

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Bengaluru Branch of SIRC e-Newsletter

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English Monthly
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Race for Relevance
Ready for Radical Change
Unleash the Potential

VIDWATH SABHA

- One Day Seminar on **Anti Money Laundering Laws & the Interplay with the Income Tax Act, 1961**
8th November 2019
- Half Day Summit for **Young Members Chartered Accountants**
15th November 2019

- One Day Seminar on **Litigation Practice under Direct and Indirect Tax Laws**
6th December 2019
- One Day Seminar on **Engagement & Quality Control Standards – Practical Examples**
14th December 2019

NEETI SUMMIT

- A Special One Day Summit on **Awareness on Code of Ethics - 2009 vs 2019**
16th November 2019

MAHILA SABHA

- 6th Women's CA Conference
7th December 2019

VISHARADA

- Two Day Workshop on **Practise Development Companies Act under IBC**
29th & 30th November 2019
- One Day Workshop on **Insolvency Bankruptcy Code**
13th December 2019

Chairman's Communique . . .



My Dear Esteemed Members,

It is a great pleasure for me to inform you that, Bengaluru Branch has secured the **"Best Branch Award"** for the year 2018-19 at SIRC level in the Mega Branch category. It is indeed a big achievement. I congratulate CA Shrvan Guduthur, the then

Chairman and all the MC Members and staff for their commitment and dedication in achieving this success.

Similarly, I am glad to inform you that, we have secured the **"Best SICASA Award"** also for the year 2018-19 at SIRC level in the Mega Branch Category. This is yet another big achievement. I congratulate CA Srinivas T, the then SICASA Chairman and all the MC Members and staff for their tireless efforts in this regard.

My Dear Friends,

As you may observe, people spend the valuable part of their life and keep themselves busy in doing activities for generating income or creating wealth. Including and not limited to me, many employees in corporates and particularly in software companies, work under tremendous pressure and that too, for prolonged working hours by withstanding work pressure and tension. It is true that, people tend to work very hard, take no rest, no timely food, untimely and inadequate sleep, face challenges, difficulties and also risk their happiness, health and ultimately life also in extreme cases. All that efforts are for the sole purpose of being **"happy"**. But, the irony is that, except that 'piece of happiness', they get everything else. That kind of workaholic culture is not Indian culture. It is Japanese / US culture adopted by Indian educated crowd,

People in US, Japan and other capitalist countries treat life as business and want to create materialistic wealth every now and then thinking that, happiness lies in wealth.

But, we, Indians, treat life as an opportunity to be happy. We spend more time to relax, celebrate with family, relatives and friends and enjoy together. Hence, we find many festivals in India as compared to any other countries. We recognize many occasions for people to relax, enjoy and be happy. We find not only the materialistic wealth, but 8 types of wealth and they are called **अष्टैश्वर्य** and are positioned in the following order of priority:

1. **आयुष्य** - Ayushya (Life span)
2. **आरोग्य** - Aarogya (Physical and mental health)

3. **अन्न** - Anna (food)
4. **वित्त** - Vitta (Money/Wealth)
5. **विद्या** - Vidya (Education/knowledge)
6. **वृत्ति** (Occupation/Work)
7. **सन्तान** - Santaana (having children)
8. **बल** - Bala (Power to rule)

So, the top most wealth is our **आयुष्य** (life span) and then **आरोग्य** (health) and then **अन्न** (food), thereafter **वित्त** (material wealth), after that comes **विद्या** (education / knowledge). We give 6th place for **वृत्ति** (earning activities). **सन्तान** (having children is considered as wealth in the 7th place. The last wealth is **बल** i.e. power to rule.

It is very important to understand what is real wealth (**ऐश्वर्य**). We need to reset our perception about life and expectation in life. We have to care about all the 8 **ऐश्वर्य**, necessary attention and prominence need to be given for all the above **अष्टैश्वर्य** in the aforesaid order so that, our precious life will be spent in a fruitful manner and thereby be happy.

Happiness lies inside. But, people try to search happiness outside. We have to search the lost treasure in the place where it is lost. If it is difficult to trace it inside us, it is impossible to trace outside.

My Dear Friends,

Now that, the hectic statutory and tax audit season is over. But, before we relax on that count, there is next due date ahead i.e. GST Audit /Annual Returns and yet another due date ahead i.e. Transfer Pricing reports and related IT returns. One after the other. Due dates after the due dates. No end.

Many MNC corporates are having December as year end closing and many Members in Industry will get busy in US books closing and consolidation of India subsidiaries with US parent companies in the reporting currency under US GAAP. Lot of work to make Indian books to comply with US GAAP. They will start working for yearend closing from November itself on a very tight delivery schedule.

Hence, there cannot be a perfect time convenient to both Members in practice and in employment to attend to CPE programs. This year being end of the block year for completing CPE hours, Members are required to complete the required CPE hours before the end of December. Therefore, we at Bengaluru Branch are planning to conduct more and more programs to accommodate members to fulfill their CPE credit requirements and request members to register on for the programs at the earliest and it will help us to accommodate more members for each program.

(Contd. on Next Page) ►

Chairman's Communique . . .

◀ (Contd. from previous page)

Major Programs in the month of October 2019

1. **Vidwath Sabha :** Half Day Seminar on Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 was conducted on 5th October 2019 at Branch Premises. I thank CA. Jatin Christopher and all the eminent speakers who have shared their valuable knowledge and experience in this program.
 2. **Vidwath Sabha :** One Day Seminar on FEMA was held on 11th October 2019. More than 100 plus members attended the same and got benefitted. I thank CA. Vivek Mallya, Seminar Co-ordinator CA. Chengappa Ponnappa, CA. Chidanand Urs & Mr. Gautham Gururaj, Advocate for sharing their rich experience.
 3. **Robotic Process Automation:** A session on Robotic Process Automation – *How RPA will be a Game Changer in the World of Finance* was held on 22nd October 2019. Many members were benefitted. I thank CA. Janardhan Hebbar, VP Global Finance, Dentsu, who is an instrumental in implementing Robotic process Automation in Dentsu, for sharing his knowledge and experience in RPA implementation.
 4. **Tarka Sabha:** A Technical Session on E-Assessments – Newly Notified Income Tax E-assessment Scheme – Legal and Practical aspects was held on 15th October 2019 at Branch premises. 108 Members were benefitted. I thank CA Narejndra Jain and other speakers for their valuable contribution.
 5. **Tantrajnan Sabha:** One Day Summit on Information Technology "*CAs Leading the Digital Transformation*" was held on 25th October 2019. I thank CA. Narasimhan Elangovan, Seminar Co-ordinator and all the expert and eminent speakers for sharing their knowledge on Digital Transformation. 131 Members attended and were benefitted through the same.
1. **Vidwath Sabha:** One Day Seminar on Anti Money Laundering Laws & the Interplay with the Income Tax Act, 1961 is being organized on Friday, 8th November 2019 at S. Narayana Auditorium, ICAI Bhavan.
 2. **Neeti Summit : A Special One Day Summit on Awareness on Code of Ethics – 2009 vs 2019** is being organized under the aegis of Ethical Standards Board of ICAI on 16th November 2019 at S. Narayana Auditorium, ICAI Bhavan.
 4. **Vidwath Sabha :** Half Day Summit for Young Chartered Accountants is being organized jointly with CPA Australia on 15th November 2019 at S. Narayana Auditorium, ICAI Bhavan. These informative sessions are planned to provide more details on the MRA and sharing insights into the emerging trends in the accounting field in Australia & Public Practice Program to ICAI members.
 5. **Visharada:** Two Day Workshop on Practical approach and important aspects of Companies Act 2013 & Amendment Act 2017 is being organized under the aegis of Corporate Laws & Corporate Governance Committee on Friday & Saturday, 29th & 30th November 2019 at S. Narayana Auditorium, ICAI Bhavan.

Online registration is open for all these programs and request all members to register at the earliest as number of seats are limited and there is increasing demand due to CPE target requirement .

Update on the new Initiatives of Bangalore Branch

1. **Online submission for faculty :** We are in the process of strengthening our faculty pool for Orientation ITT and MCS classes. Interested members may submit application online in our Bengaluru Branch website. A systematic screening process will be adopted to screen and select suitable candidates.

Major upcoming programs:

1. **Kannada Rajyotsava :** In order to commemorate the richness and grandeur of our culture, Half day



2. **Additional ITT lab.** We have received 56 additional systems in the month of October for ITT Lab and with this, we have overall 300 + computer systems for our ITT courses (including 80 systems rented lab in VVN). With that, we can provide ITT facility up to 1,000 + students per month. Another 100 systems are yet to be received from HO. With that, we will be able to cater to the needs of all the students in Bangalore. With this, hope ITT related constraint gets resolved.

3. **Career Counselling Program:**

As informed in few of our earlier editions, we have taken the task of making career counselling program in minimum 100 colleges and requested members to volunteer and show interest to go to the college where you have studied and do career counselling program. However, though few members showed interest and we have completed career counselling program in 10 colleges as below:

Sl. No.	College Name	Handled by
1	HaranaHalli Ramaswamy Institute of Higher Education Hassan	CA. Pampanna B.E CA. Raveendra S Kore CA. Divya S
2	Govt. First Grade College & PG Studies in Commerce, Yellapur, North Canara	CA. Bhat Shivaram Shankar
3	S.E.A College of Science, Commerce & Arts, K R Puram, Bangalore	CA. Divya S CA. Sandeep S Kamath
4	Seshadripuram Composite PU College	CA.Swaranalatha T CA.Mridual Agrawal
5	Brindavan College, Yelahanka	CA.Panindra Gupta CA. Satish M

Sl. No.	College Name	Handled by
6	Christ Academy Institute for Advanced Studies & Christ Academy Junior College, Mysore Road, Blore	CA. B T Shetty CA.Anjan Babu
7	Vijaya Joythi Degree College Bagalur, Bengaluru	CA.Panindra Gupta CA.Vishakha Manchi
8	BMS College Basavangudhi , Bengaluru	CA.Raveendra S Kore CA. Divya S CA. Sudeep Shetty
9	Government First Grade College, Rajajinagar, Bengaluru	CA. Bhat Shivaram Shankar CA.Raveendra S Kore CA. B T Shetty
10	Al-Ameen Institute of Management	CA. Md Abdur Rahman

We expect that more members will volunteer in this regard and contribute to reach 100 target before end of December 2019.

Friends,

Before signing off my message, I would like to solicit your continued friendly suggestions and co-operations as always in our efforts to serve for the cause of the profession in our race for relevance, ready for radical change and unleashing the potential.

Thanking you,

Yours faithfully,

Sd/-

CA Bhat Shivaram Shankar
Chairman

CALENDAR OF EVENTS – NOVEMBER & DECEMBER 2019

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
02.11.2019 Saturday	"Kalaa Kruti" Kannada Rajyotsava & Cultural Program <i>Details at Pg. No. 8</i>	Branch Premises 3.30 pm to 8.15 pm	—
06.11.2019 Wednesday	Updates on FATCA and CRS Regulations CA. Vijay Kotha	Branch Premises 6.00 pm to 8.00 pm	—
08.11.2019 Friday	VIDWATH SABHA One Day Seminar on Anti Money Laundering Laws & the Interplay with the Income Tax Act, 1961 <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs.1,000/- (Inclusive of GST)</i> Non Members : Rs.2,000/- (Inclusive of GST) <i>Details at Pg. No. 9</i>	Branch Premises 9.30 am to 5.15 pm	6 hrs
13.11.2019 Wednesday	Block Chain : Everything you need to know CA. Guruprasad. V	Branch Premises 6.00 pm to 8.00 pm	—
15.11.2019 Friday	VIDWATH SABHA Half Day Summit for Young Members Chartered Accountants <i>jointly with CPA Australia</i> <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs.750/- (Inclusive of GST)</i> Non Members : Rs.1,500/- (Inclusive of GST) <i>Details at Pg. No. 10</i>	Branch Premises 4.00 pm to 7.30 pm	3 hrs
16.11.2019 Saturday	NEETI SUMMIT A Special One Day Summit on Awareness on Code of Ethics - 2009 vs 2019 <i>Organised under the aegis of Ethical Standards Board of ICAI</i> <i>Hosted by: Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs.1,000/- (Inclusive of GST)</i> Non Members : Rs.2,000/- (Inclusive of GST) <i>Details at Pg. No. 11</i>	Branch Premises 9.30 am to 5.15 pm	6 hrs
20.11.2019 Wednesday	Latest updates on GST CA. Venugopal Gella	Branch Premises 6.00 pm to 8.00 pm	—

***Note: Kindly note there is no 2 Hrs. CPE on every Wednesdays Study Circle Meet.**



CALENDAR OF EVENTS – NOVEMBER & DECEMBER 2019

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
27.11.2019 Wednesday	A Programme on Cyber Law 1. Cyber Law & Proposed Data Privacy Act etc. CA. Na Vijay Shankar 2. Data Protection & Technology to Mitigate Risk CA. Satish Kumar Dwibhashi <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs. 500/- Inclusive of GST</i> Non Members : Rs. 1,000/- Inclusive of GST	Branch Premises 5.00 pm to 8.00 pm	3 hrs
29.11.2019 Friday To 30.11.2019 Saturday	VISHARADA Two Day Workshop on Practise Development Companies Act under IBC <i>Organized under the aegis of Corporate Laws & Corporate Governance Committee</i> <i>Hosted by : Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs.2,000/- (Inclusive of GST)</i> Non Members : Rs.4,000/- (Inclusive of GST) <i>Details at Pg. No. 13</i>	Branch Premises 9.30 am to 6.00 pm	12 hrs
04.12.2019 Wednesday	Study Circle Meet	Branch Premises 6.00 pm to 8.00 pm	—
06.12.2019 Friday	VIDWATH SABHA One Day Seminar on Litigation Practice under Direct and Indirect Tax Laws <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs.1,000/- (Inclusive of GST)</i> Non Members : Rs.2,000/- (Inclusive of GST) <i>Details at Pg. No. 14</i>	Branch Premises 9.30 am to 5.45 pm	6 hrs
07.12.2019 Saturday	MAHILA SABHA 6th Women's CA Conference <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Details will be uploaded in website</i>	Confirmation awaited	6 hrs
11.12.2019 Wednesday	VIDWATH SABHA Half Day Seminar on Recent updates under GST Law 1. Recent updates under GST Law CA. Annapurna D Kabra 2. GST - Implementation and Administration - Compliance Perspective (New Returns Invoicing, Assessment Audit, Refunds....) Dr. B.V. Murali Krishna, Addl. Commissioner of Commercial Taxes <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs. 500/- Inclusive of GST</i> Non Members : Rs. 1,000/- Inclusive of GST	Branch Premises 5.00 pm to 8.00 pm	3 hrs

***Note: Kindly note there is no 2 Hrs. CPE on every Wednesdays Study Circle Meet.**

CALENDAR OF EVENTS – NOVEMBER & DECEMBER 2019

DATE AND DAY	TOPIC / SPEAKER	VENUE/TIME	CPE CREDIT
13.12.2019 Friday	VISHARADA One Day Workshop on Insolvency Bankruptcy Code <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs.1,000/- (Inclusive of GST)</i> Non Members : Rs.2,000/- (Inclusive of GST) <i>Details will be uploaded in website</i>	Branch Premises 9.30 am to 6.00 pm	6 hrs
14.12.2019 Saturday	VIDWATH SABHA One Day Seminar on Engagement & Quality Control Standards – Practical Examples <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs.1,000/- (Inclusive of GST)</i> Non Members : Rs.2,000/- (Inclusive of GST) <i>Details at Pg. No. 15</i>	Branch Premises 9.30 am to 6.00 pm	6 hrs
18.12.2019 Wednesday	VIDWATH SABHA Half Day Seminar on Online Payment Ecosystems and Payment Security Frame work CA. Narendra J Jain <i>Organized by Bengaluru Branch of SIRC of ICAI</i> <i>Delegate Fee : Members : Rs. 500/- Inclusive of GST</i> Non Members : Rs. 1,000/- Inclusive of GST	Branch Premises 5.00 pm to 8.00 pm	3 hrs
25.12.2019 Wednesday	HOLIDAY No Study Circle Meet	—	—

***Note: Kindly note there is no 2 Hrs. CPE on every Wednesdays Study Circle Meet.**

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Quarter page	₹ 5,000/-

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

EDITORS :

CA. BHAT SHIVARAM SHANKAR

CA. BHOJARAJ T SHETTY

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



KALAA KRUTI








KANNADA RAJYOTSAVA & CULTURAL PROGRAM

on Saturday, 2nd November 2019
Venue: S. Narayanan Auditorium,
ICAI Bhawan, Vasanthnagar, Bengaluru-560052



Time

Program Details

03.30pm to 04.00pm	Registration & High Tea	
04.00pm to 05.00pm	Inauguration	 Special Guest: Mr. T. N. Seetharam TV Serial Director, Actor & Screenwriter
05.00pm to 05.20pm	Comedy	 CA. R. Sadananda
05.20pm to 05.30pm	Kannada Quiz	 CA. Cotha S Srinivas
05.30pm to 06.00pm	Singing Songs	 CA. Sandhya P Nagar
06.00pm to 07.45pm	Asthaawadhana	 Mr. Ganesh Bhat Koppalatota & Team 1. Samasya Purna: Sri. K.B. S. Ramachandra 2. Dattapadi: Sri. Ravindra Holla 3. Ashukavite: Sri. Shashi Kiran Padyapana 4. Sankhya banda: CA. N. S. Bhat 5. Kavyavachana: Sri. Ullas Haritasa 6. Vivargakshari: Sri. Sridhar Saligrama 7. Aprastuta Prasangi: Sri. Somashekar Sharma Padyadana 8. Nyastakshari: Smt. Kanchana Ramachandra
07.45pm to 08.15pm	Yakshagana by Members	 CA. Chinmay Bhat  CA. Prabhava Hegde
08.15pm	Vote of Thanks	

Followed by Dinner

We cordially welcome all the members.

CA. Shivaram Shankar Bhat
Chairman
Bengaluru Branch of SIRC of ICAI

CA. B.T. Shetty
Secretary
Bengaluru Branch of SIRC of ICAI

"VIDWATH SABHA"

One Day Seminar on Anti Money Laundering Laws & the Interplay with the Income Tax Act, 1961

Organised by **Bengaluru Branch of SIRC of ICAI**

On **Friday, 8th November 2019**

Venue: **S. Narayan Auditorium, Vasanthnagar Branch**

Time: **9.30 am to 5.15 pm**

6 hrs
CPE

Timings	Topics	Speakers
9.30 am – 10.00 am	Registration & Inauguration	
10.00 am – 11.30 am	Benami Law – An Overview	CA. Narendra J Jain
11.30 am – 11.45 pm	TEA BREAK	
11.45 am – 1.15 pm	PMLA – Relevance for CA's	Mr. Bharath Lakshminarayana
1.15 pm – 2.00 pm	NETWORKING LUNCH	
2.00 pm – 3.30 pm	Taxation of cash credits, Unexplained Investments, Money, etc.	CA. Sachin Kumar B.P
3.30 pm – 3.45 pm	TEA BREAK	
3.45 pm – 5.15 pm	Penalties under 270 A	CA. Cotha S Srinivas

CA. Bhat Shivaram Shankar
Chairman
Bengaluru Branch of SIRC of ICAI

CA. Cotha S Srinivas
*Seminar Co-ordinator &
Past Chairman of SIRC of ICAI*

CA. B.T. Shetty
Secretary
Bengaluru Branch of SIRC of ICAI

Online Registration open

DELEGATE FEES:

FOR MEMBERS : RS. 1,000/- INCLUSIVE OF GST
FOR NON MEMBERS : RS. 2,000/- INCLUSIVE OF GST

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

For Registration, Please contact:
Ms. Geetanjali D., Tel: 080-4394 4868

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



"VIDWATH SABHA"

Half Day Summit for Young Members Chartered Accountants

jointly with **CPA Australia**

Organised by **Bengaluru Branch of SIRC of ICAI**

On **Friday, 15th November 2019**

Venue: **S. Narayan Auditorium, Vasanthnagar Branch**

Time: **4.30 pm to 7.30 pm**

3 hrs
CPE

Timings	Topics	Speakers
4.00 pm to 4.30 pm	Registration & Networking	
4.30 pm to 5.30 pm	Power BI Tools	To be finalized
5.30 pm to 6.30 pm	Offshoring Opportunities	CA. Chetan Venugopal
6.30 pm to 7.30 pm	Become a CPA Australia Information Session	Ms. Preeti Dang <i>Business Head, CPA Australia</i>

CA. Bhat Shivaram Shankar

Chairman

Bengaluru Branch of SIRC of ICAI

CA. B.T. Shetty

Secretary

Bengaluru Branch of SIRC of ICAI

Online Registration open

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Ms. Geetanjali D., Tel: **080-4394 4868**

Email : **blrregistrations@icai.org**

Website : **www.bangaloreicai.org**

"NEETI SUMMIT"

A Special One Day Summit on Awareness on Code of Ethics - 2009 vs 2019



Organised under the aegis of **Ethical Standards Board of ICAI**

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

On **Saturday, 16th November 2019**

Venue: **S. Narayan Auditorium, Vasanthnagar Branch**

Time: **9.30 am to 5.15 pm**

Timings	Topics	Speakers
9.30 AM - 10.00 AM	Registration	
10.00 AM – 11.30 AM	TECHNICAL SESSION I Overview of Part-A and B of existing Code of Ethics, 2009	CA. Mohan R Lavi
11.30 AM – 12.30 PM	TECHNICAL SESSION II Non Assurance Services to Audit Clients (i) Taxation Services (ii) GST (iii) ROC works (iv) Other Consultancy (v) Practical case studies and UDIN Applicability	Eminent Speaker
12.30 PM – 01.00 PM	Lunch Break	
01.00 PM – 02.00 PM	TECHNICAL SESSION III (i) Certificates/Projected Balance Sheet /Audit of Non-Corporate entities (ii) Clarification with respect to SAE 3400/SRS4410 /SA 700 (iii) Applicability of UDIN (iv) Limits of Audits	Eminent Speaker
02.00 PM – 03.00 PM	TECHNICAL SESSION IV Provisions of fees (i) Provisions in case of continuing Auditor (ii) Provisions in case of change of Auditor (iii) ICAI Tender Guidelines (iv) Low fees/Unpaid Fees (v) Recommended scale of Fees (vi) Referral of Fees	CA. Mohan R Lavi



Timings	Topics	Speakers
03.00 PM to 03.15 PM	Tea Break	
03.15 PM to 04.15 PM	TECHNICAL SESSION V Rotation of Firm and Partner (i) Firm Rotation (ii) Partners' Rotation (iii) Provisions of SQC 1	CA. Udupi Vikram
04.15 PM to 05.15 PM	TECHNICAL SESSION VI Guidelines for Corporate Form of Practice /Networking/Important Disciplinary Case Studies	CA. Guruprasad M

Programme Chairman	Chairman, Ethical Standards Board, ICAI
Programme Director	Central Council Member, ICAI
Programme Coordinator	Chairman, Bengaluru Branch of SIRC of ICAI

Online Registration open

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

ICAI - Bangalore: Announcing 'Certificate Course on Concurrent Audit of Banks' - 1st Nov, 2019

Dear Members,

This is to inform your good-self that we have started accepting registrations for the **'Certificate Course on Concurrent Audit of Banks'** starting at Bengaluru from 1st November, 2019.

Dates: **November, 2019 - 1st, 2nd, 3rd, 8th, 9th & 10th.**

Batch Days - **Weekdays & Weekends (i.e. Fri, Sat & Sun)**

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

Venue - **Race Course Road Premises of ICAI**

For registration do visit the following:

Pay the fee via the following link:

For Members born before 01.01.1989 -

<http://ccm.icai.org/?progid=2561>

For Members born on or after 01.01.1989 -

<http://ccm.icai.org/?progid=2560>

& Fill your registration details using the following link:

<https://forms.gle/fTu7Ttwr2JDuhri6>

Contact : **C. R. Kulashekhar**, Section Officer (SU), Bengaluru DCO

The Institute of Chartered Accountants of India, No. 16/0, Millers Tank Bed Area, Vasanth Nagar,
Behind Bhagwan Mahaveer Jain Hospital, Bengaluru – 560 052, Telephone - (080) 3056 3541

"VISHARADA"

Two Day Workshop on

Practical approach and important aspects of Companies Act 2013 & Amendment Act 2017

Organized under the aegis of **Corporate Laws & Corporate Governance Committee**

Hosted by **Bengaluru Branch of SIRC of ICAI**

On **Friday & Saturday, 29th & 30th November 2019**

Venue: **S. Narayan Auditorium, Vasanthnagar Branch**

Time: **9.30 am to 6.00 pm**

12 hrs
CPE

TIMINGS	TOPICS	SPEAKERS
DAY - 1		
9.00am to 9.30am	REGISTRATION & NETWORKING	
9.30 am to 10.00 am	Inauguration by the Distinguished Personality	
10.00am to 11.30am	Overview of the Companies Act 2013 and Reporting Requirements	Mr. Madhu N Rao, Advocate
11.30am to 12.00pm	TEA BREAK	
12.00pm to 1.30pm	Incorporation of Companies Act under 2013 and its compliance	CA. Srilakshmi P
1.30pm to 2.30pm	LUNCH BREAK	
2.30pm to 4.00pm	Important aspects of Companies Act 2013 and Certifications under CA 2013	CS. S M Pramod
4.00pm to 4.30pm	TEA BREAK	
4.30pm to 6.00pm	Value addition and opportunities for Certification / Consulting & Managing Advisory	CS. S M Pramod
DAY - 2		
10.00am to 11.30am	The Companies Amendment Act 2017 and Second Ordinance & Amendment Rule, 2019	CA. Punarvas Jayakumar
11.30am to 12.00pm	TEA BREAK	
12.00pm to 1.30pm	Liabilities under Companies Act 2013	CS. J. Sundharesan
1.30pm to 2.30pm	LUNCH BREAK	
2.30pm to 4.00pm	Auditors Report under CA 2013 and Dealing Statutory non compliances in Auditors report	CA. Madhavi D K
4.00pm to 4.30pm	TEA BREAK	
4.30pm to 6.00pm	Value addition and Opportunities - Consulting, Advisory & Litigations covered	CA. Chinmay A M

CA. Bhat Shivaram Shankar

Chairman, Bengaluru Branch of SIRC of ICAI

CA. B.T. Shetty

Secretary, Bengaluru Branch of SIRC of ICAI

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"VIDWATH SABHA"

One Day Seminar on Litigation Practice under Direct and Indirect Tax Laws

Organised by **Bengaluru Branch of SIRC of ICAI**
On **Friday, 6th December 2019**
Venue: **S. Narayan Auditorium, Vasanthnagar Branch**
Time: **9.30 am to 5.45 pm**

6 hrs
CPE

TIMINGS	TOPICS	SPEAKERS
9.30 am – 10.00 am	REGISTRATION & INAUGURATION	
10.00 am – 11.15 am	Fundamental Concepts – Natural Justice, Binding Precedent, Merger, Res Judicata, Operation, Expiry and Repeal of Statutes etc	CA. Narendra J Jain
11.15 am – 11.30 am	TEA BREAK	
11.30 am – 1.00 pm	Direct Taxes – Stay of Demand, appeal before CIT(A) and DRP, Appeals before ITAT	CA. S. Ramasubramanian
1.00 pm – 1.45 pm	NETWORKING LUNCH	
1.45 pm – 3.00 pm	Direct Taxes – Appeals before HC and SC, overview of writs in the context of direct taxes	CA. K.K. Chythanya
3.00 pm – 3.15 pm	TEA BREAK	
3.15 pm – 4.30 pm	Indirect Taxes – GST AAR, GST AAAR, appeals before Appellate Authority (Commissioner/JC) and Pre-deposit	CA. Jatin Christopher
4.30 pm – 5.45 pm	Indirect Taxes – Appeals before Tribunal, HC and SC, overview of writs in the context of indirect taxes	CA. V. Raghuraman

CA. Bhat Shivaram Shankar
Chairman
Bengaluru Branch of SIRC of ICAI

CA. Narendra J Jain
Seminar Co-ordinator

CA. B.T. Shetty
Secretary
Bengaluru Branch of SIRC of ICAI

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"VIDWATH SABHA"

One Day Seminar on Engagement & Quality Control Standards – Practical Examples

Organised by **Bengaluru Branch of SIRC of ICAI**



On **Saturday, 14th December 2019**

Venue: **S. Narayan Auditorium, Vasanthnagar Branch**

Time: **9.30 am to 6.00 pm**

TIMINGS	TOPICS	SPEAKERS
9.30 am – 10.00 am	REGISTRATION & INAUGURATION	
10.00 am – 11.30 am	SQC 1- Quality Control in the present auditing environment	CA. Sunil Bhumralkar
11.30 am – 12.00 pm	TEA BREAK	
12.00 pm – 1.30 pm	Implementing SA 700- Examples from Audit Reports	CA. S Sundaresan
1.30 pm – 2.30 pm	NETWORKING LUNCH	
2.30 pm – 4.00 pm	Implementing SA 701-Analysis and examples of Key Audit Matters reported in Audit reports	CA. Mohan R Lavi
4.00 pm – 4.30 pm	TEA BREAK	
4.30 pm – 6.00 pm	Implementing SA 706-Analysis and Examples of EOM's reported in audit reports	CA. Abraham Cherian

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CA Foundation	Rs. 7500/-	21 st November 2019 to March 2020 (Tentative Dates)	04.30 pm to 07.30 pm (Monday to Saturday) 07.00am to 05.30pm (Sunday)	Bengaluru Branch of SIRC of ICAI "ICAI Bhawan", 16/O, Miller's Tank Bed Area, Vasanthanagar, Bengaluru-560052

Course	Fees	Duration (4 Months)	Timings	Venue
CA Intermediate/ IPCC	Rs. 12,500/- for Both Groups Rs. 8,500/- for Single Group Rs. 3,500/- for Single Subject	21 st November 2019 to March 2020 (Tentative Dates)	06.30 am to 09.30 am & 06.00 pm to 09.00pm (Monday to Saturday) 07.00 am to 5.30 pm (Sunday)	Bengaluru Branch of SIRC of ICAI "ICAI Bhawan", 16/O, Miller's Tank Bed Area, Vasanthanagar, Bengaluru-560052

Course	Fees	Duration (4 Months)	Timings	Venue
CA FINAL	Rs. 14,000/- for Both Groups Rs. 9,000/- for Single Group Rs. 4,000/- for Single Subject	21 st November 2019 to March 2020 (Tentative Dates)	06.30 am to 09.30 am & 06.00 pm to 09.00pm (Monday to Saturday) 07.00 am to 5.30 pm (Sunday)	Bengaluru Branch of SIRC of ICAI "ICAI Bhawan", 16/O, Miller's Tank Bed Area, Vasanthanagar, Bengaluru-560052

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

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The Institute of Chartered Accountants of India
Bengaluru Branch of SIRC of ICAI

Southern India Chartered Accountants Students Association
(SICASA) Bengaluru

Chartered Accountant Students Conference - 2019

ABHYUDAYA

"Path for Success- learn, Adapt and Accelerate"

Date: 20th & 21st December - 2019

Venue: Dr. B R Ambedkar Bhawan
Vasanthnagar, Bengaluru

Organized by:
Board of Studies, ICAI

Hosted by:
Bengaluru Branch of SICASA



Chartered Accountant Students Conference - 2019

ABHYUDAYA

"Path for Success- learn, Adapt and Accelerate"

Day-1

Time	Particulars	Speaker / Session Chairman
09.45am to 10.30am	Inaugural Session (Inauguration by the Eminent personality *)	
10.30am to 11.45pm	Special Session-I Session on "What makes ICAI different compared to similar profession across India"/ "Role of Chartered Accountant in transforming India".	CA. K. Raghu Past President, ICAI
11.45am to 12.15pm	Tea Break	
12.15pm to 01.15pm	Special Session-II BOS Presentation and Interaction with Board of Studies.	
01.15pm to 02.00pm	Technical Session-I Impact of GST on Indian Economy & Recent updates in GST Sub Topic: Technology Adoption by Government in GST Transactions liable under reverse charge mechanism With 2 Student Speakers	CA. Hanish S
02.00pm to 03.00pm	Lunch Break	
03.00pm to 04.15pm	Technical Session-II The Future of Profession with Technology Sub Topic: Various Technologies adopted in Laws The future of CA profession with Artificial Intelligence, Data Analytics and cyber security With 2 Student Speakers	CA. Narasimhan E
04.15pm to 05.15pm	Motivational Session-I Importance of Ethical values in the CA Profession	CA. L. Sridhar
05.15pm to 05.45pm	Tea Break	
05.45pm to 07.30pm	Special Session-III Open House Performance Session- Life Beyond Chartered Accountancy Quiz on topic related to General Knowledge, music etc..	CA. Cotha S. Srinivas

Students Eligible to attend the Students Conference: Students who have registered as IPCC/Intermediate Students/ Students who are pursuing their Article ship Training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (CPT Students and Students who have completed one year beyond their Article ship training will not be eligible to register for these Conferences)

Chartered Accountant Students Conference - 2019

ABHYUDAYA

"Path for Success- learn, Adapt and Accelerate"

Day-2

Time	Particulars	Speaker / Session Chairman
10.00am to 11.15am	Technical Session-III Recent updates in Income Tax Act Sub Topic: International Taxation Penalties & Prosecutions With 2 Student Speakers	CA. B P Sachin Kumar
11.15am to 12.15pm	Motivational Session-II	Sri Sri Ravi Shankar * Founder of The Art of Living organization
12.15pm to 12.45pm	Tea Break	
12.45pm to 02.00pm	Technical Session-IV IND AS & its applicability Sub Topic: Changes in lease to revenue accounting Key accounting concept under IND AS With 2 Student Speakers	CA. Vinayak Pai
02.00pm to 03.00pm	Lunch Break	
03.00pm to 04.15pm	Technical Session - V Companies Act 2013 & Latest amendments 2017 Sub Topic: Companies Act 2013 & Latest amendments 2017 Loans to Director & Related party transactions With 2 Student Speakers	CA. Punarwas Jayakumar
04.15pm to 04.45pm	Valedictory Session	

* Confirmation awaited

Registration fees : Rs.500/-per student

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Website: www.bangaloreicai.org
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Student Co-ordinators:

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Mr. Adarsh P Upadhy Sports Co ordinator Ms. Indumathi Joint Sports Co ordinator Mr. Sai Chaitanya PRO Ms. Sindhu Newsletter

CA. Kemisha Soni
Conference Chairperson &
Chairperson, Board of Studies, ICAI

CA. Dayanivas Sharma
Conference Director &
Central Council Member, ICAI

CA. Durgesh Kabra
Conference Co-Chairman &
Vice-Chairman, Board of Studies, ICAI

CA. Bhat Shivaram Shankar
Chairman
Bengaluru Branch of SIRC of ICAI

CA. Divya S
SICASA Chairperson
Bengaluru Branch of SIRC of ICAI





RCM ON RENTING OF MOTOR VEHICLE – NUANCES FOR EXAMINATION



CA. Gella Praveenkumar

GST payable on Reverse charge mechanism under Section 9(3) of CGST Act, 2017 has got a new family member under the service category "Renting of a motor vehicle", w.e.f. 01.10.2019.

Insertion to be made for the above in Original Notification 13/2017 dtd:28.06.2017 vide new Notification No.22/2019 dtd:30.09.2019. Entry in this regard is read as below:

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
15	Services provided by way of renting of a motor vehicle provided to a body corporate.	Any person <u>other than a body corporate</u> , paying central tax at the rate of 2.5% on renting of motor vehicles with input tax credit only of input service in the same line of business	Any body corporate located in the taxable territory.

"Body Corporate" has the same meaning as assigned to it in clause (11) of section 2 of the Companies Act, 2013.

The above entry implicates the recipient who happens to be a Body corporate located in Taxable territory to pay GST on RCM basis for receipt of services in relation to "Renting of a motor vehicle".

Detailed aspects to kept in mind by the Service Recipient who happens to be a Body Corporate, for payment of GST on RCM basis is as per below:

- Services received are in relation to Renting of Motor vehicle alone are covered for above entry
- Service provider is other than a Body Corporate i.e. an Individual or a Partnership firm or AOP/BOI
- The above said Service provider has not availed benefit of ITC other than the GST charged by a person in the same line of business
- Service provider charges GST on such Renting services @ 5% [2.5%+2.5%] on the services rendered

It is quite important to examine **the nature of the Contract** between the Service provider and Recipient i.e. "Renting" and the position of service provider along with the benefit of Input tax being availed for making the payment of Tax under RCM.

The above entry is a copy-cat from erstwhile Service Tax law which has created abundant litigation for applicability and payment of tax on RCM. After a span of two years of GST implementation, entry for the above category in the RCM list is very unclear in entirety towards its entry and language used. Reference to SAC with couple of examples is strongly recommended by the law makers to ZERO down the interpretational issues and for a proper compliance by the Registered person.

A mere examination of the words "Renting of a Motor Vehicle vis-à-vis Passenger Transportation Service" on different attributes listed as below indicates the interpretational difference existing to have a clarity for compliance in this regard.

Key attribute	Renting of a Motor Vehicle	Contract for Transport of employees or Passenger
Intent	Hire of a motor vehicle with or without a Driver	To pick & drop the desired list of employees or passengers at the instruction of the employer
Periodicity	On need basis	On a continuity basis

Key attribute	Renting of a Motor Vehicle	Contract for Transport of employees or Passenger
Pricing	Basic fare + variable component on use basis	Fixed fare + variable component for kms or extra hours
Knowledge on place of use	Usually not a pre-condition to specify the location/ destination for such renting of a motor vehicle	Pre-defined specific route shall be confirmed. On need basis <u>within a territorial jurisdiction</u> the motor vehicle shall ply as per the contract
Risk & responsibility	Owner of the vehicle casts responsibility on the buyer for proper maintenance of such motor vehicle in the course of contract period to use such vehicle	Owner of the vehicle takes ultimate responsibility to upkeep and maintain the vehicle in proper working condition and little responsibility casted on the recipient for its usage

From above aspects of examination, most of the Body Corporates do have an intent for Employee/Passenger transportation rather than mere hiring of a motor vehicle. Interpretation of the above entry by the judicial authorities other way round to classify the "Employee Transportation" cost hit to Profit & Loss Account as Rental Service and not to be attributed to be as "Transportation of Employee/passenger" is going to cause plethora of litigation under GST. Assuming for a moment, the above stand of the authorities concerned gets a dictum from the superior authorities, establishing the fact that Service provider has complied with GST in relation to payment of taxes on above entry shall be an additional burden in future. Learning from present litigation under Service tax, many courts have upheld that tax cannot be collected twice for the same transaction, where service provdier has paid the tax duly though the responsibility of payment of tax has been casted on the service recipient on RCM basis on the grounds of Revenue neutrality.

For all probabilities to face the situation, it is highly recommended that Service recipient tracks the legal compliance for payment of taxes and filing of returns for the taxes collected by the service provider where ambiguity exists to pay or not on RCM basis. Also, it is recommended to make a correspondence with the concerned jurisdictional authority for the stand taken by the body corporate towards their understanding of the legal provisions concerned and reason for non-payment of tax under RCM for the above entry with due reference to the contracts entered thereof for the services received.

Examining the Rate chart on the basis of classification of services laid out under Notification No.11/2017 dtd:28.06.2017 as amended duly from time to time, following are the entries relevant for our discussion:

Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
Heading 9966 Rental services of transport vehicles with operators	(i) Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service, other than the input tax credit of input service in the same line of business (i.e. service procured from another service provider of transporting passengers in a motor vehicle or renting of a motor vehicle) has not been taken. [Please refer to <i>Explanation</i> no. (iv)]
		6	NIL
Heading 9964 (Passenger transport services)	(i) Transport of passengers, with or without accompanied belongings, by rail in first class or air-conditioned coach.	2.5	Provided that credit of input tax charged in respect of goods used in supplying the service is not utilised for paying central tax or integrated tax on the supply of the service



Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
	(ii) Transport of passengers, with or without accompanied belongings by- (a) air-conditioned contract carriage other than motorcar; (b) air-conditioned stage carriage; (c) radio taxi. Explanation. - (a) "contract carriage" has the meaning assigned to it in clause (7) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation no. (iv)</i>]
	(vi) Transport of passengers by any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service, other than the input tax credit of input service in the same line of business (i.e. service procured from another service provider of transporting passengers in a motor vehicle or renting of a motor vehicle), has not been taken. [Please refer to <i>Explanation no. (iv)</i>]

Meaning of Contract Carriage as referred in Motor vehicle Act, 1988

"**contract carriage**" means a motor vehicle which carries **a passenger or passengers** for hire or reward and is engaged under a contract, whether expressed or implied, for the use of such vehicle as a whole for the carriage of passengers mentioned therein and entered into by a person with a holder of a permit in relation to such vehicle or any person authorised by him in this behalf on a fixed or an agreed rate or sum-

- (a) on a time basis, whether or not with reference to any route or distance; or
- (b) from one point to another; and in either case, without stopping to pick up or set down passengers not included in the contract anywhere during the journey, and includes-
 - (i) a maxicab; and
 - (ii) a motor-cab notwithstanding that separate fares are charged for its passengers;

Aspects to be considered for Conclusion:

A thorough examination of the attributes relevant for Renting service and Transportation service as per above, following points can be concluded:

- a) Contract document has to be examined to establish "Renting of motor vehicle or Transport service"
- b) Mere existence of a contract between a Body corporate [service recipient] and non Body corporate [service provider] cannot be construed to be a convincing activity to have existence of RCM for passenger transportation
- c) Examining the relevant documentary evidence of service provider towards the rate adopted, service category, benefit of ITC availment are essential for future reference purpose on or after 01.10.2019

- d) Further availability of Input Tax credit for the service recipient on the basis of Rate adopted for payment of GST has also to be clarified for the restriction imposed on Input Tax credit for a Service provider.

I see that the intent of the law maker is not to tax the Body Corporate for payment of taxes on RCM basis towards the expenses incurred on Employee Transportation, rather to tax upon the renting of motor vehicles alone. However, this scenario of Renting activity exists very rare occasion for a compliance due to non-existence of such contract for the Body Corporate. Most of the industry works upon the requirement of Passenger Transportation alone and not mere Renting of a motor vehicle.

FAQ's:

- 1) If a company hires cab services for a shorter trips on day to day basis, will the above RCM be applied?

Ans. No. The services availed by the company is of Passenger transportation and not for hiring of Motor vehicle and accordingly payment of tax on RCM basis is not required. Each of these shorter trips shall be with a specific guideline of pickup & drop location with clarity

- 2) Obtaining the services of Aggregator such as OLA or UBER, does it call for payment of GST on RCM basis?

Ans. No. The above services are of Passenger transportation on distance basis and not chargeable under the category "Renting of Motor vehicle. Also, a reference to Section 9(5) of CGST Act, 2017 is relevant to examine the position of Aggregator to pay tax for this service and levy under Section 9(3) shall not be attracted

- 3) Service provider is a Proprietary concern who charges GST @12% for the employee related pickup & drop service. Does the recipient need to pay tax on RCM

Ans: No, there is no necessity to pay Tax on RCM

Disclaimer:

The above views expressed are as per the understanding of the present GST provisions by the author. Any corrections or suggestions may be sent to praveen@gella.in. It is recommended to take expert opinion for having better clarity in this regard.





ACCUMULATED MAT CREDITS – CAN LEGISLATED TEXTS CONFINE CARRY-FORWARD?



CA. Sandeep Jhunjunwala

In a bid to revive spirits in the Indian economy and the spluttering GDP growth, the Government had announced a new corporation tax regime in September 2019. The Taxation Laws (Amendment) Ordinance, 2019 was promulgated by the President on September 20, 2019, lowering the corporate tax rate to 22 percent from 30 percent. The new section 115BAA so inserted, in the Income Tax Act, 1961 ("the Act") stipulates that a domestic company shall have an option to pay tax at 22 percent, with effect from April 1, 2020, subject to the condition that total income shall be computed without claiming specified incentives/exemptions under the Act. However, questions were mounting in the minds of various stakeholders regarding the adjustment of brought forward Minimum Alternate Tax ("MAT") credits.

The Central Board of Direct Taxes ("CBDT"), by way of Circular No 29/ 2019 dated October 2, 2019 clarified that as the provision of MAT is not applicable to the companies opting for a lower tax, the accumulated tax credit of MAT paid would not be available to them for set-off in the future. However, as there is no time limit for opting for a lower tax, a company may first exhaust the accumulated MAT credit in accordance with the earlier tax regime and then shift to the beneficial tax regime offering concessional tax rate.

Before this clarification was issued by the CBDT, two divergent views were possible

on applicability of MAT credit and on the question whether accumulated MAT credits could be claimed wherein there is no liability of MAT:

View 1: Given that the new income tax regime has no MAT provision, the pre-existing MAT credit could not be used to offset against future tax liabilities.

View 2: As the income tax laws have not introduced any specific amendment to Section 115JAA of the Act (section governing MAT credit), credit cannot be denied to the migrating company and it can be utilised against tax payable under Section 115BAA of the Act.

This said, and when the income tax law permits carry forward of MAT credit for period of 15 years, a pertinent question that merits consideration is whether Circular No 29/ 2019 dated October 2, 2019 issued by the CBDT lies in tandem with the provisions of the Statute. In this regard, the following aspects need to be considered:

1. The implementation of taxing provisions must be in accordance with the law, implying conformity with the statutory provisions and the overarching constitutional requirement that taxes recovered from the public must have the force of the authority of the law. In view of this, the power conferred upon the administrative authorities, including the CBDT, particularly in the context of orders, instructions, circulars, directions etc, is of great

consequence. The CBDT under Section 119 of the Act has powers to issue circulars in exercise of its statutory authority. Statutes conferring this power upon administering authorities are quite clear that circulars shall have binding effect on all persons participating in their implementation, ie the tax Authorities in the case of circulars issued by the CBDT. An important area to examine in this respect is whether circulars continue to have effect when they reach beyond the limits of statutory provisions or come into direct conflict with them. The said view was adopted by the Hon'ble Supreme Court in the case of *UCO Bank vs CIT (237 ITR 889)*, where it was held that:

"The power is given for the purpose of just, proper and efficient management of the work of assessment and in public interest. It is a beneficial power given to the Board for proper administration of fiscal law so that undue hardship may not be caused to the assessee and the fiscal laws may be correctly applied."

Several judicial precedents have stressed on the view that a circular is meant for a uniform application of the law in specified circumstances. It is also clear that the Board cannot issue circulars which impose on the assessee, a burden greater than that contemplated by the statute itself.

In the context of tax law, Article 265 of the Constitution clearly specifies that taxes shall not be levied or collected without the authority of law. This implies that circulars issued cannot contradict the statutes from which they derive their legitimacy. Therefore, while the Government has clarified its position with regard to MAT credits, the binding effect of CBDT clarification may still be open to debate, till it gets enacted under the Act itself. It is to also be noted that the Tax Ordinance 2019 passed does not expressly or by necessary implication provides that MAT credit cannot be carried forward. If at all carried forward MAT credits were not intended to have been allowed to be set-off under the new lower tax rate regime, a fair (and better) approach could have been to have had this matter addressed by an explicit amendment in the ordinance itself rather than by issuing a circular in this regard.

2. The Hon'ble Supreme Court in the case of *CIT vs Shah Sadiq & Sons* (166 ITR 102) had held that MAT credit that gets crystallised on payment of tax on book profits under Section 115JAA/ 115JB of the Act is a vested right and unless any amendment takes away such right expressly or by necessary implication, such vested right is preserved under Section 6(c) of the General Clauses Act. The Apex Court, in this case, had held:

"A right which had accrued and had become vested continued to be capable of being enforced notwithstanding the repeal of the statute under which that right

accrued unless the repealing statute took away such right expressly or by necessary implication."

Applying the same ratio, the Hon'ble Supreme Court again in case of *Tulsyan NEC Ltd [2011] 330 ITR 226 (SC)* had reaffirmed the position that right to claim MAT credit is crystallised once tax is paid under MAT provisions. Although the right to avail tax credit gets crystallized in year 1 on payment of tax under Section 115JA of the Act, the set-off thereof trails statutorily. Thus, as per the rulings of the Apex Court, MAT is a statutory right which gets vested immediately on payment of tax. Hence, this circular issued by the CBDT, may require a deep re-consideration as it takes away the benefit that an assessee is otherwise entitled to. In this regard, it would be quite significant to note that as per well-settled legal principles, legislations which modified accrued rights or imposed disabilities were to be treated as prospective in nature unless they were accounting for an obvious omission or explaining a former legislation. Hence, the denial of accumulated MAT credits could be subject to litigation on the grounds of fairness as well.

3. As companies opting for lower tax regime under Section 115BAA of the Act would not be entitled to claim set-off of past MAT credits, they would be required to immediately reverse MAT credits recognized in the books of accounts and charge it to off to the profit and loss account. However, companies have the option to defer the adoption of the new regime after utilisation of such MAT credits, and thereby,

prevent immediate write-offs of MAT credits recognised in their books of accounts. Exercising the option of reduced tax rates would impact the value of Deferred Tax Assets (DTA)/ Deferred Tax Liabilities (DTL). As per the provisions of the Indian Accounting Standards (Ind AS) 12 - Income-taxes, changes in the carrying amount of DTA/ DTL should be recognised in the profit or loss account, unless they relate to items previously not recognised therein. Therefore, any DTA/ DTL recognised in the past would require re-calculation based on the revised rates, and the difference may be charged to the profit and loss account. Hence, the reversal of MAT credit and the difference in value of DTA could have a negative impact on the earnings per share (and bottom line) of a company, which might be a cause for concern for listed companies, in particular. Recent press articles suggested that the net profits at ICICI Bank came in at INR 654.96 crores (compared to INR 908.88 crores a year back), due to one-time tax adjustment, leading to a 28 percent drop in standalone net profits for the September 2019 quarter. In its notes to accounts, the Bank mentioned that along with the group companies, it has decided to exercise the option of a lower tax rate available under the recent changes announced by the Government with effect from this fiscal. Accordingly, they "re-measured the accumulated deferred tax asset on March 31, 2019" based on the rate prescribed under the revised norms. This re-measurement of accumulated deferred tax asset has resulted in



a one-time additional charge of INR 2,919.75 crores in standalone financial numbers.

The extension of time period for utilising MAT credits from the initial 5 years to 15 years is a clear indicator that the average period for MAT credit carry forward is going up at an increasing rate. Added to this is the issue of value erosion due to increasing inflation. While Corporate Inc was coping with these existing issues, it now seems to be clear that vast swathes of corporates, particularly from sunrise sectors including IT, telecom, infrastructure, renewable energy etc

and capex-heavy sectors such as oil & gas PSUs, would carefully plan their transition into the new corporation tax regime, keeping in mind the liquidating plan for accumulated MAT credits. It is known that close to 100 companies, which also include some unlisted ones, have more than INR 100 crore each of MAT credits on their books, cumulatively adding up to INR 75,000 crores. When there is no bar in the Statute in relation to MAT carry forward, the inviolability of the CBDT circular clarifying to the contrary and denying MAT credits to companies which switched over

to the lower corporate tax rate, is definitely questionable and is certain to be challenged judicially. However, the possibility of further legislative amendments (while introducing the Bill in the winter session of the Parliament to replace the ordinance) to expressly bar the carry-forward and set-off of MAT credits by companies opting for lower rates, also cannot be ruled out.

The views and opinions expressed in the article are the author's own.



51ST REGIONAL CONFERENCE

Lulu Convention Centre,
Grand Hyatt,
Bolgatty Island, Kochi.

18th & 19th November, 2019

Please save the dates



Beloved Professional Colleagues,

It gives me immense pleasure and honour to invite you to the **51st Regional Conference of SIRC of ICAI** at Lulu Convention Centre, Grand Hyatt, Bolgatty Island, Kochi on **Monday and Tuesday, 18th and 19th November 2019**. I request all of you to block these dates and register for the conference online at <http://sircoficai.org>.

The Conference organised under the Theme **"Ascend – Gaining New Insights – Scaling New Heights"** will be a great platform for learning and networking.

A list of Hotels at Kochi for the Conference is printed in September 2019 issue of SIRC Newsletter and also hosted at <http://sircoficai.org>.

I once again request you to motivate and encourage us with your august presence by registering for our Regional Conference in large numbers.

Yours sincerely,
With warm regards,
CA. Jomon K George
Chairman, SIRC of ICAI





E-mail: roc.bangalore@mca.gov.in

PHONES: 25537449 (OFF)
25633105 (DIR)

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
OFFICE OF REGISTRAR OF COMPANIES, KARNATAKA
KENDRIYA SADAN, IIIND FLOOR 'E' WING, KORAMANGALA,
BANGALORE – 560034**

No. ROCB/ICAI.EDB/ 2019-20

Date: 13/09/2019

The Chairman,
Institute of Chartered Accountants of India,
Bangalore Chapter,
ICAI BHAWAN,
#16/O, Millers Tank Bed Area, Vasanth Nagar,
BANGALORE – 560 052.

Sir,

Sub: Awareness on Progressive Reforms undertaken by MCA for
Ease of Doing Business in India for the year 2019-Regarding.

With reference to the above, it is to state that you are aware the Ministry of Corporate Affairs has taken number of measures for ease of doing business in our country and to attract many foreign investors to do business in India. Some of the reforms undertaken by the Ministry this year are worth to mention hereunder

1. Zero fee is charged for incorporating of a company having an authorized capital upto Rs. 15 lakh, vide notification G.S.R. No. 180(E) dated 06.03.2019.
2. Integration of MCA21 system with EPFO & ESIC System for issuance of EPFO registration & ESIC registration at the time of incorporation in Form SPICe form, vide notification G.S.R. No. 275(E) dated 29.03.2019. Hence no separate application to be made for EPFO & ESIC registration.
3. Companies (Authorized to Register) Second Amendment Rules, 2018 come into force w.e.f. 15.08.2018, enabling_
 - a) Conversion of society, trust into a section 8 company.
 - b) The restriction of minimum number of members reduced from 7 to 2 for a private limited company and LLP with less than 7 members can convert themselves into a private limited company.

Contd....2.



: 2 :

4. Name Availability Rules have been simplified through Companies (Incorporation) Fifth Amendment Rules, 2019, consequently, name approval has been reduced to 1-3 days.
5. Many e-forms have been made as STP.
6. The prescribed time limit for Filing of CHG-4 for satisfaction of charge is modified as 300 days in lieu of 30 days and approaching R.Ds for condonation of delay.
7. Companies (Amendment) Ordinance, 2018 notified w.e.f. 02.11.2018, provided great opportunity to the companies to file the documents for creation or modification of charge who have not filed in time.
8. Adjudication of Penalties has been extended to many sections to reduce the procedure for making application for compounding of offence to RD/NCLT.
9. The companies are able to upload KYC of companies in e-Form INC-22A through mca21 portal.
10. The time limit for filing of Form Ben-1 & Ben2 is extended upto 31.12.2019 without payment of additional fee.

In view of the massive measures undertaken by this Ministry for ease of doing business, you are requested to give wide publicity among professionals/stakeholders about the same and also requested to publish the same in your monthly Journal.

A line of confirmation at an early date is much obliged.

Yours faithfully,

(C.V. SAJEEVAN)
REGISTRAR OF COMPANIES
KARNATAKA

CHAIRMAN



THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA
SOUTHERN INDIA REGIONAL COUNCIL
(Set up by an Act of Parliament)
ICAI Bhawan, P.B. No. 3314, No. 122, Mahatma Gandhi Road
Nungambakkam, Chennai - 600 034.
Telephone: 044-30210302 / 320 / 321 / 323
Fax: 044-30210355
email: sircochairman@icai.in Web: www.sircofical.org
September 26, 2019

The Chairman
Bengaluru Branch of SIRC of ICAI
'ICAI Bhawan'
16/0, Millers Tank Bed Area
Vasanthnagar
BANGALORE-560052

Dear Chairman,

Sub: Best Branch Awards instituted by SIRC for the year 2018

Ref.: Mega Category (Branches having Membership above 2500)

On behalf of the Southern India Regional Council of the Institute of Chartered Accountants of India please accept our heartiest congratulations for bagging the **First Place of Best Branch of SIRC for the year 2018 under the Mega Category (Branches having Membership above 2500)** for the year 2018.

Kindly convey our congratulations to the immediate Past Chairman and all the Managing Committee Members of the Branch on bagging the Award.

As in the past, the Best Branch / Commendation Award would be presented at the Fifty first Regional Conference of SIRC of ICAI scheduled to be held at Lulu Convention Centre, Grand Hyatt, Bolgatty Island on 18th & 19th November, 2019 at Kochi. The award will be to the Chairman of your Branch for the year 2018-19, in your presence.

Kindly make it convenient to attend the Conference and receive the Award.

With warm regards

Yours sincerely

CA. Jomon K. George
Chairman, SIRC of ICAI

Copy to:

CA. Shravan Guduthur
Immediate Past Chairperson
F 4, Deccan Gardenia-2
No 90, Nagarbavi First Main Road
Near Maruthi Nagar Bus Stop
BENGALURU - 560072

Head Office: "ICAI Bhawan", Indraprastha Marg, New Delhi - 110 002.
Phone: 91 (11) 3989 3989 Email: icaiho@icai.in Website: <http://www.icai.org>

CHAIRMAN



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With warm regards

Yours sincerely

CA. Jomon K. George
Chairman, SIRC of ICAI

Copy to:

CA. Srinivasa T
Immediate Past Chairman of SICASA
No 39/2, Kapini Gang,
4th Floor, Sannidhi Road
Basavanagudi
BENGALURU - 560004

Head Office: "ICAI Bhawan", Indraprastha Marg, New Delhi - 110 002.
Phone: 91 (11) 3989 3989 Email: icaiho@icai.in Website: <http://www.icai.org>

TARKA SABHA - A Technical Session on E-Assessments



CA. Narendra J Jain



CA. Pradeep Suresh



CA. S. Anantha Padmanabhan



CA. Narasimhan Elangovan



CA. Punarvas Jayakumar



CA. Janardhan Hebbar

Study Circle Meetings

A Session on Robotic Automation

SICASA Programmes



President Meet



TANTRAJNAN SABHA - One Day Summit on Information Technology "CAs Leading the Digital Transformation"



Inauguration of Summit by lighting the lamp

Chief Guest
Shri. Kiran Bettadapur, Advocate

Felicitation & Presentation of Mementoes
to Chief Guest

CA. Narasimhan Elangovan

CA. Sanjib Sanghi,
Kolkata



CA. Naga Subramanya

CA. Anand P Jangid

CA. Sachin Kumar B.P

CA. Abdul Rafeeq

CA. Venugopal G

Panel Discussion

VIDWATH SABHA - Half Day Seminar on Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019



CA Jatin Christopher

CA. Rajesh Kumar T.R

Adv. K.S. Naveen Kumar

Panel Discussion

VIDWATH SABHA - One Day Seminar on FEMA



Inauguration of Seminar by lighting the lamp

Chief Guest
CA. G.V. Krishna, Director, HPCL

Felicitation & Presentation of Mementoe to Chief Guest



CA. Vivek Mallya

CA. Chengappa Ponnappa

CA. Chidanand Urs

Mr. Gautam Gururaj, Advocate