



ICAI MANGALORE

INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

The Bulletin Board

e- Bulletin



Volume II | March 2018

- *Chairman's Message*
- *Branch Activities carried out in the month of March 2018*
- *Branch Activities Gallery*
- *Branch Announcements*
- *Professional Updates*
- *Managing Committee*

Thought for the Month:

*You Only live Once,
but if you do it right,
once is enough*

-Mae West



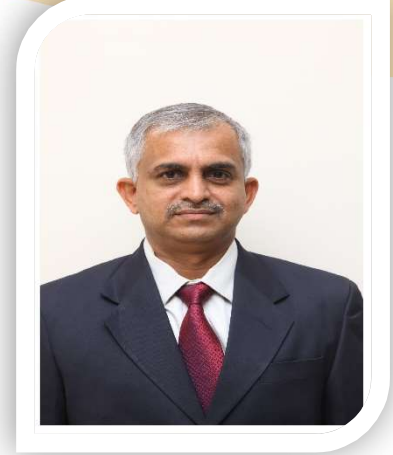
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Chairman's Message

CA B Shivananda Pai
Chairman
Mangalore Branch of SIRC of ICAI



31.03.2018

Dear Members,

Greetings of the season.

The financial year 2017-18 has drawn its curtains down, keeping all of us busy in our professional work as well as in enriching our knowledge in traditional and emerging practice areas like GST, RERA etc. Most of us were busy during the year end as well due to new time barring dates for filing the Income tax returns.

Members Programs:

As it is said CA is one who is 'Chira Adhyayi' meaning a Perpetual student. While delivering our professional duties, we were busy updating our knowledge to prepare for the ensuing professional year 2018-19.

A full day bank audit seminar was organised on 16-03-2018 for members. Senior Member CA. S.S Kamath inaugurated the seminar. CA. Dayanivas Sharma Hyderabad, CA Manohar Gupta Bangalore, Sri Srinivasa Dandapura of Karnataka Bank addressed the delegates at the seminar.

Another half a day Seminar was also held on Recent developments in Companies Act 2013 on 05-03-2018. Mr. Madhu N Rao, Advocate, Bangalore was the Resource Person. These learning meets were well attended with interactive participation of delegates.

A friendly cricket Tournament 'Souhardha Cup 2018' was held on 04-03-2018 between Teams of CAs of Mangalore and Udupi and Teams of both Direct taxes and indirect taxes departments. Udupi CAs have retained the Souhardha Cup trophy. CA Colin Rodrigues and CA Ashok Rao co-ordinated the Tournament.

...Contd.

Chairman's Message



SICASA programs:

A full day bank audit seminar was organised on 08-03-2018 for students. An Industrial Visit to Natural Ice creams, and Campco Chocolate Factory was organised for SICASA students, under the able leadership of SICASA Chairman CA A.R. Musba.

As, the season of 'Spring' has already begun, unveiling the new hope of mother nature, let us spring forward with regenerated energy and enthusiasm to welcome great professional opportunities in the Financial year 2018-19.

Wish you all a Happy, prosperous, and a fruitful Professional year 2018-19.

With Best regards

CA Shivananda Pai B.

Branch Activities March 2018



| Sl No | Date | Activities at Branch for Members | CPE Hours/ Number of Participants |
|-------|------------|---|---|
| 1 | 05.03.2018 | Half day CPE Seminar On Topic: Recent Developments Under Companies Act Resource Person: Mr. Madhu N Rao, Advocate, Bangalore | Members 29 Students: 7 CPE Credit: 3 Hours |
| 2 | 16.03.2018 | One Day Seminar On Bank Audit Inaugural Session by CA. S.S Kamath, Mangalore Technical sessions: Topic: Audit Under CBS Environment Speaker : CA. Dayaniwas Sharma, Hyderabad Topic: SWIFT Transactions – Cause, Effect, Risks and Audit Speaker : Mr. Srinivas Dandapur, Manager, Forex Support Group, Karnataka Bank Ltd Topic: Reporting of Frauds in Banks Speaker: CA. Muralimohan, Mangalore Topic: Changing Dimensions in Bank Audit Speaker: CA. P Manohar Gupta, Bangalore | Members: 138 Students: 18 Others: 2 CPE Credit : 6 Hours |
| 3 | 28.03.2018 | Live Webcast On Topic: Important Amendment By Finance Act 2018 Speaker: CA Sanjay Agarwal CA Tharun Jamnadas Jhia CA Mayur Nayak | Members: 3 CPE Credit: 3 Hours |





| Sl No | Date | Activities at Branch for the Students | Number of Participants |
|-------|--------------------------------|--|---|
| 1 | 01.03.2018 To 04.03.2018 | Crash Course May 2018 examination IPCC Subject: Business Law (old) Subject: Corporate & other Laws (new) Faculty: Advocate Madhu N Rao | Students: 3 Students: 2 Total : 5 |
| 2 | 13.03.2018 To 15.03.2018 | Crash Course May 2018 examination IPCC Subject: Accounting (old syllabus) Subject: Accounting (new syllabus) Faculty: CA Gowrav Rajaram | Students:9 Students: 6 Total: 15 |
| 3 | 19.03.2018 TO 27.03.2018 | Mock Test May 2018 Examination IPCC Subject: Accounting (old syllabus) Subject: Accounting (new syllabus) Subject: Business Law (old syllabus) Subject : Corporate & Other Laws (new syllabus) Subject: Cost & Financial Management(old syllabus) Subject: Costing & Management Accounting (new syllabus) Subject: Taxation (old syllabus) Subject: Taxation (new syllabus) Subject: Advanced Accounting(old syllabus) Subject: Advanced Accounting(new syllabus) Subject:Auditing & Assurance (new syllabus) Subject: Information technology & strategic management (new syllabus) Subject: Financial Management & Economics for Finance | NA |
| 4 | 27.03.2018 To 29.03.2018 | Crash Course May 2018 examination Subject: Auditing & Assurance(new syllabus) Subject: Auditing & Assurance(old syllabus) Faculty: CA Punarvas Jayakumar | Students: 6 Students:15 Total: 21 |
| 5 | 19.03.2018 To 21.03.2018 | Crash Course March 2018 examination Final Subject: Direct Tax Faculty: CA Gowrav Rajaram | Students: 24 |
| 6 | 27.03.2018 To 30.03.2018 | Crash Course March 2018 examination Final Subject: Indirect tax Faculty: CA Shankar Narayanan | Students: 42 |
| 7 | 28.03.2018 | Mock Test March 2018 Examination Final Subject: Financial Reporting (old syllabus) | Students: 4 |
| 8 | 31.03.2018 | Mock Test March 2018 Examination Final Subject: Strategic Financial Management (old syllabus) | Students: 6 |



Branch Activities Gallery March 2018



Seminar on bank audit inaugurated by CA. S.S. Kamath on 16.03.2018



Seminar on bank audit speaker CA. Dayaniwas Sharma during his session on 16.03.2018



Seminar on Bank Audit held on 16.03.2018



Seminar speaker CA. Manohar Gupta during bank audit seminar



Seminar speaker CA. Murali Mohan during his session on Bank Audit



Seminar speaker Mr. Srinivas Dandapur during his session on SWIFT CODE



News and Updates

GST Updates

Press Note

31st March 2018

Clarification with respect to the e-way bill System

The e-way bill system for inter-State movement of goods across the country is being introduced from 01st April 2018. Few clarifications regarding the new [e-way bill system](#) are as follows:

1. Situation : – Consider a situation where a consignor is required to move goods from City X to City Z. He appoints Transporter A for movement of his goods. Transporter A moves the goods from City X to City Y. For completing the movement of goods i.e. from City Y to City Z, Transporter A now hands over the goods to Transporter B. Thereafter, the goods are moved to the destination i.e. from City Y to City Z by Transporter B. How would the e-way bill be generated in such situations?

Clarification : – It is clarified that in such a scenario, only one e-way bill would be required. **PART A** of **FORM GST EWB-01** can be filled by the consignor and then the e-way bill will be assigned by the consignor to Transporter A. Transporter A will fill the vehicle details, etc. in **PART B** of **FORM GST EWB-01** and will move the goods from City X to City Y.

On reaching City Y, Transporter A will assign the said e-way bill to the Transporter B. Thereafter, Transporter B will be able to update the details of **PART B** of **FORM GST EWB-01**. Transporter B will fill the details of his vehicle and move the goods from City Y to City Z.

2. Situation : – Consider a situation where a Consignor hands over his goods for transportation on Friday to transporter. But, the assigned transporter starts the movement of goods on Monday. How would the validity of e-way bill be calculated in such situations?

Clarification : – It is clarified that the validity period of e-way bill starts only after the details in **PART B** of **FORM GST EWB-01** are updated by the transporter for the first time.

In the given situation, Consignor can fill the details in **PART A** of **FORM GST EWB-01** on Friday and handover his goods to the transporter. When the transporter is ready to move the goods, he can fill the **PART B** of **FORM GST EWB-01** i.e. the assigned transporter can fill the details in **PART B** of **FORM GST EWB-01** on Monday and the validity period of the e-way bill will start from Monday.



News and Updates

Direct Taxes

EFG Wealth Management (P) Ltd. v. DCIT

Decision: In assessee's favour.

Penalty under section 271(1)(c)--AO failed to mention limb of penalty--Leviability

Facts:

During assessment, AO levied penalty on assessee under section 271(1)(c), on disallowances made on account of capitalization of expenditure. Assessee submitted that as AO failed to record his satisfaction as to 'concealment of income' or furnishing of 'inaccurate particulars of income' in the assessment order, penalty order was liable to be quashed.

Held:

As assessee had furnished all the details of its expenditure as well as income in its return; the same could not be viewed as furnishing of inaccurate particulars or concealment of income to attract the penalty under section 271(1)(c). It was up to the AO to accept its claim in the return or not. Further, recording of satisfaction in the assessment order about the initiation of penalty was must and in its absence, penalty was liable to be deleted.

Sunayana Devi v. ITO

Decision: In assessee's favour.

Capital gains--Deduction under section 54F--Construction of a residential house within three years from the date of transfer

Facts:

Assessee had invested the sale consideration in construction of a residential house within three years from the date of transfer. The question arose as to consideration was whether assessee could be denied deduction under section 54F on the ground that he did not deposit the said amount in capital gains account scheme before the due date prescribed under section 139(1).

Held:

Since assessee had invested the entire consideration in construction of the residential house within three years from the date of transfer he could not be denied deduction under section 54F on the ground that he did not deposit the said amount in capital gains account scheme before the due date prescribed under section 139(1). In view of CIT v. Sardarmal Kothari (2008) 302 ITR 286 (Mad) in the context of deduction under section 54F, it would be enough if the assessee establishes that he has invested the entire net consideration within the stipulated period.

News and Updates



Direct taxes

Jaskaran Singh v. Income Tax Officer

Decision: In assessee's favour.

Penalty under section 271(1)(c)--Concealment--Amount deemed as dividend--Assessee believed that amount considered constituted advance in course of business

Facts:

Assessee, had received advances from a company in which he had a shareholding of 49.95 per cent. On being confronted during assessment proceedings as to why the said amount be not treated as deemed dividend as per section 2(22)(e), the assessee submitted that the advance had been given by the company on its behalf for purchase of land in Himachal Pradesh for setting up a resort. The assessee further explained that since the deal could not materialize, the entire amount was refunded back to the company during the year itself. The AO rejected the assessee's contention and treated the impugned advance as deemed dividend and added the same to the income of the assessee. On this addition, the AO initiated and levied penalty under section 271(1)(c).

Held:

Undisputedly, the said advance was refunded by the assessee also during the impugned year. Also, all facts, material to the said transaction were truly and fully disclosed by the assessee during the quantum proceedings and no incorrect particulars or detail was furnished by the assessee. In such circumstances, where the true nature of the amount received was not income but was treated to be so only on account of the deeming provisions of section 2(22)(e), coupled with the explanation of the assessee that the sum was advanced for business purpose which explanation had not been found to be false and also the fact that the amount of advance was refunded during the year, the assessee's belief that it was not in the nature of income appeared to be bona fide. The assessee should not be visited with the rigors of penalty under section 271(1)(c) as the assessee's contention that no material was suppressed and, therefore, there was no mala fide intention on the part of the assessee to evade the tax has sufficient cogency.



Managing Committee 2018-19



Managing Committee

CA Shivanand Pai, Chairman
CA Ananthapadmanabha, Vice-chairman
CA Raviraj B, Secretary
CA K Subramanya Kamath, Treasurer
CA Abdur Rehman Musba, Chairman
Mangaluru SICASA
CA Aravinda Krishna, Member
CA Edyll D;silva, Member
CA Bhargav Tantri, Immediate Past
Chairman

from Left to Right- CA. Aravinda Krishna (Member), CA. Abdur Rahman Musba (chairman SICASA, Mangalore), CA. K. Subramanya Kamath (Treasurer), CA. Ananthapadmanabha(Vice Chairman), CA. Shivanand Pai (Chairman), CA. Keshava Ballakuraya (Past chairman), CA. Raviraj B (Secretary), CA. Edyll D'Silva(Member) , CA. Bhargava Tantri (Immediate Past Chairman)

The Managing Committee of Mangalore Branch of SIRC of ICAI invites articles, write-ups and other similar materials in the areas of Accounting, taxation or any other subject of professional interest for publishing in its e-bulletin. The articles submitted for consideration of publication should be of 2,000- 4,000 words typed double space on A4 size paper with 1 inch margin all around. Soft copy of the article may be sent to icaiebulletin@gmail.com.

Feedback on this e-bulletin can be sent to the editorial team @ icaiebulletin@gmail.com

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