



**Bangalore Branch of SICASA**



**Southern India Chartered Accountants  
Students Association**

**SICASA E-Newsletter May-2017**

**The difference between a successful person and others is not a lack of strength, not a lack of knowledge, but rather a lack in will. - Vince Lombardi**

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## Preface

The E-newsletter of Southern India Chartered Accountant Students Association (SICASA), Bangalore is one of the means to keep ourselves abreast about the developments revolving around the Chartered Accountancy Profession through knowledge sharing while at the same time improving one's writing skills. It is also a platform for SICASA, Bangalore to directly connect with CA Students to inform and update them about past and upcoming SICASA Events.

The Team behind this E-newsletter have put their hard efforts to ensure that each successive issue of the E-newsletter is much better than the previous one. In this regard, we require strong support from CA Students community in terms of contributing quality materials (articles, short moral stories, legal updates, case laws analysis, etc.) towards the publication through E-newsletter as well as providing regular honest feedback on the E-newsletter to keep it growing.

We believe that, with your active participation, we will be able to regularly publish the newsletter on a timely basis. Hope this newsletter will be useful to you all. Let us make this initiative a grand success and a continuing one.

We would also like to appreciate the efforts of Yagya Gaire for his time and effort in compilation and design of this E-newsletter.

Please write to [blrsicasa@icai.org](mailto:blrsicasa@icai.org) for submitting your articles/materials as well as for any suggestions and feedback. You can also follow us on Facebook at <http://facebook.com/sicasabangalore> to keep yourselves updated with latest events of SICASA, Bangalore and can provide your suggestions there as well.



The views expressed in this newsletter are of the respective authors and neither the Bangalore Branch of Institute of Chartered Accountants (ICAI) nor SICASA, Bangalore endorse such views. Though maximum effort is made to ensure that correct and up-to-date information is published through this E-newsletter, the SICASA, Bangalore committee cannot guarantee the correctness or the authenticity of the articles published herein.

### **For more details, please contact SICASA Team**

E-mail: [blrsicasa@icai.org](mailto:blrsicasa@icai.org)

Phone: 080 - 3056 3511 (Mrs. Manjula)

For Event Updates: <https://facebook.com/sicasabangalore>

## Branch Chairperson's Communique

**Dear Students,**

Trust that you would have written May 2017 Examinations fairly well and hope that you will come out in flying colours, in July at the time of announcement of the result. Many of you would have taken up the examinations by burning the midnight oil, putting in all efforts. In spite of that, few of you would not have written as per your expectations. Students, at times we have to expect the unexpected. Hope for the best and be positive. The more positive energy you draw to yourself, the more strength and will power you will generate within you to pursue your dreams. Therefore, become a powerhouse of positive energy and radiate your positivity amongst your friends and strengthen the CA students fraternity.



Dear students in the prevailing global business scenario, we should be highly competent to face the new challenges. Hence, along with good academic knowledge, communication skills is also inevitable. In order to encourage students to improve their communication, we are hosting National Talent hunt, as per the guidelines of BOS, ICAI. As you are aware, the elocution and quiz contest, as a part of National Talent Hunt are being organised at Bangalore Branch premises on 10th June 2017. These are the rare opportunities to project your potential in the right perspective. Hence along with Chairman SICASA, CA. BT Shetty and other Managing Committee Members, we insist you to join the said National Talent hunt and other upcoming programmes which will be of immense value to the student delegates.

With Best Regards,

**CA. Geetha A. B.**

**Chairperson**

**Bangalore Branch of SIRC of ICAI**

***“You have to grow from the inside out, none can teach you, none can make you spiritual. There is no other teacher, but your own soul.” - Swamy Vivekananda***

## SICASA Bangalore Chairman's Communication

**My Dear Students,**

Hearty Greetings!

Students who appeared recently concluded IPCC and Final examinations, those who did well in the examination will be successful in flying colors and those who have not done so well, need not be disappointed because, a stone is broken by the last stroke of hammer, this doesn't mean that the 1st stroke is useless. Success is the result of continuous efforts. Persistence is the key! "Nothing in the world can take the place of Persistence. Talent will not; nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent. The slogan 'Press On' has solved and always will solve the problems of the human race."- Calvin Coolidge



Bangalore Branch of SICASA is conducting Branch level National Talent Hunt program (elocution competition and quiz competition) on Saturday 10<sup>th</sup> June, 2017. The details of the program has already been mailed to all the students and also available at the Bangalore branch website [www.bangaloreicai.org](http://www.bangaloreicai.org). In such competition participation is more important than winning hence, I hereby request students to participate in large number.

GST Council moved yet another step closer to implement the country's biggest tax reform possibly from 1st July 2017. Our Institute, particularly Indirect Tax Committee of ICAI is doing tremendous effort to disseminate the knowledge of GST to the ICAI Members, students and to all other stake holders, proving it a true partner in Nation Building. SICASA Bangalore has also conducted so far three sessions of GST Knowledge sharing. Next month on 17th June 2017 SICASA Bangalore is conducting a full day GST seminar.

On June 17<sup>th</sup>, SICASA Bangalore is holding its Annual General Meeting. I hereby request students to participate in large number in the AGM and also take part in the formation of new SICASA Managing Committee for the year 2017-18. I hereby request students to take active participation in the activities of the SICASA.

Wish you all the very best.

**CA B T Shetty**

**Chairman, SICASA Bengaluru**

*"Success is not to be pursued; it is to be attracted by the person we become." – Jim Rohn*

## Reporting Requirement under the Companies Act, 2013 with respect to cash balance and transactions during Demonetization by Companies and Auditors - By Yagya Gaire

Demonetization of Rs. 500 and Rs. 1000 bank notes of Mahatma Gandhi series by the Modi Government declaring the use of such five hundred and thousand rupees notes (also known as Specified Bank Notes (SBNs)) as invalid with effect from the midnight of 8th November, 2016 came as a surprise to the Indian Economy. Some of the effects of such a move by the Indian Government included, cash shortages throughout the economy, people having to stand on long queue to exchange or deposit their SBNs, cash-driven industries facing up huge turmoil and so on. This lasted for quite few months and slowly the economy started to stabilize when most of the cash withdrawn was pumped into the economy by the Reserve Bank of India (RBI) through the issuance of new Rs. 500 and Rs. 2000 notes. While the economy is believed to have recovered from this turbulence, its aftermaths are still to be seen in the form of additional reporting requirements laid down by the Government to companies as well as the auditors.



Government vide Notification No. G.S.R 308(E) dated 30.03.2017 amended Schedule III to the Companies Act, 2013 adding the requirement to disclose the closing balance of cash as on 8th November, 2016 as well as closing balance of cash as on 30th December, 2016 in the notes to financial statements (Balance Sheet) of all the companies. Further, the companies are also required to disclose the details of transactions involving the Specified Bank Notes (SBNs) and other denomination notes including receipts, payments and their deposit with banks for the above period.

The amendment is made in both Division I and Division II of the Schedule III and is thus, applicable to both standalone financial statements as well as consolidated financial statements and reads as follow:

Every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016			
(+) Permitted Receipts			
(-) Permitted Payments			
(-) Amount deposited in banks			
Closing cash in hand as on 30.12.2016			

***“Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful.” - Herman Cain***

That is not all. The law goes a step ahead and lays the responsibility upon the auditors to verify that the companies comply with the above disclosure requirement and ensure that such disclosure is in accordance with the books of accounts maintained by the company.

Ministry of Corporate Affairs (MCA) vide Notification No. G.S.R. 307(E) dated 30.03.2017 notified Companies (Audit and Auditors) Amendment Rules, 2017, which inserted the following clause, after the existing clause (c), in Rule 11 of the Companies (Audit and Auditor) Rules, 2014.

“(d) whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and if so, whether these are in accordance with the books of accounts maintained by the company.”

Keeping in view the above reporting requirement placed upon the auditors, the Auditing and Assurance Standards Board of the Institute of Chartered Accountants of India (ICAI) came up with the Implementation Guide on Auditor’s Report under Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 and Amendment to Schedule III to Companies Act, 2013 on April 2017.

The key guidelines and audit procedures detailed in the aforementioned Implementation guide to reporting under Rule 11(d), issued by AASB to help chartered accountants (CAs) comply with the provisions of law are discussed below:

- Obtain closing cash balance certificate with denominations from the Management as at 8th November, 2016 and as at 30th December, 2016 in respect of Specified Bank Notes (SBNs) as well as other denomination notes in the following format.

Cash balance as on 08-11-2016		Cash balance as on 30-12-2016	
Denominations	Amount	Denominations	Amount
Total		Total	

- Obtain an understanding of controls and procedures implemented by the Company during the period from 9th November, 2016 to 30th December, 2016 to ensure compliance with RBI notifications regarding allowed payments and receipts in SBNs and whether such controls are reasonable to prevent and detect any non-permitted transactions.

***“If you never try, you’ll never know what you are capable of.” - John Barrow***

- Check and note down any payments or receipts made in SBNs during the period (other than those allowed as per RBI notifications [https://www.rbi.org.in/scripts/bs\\_viewcontent.aspx?ld=3270](https://www.rbi.org.in/scripts/bs_viewcontent.aspx?ld=3270)).
- Obtain listing from management as to how the SBNs were dealt with subsequent to 8th November, 2016 and do a reconciliation to arrive at the closing cash balance as at 30th December, 2016. Certification or representation in the following format should be obtained.

	SBNs		Other Denomination notes		Total	
	Denominations	Amt	Denominations	Amt	Denominations	Amt
Closing Balance as at 8 November 2016						
Transactions between 9 th November 2016 and 30th December 2016						
Add: Withdrawal from Bank accounts						
Add: Receipts for permitted transactions						
Add : Receipts for non-permitted transactions						
Less : Paid for permitted transactions						
Less : Paid for non-permitted transactions						
Less: Deposited in bank accounts						
Closing balance as at 30 December 2016						

- Verify the cash balance certificate to ensure that it is in accordance with books of accounts.
- Verify cash payment vouchers to ensure that payments in SBNs is made only towards permitted transactions. These would illustratively include payment for the medical treatment (hospitalization in Government hospitals, medicine etc. as per the relevant notifications), purchase at consumer cooperative stores operated under authorisation of

***“There are far, far better things ahead than any we leave behind.” - C. S. Lewis***



**STORY****The story of a woodcutter**

Once upon a time, a very strong woodcutter asked for a job in a timber merchant and he got it. The pay was really good and so was the work condition. For those reasons, the woodcutter was determined to do his best.

His boss gave him an axe and showed him the area where he supposed to work.

The first day, the woodcutter brought 18 trees. "Congratulations," the boss said. "Keep going this way!"

Very motivated by the boss words, the woodcutter tried harder the next day, but he could only bring 15 trees. The third day he tried even harder, but he could only bring 10 trees. Day after day he was bringing less and less trees.

"I must be losing my strength", the woodcutter thought. He went to the boss and apologized, saying that he could not understand what was going on.

"When was the last time you sharpened your axe?" the boss asked.

"Sharpen? I had no time to sharpen my axe. I have been very busy trying to cut trees..."

**Reflection:**

Our lives are like that. We sometimes get so busy that we don't take time to sharpen the "axe". In today's world, it seems that everyone is busier than ever, but less happy than ever.

Why is that? Could it be that we have forgotten how to stay "sharp"? There's nothing wrong with activity and hard work. But we should not get so busy that we neglect the truly important things in life, like our personal life, taking time to get close to our Creator, giving more time for our family, taking time to read, working on improving other interpersonal skills, etc.

We all need time to relax, to think and meditate, to learn and grow. If we don't take the time to sharpen the "axe", we will become dull and lose our effectiveness and ultimately the value.

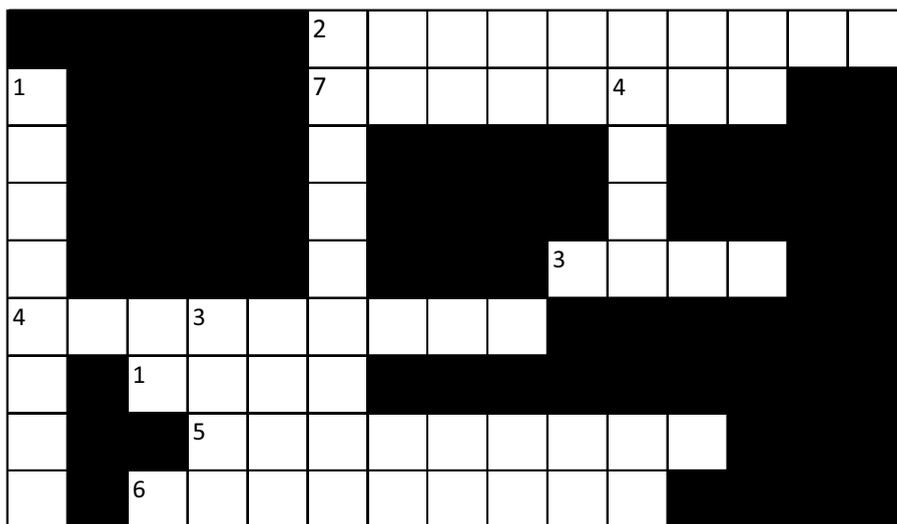
Author: Stephen Covey

From: 7 Habits of Highly Effective People

Source: <http://academictips.org/blogs/the-story-of-a-woodcutter/>

***"If you have always done it that way, it is probably wrong." - Charles Kettering***

## Crossword Puzzle #2017CPB02



Across	
1	Reporting format used by larger entities to report data to the Government (4)
2	A form of Public Speaking (10)
3	Application to initial public offer (4)
4	Commitment/Pledge (9)
5	Appraisal (10)
6	A method of hedging (9)
7	imposing of Tariff (8)

Down	
1	Curriculum (8)
2	Righteous (7)
3	Transportation network (4)
4	Set of Accounting principles, policies and guidelines (4)

**The answers to the crossword puzzle will be published in the next issue.**

Students are further advised to send us short poems or stories apart from any regular article or write-up, so that the same may be published in the newsletter for circulation with fellow students. The same may be sent to [blrsicasa@icai.org](mailto:blrsicasa@icai.org).

***“Practice isn’t the thing you do once your good. It’s the thing you do that makes you good.” - Malcolm Gladwell***

## Quiz #2017QB02 - Answer and Win

1. What is the beta of the stock which moves in the same magnitude and direction as that of the index?  
a) -1  
b) 1  
c) 0  
d) none of the above
2. An interest rate cap is a series of -  
a) interest rate swaps  
b) call options  
c) put options  
d) differential payments
3. Which of the following is not covered under the scope of Supply under the GST Law?  
a) interstate stock transfer  
b) intrastate stock transfer  
c) renting of immovable property  
d) services by employee to employer in normal course of business
4. What is the beta of portfolio where out of Rs. 1,00,000 of available funds, Rs. 60000 is invested in equity of X Ltd having beta of 1.5 and Rs. 30,000 in equity of Y Ltd with beta of 2.5. Remaining balance is held in cash.  
a) 1.67  
b) 1.5  
c) 1.45  
d) 2
5. If increase in Price of Good A, reduces the quantity demanded of Good B, then good B is a  
a) Substitute Good  
b) Complimentary good  
c) Bargain  
d) Inferior Good
6. The Due date to File Form Statement of Financial Transaction for transactions in FY 2016-17 is  
a) 30th April 2017  
b) 31st May 2017  
c) 30th June 2017  
d) 31st July 2017
7. As per Regulatory Framework issued by Government for NBFCs, what is the minimum Tier-I capital to be maintained by them?  
a) 7.5%  
b) 8.5%  
c) 10%  
d) 12%
8. The abatement allowed for service tax on services of Goods and Transport agency is:  
a) 30%  
b) 40%  
c) 60%  
d) 70%
9. A person who undertakes the obligation to sell the security at the exercise price in option contracts is called  
a) call option holder  
b) put option holder  
c) call option writer  
d) put option writer
10. Deduction for Share issues expenses is allowed at the rate of \_\_\_\_\_ p.a. for the purpose of income tax computation  
a) 10%  
b) 20%  
c) 25%  
d) 100%

Please send your answers to E-mail [blrsicasa@icai.org](mailto:blrsicasa@icai.org) along with Student Registration Number and complete contact details. First three students giving all correct answers will be awarded with latest BoS publications.

**QUIZ ANSWERS  
APRIL 2017**

1 Year 1969 2. Finance Minister 3. 38 (thirty-eight) 4. Outward Supply 5. Fire 6. Incorrectly 7. Onion 8. Just stop imagining! 9. Application

***"I cannot give you the formula for success, but I can give you the formula for failure, which is: Try to please everybody." - Herbert B. Swope***

## SICASA Speakers Forum (SSF) 11th and 12th Meetings



View more photos, recordings and details at our Facebook page at <https://facebook.com/sicasabangalore>

*“There is no elevator to success. You have to take the stairs.”*

## Seminars and Study Circles



Seminar on Corporate Social Responsibility (CSR) held on 13th May, 2017.  
Student Volunteer (Left), SICASA Bangalore Chairman CA B T Shetty and CA Ravi Prasad (Right)



More Photos of the SICASA, Bangalore Events can be viewed at our Facebook Page: <https://www.facebook.com/sicasabangalore/photos/>

And

Recordings of SICASA, Bangalore Events can be found at SICASA, Bangalore Youtube Channel :  
<https://www.youtube.com/channel/UCcZtoGglcEY2kTqgo7jse6A>

*"The starting point of all achievement is desire." - Napoleon Hill*



**Bangalore Branch of SICASA**



**Southern India Chartered Accountants  
Students Association**

<b>Calendar of SICASA, Bangalore Events - May &amp; June 2017</b>				
<b>S.N.</b>	<b>Date and Day</b>	<b>Topic / Speaker</b>	<b>Venue/Time</b>	<b>Fee (INR)</b>
1.	27.05.2017 <b>Saturday</b>	One Day Work shop on "Concurrent Audit of Bank Branches" CA. Vinay Thyagaraj, CA.Pratiksha Pai Manjunath, CA.Priyanka Jain, CA.Bharath Rao	<b>Branch Premises 10.00 am to 5.30 pm</b>	<b>200 / -</b>
2.	10.06.2017 <b>Saturday</b>	National Talent Hunt Elocution & Quiz Content ( Elocution - Fee 10 / - & Quiz - Fee 10 / - )	<b>Branch Premises 11.00 am to 6.00 pm</b>	<b>20 /-</b>
3.	17.06.2017 <b>Saturday</b>	One Day Seminar on GST (Expert & Experienced Speakers will be presenting the papers on GST)	<b>API BHAVAN No 16/F Millers Tank Bed Area (Nearby Bangalore Branch ) Vasanth Nagar Bangalore -560052 10.00 am to 5 .30 pm</b>	<b>250 /-</b>
4.	17.06.2017 <b>Saturday</b>	Annual General Meeting (AGM) (Election/Selection of SICASA Managing Committee for the year 2017-18)	<b>Branch Premises 6 .00 pm</b>	<b>No Fee</b>

**CA.Geetha A B  
Chairperson**

**CA. Bhat Shivaram Shankar  
Secretary**

**CA.B.T.Shetty  
Chairman, SICASA**

**Registration on First come, First Serve Basis**  
Please Contact : Mrs. Manjula - 080-30563511  
Payment Mode: cash/ cheque / DD  
in favor of "Bangalore Branch of SICASA" payable at Bangalore  
For online registration visit Bangalore ICAI website at :  
<http://bangaloreicai.org/index.php/students/sicasa-events>

**"Focus on making yourself better, not on thinking that you are better."  
- Bohdi Sanders**



**Bangalore Branch of SIRC of ICAI & SICASA  
NATIONAL TALENT HUNT  
QUIZ & ELOCUTION –CONTEST**

Venue: Bangalore Branch Premises, Vasanthanagar, Bangalore

Elocution	:	Quiz
11:00AM Onwards	:	03:00PM Onwards
10 <sup>th</sup> June 2017, Saturday	:	10 <sup>th</sup> June 2017, Saturday
Entry Fee: Rs. 10/-	:	Entry Fee: Rs. 10/-

**Eligibility and Guidelines for National Talent  
Hunt - Elocution Contest**

**Number of Winners:**

**Branch Level:**

- Branches having less than 750 members     **1 winner**
- Branches having more than 750 members     **2 winners**

For this purpose, the Regional Offices in Mumbai, Chennai, Kolkata, Kanpur and Delhi will also be treated as Branches and **two winners** will be selected.

**Regional Level:**

- **Four Winners** From each region (from those who are selected at branch level and participate at Regional level)

**National Level:**

- **Three winners** will be declared as National Talent (from those **20 students** who are selected at Regional Level)

**Eligibility Criteria:**

Students registered for Final Course and are undergoing articleship and students registered for Intermediate (Integrated Professional Competence) Course are eligible to participate in the National Talent Hunt.

**Final Contest (National Level):**

In the Final Contest of the National Talent Hunt, three celebrities will be the jury members and would select the best **3 National talents** who have reached this level after contesting with more than 1000 peer students to be the National winner. **The 1st three winners of National Hunt would be awarded the cash prizes of Rs. 31,000/-, Rs.21,000/- and Rs. 11,000/- respectively and 1st two winners will participate in South Asian Federation of Accountants (SAFA) Elocution Contest.**

**More details at :**

**<https://www.facebook.com/events/223946118095912>**



**Bangalore Branch of SICASA**



**Southern India Chartered Accountants  
Students Association**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Southern India Chartered Accountant Students Association (SICASA) of Bangalore Branch will be held on Saturday, **17<sup>th</sup> June 2017, at 6 pm** "ICAI Bhawan", #16/0, Millers tank bed area, Bangalore -560052 to transact the following business:

1. To receive the Annual report of the SICASA Bangalore Branch for the year 2016-17.
2. To adopt the Audited Accounts of the SICASA Bangalore Branch for the year ended 31<sup>st</sup> March 2017.
3. Election/Selection of SICASA Managing Committee for the Year 2017-18.
4. To transact any other business that may be brought out before the meeting with the permission of the "Chair".

Sd/-  
(CA. Geetha A. B)  
Chairperson

Sd/-  
(CA. B.T.Shetty)  
Chairman – SICASA

Note:

**Nominations are invited from CA Students, who have not yet completed their articleship training, to become the part of the Southern India Chartered Accountant Students Association (SICASA) Bangalore, Managing Committee team 2017-18 in the Nomination Form appended in the next page and submit the same to the Institute well before the date of AGM.**

To brief about the roles and responsibilities of the committee, it will be responsible to oversee the organization and conduct of Students Events including seminars, study circles, workshops, sports meets and conventions. Further, the committee members will be a helping hand and provide guidance to fellow CA Students resolving their doubts and queries and will act as a bridge between the CA Students and the Bangalore Branch of ICAI.

***"The difference between ordinary and extraordinary is that little extra."  
- Jimmy Johnson***

## Form of Nomination

### FORM OF NOMINATION OF A CANDIDATE FOR ELECTION TO THE MANAGING COMMITTEE OF SICASA BANGALORE FOR THE TERM 2017-18

We, the undersigned Students of the Institute of Chartered Accountants of India, belonging to the SICASA Bangalore Branch, qualified to vote in the election of members to the SICASA Managing Committee of the said branch for the term 2017-18, do hereby nominate \_\_\_\_\_, who is the student of the Institute, belonging to the said branch is also eligible to vote in the said election, as a candidate for the election to the SICASA Managing Committee to be held on 17-June-2017.

(1) Signature of Proposer \_\_\_\_\_

Name in Full \_\_\_\_\_  
 Registration Number \_\_\_\_\_  
 Office Address \_\_\_\_\_  
 \_\_\_\_\_

Dated This \_\_\_\_\_ day of \_\_\_\_\_ 2017

(2) Signature of Seconder \_\_\_\_\_

Name in Full \_\_\_\_\_  
 Registration Number \_\_\_\_\_  
 Office Address \_\_\_\_\_  
 \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017

I, \_\_\_\_\_, student belonging to SICASA Bangalore Branch, agree to stand for the election of members to the SICASA Managing Committee of the said branch for the term 2017-18 to be held on 17-June-2017.

Signature of Candidates \_\_\_\_\_

Name in full \_\_\_\_\_

SRO Number \_\_\_\_\_

Office Address \_\_\_\_\_  
 \_\_\_\_\_

Dated This \_\_\_\_\_ day of \_\_\_\_\_ 2017