp



CA. Akshay Hiregange



CA. Annapurna D Kabra



CA. Mahadev R

Chairperson's Communique . . .

◀ (Contd. from page 2)

The world of accounting is ever-evolving, and staying updated with the latest standards and practices is essential for financial professionals. **One Day Seminar on Standards on Auditing** was organized on 23rd December 2023. The deliberations by the expert & eminent Speakers CA. Balaji V, CA. Jaideep Trasi, CA. Anjan Babu & CA. Rajesh R were very useful with the knowledge, insights by way of an interactive approach and the skills necessary to navigate this dynamic landscape effectively. 373 Members were benefitted through the same.

Angel Tax and beyond confronting Direct Tax Challenges for Indian Startups was organized on 26th December 2023, I thank an expert & eminent Speaker CA. Deepak Bhatt for sharing his knowledge to 190 Members in this program.

One Day CPE Seminar on Nuances around the CA Practice for Startup Ecosystems Organized on 28th December 2023. 369 Members were empowered through the same. I thank all the Speakers CA. Chinmaya A M, CA. Akhila Chakrala, CA. Deepak Gupta & CS. Chandra Shekar for making this Seminar an informative one.

To equip individuals with the essential skills and knowledge needed to thrive in the ever-evolving taxation landscape, **One Day Seminar on International Taxation** Organized on 29th December 2023. I thank the Speakers CA. Bhamin G.S, CA. G.S. Prashanth, CA. S. Krishnan & CA. K.L. Prashanth for deliberating their practical insights and empowered 519 Members in this Seminar.

We had conducted CPE programs at Tumkur on GSTR-9 & 9C on 12th December, Standards on Auditing & Code of Ethics on 30th December 2023. 194 Members were benefitted from these programs at Tumkur.

Programmes for Students:

Bengaluru Branch and SICASA Bengaluru Branch hosted the **Mega SICASA Conference** on 8th & 9th December 2023 at Jnana Jyothi Auditorium. I appreciate the

Chairman - SICASA and his team who have not left any stone unturned in executing the Conference work. I thank the Chief Guest, CA. Ullas Kamath on sharing very informative address to Students. I also thank all the Special & Technical Session Speakers and Student Speakers for making this Mega Students Conference a resounding success. More than 1300 Students enriched their knowledge and were empowered through the same.

The months ahead – January 2024 & February 2024

The MSME and Start up Conclave 2024 and Business Excellence Awards with the Theme "Fostering growth through Entrepreneurship" is being Organized by the SIRC of ICAI in association with Federation of Karnataka Chambers of Commerce and Industry (FKCCI), Hosted by Bengaluru Branch of SIRC of ICAI on 6th January 2024 at Sir M.V. Auditorium, FKCCI, KG Road, Bengaluru.

Certificate Course on Internal Audit is being Organized from 8th January 2024 to 12th January 2024 at Citrus Hotel, Cunningham Road, Bengaluru.

One Day Training Programme for Peer Reviewers is being Organized by Peer Review Board of ICAI, Hosted by Bengaluru Branch of SIRC of ICAI on 10th January 2024 at Hotel Fairfield – Marriott, Rajajinagar, Bengaluru.

We have a CPE Programs on Practical Issues relating to 194C, 194M, 194R, 194Q & 194S & Capital Gains relating to Shares (F&O, Commodity Trading & Speculation Transactions etc) on 10th January 2024 & 30th January 2024 at Tumkur.

Study Circle Meetings on every Wednesday's on 7th, 14th, 21st & 28th February 2024 on Year end tax round up - Things to take care before closing the books in March 2024, Issues in 45(5A), 50C & 43CA, Succession Planning - Wills and Private Trusts, Internal Audit - From the Lens of Stakeholders.

With warm regards,

CA Divya S

Chairperson

Bengaluru Branch of SIRC of ICAI



CALENDAR OF EVENTS

CPE MEETINGS FOR THE MONTH OF JANUARY 2024

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE CREDIT
03.01.2024 Wednesday	Study Circle Meeting Recent developments in the Income-Tax law on Charitable Trusts CA. Bharadwaj Sheshadri Delegate Fees : Members – Rs.100/- Plus GST	S. Narayanan Auditorium Vasanthnagar 6.00 pm to 8.00 pm	2 hrs
06.01.2024 Saturday	The MSME and Start up Conclave 2024 and Business Excellence Awards with the Theme “Fostering growth through Entrepreneurship” <i>Organized by : SIRC of ICAI in association with Federation of Karnataka Chambers of Commerce and Industry (FKCCI)</i> <i>Hosted by : Bengaluru Branch of SIRC of ICAI</i> Delegate Fees : Members – Rs.1,200/- (Inclusive of GST) <i>Details at Pg. No.17</i>	Sir M.V. Auditorium, FKCCI, KG Road, Bengaluru. 9.00 am Onwards	6 hrs
10.01.2024 Wednesday	CPE Program Practical Issues relating to 194C, 194M, 194R, 194Q & 194S CA. G S Prashanth Delegate Fees : Members – Rs.500/- Plus GST	Chartered Accountants Association of Tumkur, TDCAA Premises, 2nd cross, Srinagar, Tumkur 10.00 am to 2.00 pm	4 hrs
10.01.2024 Wednesday	One Day Training Programme for Peer Reviewers <i>Organized by : Peer Review Board of ICAI</i> <i>Hosted by : Bengaluru Branch of SIRC of ICAI</i> Delegate Fees : Members – Rs.1,000/- Plus GST <i>Details at Pg. No.20</i>	Hotel Fairfield – Marriott, 59th C Cross, 4th M Block, Rajajinagar, Bengaluru (Landmark Near Lullu Global Mall)	6 hrs
10.01.2024 Wednesday	Study Circle Meeting SC Ruling on MFN – Unsettling the settled? CA. Priya Narayanan Delegate Fees : Members – Rs.100/- Plus GST	S. Narayanan Auditorium Vasanthnagar 6.00 pm to 8.00 pm	2 hrs
17.01.2024 Wednesday	Study Circle Meeting Inventory – Audit & Accounting Issues CA. Vikas Oswal Delegate Fees : Members – Rs.100/- Plus GST	S. Narayanan Auditorium Vasanthnagar 6.00 pm to 8.00 pm	2 hrs

CALENDAR OF EVENTS

CPE MEETINGS FOR THE MONTH OF JANUARY & FEBRUARY 2024

DATE AND DAY	TOPIC / SPEAKER	TIME	STRUCTURED CPE CREDIT
24.01.2024 Wednesday	Study Circle Meeting Presentations before NFAC/CIT (A) CA. Siddesh Gadi Delegate Fees : Members – Rs.100/- Plus GST	S. Narayanan Auditorium Vasanthnagar 6.00 pm to 8.00 pm	2 hrs
30.01.2024 Tuesday	CPE Program Capital gains relating to Shares (F & O, Commodity Trading & Speculation Transactions etc.) CA. Sandeep Chalapathy Delegate Fees : Members – Rs.500/- Plus GST	Chartered Accountants Association of Tumkur, TDCAA Premises, 2nd cross, Srinagar, Tumkur 10.00 am to 2.00 pm	4 hrs
31.01.2024 Wednesday	Study Circle Meeting Manner of Books of Accounts to be kept in Electronic mode – Impact on Audit Report & Audit considerations CA. Meena S Rao Delegate Fees : Members – Rs.100/- Plus GST	S. Narayanan Auditorium Vasanthnagar 6.00 pm to 8.00 pm	2 hrs
07.02.2024 Wednesday	Study Circle Meeting Year end tax round up - Things to take care before closing the books in March 2024 CA. Ishita Bhaumik Delegate Fees : Members – Rs.200/- Plus GST	S. Narayanan Auditorium Vasanthnagar 6.00 pm to 8.00 pm	2 hrs
14.02.2024 Wednesday	Study Circle Meeting Issues in 45(5A), 50C & 43CA CA. Naveen Khariwal G Delegate Fees : Members – Rs.250/- Plus GST	S. Narayanan Auditorium Vasanthnagar 5.00 pm to 8.00 pm	3 hrs
21.02.2024 Wednesday	Study Circle Meeting Succession Planning - Wills and Private Trusts CA. Sheshadri K Delegate Fees : Members – Rs.200/- Plus GST	S. Narayanan Auditorium Vasanthnagar 6.00 pm to 8.00 pm	2 hrs
28.02.2024 Wednesday	Study Circle Meeting Internal Audit - From the Lens of Stakeholders CA. Sivaram Subramaniam & CA. Aman Dutta Delegate Fees : Members – Rs.200/- Plus GST	S. Narayanan Auditorium Vasanthnagar 5.00 pm to 8.00 pm	3 hrs



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA BENGALURU BRANCH (SIRC)

ELIGIBILITY CRITERIA FOR GRANTING OF SCHOLARSHIP TO CA STUDENTS

- Students must be registered for articles in Bengaluru jurisdiction/Karnataka State.
- **Students who have completed One year of Articleship at Bengaluru Branch jurisdiction are only eligible.**
- **Students who have previously availed scholarships from the Bengaluru Branch are NOT eligible.**
- Students should preferably have passed Foundation/Intermediate in the first attempt.
- The annual income of parents should not exceed 1.50 Lakhs per annum.
- Meritorious students may be considered for relaxation, irrespective of their parents' income.
- Physically handicapped students will be given preference, regardless of their parents' income.
- The Scholarship Committee's decision is final in granting scholarships to students.
- Applications (in Hard copy) must be submitted in a sealed envelope to the **Vasanthnagar Branch Office** before 6 PM on 21st January 2024.

Bengaluru Branch of SIRC of ICAI

Congratulations

RANK HOLDERS - NOVEMBER 2023 EXAMS

Sl No.	Name	SRO NO	Roll No	Total Marks Obtained	CITY RANK
FINAL					
1	ROHAN S	SRO0711091	412840	565	1
2	DARSHAN P	SRO0701856	411449	549	2
3	ANUSHKA MANDOT	SRO0622771	410155	542	3
4	VISHNU SHASTRY	SRO0716205	412848	535	4
5	SNEHA	SRO0668263	411454	527	5

INTERMEDIATE

1	AKSHATH JAIN	SRO0820926	619890	572	5
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Advt. material should reach us before 22nd of previous month.

EDITOR :
CA. DIVYA S

SUB EDITOR :
CA. MANJUNATH M HALLUR

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REVOLUTIONIZING INVESTMENT MANAGEMENT: THE IMPACT OF MACHINE LEARNING AND DATA SCIENCE



CA. M. Ashok

Machine learning, a type of advanced technology, is being increasingly used in various financial sectors. In finance and investment, it helps firms understand their clients better, discover new investment strategies (also known as 'alpha'), and execute trades more efficiently. This technology first became prominent in finance during the 1990s and has grown significantly due to the surge in data availability and affordable computing power.

Beyond finance and investment, machine learning also plays a crucial role in accounting and economic analysis. In accounting, it automates and enhances the accuracy of financial record-keeping and analysis. In the field of economics, it is used to analyze complex market data and trends, which aids in more accurate economic forecasting and policy-making.

This article gives an overview of machine learning (ML) and its importance for investment professionals. It's important for these professionals to have a basic understanding of the kinds of problems ML can solve, how its algorithms work, and the specific terminologies used in the field. They don't need to be experts in the technical details of ML, but knowing the basics helps them

communicate effectively with ML and data science experts.

Investment professionals don't need to know all the complex math behind machine learning, but they should be able to find the right data for the models, understand what the model's results mean, and apply these insights to their work. This could include making informed decisions in their respective sub-fields – fund management, research or client engagement.

A related terminology is 'Data Science'. Data science is a fast-growing field because there's a lot more data now, and this data is very diverse. People believe that valuable insights can be gained from this data. Data science is a mix of mathematics, computer science, and business analytics. It's unique because it focuses on learning from data.

This learning in data science varies from basic methods that help identify links between different pieces of information to more complex systems, known as neural networks. These complex systems are designed to process and adjust to new information in a way similar to how our brains function. In simpler terms, data science involves using different levels of computer-based techniques to

understand and make use of large amounts of data. Essentially, data science is about using scientific methods and algorithms to extract knowledge and insights from structured and unstructured data.

How Machine Learning and Data Science Impacts Investment Decision Making

Machine learning is changing the way investment management works. It could challenge traditional ideas about the risks and rewards of different assets and change how investment businesses operate. Big collections of data and learning models (ways computers learn from data) are already making a difference in many areas of investment management. This includes understanding client needs, deciding how to spread investments across different assets, picking stocks, building investment portfolios, managing risks, and making trades.

Large banks and investment management firms are using machine learning methods at every step in the process of managing assets and wealth. For example, chatbots, powered by machine learning, are helping answer basic questions about retirement savings and taxation and they get better with each interaction



they have with investors. Machine learning is also used to find better investment opportunities (called 'alpha signals') in various ways. It can predict future trends for a single set of data, use a combination of known factors to make forecasts, or even select the best data to use from existing or new sources.

A practical example of this is in research where machine learning is applied to text analysis. Researchers have found that changes from year to year in companies' annual reports, quarterly reports, transcripts of earning calls especially negative changes in sections about management discussions and risks, can be very good indicators of how the company's stock will perform.

We will explore specific areas of investment management where machine learning and data science can offer enhanced solutions compared to traditional methods. These technologies bring improved approaches and potentially better outcomes in managing investments.

Calculating Target Portfolio Weights:

Machine learning can help in determining the ideal distribution of investments in a portfolio, considering the client's specific restrictions or preferences. Once these target weights are established, machine learning algorithms can dynamically adjust them to maximize the Sharpe ratio. The Sharpe ratio is a measure used to understand the return of an investment compared to its risk. By maximizing this ratio, machine learning

aims to increase the potential return for a given level of risk.

Improving Variance-Covariance Matrix Estimation:

The variance-covariance matrix is a critical element in portfolio management, used to understand how different investment assets move together or apart. Machine learning, particularly through a technique called principal components analysis, can refine the estimation of this matrix. Principal components analysis simplifies the complexity of the financial market by reducing the number of variables needed to explain variations in data, making it easier to predict risks and returns.

Outperforming in Portfolio Construction:

Research suggests that machine learning methods can create portfolios that perform better than those constructed through traditional mean-variance optimization. Mean-variance optimization is a classical approach to building a portfolio that balances expected return against risk. Machine learning solutions can analyze more complex patterns in data, leading to potentially more effective portfolio strategies.

Enhancing Order Flow Management:

Machine learning is also improving the way trades are executed. It employs non-linear trading algorithms, which are more adept at handling the complexities of the market, to reduce the costs associated with implementing portfolio decisions. These algorithms can process large amounts of data and

execute trades more efficiently and cost-effectively.

Evolving Automation in the Industry:

These advancements in machine learning have led to significant changes in how financial tools and processes are automated. An example of this is robo-advising, where automated platforms provide financial advice or investment management with minimal human intervention. These platforms use machine learning algorithms to make investment decisions, manage portfolios, and provide personalized advice to clients. In the US, Wealthfront and Betterment are prominent robo-advisory platforms.

In conclusion, the integration of machine learning and data science in investment management is a significant advancement, offering enhanced precision, efficiency, and innovative solutions. These technologies are reshaping traditional practices in areas such as portfolio management, risk assessment, and market analysis. With their ability to analyze vast datasets and identify complex patterns, machine learning and data science hold the potential to optimize investment strategies and decision-making processes, thereby ushering in a new era of sophisticated, data-driven investment management. This technological evolution not only benefits investment professionals but also promises to refine the overall landscape of financial services.

*The author can be reached at
ashok.21aug@gmail.com*

CHANGING LANDSCAPE OF ANGEL TAX FOR STARTUPS

CA. Deepak Bhatt



1. Background

Angel tax was introduced through the Finance Act 2012, under Section 56(2)(viib) of the Income Tax Act. It targeted unaccounted money in closely held companies through share premium exceeding fair market value (FMV). Initially applicable to domestic investors, it aimed to prevent money laundering. Over time, it sparked intense debate within the startup community. While meant to ensure transparency, Angel Tax has drawn criticism for hindering early-stage investments and imposing compliance burdens on startups.

2. Evolution and Extension to Non-Residents

The Finance Act 2023 marked a significant evolution of the angel tax provision by extending its applicability to non-resident investors. This amendment aimed to bring parity between domestic and foreign investments and broaden the tax base by including any excess consideration received over the FMV from non-residents as taxable income. The rationale was to create a more comprehensive and uniform regulatory environment for investments into Indian companies, thereby addressing concerns of tax evasion and round-tripping of funds on a global scale.

The implications of this amendment have been far-reaching. Startups and closely held companies now need to

be more diligent in their fundraising activities, ensuring compliance with the valuation norms prescribed under the newly amended rules. This has led to an increase in compliance costs and complexities, particularly for startups that heavily rely on foreign investments for their growth and operations.

3. Impact of Amendment in Finance Act 2023

The inclusion of non-residents under the angel tax provisions has had a significant impact on India's startup and investment landscape. It has made foreign investors more cautious, leading to increased scrutiny of valuations and compliance for investments in Indian companies. Startups now face added complexities in securing funds, as they must meet strict valuation criteria.

This change has also affected the ease and attractiveness of foreign investments in Indian startups, potentially slowing the flow of foreign capital. Startups are under pressure to meticulously calculate and justify valuations, resulting in higher costs and longer fundraising timelines, which can impact their growth and contributions to the economy.

4. Detailed Change in Valuation Methodologies for Non-Residents

With the angel tax now applicable to non-resident investors, there has been a significant overhaul in the valuation methodologies under Rule

11UA of the Income Tax Rules. The new rule encompasses several methods for determining the FMV of shares issued to non-residents, providing a more diverse and flexible approach to valuation. These methods include:

Net Asset Value Method (NAV): This method calculates the value of the shares based on the net assets of the company, considering its total assets minus its liabilities.

Discounted Free Cash Flow Method (DCF): A forward-looking valuation method that relies on projections of how much cash flow the company will generate in the future and then discounts it to present value.

Price Matching Method: This method allows companies to match the price at which shares are issued to established investors under certain conditions, providing a more market-driven approach to valuation.

Additional Methods for Non-Residents: Tailored for non-resident investments, these include Comparable Company Multiple Method, Probability Weighted Expected Return Method, Option Pricing Method, Milestone Analysis Method, and Replacement Cost Methods.

These methodologies aim to provide flexibility and reflect the varied nature of startups and investments. However, they also introduce a level of complexity and subjectivity, especially in the eyes



of tax authorities who may scrutinize the chosen method and its application in valuing shares.

5. Challenges and Criticisms

The extension of the angel tax to non-residents has faced criticism for several reasons. Startups argue that it hinders early-stage investments crucial for their growth. Investors, especially angel investors, are concerned about increased regulatory burdens and potential disputes due to subjective valuations.

A primary criticism centers on the subjectivity of valuing startups, often in their early stages with limited revenue or profits. The flexibility offered by the amended rules also allows room

for interpretation and disputes with tax authorities, potentially leading to prolonged legal battles and uncertainty, which is detrimental to startups' dynamic nature.

Conclusion

The introduction and subsequent amendments to the angel tax provision reflect the government's intent to regulate the funding environment and prevent misuse of the system. While the objective is to ensure transparency and equity in the influx of both domestic and foreign capital, the practical implications have raised concerns among investors and startups alike. As India continues to evolve as a global startup hub, it is essential to

strike a balance between regulation and growth.

The government needs to consider the dynamic and innovative nature of startups while formulating tax laws and ensure that such regulations bolster the ecosystem rather than hinder it. Continuous dialogue, clear guidelines, and a consideration of globally accepted valuation methodologies might be the way forward to create a more conducive environment for investments and growth. The journey of angel tax from its inception to its current state highlights the fine line between regulation and facilitation, a balance that is crucial for the sustained growth of the startup ecosystem in India.

ANNOUNCEMENT

Certificate Course on Internal Audit

No. of days : **05**

Dates : **8th January 2024 to
12th January 2024**

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

Course Fees : **Rs.11,800/-**
(Rs.10,000/- per participant
+18% GST)

Venue : **Hotel Citrus, 34,
Cunningham Road,
Bengaluru 560 052**

Batch Size:

**Minimum and maximum is
35 and 65 participants respectively.**

CPE : 30 hrs.

25 structured CPE hours for attending all the five days classes and 5 CPE hours would be given after successfully clearing the examination.

Registration:

Please visit **bangalore@icai.org**

For any assistance:

email to **blrprogrammes@icai.org**

Course on “Finance for Non-Finance Executives” (FNFE)

A Management Development Programme

XXIII Weekend Batch of the Course on Finance for Non Finance Executives at Bengaluru Branch of SIRC of ICAI

Kind Attention: Members

Members are requested to pass on the information to their Clients.

The course is **open for Non-Finance Executives** such as Engineers, Architects, Doctors, Human Resource Personnel, Department Heads / Administrators / Entrepreneurs and various other professionals, those who are not having adequate knowledge of Accounts / Finance.

The course does not call for any prior knowledge in Accountancy, Finance and Tax Laws. The course coverage will be basic in all subjects.

Date : **6th April 2024 to 18th May 2024**

Venue : **S. Narayanan Auditorium,**
Vasanthnagar, Bengaluru

Time : **10.00 am to 6.30 pm**

Day : **Full Day only on Saturday**

No. of Weeks : **07 weekend Saturday's**

Tea Break : **15 mins.**

Lunch : **30 mins.**

Course Fees :

Rs. 20,000/- Plus GST

Mode of Payment:

DD/Cheque in favor of
Bangalore Branch of SIRC of ICAI

Contact :

080 43944876 /

E-mail: bangalore@icai.org /

blrprogrammes@icai.org

Congratulations



CA. S. R. Raghunatha

Appointed as Accountant/Judicial Member in the
Income Tax Appellate Tribunal (ITAT)
Government of India, Ministry of Law & Justice,
Department of Legal Affairs, New Delhi
on 22nd December 2023 for a period of four years

*Bengaluru Branch congratulates and wish you
all the very best in your future endeavours.*



**BENGALURU BRANCH OF SIRC OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**
(Set up by an Act of Parliament)
**BENGALURU BRANCH ICAI IS ORGANISING CA INTERMEDIATE COACHING
CLASSES FOR MAY 2024 EXAMS – PHYSICALLY MORNING BATCH**

Schedule from: 21.12.2023 to 04.04.2024

Timings 07.00am to 10.00am and 5.30pm to 8.30pm (Monday to Saturday)

07.00am to 1.30pm (Sunday)

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







PRAGJNANA PRAYATHNA

Conscious Attempts

REGISTRATION OPEN FOR CA INTERMEDIATE COACHING CLASSES FOR MAY 2024 EXAMS - NEW SYLLABUS

GROUP – I Evening time 5.30pm to 8.30pm

Online
Registration
Now open!

Subject and dates	Faculty name
Paper - 1 : Advanced Accounting Dates: 21.12.2023 to 30.01.2024	CA. MURALI NAGARAJ All-India Rank Holder 
	CA. KALESHWARA PRASAD 
Paper -2 : Corporate & Other Laws Dates: 31.01.2024 to 26.02.2024	CA. MRIDUL AGARWAL 
	CS. BHARATH K L 
Paper-3: Taxation Section A: Income-tax Law Dates: 27.02.2024 to 17.03.2024	CA. PRASHANTH BHARADWAJ 
Paper-3: Taxation Section B: Goods and Services Tax Dates: 18.03.2024 to 04.04.2024	CA. VENKATA KRISHNA KOTHARI 



GROUP – II Morning time 7am to 10am

Subject and dates	Faculty name
Paper-4: Cost and Management Accounting Dates: 24.12.2023 to 28.01.2024	CA. PUNITH KUMAR N 
	CA. NARENDRA KUMAR B 
Paper-5: Auditing and Ethics Dates: 29.01.2024 to 18.02.2024	CA. VIKAS OSWAL 
Paper-6A: Financial Management Dates: 19.02.2024 to 04.03.2024	CA. CHINMAYA HEGDE All-India Rank Holder 
Paper-6B: Strategic Management Dates: 05.03.2024 to 16.03.2024	CA. ANAND P JANGID 

Course	Fees	Timings
CA Intermediate	Rs. 20,000/- for Both Groups Rs. 12,000/- for Single Group Rs. 5,000/- for Single Subject	07.00am to 10.00am (Monday to Saturday) 07.00am to 1.30pm (Sunday)

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

Email: blrstudentevents@icai.org

Note: 1) Fees once paid will not be refunded.

For further details /Queries Pls call 080 - 4394 4868 /4876 Mob: 9880007904

Venue: Bengaluru Branch of SIRC of ICAI

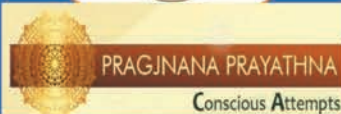
'ICAI BHAWAN' #, 16/O, Millers Tank Bed Area, Vasanth Nagar, Bangalore - 52.

CA. Divya S
Chairperson

CA. Manjunath M. Hallur
Secretary



**BENGALURU BRANCH
OF SIRC OF
THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA**
(Set up by an Act of Parliament)



**BENGALURU BRANCH OF ICAI
IS ORGANISING COACHING
CLASSES FOR
CA FOUNDATION &
CA INTERMEDIATE
STUDENTS FOR
MAY & NOV. 2024 EXAMS**

CA Coaching Classes For New Syllabus

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 PHYSICAL coaching classes for **CA FOUNDATION & CA INTERMEDIATE** students & will commence as follows

Why you Should Choose ICAI – Bengaluru Branch

Salient features

- Experienced, Expert and Dedicated faculty members
- Methodology – Concept Oriented Teaching
- Affordable Coaching Fee, Library Facility, Reading Room Facility
- Mock Tests, Revision Classes, Crash Course, Quiz Programme & Classroom presentation
- The journey of CA student with bengaluru branch will be filled with Innumerable knowledge oriented activities coupled with motivational sessions & orientation classes, guided by our senior members, renowned faculty & resource persons to make student life productive and fruitful.
- It is a golden opportunity to be part of the bengaluru branch by enrolling as a student to become a prestigious member of this glorious profession.

**Online
Registration
Now open!**

Course	Fees	Starting Dates	Timings
CA Foundation	Rs. 12500/- Rs. 4000/- for Single Subject	Starting from 11 th January 2024 (Evening batch)	04.30pm to 07.30pm (Monday to Saturday) 07.00am to 01.30pm (Sunday)
CA Intermediate	Rs. 20,000/- for Both Groups Rs. 12,000/- for Single Group Rs. 5000/- for Single Subject	Starting from 21 st Dec. 2023 for May 2024 Exams (Morning & Evening Classes)	Morning: 7.00 am to 10.00am Evening: 5.30pm to 8.30pm (Monday to Saturday) 07.00am to 01.30pm (Sunday)
CA Intermediate	Rs. 20,000/- for Both Groups Rs. 12,000/- for Single Group Rs. 5000/- for Single Subject	Starting from in Month of Feb. 2024 for Nov. 2024 Exams (Morning Batch)	Morning: 7.00 am to 10.00am (Monday to Saturday) 07.00am to 01.30pm (Sunday)

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

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

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

Venue: ICAI Bhawan, 16/O, Miller's Tank, Bed Area, Vasanthanagar, Bengaluru -52

Note: Fees once paid will not be refunded.

**For further details /Queries
Pls call 080 - 4394 4868 /4876
Mob: 9880007904**

**CA. Divya S
Chairperson**

**CA. Manjunath M. Hallur
Secretary**





SOUTHERN INDIA REGIONAL COUNCIL OF

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(SET UP BY AN ACT OF PARLIAMENT)

In association with



FEDERATION OF KARNATAKA CHAMBERS OF COMMERCE AND INDUSTRY (FKCCI)

Hosted by :

Bengaluru Branch of SIRC of ICAI

Organises

CPE : 6hrs

MSME AND STARTUP CONCLAVE 2024 AND BUSINESS EXCELLENCE AWARDS

उद्यमेन हि सिध्यति समृद्धिः

“ Fostering growth through Entrepreneurship ”

Date : Saturday, 6th January, 2024

Time : 09:00 am onwards

**Venue : Sir M V Auditorium, FKCCI, KG Road,
Bengaluru- 560009**

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"MSME & START UP CONCLAVE 2024"

Duration, Schedule and Venue

The Programme is Scheduled on the **6th of January, 2024 (Saturday)** at **Sir M V Auditorium, FKCCI, KG Road, Bengaluru- 560009**

Programme Schedule

<i>SCHEDULE</i>	<i>SESSION CONTENT</i>	<i>SPEAKERS</i>
08:30 AM - 09:30 AM	Registration & Breakfast	
09:30 AM - 10:30 AM	Inauguration	
10:30 AM -11: 30 AM	Global Opportunities for Indian Startups	CEO of Incubation Centre, Bengaluru
11:30 AM-12:30 PM	Branding, Marketing and Digital Transformation for MSMEs and Start ups	CA Narasimhan Elangovan Partner, KEN & Co., Chartered Accountants Bengaluru
12:30 PM - 01:30 PM	Opportunities in Food Processing & Agri Sector	By Eminent Speaker (Confirmation Awaited)
01:30 PM - 02:15 PM	Networking Lunch	
02:15 PM - 03:15PM	Karnataka Tourism & Industrial Policy and Schemes & Incentives for MSMEs from Central & State Govts & NSIC	Shri M Sreevatsan General Manager Zonal Office - NSIC Bangalore Central & State MSME Department Representatives
03:15 PM - 04:15 PM	Funding options for MSMEs and Start ups	CA Deepak Gupta Bengaluru
04:15 PM - 05:45 PM	MSME Townhall - Direct interaction with Experts	Representatives of all Sponsor Banks, NSIC and DIC Moderated by CA S S Nayak
06:30 PM - 09:00 PM	Award Ceremony	
09:00 PM -10:00 PM	Networking Dinner	



"MSME & START UP CONCLAVE 2024"

Organised by

SIRC of ICAI

CA Panna Raj S Chairman	CA Geetha A. B. Vice Chairperson	CA Arun AV Secretary	CA Subba Rao Muppala Chairman MSME & Start-ups Committee of SIRC of ICAI
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Bengaluru Branch of SIRC of ICAI

CA. Divya S Chairperson	CA. Pramod Ramamohan Hegde Vice Chairman	CA. Hallur Manjunath Mahanthappa Secretary
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FKCCI

Mr. Ramesh Chandra Lahoti President	Mr. M G Balakrishna Sr. Vice President	Smt. Uma Reddy Vice President	Mr. B V Gopal Reddy Immediate Past President
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Conclave Director

CA S S Nayak Co-opted Member MSME & Start-ups Committee, SIRC of ICAI
--

Conclave Chief Co-ordinator

CA Raveendra S. Kore Director, FKCCI and Chairman, Banking & Finance Committee of FKCCI
--

Co-ordinators

CA Sanketh S Nayak	CA Siddarth Javali	CA Anil Bharadwaj
CA Pratiksha Pai	CA Venkatesh Bhat	

Registration Fees

Category	Amount (Rs.)
MSME Enterprises	Rs. 1200/- per delegate (Inclusive of GST)
Start ups	
CA Members	
Others	

How to Apply

Kindly click this link for online registration	https://sirc-icai.org/common_events.php
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Our Bank Account Details

Account Name- SIRC of ICAI
Account No.: 764903128
Bank: Indian Bank
Uthamar Gandhi Salai Branch, Chennai, Tamilnadu
IFSC Code: IDIB000N061



One Day Training Programme for Peer Reviewers at Bengaluru

Organised by **Peer Review Board of ICAI**
Hosted by **Bengaluru Branch of SIRC of ICAI**

On **Wednesday, 10th January 2024**

Venue: **Hotel Fairfield – Marriott**, 59th C Cross, 4th M Block,
Rajajinagar, Bengaluru (Landmark Near Lullu Global Mall)

Timings: **09.00 AM to 05:00 PM**

6 hrs
CPE

TIMINGS	TOPICS	SPEAKERS
09:30 A.M – 10:00 A.M	REGISTRATION & TEA	
Session I 10:00 A.M – 10:45 A.M	Importance of Peer Review	CA.(Dr.) Anuj Goyal , <i>Chairman, Peer Review Board</i>
Session II 10:45 A.M– 11:30 A.M	Importance of AQMM in Peer Review	CA. Sripriya Kumar , <i>Vice-Chairperson, Peer Review Board</i>
Session III 11:30 A.M– 12:15 P.M	Rationale & Significance of Peer Review and Review Procedures and Reporting by Peer Reviewer	CA. Ayush Jain
Session IV 12:15 P.M– 01:00 P.M	Compliance with Ethical Standards	CA. Ayush Jain
01:00 P.M – 02:00 P.M	LUNCH BREAK	
Session V 02:00 P.M – 03:00 P.M	Compliance with Framework of Quality Control General & Specific Controls	CA. (Dr.) Himanshu Agarwal
Session VI 03:00 P.M – 04:00 P.M	Compliance with Technical and Professional Standards	CA. (Dr.) Himanshu Agarwal
Session VII 04 :00 P.M – 05:00 P.M	Compliance with Audit Documentation	CA. Aditya Bajaj

CA (Dr.) Anuj Goyal
Chairman
Peer Review Board

CA Sripriya Kumar
Vice - Chairperson
Peer Review Board

CA. Cotha S Srinivas
Central Council Member
ICAI

Program Convenor:

CA. Divya S
Chairperson

Bengaluru Branch of SIRC of ICAI

Program Coordinator:

CA. Manjunath M Hallur
Secretary

Bengaluru Branch of SIRC of ICAI

Online Registration open

DELEGATE FEES :	For MEMBERS:
PHYSICAL	Rs. 1,000/- (Plus GST)

For Registration, please contact: **Ms. Pooja - 98800 07905**

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

For Registration, click **www.bangaloreicai.org** | Tel: **080 43944868/876, 96069 13003**

Two Days Mega Conference of CA Students



Invocation song



Inauguration of Conference by lighting the lamp



Chief Guest CA. Ullas Kamath



CA. Chengal Reddy
SICASA Chairman, SIRC of ICAI



CA. Pramod R Hegde
Vice Chairman
Bengaluru Branch of SIRC of ICAI



CA. Cotha S Srinivas
Central Council Member, ICAI



CA. Mangesh Pandurang Kinare
Chairman, BOS



CA. Geetha A B
Vice Chairperson
SIRC of ICAI



CA. Tuppad Virupakshappa
SICASA Chairman
Bengaluru Branch



CA. Prof. Dr. B. Mahadevan



Mr. Kathiravan M Pethi



CA. Sudarshan C



CA. Siddarth Pai



Mr. Kaushiq Karan & Mr. Arvind Jain



Session Chairman and Students Speakers



Session Chairman and Students Speakers



Session Chairman and Students Speakers



Two Days Mega Conference of CA Students



Felicitaiton to Chief Guest CA. Ullas Kamath



Felicitaiton to CA. Mangesh Pandurang Kinare, Chairman, BOS



Felicitaiton to CA. Chengal Reddy, SICASA Chairman, SIRC of ICAI



Ms. Deepika Das



Ms. Rachana Inder



Felicitaiton to Ms. Deepika Das



Felicitaiton to Ms. Rachana Inder



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Bannerghatta Road : 174/1, Meu Square, Next to J.D. Mara Signal, Bilekhalli, Bannerghatta Main Road
Ph : 4561 2222 / 63661 47676

Tumkur Study Circle Meetings



CA. Cotha S Srinivas, Central Council Member, ICAI



CA. Sujay K N



CA. Annapurna Srikanth

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