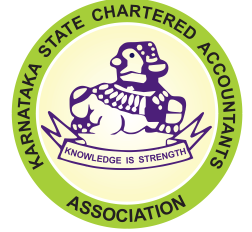


KSCAA

Karnataka State Chartered Accountants Association ®

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Startup Incentives | Financial Reporting | GST

**FINANCIAL
REPORTING**

GST

START-UPS



**GROW, SHARE
& TRANSFORM**

Sports & Talent Meet
19th and 26th November 2017

Start-up Conference
1st and 2nd December 2017



Dear Professional Friends,

A warm Deepavali wishes for happiness and wellness in multitude. May the warmth and splendor, that are part of this auspicious occasion, fill your life with happiness and bring bright cheer and joy and prosperity for the year ahead. Happy Deepavali!

Deepavali, a festival of lights, spiritually signifies the victory of light over darkness, good over evil, knowledge over ignorance, and hope over despair. It is celebrated to mark the return of Lord Rama from 14 years of exile and his victory over the Demon Ravana. The evil need not necessarily come in the form of demons. Desperation, depression and frustration can cause much more damage to one's life than the demons that you have not seen. Diwali is a reminder to slay all that is negative to our life. Especially in today's global economic situation, this festival of lights, let your inner light direct you achieve your ambitions. How we go through tough times displays character strength and speaks a lot about our resolve. If only you can go through difficult times with inner grace, you will appreciate that every situation we face is an opportunity towards enhancing and realising our lives.

On professional front, Honorable Finance Minister announced a significant revamp of the Goods and Services Tax regime three months after its roll out addressing the key concerns expressed by trade and professional bodies especially those of small scale industry and exporters, who were hit hard by working capital woes. The GST Council raised the composition scheme threshold to Rs. 1 crore from Rs.75 Lakhs, allowed smaller businesses with turnover of up to Rs.1.50 crore to pay tax and file returns quarterly instead of monthly, exempted exporters from payment of tax under various promotion schemes, deferred implementation of TDS and TCS provisions to April 1 next year and suspended the reverse charge mechanism until the fiscal year-end, mandatory registration for interstate supplies by unregistered persons upto 20 lakh kept in abeyance. These reforms provide much needed impetus to SMEs, who are the real backbone of Indian economy. We all agree that laws are dynamic and not constant. Evolution of any law requires constant engagement with various stakeholders for improvements. But too many changes too soon will make businesses jittery and make this 'Good and Simple Tax' more complex. It's high time our Honorable Finance Minister should think of having representations from trade and professional bodies in GST Council instead of leaving to only bureaucrats and politicians. Atleast in this coalition works better!

Let's welcome yet another tax reform in the world, now in Gulf Countries. All the six GCC (Gulf Cooperation Council) countries namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates have signed the agreement paving the way for introduction of VAT throughout GCC in 2018. Businesses with operations in the GCC countries will be impacted by the introduction of VAT, which will represent a fundamental change to business operations in a region with little history of taxation. Potentially affected companies should begin preparations to ensure compliance with the VAT law by 2018 if they have not done so already. Indian Chartered Accountants with knowledge of VAT and GST implementation challenges will have enormous opportunities to explore in this region.

The proposal of introducing a new Rule 39A in the Income-tax Rules, 1962 is totally unfair. If implemented, it will further increase the already existing heavy compliance burden on tax payers. It also ignores the very object of new scheme of advance tax introduced from A.Y. 1988-89. Such a rule, in practice, is likely to become a source of arm twisting exercise & harassment for

meeting unrealistic collection targets, more so for tax compliant community of assesseees, as is evident from recent newspapers reports. In this matter, KSCAA along with Bombay Chartered Accountants Society (BCAS), Chartered Accountants Association, Ahmedabad and Lucknow Chartered Accountants Society (LCAS) made a joint representation to CBDT on 22nd September 2017 to drop the proposal of introducing Rule 39A into Income Tax Rules, 1962. To access details of representations made by your Association, you may please visit www.kscaa.com.

Upcoming programs

After prolonged tax compliance months meeting various regulatory deadlines, it's time for de-stress. In this regard, KSCAA organizes much anticipated Sports and Talent Meet jointly with Bangalore Branch of SIRC on 19th November and 26th November. Enthusiastic participants can register soon to organize the event even better.

Standing at the cusp of a growing entrepreneurship atmosphere in India and unprecedented growth in new age business and emergence of 'Start-Ups', this sector is grappling with lack of knowledge about best practices and management experience. Therefore, there is a need for more statutory, accounting and management guidance to address challenges faced by the Start-Ups. To bridge this gap, KSCAA in association with Bombay Chartered Accountants Society (BCAS) is organizing 'Startup Conference – Challenger Perspective' on 1st and 2nd December 2017 at the Chancery Pavilion, Residency Road, Bengaluru. I request our members to actively participate, circulate this event to their elite clientele and motivate us by making this event a grand success.

For more details on the upcoming programs, please visit www.kscaa.com

We wish to inform you that we have constituted various committees like Taxation, Corporate and allied laws, Journals & Publications, Membership development and Public relations, Sports and Skill development, Mofussil programs, e-Initiatives and Social media to diversify the activities of the Association and to serve the members in a better way. To achieve this, we solicit seniors and members to join us in mentoring and building the committee activities and need valuable inputs to achieve the desired goal of '**Growth, Share & Transform**' as envisaged motto of the term, and going forward. In this regard, we make an earnest appeal to the past presidents, subject experts and young chartered accountants who can devote their valuable time to support the Chairmen of respective committees towards this noble cause of our profession.

Iwish to end my message with a thought:

"Keep your face to the sunshine and
you can never see the shadow." - Helen Keller

As far as you are looking on brighter side of things you will be ignoring the not-so-good things in your life. What you give attention to grows and so if you are focusing on what's wrong in your life you will just get as many things. But if you focus on what's right in your life, what makes you happy, what you are grateful for, and why things are so fantastic, you will move towards happier expanse. Some days are easier to face towards the sunshine than others, but it's there, you just have got to try a tad bit harder during challenging times.

With warm regards,

With warm regards,

CA. Raghavendra T.N.
President, KSCAA

KSCAA

News Bulletin

October 2017

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KSCAA welcomes articles & views from members for publication in the news bulletin / website.

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KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION®

VISION

- KSCAA shall be the trusted and value based knowledge organisation providing leadership and timely influence to support the functional breadth and technical depth of every member of CA profession;
- KSCAA shall be the nucleus of activity, amity and unity among members aimed at enhancing the CA profession's social relevance, attractiveness and pre-eminence;
- KSCAA shall in the public interest, be a proactive catalyst, offering a reliable and respected source of public statement and comments to induce effective laws and good governance;
- KSCAA shall be the source of empowerment for leadership and excellence; disseminating knowledge to members, public and students; building a framework for new opportunities and partnerships that enhance life in the community and beyond; encouraging highest ethical standards and professional integrity, in realization of India global leadership vision.

MISSION

- The KSCAA serves the interests of the members of CA profession by providing new generation skills, amity, unity, networking and leadership to strengthen the professional capabilities, integrity, objectivity, social relevance, standards and pre-eminence of India's Chartered Accountants nationally and internationally through; becoming gateway of knowledge for Chartered Accountants, students and public; helping members add value to their customers/employers by enhancing their professional excellence and services; offering a reliable and respected source of public policy advice and comments to bring about more effective laws and policies and transparent administration and governance.

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INCENTIVES FOR STARTUPS - GOVT. OF KARNATAKA

CA S. Krishnaswamy

“First mover advantage doesn’t go to the first company that launches, it goes to the first company that scales”

- Reid Hoffman, co-founder of LinkedIn

In line with GOK policy, GOK launched (ELEVATE 100 programme) a programme that currently focuses on diverse sectors including Information Technology, Electronic System Design Manufacturing, Animation visual gaming & comics, Biotechnology Pharmaceuticals, Agriculture and Life sciences. The programme was held on Aug 30th 2017 (Wednesday). 100 most innovative startups were picked up after following through a four layered selection process. These startups will get a funding support of about Rs.35 Cr from the government to pursue their tech idea and scale them up.

When the final leg of selection process began on 29th August 2017 at Hotel Lalith Ashok, there were 270 startups vying for these top 100 slots. The jury, however, finalised the list of most innovative startups on Wednesday. The contest saw the participation of more than 1700 startups from across Karnataka, but most of the nominations were from Bengaluru.

The initiative also attracted 350 women entrepreneurs and 400 applicants from the rural areas.

The ELEVATED 100 roadshow has traversed the length and breadth of Karnataka in a rigorous hunt to pick the 100 most innovative startups and help them turn their ideas into successful businesses. The short-listed startups will have access to the Governments’ startup fund besides access to government VC funds, pilots, private VC funds, world class accelerators and mentors, the IT department said in a press release.

ELEVATED 100 is a continuing process where the best ideas from the State gets the support and guidance it deserves.

Of the 100 startups finalized, 27 are from electronic semiconductor design, 19 from life sciences, 11 each from Biotech, Agri Tech, 4 each from Animation and Gaming and Clean Tech and 26 from IT/ITES. There are also 19 startups founded by women entrepreneurs and 1 from rural areas.

As part of its ELEVATE 100 programmes, the State Government has signed eight deals with private firms to

provide support to the chosen startups. As per the deal, Google will provide \$3000 worth cloud credits for startups registered with Startup Ell (Engineering Innovation Institute) and \$20,000 worth of credits for startups Woch for winners of Elecate100. PwC provide mentoring and consulting services and YES bank and Kotak Bank will provide banking and other services, among other firms.

(Source: The Economic Times Dt. 31/08/17)

To summarize, the critical layers are-

- Startups with an innovative tech based idea/solution.
- Should be registered as an entity (Pvt Ltd/OPC, LLP/ Partnership, Proprietorship) in Karnataka.
- Total revenue generated in terms of turnover from the date of incorporation should be less than INR. 50 Crore.
- 50% of qualified workforce should be engaged in Karnataka.
- Less than 4 years from the date of incorporation for Tech Based (IT/ITES, ESDM & AVGC) 7 years for Biotechnology companies
- Startups who have received grants/ funds from Dept. of IT BT, Government of Karnataka under IDEA2PoC or Grand Challenges will not be eligible to apply for Pitch to Elevate, in Elevate 100 Event. However, one can apply for Mentoring, Startup Demo Pods, or come in as Delegate.
- **Stage - 1 [Screening For Eligibility] - Startup Cell**
 - Are you registered in Karnataka? (If answer No, then rejected)
 - Are you a Technology Startup? (If answer No, then rejected)
- **Stage - 2 [Pre Screening]:**

Parameters

 - Novelty/ Innovation
 - Social Impact
 - Team Strength
 - Business Model
 - Budget/ Regulations
- An eminent jury consisting of industry representatives nominated by Knowledge Partners, TiE, Deshpande

Foundation, IESA, NASSCOM, ABLE and ABAI will shortlist the applicants to the next round - Multi City Pitching

- **Stage - 3 [Multicity Pitching]**
 - Imperson pitch in front of the Jury consisting of 3 Judges. Applicants will be judged based on the above parameters more in depth with question and answers for innovation in technology, scalability, revenue model, exit options etc. Shortlisted applications moved to the next level - Final Pitch during Elevate Event.
 - Shortlisted applicants are notified via email provided by them in the online application form
- **Stage - 4 [Pitch to Elevate on 29th of August 2017]**
 - Imperson pitch in front of the Panel (3 Judges). Applicants will be judged based on the above parameters more rigorously with question and answers for revenue model, budget/ fund utilization, project milestones etc.
- **Stage - 5 [Grand Jury on 30th of August 2017]**
 - Final and in depth evaluation on all parameters to identify the Top 100

The large percentage of rejections revealed that the applicants did not make the correct pitch, did not comprehend the requirements, were not investment ready, did not conform to definition of a 'startup', not technology driven - to mention a few -on the flip side it is possible that the panel did not appreciate the innovation or idea.

GOK Karnataka startup policy 2015-2020 - Goals

- a. Stimulate the growth of 20,000 technology based startups including 6,000 product startups by 2020 in Karnataka.
- b. Achieve creation of 6 lakh direct and 12 lakh indirect new employments in the sector.
- c. Mobilize Rs. 2,000 Cr funding for investment in startups through Government intervention alone, by leveraging the Fund of Funds proposed to be put in place by the State Government.
- d. Facilitate generation of at least 25 Innovative Technology solutions with a social impact in sectors like Health care, Food Security, Clean environment and Education for all etc.

It is essential that the startup founders understand the complete eco system – its' institutions and driving concepts. Herein a few elements of the ecosystem.

Entrepreneur's elevator pitch:

“Key elements of a successful elevator pitch include:

- **Brief Description:** Give the investor a brief description of the primary features of your product, project or idea.
- **Target Audience:** Let the investor know the target market, including size, for your product, project or idea.
- **Projected Earnings:** Tell the investor the profits you anticipate from sales of your product, project or idea.
- **Personal History:** Provide the investor with a synopsis of your qualifications and achievements.
- **Competition and Advantage:** Give the investor information about your competitors, highlighting features that make your product, project or idea superior.

An elevator pitch should be concise and clear, but also interesting. If your elevator speech has been successful, the potential investor will request a full presentation or ask for a referral.”

- **Incubation:**

New Age Incubation Network (NAIN)

The new age incubation scheme is under implementation in engineering colleges will be expanded to all professional post-graduated institution in two tier cities in a phased manner.

The State would invite the private sector including globally and nationally well-known accelerators and incubators to set up world class incubation centers and accelerators or expand existing facility/operations on PPP basis.

- **Technology:**

In the definition of a startup the policy stated, the facilitation under this policy is intended for only technology based startups, i.e. one that creates a technology based service or product or uses technology for enhancing functionality or reach of an existing product or service.

Annexure to the policy also stated exclusions.

- **Mentoring:**

Having a mentor is excellent mitigation strategy-not only they bring just knowledge, attitude to the table but network at all stages of the business.

The startup is supposed to find a mentor and take on its advisory board. A mentor is someone who can probably contribute in areas like imparting technical knowhow for building prototypes, inculcating solutions-oriented approach, provide leadership and self-motivation, and encouraging ideas and team building etc.



The importance of having lawyers and CAs at important stages of business decisions (like equity funding, agreement with lenders) cannot be ignored.

Niti Aayog is inviting applications for Mentor India also known as the Mentor of change initiative. It is a strategic nation-building initiative to engage leaders who can guide and mentor students in 900+ Atal Tinkering Labs under the Atal Innovation Mission.

Tinkering Labs

AIM proposed the establishment of sector specific incubators, the establishment of Tinkering Labs, pre-incubation training in collaboration with various academic institutions, strengthening existing incubation, and providing Seed funding to potentially successful and high-growth startups.

Atal Tinkering Labs are dedicated works spaces where students (Class 6th to Class 12th) learn innovation skills. The labs are powered to acquaint students with state-of-the-art equipment such as 3D printers, robotics & electronics development tools, IoT & sensors etc.

The lab activities are designed to go beyond regular curriculum and textbook learning. The Atal Innovation Mission is in the process of setting up 900+ such labs across India and aims to have 2,000 such labs by end of 2017.

- **Accelerator – an evolving definition:**

Startup accelerators, also known as seed accelerators, are fixed-term, cohort-based programs, that include mentorship and educational components and culminate in a public pitch event or demo day. While traditional business incubators are often government-funded, generally take no equity, and focus on biotech, financial technology ("FinTech"), medical technology ("MedTech"), clean tech or product-centric companies, accelerators can be either privately or publicly funded and focus on a wide range of industries. Unlike business incubators, the application process for startup accelerators is open to anyone, but highly competitive. There are specific types of startup accelerators, such as corporate accelerator, which are often subsidiaries or programs of larger corporations that act like startup accelerators.

Common traits

Recently Oracle accelerator selected five startups for "the first starting cloud accelerator cohort in Delhi". The new cohort comprises an interesting mix of companies using Artificial Intelligence (AI), predictive analytics, automation, Internet of Things (IoT), Chatbots, Machine Learning (ML) and Virtual Reality (VR) technologies.

The startups will get a chance to get technical and business mentoring by Oracle and industry experts.

- **USP (Unique Selling Proposition):**

Differentiation is one of the most important strategic and tactical activities in which companies must constantly engage. The term has been used to describe one's "personal brand" in the marketplace. Today, the term is used in other fields or just casually to refer to any aspect of an object that differentiates it from similar objects..

Mostly used as advertising material-

M&Ms: "Melts in your mouth, not in your hand" 1954. M&Ms use a patented hard sugar coating that keep chocolate from melting in ones hands, thus a chocolate soldiers could carry, compared to other brands.

For example -

Case studies of Apple's Mac OS System

The Mac OS System is an example of a successful differentiation strategy. Mac OS offers a variety of features and advantages that Windows PC does not have. For example, MacBook does run faster in the SSD drives and flash storage through the use of PCIe connections, as opposed to the majority of PCs, where SATA is being used instead. Additionally, the Mac OS System has a better security against virus attack. Also, MacBooks come with software included, for example, iMovie, GarageBand and FaceTime, for a better user experience. Apple is able to stand out from its competitors with its unique features through product differentiation strategy, as well as being able to take advantage from using premium-pricing strategy as their price differentiation.

- **Innovation:**

Innovation is a process of creating a new idea in a given context and its successful dissemination into the society. It opens up new venues for economic growth and is necessary for inclusive social development. Innovation is useful **only** when an entrepreneur can find ways to **commercialise** the idea and deliver it to all sections of the society. (*World Banks' report*)

The National Innovation Foundation (NIF) – India, set up by the Department of Science and Technology (DST), is built on the philosophy akin to the behaviour of a honey bee. NIF has taken major initiatives to serve the knowledge-rich but economically poor people of the country. It is committed to making India innovative by documenting, adding value, protecting the intellectual property rights (IPR) of

(Contd. on page 12)



COMPOSITION SCHEME IN GST

CA Madhukar N. Hiregange and CA Mahadev.R



For small assesses compliance with Indian tax laws has always been a challenge. Forcing such assesses for compliance may not yield much revenue to exchequer. It may in fact alienate them from the mainstream and they maybe get into the parallel economy. Therefore, most of the indirect tax laws in past provided for composition scheme for assesses with benefits such as provision of filing of quarterly return instead of regularly monthly return, payment on quarterly basis, collection and payment of tax at much lower rate than regular rates. The new GST law while providing for the scheme has made it unworkable and unfair. Provisions have been made in GST law without considering the ground realities of small time assesses. There are many challenges which are being faced under the new GST composition scheme which we would discuss in this article.

Section 10 of CGST /SGST Act 2017 provides the option of composition scheme for registered persons with aggregate turnover not exceeding Rs.50 lakh in preceding financial year. This limit of Rs.50 lakh has been enhanced to Rs.75 lakh now with exception of north-eastern states. As a relief, in 22nd GST council meeting, it has been proposed to increase the limit of Rs.75 lakh to Rs.1 crore and for north-eastern states, the limit could be increased to Rs.75 lakh. The key features of the scheme are as follows:

- a. Option to be claimed for all locations in different states with same PAN;
- b. Service providers cannot claim the benefit except restaurants;
- c. Manufacturers of specified goods such as ice-creams, pan masala and tobacco products not allowed to opt for this;
- d. Interstate outward suppliers not allowed;
- e. Sale through e-commerce operator not allowed;
- f. Aggregate turnover includes turnover of all locations in the country with same PAN;
- g. Option of filing quarterly GST return / quarterly payment of tax provided with no need of invoice wise entries while filing GST return;
- h. GST of 2% for manufacturers, 5% for restaurants and 1% for traders fixed;
- i. No input tax credit allowed on procurement of goods / services.

After understanding few key features, we would try and understand few challenges in the provisions made for this scheme. As per the estimates around 16 lakh assesses have opted for composition in GST. If few challenges are

removed, then the numbers could increase significantly. The SME need to be gently got into the net. The present law is draconian and unreasonable at present. However, the listenability of the GSTN is still high. The main challenges are discussed below:

Input tax credit not allowed

Assesse who opted for composition would not be eligible for claiming input tax credit. Though tax at lower rate is payable by such assesse, the tax cannot be collected from the customers. As a result, the customer procuring goods would not be eligible for any input tax credit. This would increase the procurement cost to such customers and also lead to cascading effect of taxes. It is relevant to note that though tax cannot be collected by composition dealer, such tax amount would have been included in costing of goods or services. Allowing the composition assesse to collect tax from customers and allowing such customers to take credit of such tax would avoid the cascading effect which is one of the prime objective of replacing the older indirect taxes laws with GST.

Credit of tax paid to customer

No credit available at present to the customer. The composition tax charged by the opting dealer should be available to the receiver/ customer as it was there in earlier service tax law. Adopting the archaic VAT provisions for this was not correct.

Compliance with RCM

Main purpose of composition scheme is to reduce compliance and tax burden on small assesses. However, in GST law, such assesses are not spared from complying with tax payment under reverse charge mechanisms under Section 9(3) or Section 9(4). Relaxation from these provisions would help

such assesses from rigorous compliance needs such as issue of self tax invoice for payment of tax under reverse charge, issue of payment vouchers to suppliers, identifying classification and rate of taxes for procurements under Section 9(3) and Section 9(4). In 22nd GST council meeting, it has been proposed to postpone the compliance of Section 9(4) till 31st March 2018.

Tax payment on exempted income as well

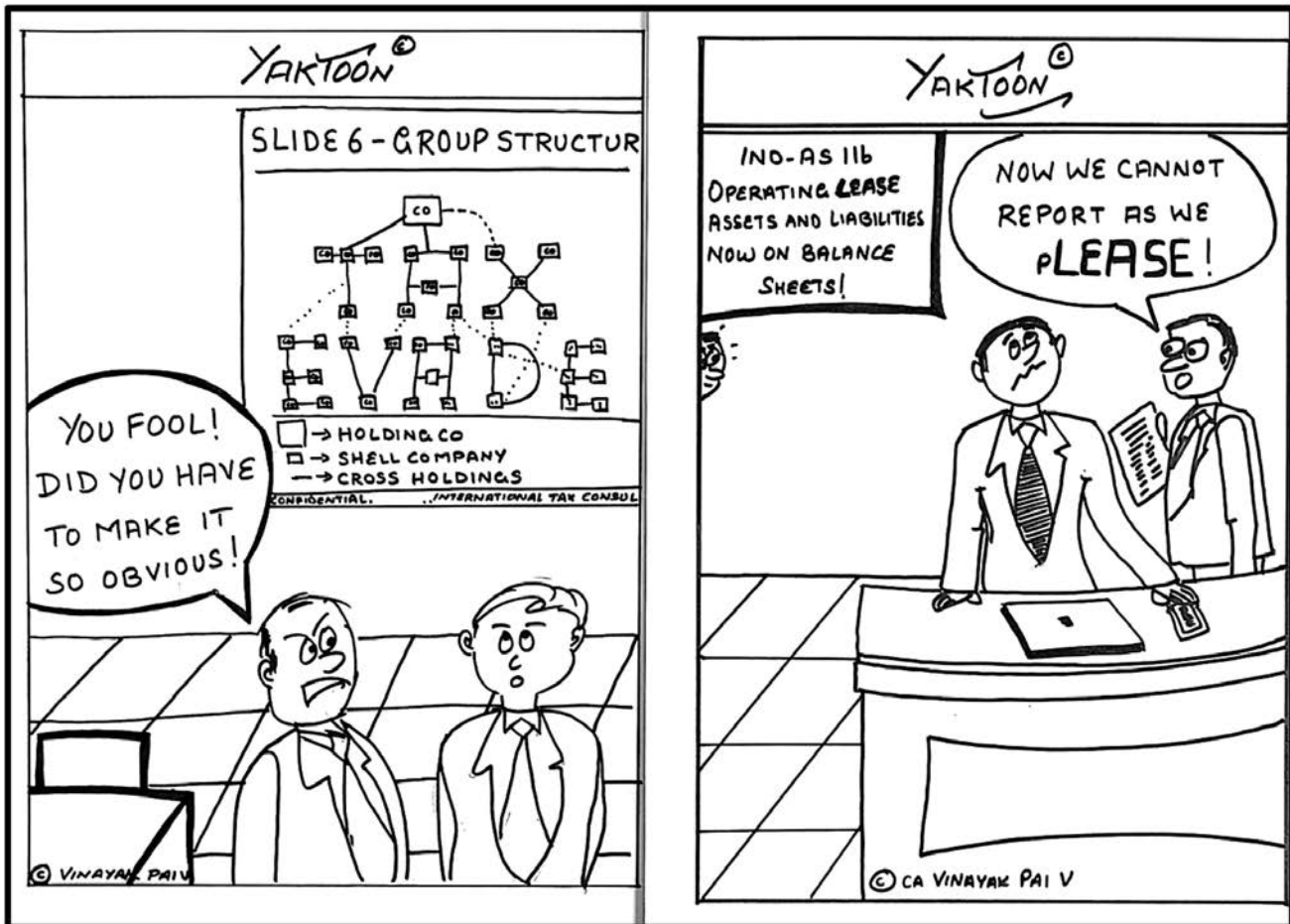
Though very low rates of GST are prescribed for composition dealers, the tough condition is need of payment of tax on turnover in the state. Turnover in state includes aggregate value of all taxable supplies, exempt supplies and export supply as well. If supplies are made for export, the same would be treated as interstate supply and dealer would immediately become ineligible for the scheme. However, need of tax payment on exempted supply income without tax credits is bit harsh for assesses. Inclusion of such exempted supplies would also have effect on Rs.75 lakh / Rs.1 crore limit. Change in definition of turnover definition for composition scheme would help the small assesses.

Option to be made available for service providers

Composition scheme is not provided for service providers except restaurants serving food. The scheme should be expanded to all service providers allowing them to concentrate on their business growth rather on compliance with GST in spite of low turnover. This is very important for the smaller manufacturers, job workers and the works contractors (movable) to whom composition scheme needs to be extended.

Conclusion: The challenges discussed above are only indicative. Professionals should make effort to bring these open issues to assesses who have opted or willing to opt for composition scheme. Representation from professionals, industry bodies to government could remove few of these challenges. If not addressed this could also be one of the reasons for the failure of GST in this year.

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FINANCIAL REPORTING AND ASSURANCE – KEY UPDATES

CA Vinayak Pai V

1. Introduction

The International Accounting Standards Board (IASB) is proposing amendments to the IFRS literature to enable reporting entities distinguish accounting policies from accounting estimates. It proposes to clarify how accounting policies and accounting estimates relate to each other by making the definition clearer and concise and that selecting an estimation technique or a valuation technique when an item in the financial statements cannot be measured with precision constitutes making an accounting estimate.

The SEBI has deferred implementation of its Circular No.CIR/CFD/CMD/93/2017 until further notice. The said circular required disclosure by listed entities of defaults on loans from banks/financial institutions.

2. Financial Reporting And Assurance Updates

a) Accounting For Cash And Non-cash Incentives In Revenue Arrangements

Our Institute has recently provided implementation material on IND-AS with specific respect to **Revenue**. One of the accounting issues addressed therein is the reporting of **cash and non-cash incentives** in a **revenue arrangement**. The gist of the same is provided herein below.

• Cash Incentives

- Cash incentives (payments given to the customer) are rebates and would be included in the measurement of revenue when the goods are delivered and are **recognized at a reduced amount** taking into account such rebate.

• Non-Cash Incentives

- An entity shall account for **award credits** as a **separately identifiable component of the sales transactions** in which they are granted ('the initial sale').
- The fair value of the **consideration** received or receivable in respect of the initial sale shall be **allocated** between the award credits and the other components of the sale.
- In a scenario where the discount or free item is **provided by a third-party**, for such non-cash incentives, the portion of the total consideration receivable is to be allocated to the incentive.

- An entity is required to **assess** whether it is **acting as a principal or agent**, to determine the 'deliverable' within the revenue arrangement and the amount to allocate to that item.
- If the entity has collected the consideration allocated to the award points on its own account, (as the **principal**), the entity is **required to allocate the consideration to all the elements of the transaction**, including the free good/services it provides as an incentive to its customers and should recognize revenue when those free goods or services are delivered/provided.
- If the entity is collecting the consideration on behalf of the third party (as an **agent** for the third party), the entity is required to **measure revenue at the net amount it retains on its own account** (the consideration allocated to the incentive less the amount paid to the third party supplying the incentive). The entity recognizes the net revenue when it provides the incentive to the customer.

b) Presentation Of Long-Term Trade Receivables In IND-AS Balance Sheets

Our Institute's **Guidance Note On Division II- IND-AS SCHEDULE III TO THE COMPANIES ACT 2013** provides implementation guidance on the new accounting framework.

The presentation and disclosure aspects of Long-Term Trade Receivables (Non-Current) are summarized herein below.

- Amounts due to the reporting entity **under contractual rights**, other than **arising out of sale of goods or rendering of services**, cannot be included within Trade Receivables.
- Amounts due under contractual rights need to be **classified as "other financial assets"** and each such item should be disclosed nature-wise.
- With respect to **'doubtful'** trade receivables, an entity shall **disclose the amount of credit loss** that is expected on that trade receivable.
- It may be noted that under IND-AS, a 'credit loss' is *the difference between all contractual cash flows that are due to an entity in accordance with the contract and all*

the cash flows that the entity expects to receive, including cash flows from the sale of collateral held.

- The impairment loss allowance does not reduce the carrying amount of the trade receivables and is **presented in separate line item** as a **deduction** from the **gross carrying amount** of the trade receivable in the IND-AS balance sheet.

c) **Amendment to Audit Report Under Section 115JB (IND-AS MAT): Form 29B**

The CBDT has amended **Form 29B** (*Audit Report u/s 115JB of the Income Tax Act*) for **IND-AS book profit computation**. Accordingly, the following particulars inter-alia needs to be provided where the financial statements of a company are prepared in compliance with Indian Accounting Standards.

1	Convergence date
2	Total amount credited to other comprehensive income
3	Total amount debited to other comprehensive income
4	Increase on account of amounts credited to other comprehensive income under the head “Items that will not be re-classified to profit or loss”
5	Decrease on account of amounts debited to other comprehensive income under the head “Items that will not be re-classified to profit or loss”.
Part C to be filled up for the year of convergence and each of the following four previous years only	
1	Amount or the aggregate of the amounts adjusted in other equity (including capital reserves and securities premium reserve)
2	Details of adjustment for transition amount

d) **Clarifications On Transition Amounts in Computation Of Book Profits For MAT (Section 115JB)**

The CBDT vide **Circular No. 24/2017** dated July 25, 2017 has issued clarifications on certain issues arising at **IND-AS transition** and on steady-state reporting with respect to **computation of Book Profits** under **section 115JB** of the Income Tax Act.

The salient aspects of certain key clarifications on Transition Amounts as relevant to a wide array of companies is provided herein below.

a) **Share application money pending allotment**

- The above balances need to be **reclassified to other equity** at the date of transition to IND-AS per the standards guiding the presentation and classification of *Financial Instruments*.

- For MAT purposes, “**Transition Amount**” means the **amounts adjusted in the ‘Other Equity’** (excluding capital reserve and securities premium reserve) at the IND-AS convergence date.

- The share application money **shall not be considered** for the purposes of computing the transition amount.

b) **Preference shares classified as Liability under IND-AS**

- Preference shares issued by an entity that meet the definition of a liability are **required to be classified and measured as liabilities** under IND-AS accounting framework and the corresponding dividend servicing is **debited to Profit and loss account as interest cost**.

- For MAT, **Profits/Transition Amount** needs to be **increased by dividend/interest** on preference share (including dividend distribution taxes) **whether presented as dividend or interest**.

e) **Technical Guide on Income Computation and Disclosure Standards – ICDS III: Construction Contracts**

Our Institute released a **Technical Guide** on ICDS to gear members and stakeholders for its implementation. The salient aspects of the Technical Guide with respect to **ICDS III-Construction Contracts** are summarized herein below.

- The language of ICDS III **does not mandate** recognition of contract income **only after the threshold of 25% completion** is reached.

- The **pre-condition** for **recognizing** contract revenue and contract costs under this ICDS is **actual performance of work**.

- **Retention money**, being part of overall contract revenue, shall be recognized as revenue subject to reasonable certainty of its ultimate collection condition contained in ICDS-III on Construction contracts. Accordingly, it needs to be **ascertained** whether **the test of accrual** under section 5 would be satisfied.

- A **distinction** needs to be made between **incurred loss and expected loss**. ICDS III only prohibits allowability of expected loss and not an incurred loss.

- With respect to **transitional provisions**, where a contractor has continuously followed completed contract method, the contract revenue and costs in relation to contracts commenced prior to financial year 2016-17 would have to be recognized under the said method and not as per ICDS III.

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GST HIGHPOINTS

CA G.B. Srikanth Acharya and CA Annapurna D Kabra



- The period for submitting the declaration in FORM GST TRAN-1 is extended till 31st October 2017.
- Extension of time limit for intimation of details of stock held on the date preceding the date from which the option for composition levy is exercised in FORM GST CMP-03 is extended till 31st October, 2017.
- Certain transitional issues arising with respect to payment of service tax after 30th June 2017 has been clarified by CBEC vide circular dated 28-9-2017. It has been clarified that in cases where service was received before 1-7-2017 and payment for the value of the service was also made before 1-7-2017, but the service tax was paid by 5th/6th July 2017, details of credit should be indicated in Part I of Form ST-3 by filing a revised return. Once details of such credit are reflected in the ST-3, the assessee may proceed to fill in the details in Form GST TRAN-1. In the case of assessee who were not registered under ACES, who want to make payment of service tax on or after 1-7-2017, they may avail of the category of “non assessee registration” in the registration module of ACES.
- CBEC calls for coordination between State & Central Govt. in GST related petitions before the High Court so as to obviate any contradictory orders or judgments; Principal Commissioners / Commissioners who have been authorized by the Board to represent Union of India and others in such matters should coordinate with State Govt respondents to ensure that uniform stand is taken before High Courts.
- With reference to Notification No 31/2017 – Integrated Tax rate dated 29 September 2017 exempts the levy of IGST on supply of services associated with transit cargo to Nepal and Bhutan.
- **Zero Rated Supplies (Exports)**
 - As per Notification No 37/2017 – Central Tax New Delhi, the 4th October, 2017 the CBEC specifies conditions and safeguards for furnishing a Letter of Undertaking (LUT) in place of a Bond by a registered person who intends to supply goods or services for export without payment of integrated tax.
 - It is not applicable to those who have been prosecuted for any offence under the CGST Act or the Integrated Goods and Services Tax Act, 2017 or any of the existing laws and the amount of tax evaded in such cases exceeds two hundred and fifty lakh rupees.
 - The Letter of Undertaking shall be furnished on the letter head of the registered person, in duplicate, for a financial year in the annexure to FORM GST RFD –11.
 - The provisions of this notification shall mutatis mutandis apply in respect of zero-rated supply of goods or services or both made by a registered person (including a SEZ developer or SEZ unit to a SEZ developer or SEZ unit without payment of integrated tax.
 - **The following guidelines are issued for Processing of Refund.**
 - Filing of Correct Export General Manifest by the concerned Airlines/Shipping Lines/Carriers file EGM within the prescribed time
 - The details of Zero rated supplies should be declared in GSTR-1 for the month of July 2017 which matches with the details provided in shipping bills/ Bills of export to Custom Authority. In order to facilitate processing of refund GSTN is making available a separate utility for filing details in Table 6A of GSTR-1 on the GSTN web portal.
 - Exporters should file Valid Return in GSTR-3 or GSTR-3B for considering shipping bill/Bill of export as a claim for refund.
 - Refund shall be credited to the bank Account of the exporter registered with Customs. The bank Accounts should get validated by PFMS.
- **Advance Ruling Authority**
 - With reference to Notification No FD 47 CSL 2017 Bangalore dated 4/10/2017 the Government of Karnataka hereby constitutes the Karnataka

Authority for Advance Ruling for the state of Karnataka.

- As per section 96 the Authority for Advance Ruling constituted under the provisions of a State Goods and Services Tax Act shall be deemed to be the Authority for advance ruling in respect of that State.
- As per Section 97 of the CGST/KGST Act 2017 the Advance Ruling can be sought in respect of
 - a. Classification of any goods or services or both
 - b. Applicability of a notification issued under the provisions of this Act
 - c. Determination of time and value of supply of goods or services or both

- d. Admissibility of input tax credit of tax paid or deemed to have been paid
- e. Determination of the liability to pay tax on any goods or services or both
- f. Whether applicant is required to be registered
- g. Whether any particular done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both within the meaning of that term.

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INCENTIVES FOR STARTUPS - GOVT. OF KARNATAKA

(Contd. from page 6)

the contemporary unaided technological innovators as well as of outstanding traditional knowledge-holders and disseminating their innovations on commercial and non-commercial basis.

The National Innovation Council was setup by the PM at the time to create the innovation roadmap for 2010-2020 while the Science, Technology and Innovation Policy was formulated in 2013 to provide further impetus to existing initiatives.

Conclusion:

The failure rate in startups far outnumber its success stories

and hence it is very important that the founders have clear idea of their "IDEA", its commercialisation possibilities, scaling, sustainability and the need to be constantly mentored both by professionals and carefully chosen lenders like VC, Angel investors. Most of the businesses like e-commerce have long gestation periods (even as much as 10 years) and hence the cash flows must be carefully watched. Participation in accelerator programs at the growth stage is critical.

Many Chartered Accountants were involved in the programme to help startups make the correct pitch, identify the pivot and fulfil the application requirements. This is a field where CAs can play a very proactive role.

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Request for KSCAA Legal Fund

KSCAA requests the members to generously contribute towards the legal fund and support in its constant endeavour to protect the interests of our profession.

Kindly issue Cheque / DD in favour of "KSCAA" payable at Bengaluru.



GST UPDATES

– SEPTEMBER & OCTOBER 2017

CA Raghavendra C R, B.com, FCA ,LLB, Advocate and
CA Bhanu Murthy J S, B.com, FCA ,LLB, Advocate



IMPORTANT NOTIFICATIONS AND CIRCULARS ISSUED UNDER GST

- A. Waiver of late fee and penalty for delay in filing of GSTR-3B for the month of July 2017 [Notification No. 28/2017-Central Tax,dt. 01-09-2017]
- B. Amendment to CGST Rules, 2017
- i) **Composition scheme:** An assessee who is already registered under GST or who has got migrated from registration under earlier law could opt for composition scheme by filing an intimation in FORM GST CMP-02 and shall furnish the statement in FORM GST ITC-03 in accordance with the provisions of sub - rule (4) of rule 44 within a period of ninety days from the said date. [Rule 3(3A)]
- ii) **Revision of Transitional returns:** in terms of the newly introduced Rule 120A, transitional returns (form GST TRAN-1) may revise the said declaration within the time limit as specified. In other words, the original declaration could be revised once within the time limit specified (presently October 31, 2017)
Further, time limits for filing declaration in terms of Ruel 118 to 120 has been linked to time limit specified in rule 117 which now extended till 31st October 2017.
- iii) **Amendments to GST TRANS-1:**
 - a) Table 5(a) of GST TRANS-1 is amended so as to provide information relating to transactions covered under section 140(9), which relates to reversal of credit prior to 1.7.2017 on account of non payment to the service providers.
 - b) For availment of credit under section 140(3), 140(4) and 140(6), Credit Transfer Document (CTD) would also be a valid document along with invoice.
 - iv) **E-way Bill:** in case of imported goods, the details of bill of entry shall be filled in the place of invoice.
 - v) **Cancellation of registration:** In terms of Rule 24(4) person who has migrated from registration under earlier, but not liable to get registered under GST provisions, may opt to cancel his registration. Time

limit for application for cancellation of registration, Rule 24(4) of CGST Rules, 2017, has been extended upto 31st October 2017.

C. **Persons liable to do tax deduction in terms of Section 51 of CGST Act, 2017:**

Following persons are notified as persons responsible for deducting tax in terms of section 51. However, the date from which the such persons would be liable to made TDS and remit is yet to be notified. In terms of the decision of the GST Council on 6.10.2017 the TDS and TCS provisions would not be notified till 31.3.2018:

- (a) an authority or a board or any other body, -
 - (i) set up by an Act of Parliament or a State Legislature; or
 - (ii) established by any Government, with fifty-one percent or more participation by way of equity or control, to carry out any function;
 - (b) society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
 - (c) public sector undertakings;
- D. Supplier of Handicrafts- not liable to obtain casual taxable person registration:**
- The casual taxable persons making taxable supplies of handicraft goods as the category of persons exempted from obtaining registration under CGST Act, 2017 subject to following conditions:
- a) the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of Rs. 20 Lakhs [Rs.10 Lakhs in case of special category of states] in a financial year.
 - b) Such taxable persons mentioned in the preceding paragraph shall obtain a Permanent Account Number and generate an e-way bill in accordance with the provisions of rule 138 of the Central Goods and Services Tax Rules, 2017.
 - c) The above exemption shall be available to such persons who are making inter-State taxable supplies



of handicraft goods and are availing the benefit of notification No. 8/2017 – Integrated Tax dated the 14th September, 2017.

[Notification No. 32/2017 – Central Tax dated 15th October 2017]

E. LUT facility exports and suppliers to SEZ:

Vide Notification No.37 /2017 – Central Tax dated 4th October, 2017, the facility of execution of LUT for the purpose zero rated supply (exports and supply to SEZ) is extended to every registered supplier except those who have been prosecuted for any offence under the CGST, 2017 or IGST Act, 2017 or any of the existing laws in force in a case where the amount of tax evaded exceeds Rs. 250 Lakhs. In this connection, following clarifications issued vide Circular No. 8/8/2017-GST dt. 4th October 2017, would be relevant to note:

- a) Self-declaration by the exporter to the effect that he has not been prosecuted should suffice for the purpose of execution of LUT.
- b) It is clarified that LUT/bond should be accepted within a period of three working days of its receipt along with the self-declaration as stated in para 2(d) above by the exporter. If the LUT / bond is not accepted within a period of three working days from the date of submission, it shall deemed to be accepted.
- c) The LUT/Bond shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the LUT/bond before either the Central Tax Authority or the State Tax Authority till the administrative mechanism for assigning of taxpayers to the respective authority is implemented.

F. Due dates for filing GSTR-3B for the months from July 2017 to December 2017 has been revised as below:

Month	Due date
August -2017	20 th September, 2017
September -2017	20 th October, 2017
October - 2017	20 th November, 2017
November- 2017	20 th December, 2017
December- 2017	20 th January, 2018

[Notification No. 35/2017 – Central Tax, 15th September, 2017]

G. Due dates for filing GSTR-1, 2 & 3 and GSTR-6 [ISD] for the month of July 2017

Form	Due date
GSTR-1- Turnover exceeding Rs. 100 crores	3 rd October 2017
GSTR-1- Turnover upto Rs. 100 Crores	10 th October 2017
GSTR-2	31 st October, 2017
GSTR-3	10 th November, 2017
GSTR-6	13 th October, 2017

[Notification No. 30 & 31/2017 – Central Tax dt. 11th September, 2017]

- H. Due date for filing transition returns: Time limit to file GST TRAN-1 has been extended till 31st October 2017 [Order No. 3/2017 dt. 21st September 2017]
- I. Due date for filing FORM GST CMP-03 [declaration of stock as on the date preceding the date of opting for composition scheme] has been extended to 31st October 2017. [Order No. 04/2017-GST dt 29th September 2017]

I. Summary of recommendations made by GST Council, in its 22nd meeting held on 6th October 2017:

A. Composition Scheme:

- (a) Threshold limit for the composition scheme has been increased to Rs. 1 crore from existing limit of Rs. 75 lakhs.
- (b) Consequent to increase in turnover threshold limit to Rs. One crores, the time limit has been extended up to 31.03.2018 for opting composition to both migrated and new taxpayers. The option once exercised shall become operational from the first day of the month immediately succeeding the month in which the option to avail the composition scheme is exercised.
- (c) New entrants to this scheme shall have to file the return in FORM GSTR-4 only for that portion of the quarter from when the scheme becomes operational and shall file returns as a normal taxpayer for the preceding tax period.
- (d) The composition scheme would be available to those persons who are otherwise eligible for availing the composition scheme and are providing any exempt service.

B. Relief for Small and Medium Enterprises:

- (a) As regards inter-state taxable supplies which was compulsorily required to get registered, an exemption is granted to the service providers whose annual

aggregate turnover is less than Rs. 20 lacs (Rs. 10 lacs in special category states except J & K) from registration even if they are making inter-State taxable supplies of services.

- (b) Starting from third quarter of this financial year i.e. October-December, 2017, Small and Medium businesses with annual aggregate turnover up to Rs. 1.5 crores, shall be required to file quarterly returns in FORM GSTR-1,2 & 3 and pay taxes only on a quarterly basis. The due dates for filing the quarterly returns for such taxpayers shall be announced in due course. The registered buyers from such small taxpayers would be eligible to avail ITC on a monthly basis.
- (c) All taxpayers will be required to file FORM GSTR-3B on a monthly basis till December, 2017. All taxpayers are also required to file FORM GSTR-1, 2 & 3 for the months of July, August and September, 2017. Due dates for filing the returns for the month of July, 2017 have already been announced. The due dates for the months of August and September, 2017 will be announced in due course.
- (d) The taxpayers having annual aggregate turnover up to Rs. 1.5 crores shall not be required to pay GST at the time of receipt of advances on account of supply of goods. The GST on such supplies shall be payable only when the supply of goods is made.
- (e) In order to remove the hardship being faced by small unregistered businesses, the services provided by a GTA to an unregistered person shall be exempted from GST.

C. Suspension of ‘Reverse Charge mechanism’ under Section 9(4) of CGST Act, 2017:

The reverse charge mechanism under Section 9 (4) of CGST Act, 2017 and under Section 5(4) of IGST Act, 2017 shall be suspended till 31.03.2018.

D. Other measures:

- a. The registration and operationalization of TDS/TCS provisions shall be postponed till 31.03.2018.
- b. The e-way bill system shall be introduced in a staggered manner with effect from 01.01.2018 and shall be rolled out nationwide with effect from 01.04.2018.
- c. The last date for filing the return in FORM GSTR-4 by a taxpayer under composition scheme for the quarter July-September, 2017 shall be extended to 15.11.2017.
- d. The last date for filing the return in FORM GSTR-6 by an input service distributor for the months of July, August and September, 2017 shall be extended to 15.11.2017.

- E. Leasing of vehicles purchased and leased prior to 1.7.2017, shall be taxed at 65% of the applicable GST + Cess rate. This reduced rate would be applicable for a period of 3 years with effect from 1st July 2017;
- F. Sale/supply of vehicles by a registered person, who had procured the vehicle prior to 1st July 2017 and has not availed input tax credit of central excise duty, VAT or any other taxes paid on such vehicles, would be taxed at 65% of the applicable rate of GST plus Cess. This reduced rate would be applicable for a period of 3 years with effect from 1st July 2017.
- G. Sale by way of auction etc. of used vehicles, seized and confiscated goods, scrap etc., by Central Government, State Government, Union Territory or a local authority, to any person, to be subjected to GST under reverse charge under section 9 (3) of the CGST Act.

H. GST rates on job work services is being rationalised as follows:

S.No	Description of Service	Rate
1	Job work services in relation to all products falling in Chapter 71 (including imitation jewellery)	5%
2	Job work services in relation to food and food products falling under Chapters 1 to 22 of the HS Code (except packing of processed milk into packets)	5%
3	Job work services in relation to products falling under Chapters 23 of the HS Code except dog and cat food put up for retail sale (CTH 23091000)	5%
4	Job work in relation to manufacture of umbrella	12%
5	Job work in relation to manufacture of clay bricks falling under CTH 69010010	5%
6	Services by way of printing on job work basis or on goods belonging to others in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @ 5% or Nil [Heading 9988]	5%
7	Services by way of printing on job work basis or on goods belonging to others in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @ 12% [Heading 9988]	12%

8	Services by way of printing on job work basis or on goods belonging to others in relation to printing of goods falling under Chapter 48 or 49, other than those covered by (6) and (7) above, [Heading 9988]	18%
9	Services by way of printing in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @ 5% or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer [(Heading 9989)]	12%
10	Services by way of printing of all goods falling under Chapter 48 or 49 which attract GST @12%, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer	12%
11	Services by way of printing of all goods falling under Chapter 48 or 49 which attract GST @18% or above, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer	18%
12	To issue a clarification with regard to classification of printing products/ services.	

I. Other rate changes in services:

1. Works contract services involving predominantly earth works (that is, constituting more than 75% of the value of the works contract) supplied to Central Government, State Governments, Local Authority, Governmental Authority or Government Entity shall be taxed at 5%.
2. To expand the existing definition of *Governmental Authority* so as to include any authority set up to carry out any functions entrusted to a Panchayat under Article 243G of the Constitution.
3. Supply of service or goods by a Government Entity to Central Government, State Government, Union Territory, Local Authority or any person specified by them against consideration received from them in the form of grants, shall be exempted. "Government Entity"

- shall be defined as an authority or a board or any other body including a society, trust, corporation which is, -
- (i) set up by an Act of Parliament or State Legislature, or
 - (ii) established by any government, with 90% or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government or a local authority.
4. The reduced rate of 12% on specified works contract services supplied to the Central Government, State Government, Union Territory, Local Authority and Governmental Authority shall be extended to a Government Entity, where such specified works contract services have been procured by the government entity in relation to the work entrusted to it by the Central Government, State Government, Union Territory or Local Authority.
 5. GST shall be levied @ 12% on works contract services in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles.
 6. GST shall be levied @ 12% with ITC or 5% without ITC for transportation of natural gas through pipeline.
 7. Exemption to annuity paid by NHAI (and State authorities or State owned development corporations for construction of roads) to concessionaires for construction of public roads.
 8. Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service, by way of granting of long term lease of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations/ Undertakings or any other entity having 50% or more ownership of Central Government, State Government, Union Territory to (a) industrial units or (b) developers in any industrial or financial business area, may be exempted from GST .
 9. The services provided by Overseeing Committee members to RBI shall be taxed under the reverse charge mechanism under section 9(3) of the CGST Act, 2017.

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DECIPHERING THE CONSTRUCT OF AN INSTITUTION/BUSINESS/COUNTRY/ECONOMY



CA Vijay Sagar Shenoy

It is fascinating to observe an institution be it a miniature, modestly large or mass format, meaning small institutions/states/ countries/businesses/ideas/governance so to name a few in terms of what it takes to plant, build, flourish, navigate, persist, changing contours in changing times, soul searching, changing paths, gears riding the change and reshaping towards greatness and an ever-elusive pole position.

Basically, it can be seen from history that the economy/institutions operate in cycles. An institution grows out of an impoverished being and builds itself towards an opulent one on the back of a reformist dreamer and achiever. Following the natural circle of life, in which a crisis forces an institution to reform, reforms lead to growth and good times, and good times encourage on arrogance and complacency leads to a new crisis. Whilst this is the circle of life, the moot point is whether the institution is ready to back a reformer. Even the most promising of reformers tend to grow stale and arrogant with time, with decisive consequences for their institutions. If it is in right earnest to back a reformer, the next question is to what extent is he aligned to build the institution to fit the adopted larger vision and how to spot the variance. It is of paramount need of the stakeholders to highlight the need to realign towards the mission in the event of major variation, making him see if the mission and path needs a course correction and this fits within the ambit of responsibilities of discerning members/citizens/consumers/society/governed class.

There is never a moment where and when an institution does not need to repair something structural, be it macro or micro issues. Issues mean not just for the elite/outspoken/bottom of the pyramid/ rural/ those always banking on subsidy. There could be issues faced by the larger class of middle or upper-middle class/ urban/compliant/clinical too beyond the accepted blatant norms of this class being self-sustained and no need of nurture. An institution/state/country/business is not just made up of needy class, oppressed class, downtrodden, rich, filthy rich but also of the reserved, restrained, civil class. An institution and leader scores a winning point in all quadrants when there is a clear foresight to see in the light of the facility, features, rewards accorded to the middle quadrant and also nurture

succinctly as this class is the silent sustainer of equilibrium and the backbone in the scheme of any things.

The members, citizen of any strata are motivated to move up the value chain when it sees benefits accrued in the next value stream and forthright treatment. Only these measures lead towards a balanced, acceptable and sustainable expects growth over considerable periods of time. While a particularly auspicious mix of personality traits in a leading institution/ head is a combination of public charisma and private earnestness, the institution's success is vouched by the middle strata needs being met too.

An economy/institution generally follows cycles of decay and regeneration, its energies scattering and lying formless for a time, only to gather again into new shapes. These units follow a cycle exploding in crisis only to reform and revive before dying out once again. To fight inequality, it needs to pursue two goals- redistributing the pie while growing it at the same time. Now, single minded focus on redistributing resources and wealth during good times can kill strong growth and make everyone poor. A proactive leader/ institution also has to have the grasp and foresight of issues faced by the middle class on the back of whom the institution largely gets funded, run and sustained in equal capacity as popularly failed to be discerned by a mediocre leader, outspoken and oppressed class.

While this said, it is a prerogative of this unattended class which fits the billing of neither means nor extremes to populate and make felt along with proactiveness, community and team building and raising from the comfort realms and standing out to subtly make feel the upper corridors the need to level playing field. Unless a baby cries, mother too will not feed milk. Now this time to have a qualitative thinking and acting towards achieving healthy growth. A rational analysis make it quite clear that there is a need to stay between and neither support the totalitarian nor the oblivious build of leadership and impartially mandate and create atmosphere where the top rung makes the right move and aligns policies and solutions to suit the multitudes especially the silent class.

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KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R)

7/8, 2nd Floor, Shoukath Building, SJP Road, Bangalore 560 002

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Communication Address (Please tick) Office Residence

Office Address _____

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Educational Qualifications _____ Date of Birth _____ Blood Group _____

I am enclosing herewith Cash/Cheque/DD bearing No. _____ Dated _____ for Rs. _____

Date _____ Place _____ Signature _____

Proposed by Name _____ KSCAA Membership No. _____ Signature _____

Seconded by Name _____ KSCAA Membership No. _____ Signature _____

Membership Fee Details

Fee Payable	Ordinary Member	Life Member		Institutional Member
		Enrolment with ICAI		
		Less than 5 Years	5 years & above	
a. Entrance Fee	100	100	200	200
b. Yearly subscription	500	-	-	-
c. Life-Membership	-	1,000	2,000	5,000
Total	600*	1,100*	2,200*	5,200*

1. Cheque/Draft/Bank Transfer may be drawn in favour of 'KSCAA'. Outstation payment by Demand Draft only.

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2. The Subscription for the financial year becomes payable before 31st March every year.

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4. Enclose photocopy of ICAI Membership Certificate.

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Membership No. Allotted _____

President _____ Secretary _____

KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION

jointly with

BANGALORE BRANCH OF SIRC OF ICAI

Organises

SPORTS AND TALENT MEET

CRICKET & VOLLEY BALL LEAGUE

Date : **Sunday, 19th November, 2017**

Time : **8:00 AM – 6:00 PM**

Venue : **Jnana Bharathi Campus,
Bangalore University**

100m, 400m & 800m Athletics (Rs.100/participant)

400m Relay with Entry Fees Rs.200/- (Per Team)

Cricket Format

6 to 8 Overs per team, Tennis Ball

Restricted to 10 Teams only.

Min. of 6 teams per event

Entry Fees : **Rs. 4,000/- Per Team (CRICKET)**

Rs: 1,000/- Per Team (VOLLEY BALL)

Registration closes on 15th November 2017 for event on 19th Nov 2017.



TALENT MEET

On **Sunday, 26th November 2017** Timings: **9:00AM - 6:00PM**

Venue: **KGS Club (opp to MS Bldg) Cubbon Park, Bengaluru.**

Events CA'S

Shuttle Badminton (Singles/Doubles)

Chess

Table Tennis (Single)

Carrom

Tennis



Family Members & Children

Shuttle Badminton (Doubles)

Singing Competition

Musical Chair

Drawing Competition for Children

Rangoli/ Flower Decoration

Instrumental /Dance, Carrom/ Chess



Events Fees: **For CA's : Rs.150/-** For Each Event, **Family Members & Children: Rs.50/-** For Each Event

Registration closes on 23rd November 2017.

Interested participants can contact & send registrations to:

KSCAA office: 080 -22222155 Email: kscaabl@gmail.com/info@kscaa.com

Bangalore Branch: Ms. Divya - 30563510/513, Email: blrregistration@icai.org

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President

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Speakers at KSCAA Programs



CA Chandrashekar B.D.



CA Subramanya B.L.



CA Sandeep
Jhunjhunwala



CA B.N. Thirumalesh



Submission of memorandum on pain-points in GST compliance to Hon. MP Sri. P.C. Mohan at an interactive session organized by BJP Karnataka Economic Cell & FKCCI on GST - 5th Oct. 2017



Karnataka State Chartered Accountants Association

jointly with

Bombay Chartered Accountants' Society

organizing



"STARTUP CONFERENCE - CHALLENGER PERSPECTIVE"

on Friday 1st December 2017 & Saturday 2nd December 2017

at **The Chancery Pavilion**

135, Residency Road, Bangalore - 560025

We are standing at the cusp of a growing entrepreneurship atmosphere in India. The unprecedented growth in new age business and emergence of 'Start-Ups' has made the Government of India to emphasize on the policies related to Start-Up India.

While the interest is high, the reality is that the majority of the start-ups set up do not last beyond three years. The sector is grappling with lack of knowledge about best practices and management experience.

There is need for more statutory business accounting and management guidance to address the challenges faced by them. To help meet this gap, and provide a connect between accounting, finance and business professionals on the one hand and entrepreneurs on the other hand, the Karnataka State Chartered Accountants Association and Bombay Chartered Accountants Society are organizing

"STARTUP CONFERENCE - CHALLENGER PERSPECTIVE" in Bengaluru

DAY 1 - 1st December 2017

2.30-3.30 pm	Registration
3.30-4.00 pm	Welcome including address by Chief Guest
4.00-4.45 pm	Speaker from Government Department Central and State Govt. schemes for startups & overview
4.45-5.00 pm	Tea Break
5.00-6.00 pm	Panel discussion amongst venture capitalists
6.00-7.00 pm	Panel discussion - a session by successful entrepreneurs who raised investor funding and made big- representing B2B product company & B2C product company
7.00-8.00 pm	Find Your Rainmaker - Networking / Investors' meet (one to one) (4 or 5 investors - PE/VC/bankers. Each participant allowed to meet for 5-10 mins at max. If the investor is interested, the discussion to continue separately)
8.00 pm onwards	Cocktail & Dinner

FEES: **Rs. 3,500/-** (inclusive of GST)

CONFERENCE CONVENORS

CA Sandeep Shah +91 22 40733000 sandeep.shah@nashah.com	CA Raghavendra Puranik +91 96322 45475 ca.rppuranik@gmail.com
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CONFERENCE COORDINATORS

CA Shivaprakash Viraktamath +91 91645 46619 shivaprakash@lkss.in	CA Vijaykumar Patel +91 94880 05323 vijaymp8@gmail.com
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For details & online registrations visit:

www.kscaa.com

DAY 2 - 2nd December 2017

10.00-11.00 am	Business perspective of a start up 1. Business value creation: short term & long term 2. Evaluating sustainability of business & its valuation from investor perspective
11.00-12.00 pm	Business perspective of a start up 1. Funding 2. Valuation of business - customer loyalty, Deep discounting & other models - Investor v. Investee perspective
12.00-12.15 pm	Tea break
12.15-1.00 pm	Legal Aspects of Start-ups 1. Legal requirements of doing business 2. Legal support for fund raising - Do's and Dont's 3. Choosing the right entity 4. Drafting agreements & NDAs and its intricacies 5. Creation and protection of intellectual property Rights
1.00-1.45 pm	Accounting and Taxation of Start-ups 1. Importance of statutory compliances for startup 2. Taxation planning of start-ups 3. Significance of accounting in value creation 4. Impact of GST and preparedness for GST 5. Accounting of intellectual property rights 6. Role of CAs
1.45-2.45 pm	Lunch
2.45-3.45 pm	Brand building, leveraging digital media, Communication strategy
3.45-4.45 pm	Angel Investor-Power of network
4.45-5.30 pm	Concluding session & vote of thanks

"Enhance your Gateway to Networking"

Entry limited to first 250 participants ONLY!!