

THE MESSENGER



MANGALORE BRANCH OF SIRC OF ICAI

CHAIRMAN ADOPTS IPC MANTRA

I INNOVATION
P PERFECTION
C COMPLETION



**ICAI BHAWAN
CELEBRATES
FIFTH YEAR**



ANNUAL BUDGET



TAKE OVER



BANK AUDIT

MEMBERS DAY 2019

Lobo's River View

Mangalore Gate, Near Cassia Tile Factory, Mangalore

*Sunday, March 10th
6 p.m. onwards*

You are invited with your family

Looking forward to your participation
MANAGING COMMITTEE
MANGALORE BRANCH OF SIRC OF ICAI

MEMBERS DAY

THE TORCH BEARERS



CA. PRAFULLA P. CHHAJED
PRESIDENT - ICAI



CA. ATUL KUMAR GUPTA
VICE PRESIDENT - ICAI



CA. JOMON K. GEORGE
CHAIRMAN - SIRC



CA. DUNGAR CHAND U. JAIN
VICE CHAIRMAN - SIRC



CA. JALAPATHI K.
SECRETARY - SIRC



CA. PAMPANNA B. E.
TREASURER - SIRC



CA. REVATHI R.
CHAIRPERSON - SICASA

THE MANGALORE BRANCH OF SIRC OF ICAI



FROM THE LEFT: CA. ABDUR RAHMAN MUSBA - TREASURER, CA. K. SUBRAMANYA KAMATH - SECRETARY, CA. S. SHANTHARAMA NAYAK - VICE CHAIRMAN, CA. ANANTHA PADMANABHA - CHAIRMAN, CA. PRASANNA SHENOY - SICASA CHAIRMAN, CA. GAUTHAM NAYAK - MEMBER, CA. GAUTHAM PAI D. - MEMBER

CHAIRMAN'S MESSAGE

CA. ANANTHA PADMANABHA K.



Dear Professional Colleagues,

I am extremely happy to take over as the 31st Chairman of the Mangalore Branch of the Southern India Regional Council (SIRC) of the Institute of Chartered Accountants of India (ICAI). Indeed, the 16th February 2019 was a remarkable and an exceptional day in my life as I took charge of the Mangalore branch of a renowned institution.

I am thankful to all the members of Mangalore ICAI for giving me an opportunity to take lead of the branch, and, thankful to our Institute for giving me an opportunity to serve for the Institution and for the Society.

I heartily congratulate all the newly elected managing committee members of the branch for the term 2019-22. I congratulate CA. S. Shantharam Nayak for assuming the post of Vice-Chairman, CA.K Subramanya Kamath for assuming the post of Secretary, CA. Abdur Rahman Musba for assuming the post of Treasurer, CA. Prasanna Shenoy M. for assuming the post of Chairman-Mangalore SICASA, CA. Gautham Pai D. for becoming a member, and, CA. Gautham Nayak M. for becoming a member of managing committee of Mangalore ICAI for the term 2019-20.

I must thank my immediate predecessor CA. Shivananda Pai B. for involving me and guiding me in respect of various activities of the Institute in my previous term as Vice-Chairman of the branch. I must also thank my Committee colleagues CA. Keshava Ballakuraya N., CA. Bhargava Tantry, CA. Raviraj B., CA. K. Subramanya Kamath, CA. Abdur Rahman Musba, CA. Aravind Krishna B. and CA. Edyll D'Silva for their co-operation and guidances in my previous term 2016-19. I would like to take this opportunity to congratulate the Chairpersons and the managing committee members for bagging awards in SIRC medium branches category in Regional level for consecutive years, i.e., year 2015 (best branch award), year 2016 (best branch award), year 2017 (SICASA excellence award) and year 2018 (best branch award).

Vision and Mission of IPC – Innovation, Perfection and Completion :

According to Mr.Seth Berkley's quote regarding the leadership, "Leadership Is About Vision And Responsibility Not Power". Definitely I have come here with some visions and I accept that leadership comes with responsibilities too. I surely say that, "I'm a shepherd, not a sheep, and I've always prided myself on being a leader and not a follower". I love challenges, beintrigued by mistakes, enjoy effort and keep learning.

It's a well known fact that, in order to become a successful leader one should possess requisite qualities, clear visions and the determination to make it come true.

When I took charge as the head of our fraternity, I came with a vision to do things applying an innovative approach, to get the things done with a combination of hard work and perfection, and, to see that they are completed and reaches its logical end.

Action plans of the Mangalore branch for the present one year term:

- Regularly organizing the seminars on various professional topics and trending issues for the professional development of members of the branch. Topics like Bank Audit, Tax Audit, GST Audit, Changes in companies Act, Panel discussions on Budget issues etc will be covered.
- Regularly organizing study circles for the members in the city of Mangalore as well as members residing and practicing in suburb areas of Mangalore like Puttur, Moodbidri, Belthangady, Kasaragod, Sullia etc.
- Organising a Residential seminar at a pleasant venue for the development of interactive bonding among the members along with professional development.
- Organising a National Conference in a later month during this year, inviting eminent speakers from various cities all over the country for the professional development of members.
- Organising Certification courses to the members like course of Ind AS, GST, Valuation etc is proposed.
- Committee intends to organise an International Study Tour for the members to acclimatize the members about the best practices being followed by various and to provide opportunities to participate and interact with the renowned experts in various International Forums.
- E Bulletin being a monthly journal of the branch will be released every month on a regular basis for updation of knowledge of members and keep the members connected with the branch activities.
- Forming various sub-committees for specialized areas like direct taxes knowledge development, Indirect taxes knowledge development, CPE committee for involving members including young members and women members and motivating them to create knowledge awareness.
- Branch wishes to tie up with various associations in and around Mangalore like Kanara Chamber of Commerce, Karnataka State CA Association and other association for building up the image of ICAI and conduct regular programmes for the members of association jointly.

Just a year to go for Mangalore ICAI's Golden Jubilee year celebrations:

The Mangalore Branch of SIRC was set up on the 18th day of August 1971.

When the founding pioneers of Mangalore Branch, conceived and gave shape to the organization to bring together the chartered Accountant fraternity of Karavali Karnataka, they would not have visualized the growth and spread of the organization to what it has taken shape this present day. Mangalore ICAI is all set to celebrate its Golden Jubilee year in next year 2020-21. I understand that, I have a challenging task of making a good and smart pathway for the grand celebrations.

Programmes & activities organised /to be organised:

A few programmes&activities organized/to be organisedduring the period :

- **8th Feb 2019 : Study Circle meeting – discussion on ‘Direct Tax proposals in Budget 2019’ by CA.S.SrinivasKamath, Mangalore**
- **16th Feb 2019 : ‘Taking Over of Charge’ by the new team of Managing Committee headed by CA.AnanthaPadmanabha K., Mangalore**
- **23rd Feb 2019 : Interactive meeting of Chairpersons and Secretaries of all branches of SIRC with Central Council Members elected from Southern India Region and Regional Council Members, held at SIRC Chennai.**
- **24th Feb 2019 : Valedictory Ceremony of ‘GST Certification Course’ held at DVS College Campus, Shimoga, programme conducted by Shimoga Chapter of ICAI, under support and guidance of Mangalore branch of ICAI.**
- **5th March 2019 : Study Circle meeting – ‘Practical Session in UDIN’ by CA.SankethNayak, Bangalore.**
- **16th March 2019 : One Day ‘CPE Seminar on Bank Audit’ with renowned speakers.**
- **24th, 25th& 26th April 2019 : 2nd round of Campus Placement Programme at ICAI BhawanPadil [byCommittee for Members in Industry & Business (CMI&B)].**
- **April 2019 : Planned to organise a study Circle on topic ‘Profession tax’for young members of the branch.**
- **April 2019 : Planned to organise a study Circle on topic ‘Unregulated Deposit Ordinance’.**
- **May 2019 : Planned to organise a Certification Course - ‘GST Certification Course’.**
- **May 2019 : Planned to organise a Seminar/Study Circle on topic ‘GST Audit’.**
- **May 2019 : Planned to organise a Seminar on topic ‘Society Audit’.**

I would like to take this opportunity to thank the Managing Committee members of SICASA Mangalore for their tremendous efforts put forth by them for organizing/conducting various activities/programmesfor students and for active involvement in other students’ activities. I thank all the students who took active participations in various activities, programmesetc organized by SICASA Mangalore.

I sincerely thank all my CA colleagues who have shown helpfulness and rendered services towards students’ activities / programmes.

I would like to say that, the New Managing Committee is committed to perform its duties and responsibilities in the best possible manner during its term and seeks the participation, involvement & support of the members, students, Institute staff, all stake holders and public-at-large for all its programmes/activities throughout the term and for all its future endeavours.

With Warm Regards,

**CA.AnanthaPadmanabha K.
Chairman
Mangalore branch of SIRC of ICAI**

OUTGOING CHAIRMAN SPEAKS

CA. SHIVANANDA PAI B.



Dear Members,
Warm Wishes

Our Committee took charge on 19th February, 2018 in the august gathering of Past Chairmen of the Branch. With the wholehearted support of all the Members of the Branch we could do a lot of work for the betterment of Profession.

A total of around 200 CPE hours programmes were conducted during the year (March 2018 to February 2019) which included Three Certificate Courses (one held in Shivamoga), One National Conference, one day Seminars and Study Circles. Topics of interest to members in practice like IND AS, Bank Audits, and Various Topics in GST, Direct Taxes, and Company Law etc. were deliberated upon in these meetings.

The National Conference "SWADYAYA – in pursuit of professional excellence", was held under the aegis of Professional Development Committee of ICAI and hosted by our Branch on 6th & 7th of July, 2018 at Mangalore's Prestigious venue: Dr. TMA Pai International Convention Centre. It was attended by about 800 delegates and was a grand success.

We are proud to say that our SICASA also conducted good programmes for the benefits of our students. CA Students Conference was held on 12th and 13th of December 2018, for the first time in K.R. Rao Town Hall Mangalore, with the theme of 'VIDWATH: Knowledge & Training with Ethical Quotient – pathway to Professional Excellence'.

Our Branch has won Best Branch Award for the year, under medium category branches in Southern Region.

I take this opportunity to personally thank all the Past Chairpersons, Managing Committee members, members of the Branch for their excellent co-operation and whole hearted support to all the Branch activities during the year. I would like to place on record my heartfelt gratitude to all the administrative staff of the Branch for their wonderful support throughout the year, without which we could not do and achieve all that we have done. We have satisfaction in our endeavour of service to our profession. It is said

अनिर्वेद असिध्येषु

साधितेषु अनहंकृतिः ।

अनालस्यं च साध्येषु

कृत्येषु अनुग्रहाणां ॥

Meaning, there is no regret for not achieving, there is no arrogance for what is achieved, (we have put our sincere and best efforts) there is no laziness / lethargy for the duties/ achievable in future (we are always committed to institute work). Hence, we pray the almighty to bless and be benevolent upon all members of our fraternity.

I wish all the best to the new Team which has the right blend of experience and enthusiasm, led by very able and dynamic CA Anantha Padmanabha K for the ensuing year.

We appreciate the magnanimous contribution of Rs 5 lakhs each for creation of 2 Scholarship Funds respectively by CA. Sriramulu Naidu, and CA. Prakash Basri, for the benefit of CA Students of our branch.

Jai ICAI, Jai Hind.
CA SHIVANANDA PAI B

PROFESSIONAL UPDATES

DOMESTIC TAX CASE LAWS

- Where High Court held that once Commissioner exercised his revisionary powers then provisions of section 153(2A) would be applicable and, limitation would be one year from date of order being passed by Commissioner in revision petition, SLP filed against said order was to be dismissed. [Param Transport (P.) Ltd. v Pr. CIT [2019] 102 taxmann.com 328 (SC)]
- Supreme Court affirms view of High Court that an assessee who sets up a new industry of a kind mentioned in sub-section (2) of section 80-IC and starts availing exemption of 100 per cent tax under sub-section (3) of section 80-IC (which is admissible for five years) can start claiming exemption at same rate of 100 per cent beyond period of five years on ground that assessee has now carried out substantial expansion in terms of clause (ix) of sub-section (8) of section 80-IC within aforesaid period of ten years in its manufacturing unit. The said previous year in which substantial expansion is undertaken would become 'initial assessment year', and from that assessment year, assessee shall be entitled to 100 per cent deductions of profits and gains. (d) Such deduction, however, would be for a total period of 10 years, as provided in sub-section (6). [Pr. CIT v Aarham Softronics [2019] 102 taxmann.com 343 (SC)]
- SLP dismissed against High Court ruling that where Government gave grant-in-aid to a company wholly-owned by Government, facing acute cash crunch, to keep company floating, even though large part of funds were applied by company for salary and provident funds, grant received was capital receipt. [Pr. CIT v State Fisheries Development Corporation Ltd. [2019] 102 taxmann.com 221 (SC)]
- SLP granted against High Court ruling that where assessee-payer had failed to deduct tax at source under section 194C, it was liable to pay interest under section 201(1A) even if payee of such amounts had filed a nil return or a return showing a loss. [Punjab Infrastructure Dev Board v CIT [2019] 102 taxmann.com 224 (SC)]
- Where High Court held that assessee was entitled to deduction under section 10B in respect of 'deemed export' of goods made by it through third parties, SLP filed against decision of High Court was to be dismissed. [Dy. CIT v Metal Closures (P.) Ltd. [2019] 102 taxmann.com 72 (SC)]
- No interest disallowance if assessee had sufficient interest free funds to meet its investment in subsidiaries. [CIT v Reliance Industries Ltd. [2019] 102 taxmann.com 52 (SC)]
- SLP dismissed against High Court ruling that receipt of deposits/loans received through journal entries is in breach of section 269SS. [CIT v Adinath Builders (P.) Ltd. [2019] 102 taxmann.com 57 (SC)]
- Where registration of assessee trust u/s 12AA was cancelled for receiving a bogus donation but High Court by impugned order restored registration holding that one bogus donation would not establish that activities of trust are not genuine, it is held that reason assigned by High Court is erroneous and runs contrary to plain language of section 12AA(3) and, therefore, order of High Court is to be set aside and matter is remanded to appellate authority i.e. Commissioner (Exemptions) for consideration on merits. [CIT v Jagannath Gupta Family Trust [2019] 102 taxmann.com 34 (SC)]

PROFESSIONAL UPDATES

Few major updates being announced by CBIC on 18th February 2019

- CBIC mandates every registered person to specify Place of Supply with the name of State in tax invoice in case of inter-State supply:-

CBIC vide Circular No .90/09/2019- GST dated 18.02.2019 clarify the compliance of rule 46(n) of the CGST Rules, 2017. All Registered persons making supply of goods or services or both in the course of inter-state trade or commerce shall specify the place of supply along with the name of the State in the tax invoice as per the provision contained in section 31 of the CGST Act, 2017. Further the provisions of sections 10 and 12 of the IGST Act, 2017 may be referred to in order to determine the place of supply in case of supply of goods and services respectively.

Contravention of any of the provisions of the Act or the rules made there under will attracts a penalty of Rs. 25000/- as per sections 122 or 125 of the CGST Act.

- CBIC mandates every registered person making inter-State supplies to unregistered persons to report the details of such supplies along with the place of supply in Table 3.2 of FORM GSTR-3B and Table 7B of FORM GSTR-1.

CBIC vide Circular No .89/08/2019- GST dated 18.02.2019 clarifies a registered supplier is required to mention the details of inter -State supplies made to unregistered persons, composition taxable persons and UIN holders in Table 3.2 of FORM GSTR-3B. Further, the details of all inter-State supplies made to unregistered persons where the invoice value is up to Rs 2.5 lakhs (rate-wise) are required to be reported in Table 7B of FORM GSTR-1. It has been brought to the notice of the Board that a number of registered persons have not reported the details of inter-State supplies made to unregistered persons in Table 3.2 of FORM GSTR-3B. However, the said details have been mentioned in Table 7B of FORM GSTR-1.

Accordingly, it is instructed that the registered persons making inter-State supplies to unregistered persons shall report the details of such supplies along with the place of supply in Table 3.2 of FORM GSTR-3B and Table 7B of FORM GSTR-1 as mandated by the law. Contravention of any of the provisions of the Act or the rules made there under attracts penal action under the provisions of section 125 of the CGST Act.

-CBIC clarify regarding tax payment made for supply of warehoused goods while being deposited in a customs bonded warehouse for the period July, 2017 to March, 2018.

CBIC vide Circular No .91/10/2019- GST dated 18.02.2019 clarify the Circular No. 3/1/2018-IGST dated 25.05.2018 whereby applicability of integrated tax on goods transferred/sold while being deposited in a warehouse was clarified. In the said circular, it was said that from 1st of April, 2018 the supply of warehoused goods before their clearance from the warehouse would not be subject to the levy of integrated tax.

It has been notice that during the period from 1st of July, 2017 to 31st of March, 2018, the common portal did not have the facility to enable the taxpayer to report payment of integrated tax, in the details required to be submitted in FORM GSTR-1, for such supplies especially where the supplier and the recipient were located in the same State or Union territory.

Hence taxpayers making such supplies have reported such supplies as intra-State supplies and discharged central tax and state tax instead of integrated tax accordingly.

BRANCH ACTIVITIES

TAKE OVER >>>



MEMBERS BANK AUDIT SEMINAR <<<



STUDENTS BANK AUDIT SEMINAR >>>



STUDENTS SEMINAR "VEEKSHAN"



BRANCH ACTIVITIES



MEMBERS DAY CELEBRATION



STUDENTS
STUDY CIRCLE
MEETINGS



CAREER
COUNSELLING



INDUSTRIAL VISIT



OTHER ACTIVITIES

MEMBERS STUDY CIRCLE MEETINGS
LIVE WEBCAST
CRASH COURSE FOR STUDENTS
ITT/ ORIENTATION/GMCS



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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. Soft copy of the article may be sent to icaiebulletin@gmail.com

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

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