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The Chartered Accountant **STUDENT**

Your monthly guide to CA news, information and events

DIRECT TAX

INDIRECT TAX



BUSINESS ECONOMICS



▲ **Group photograph of ICAI President CA Prafulla P Chhajed, Vice President CA Atul Kumar Gupta** during the visit of IFRS Foundation Trustees Chairman Mr Erkki Liikanen & Executive Director Mr Lee White in the presence of Central Council Member CA M. P. Vijay Kumar, Past Central Council Member CA S. B. Zaware and Managing Committee Members of WIRC with students at BKC Mumbai.



▲ **CA Students Conference at Amritsar:** Members of Amritsar Branch presenting a memento to ICAI Vice President, CA Atul Kumar Gupta in the presence of Shri Kunwar Vijay Pratap Singh, IG Punjab Police and Central Council Member, CA Charanjot Singh Nanda.



▲ **CA Students Conference at Visakhapatnam:** ICAI President CA Prafulla P. Chhajed, Central Council Members CA D. Prasanna Kumar and CA Pramod Kumar Boob along with students.



▲ **CA Students Conference at Ahmednagar:** Vice Chairman, Board of Studies, CA Durgesh Kabra, CA Sandeep Desarda, CA (Dr) Paresh Bora, CA Vinod Doshi, CA Milind Jangada, CA Kiran Bhandari and Mr Amarnath Deshmukh.



▲ **CA Students Conference at Prayagraj:** Members of Prayagraj Branch presenting a memento to Chairperson, Board of Studies, CA Kemisha Soni.



▲ **CA Students Conference at Mumbai:** ICAI President CA Prafulla P. Chhajed, Chairperson, Board of Studies, CA Kemisha Soni, Vice Chairman, Board of Studies, CA Durgesh Kabra, Central Council Member CA N C Hegde, CA Priti Savla, Chairperson, WIRC, CA Jayesh Kala, Chairman, WICASA and other managing committee members of WIRC.



My Dear Students,

By the time you will read this message, the results of CA Examinations held in November 2019 would have been declared. My heartiest congratulations to all the students who have qualified the CA examinations, especially the Rank Holders for their remarkable achievement. I take this opportunity to welcome you to the member fraternity constituting a strong and formidable workforce committed to the cause of **Nation Building and service to the Society**. Your sincere and persistent efforts have finally paid off. Remember, this is just the beginning of a long and fulfilling professional journey with opportunities, challenges and accomplishments as milestones.

Those of you who have not succeeded must remember that success and failure have no permanence; it is the spirit to keep moving on, your perseverance and determination are omnipotent that propel you to take on challenges. Remember- *The past cannot be changed the future is yet in your power!*

Drive your mind, thoughts and action to succeed and I am sure with your sincere efforts and preparation, you will clear your exams in next attempt.

A recap of BOS Initiatives/Accomplishments of 2019-20

It has been an absolute honour to be serving my alma mater, our esteemed institute in the capacity of President, being at the helm of affairs, overseeing and witnessing notable events along with working together to implement pragmatic reforms in Education, Training and Examination. The journey has been extremely gratifying, fulfilling and at the same time demanding. This year, we made an earnest efforts to introduce exemplary initiatives and measures to bring about major transformations in not just knowledge development but also knowledge assessment towards the larger interest of our stakeholders - our students. Let me chronicle the major initiatives / accomplishments undertaken during the year 2019-20:

1. Recognition by NARIC, United Kingdom: UK NARIC (The National Recognition Information Centre for the United Kingdom) conducted an independent benchmarking study to evaluate the CA Intermediate and Final course. The agency benchmarked the courses separately as equivalent to Bachelor's and Master's degree standard respectively as per the UK and UAE education systems. This has been a major breakthrough that would provide ample opportunities for higher studies in UK, Middle East and other foreign jurisdictions that accept NARIC evaluation.

2. Fee Waiver: ICAI waived 75% of registration fee for all the levels of the CA Course for students from the **Union Territories of Jammu & Kashmir, Ladakh and 8 North Eastern States**. This is in consonance with our commitment for inclusive growth, to provide equal learning opportunities and a step forward to encourage young aspirants from these remote regions to pursue their dream of becoming a Chartered Accountant and serve the nation.

3. Initiated **Live Revision Classes (Crash Course)** for our students of CA Intermediate and Final examinations.

4. Modernizing ITT training Centres: More than 150 ITT centres were modernized with the latest computers, software and other infrastructural facilities for the betterment of the students. Biometric attendance device was installed at 18 Programme Organising Units to regularize the attendance.

5. e-Books for CA Foundation and Intermediate were introduced. e-Books for Final will be made available shortly.

6. Training Guide has been revised to provide updated information to our students, members and all stakeholders with regard to practical training.

7. One Stop Referencer' - Compilation of BoS Activities: A booklet having detailed information about the BOS initiatives and activities, contact details of the respective officials handling the activities to our students, members, regions and branches has been released.

8. First refresher course was organized on weekends through webcast in **July 2019** based on pertinent topics like **GST, Ind AS and Companies Act, 2013, International Taxation etc.**

9. CA Students' Journal was re-launched as **e-Journal** with the SCORM compliant version which can be accessed through the **Digital learning hub**.

10. Abridged/Summarized version of the subject contents of papers at all levels of the CA course are being featured in every issue of the **Students' Journal**. These present vital details succinctly, amenable for quick revision.

11. Streamlining CA Education with University Education: The BoS prepared a booklet titled '**Model Curriculum for Commerce Under-Graduate Courses**' with a purpose to harmonize the CA curriculum vis-a-vis university system of education. Positive responses are being received from Universities regarding implementation of the recommended curriculum and MoUs are in progress.

12. Forging a connect- Live Webcast for grievance resolution: The BoS conducted periodic webcasts to address students queries. Answers to queries are compiled as FAQs and webhosted.

I am sure that you shall benefit from these services/facilities and utilize these to supplement your learning.

CA Students Talent Search: Board of Studies started the National Level '**CA Students' Talent Search**' in 2017 with an objective to provide a platform to showcase and enhance student's talents. Last year, the event was organized on December 20, 2019 at Indore wherein top contestants from across the five regions participated in Quiz, Elocution, Instrumental Music and Nukkad Drama. The event was graced by Padamshri, Dr. Pandit Gukulotsavji Maharaj as the Chief Guest.

Before I conclude, I wish to convey my sincere gratitude to **CA. Atul Kumar Gupta, Vice President** and my esteemed council colleagues who stood with me like a pillar, in managing organizational affairs of ICAI. I also compliment **CA. Kemisha Soni, Chairperson, CA. Durgesh Kabra, Vice Chairman** and all other Committee members of Board of Studies for their untiring efforts in managing the affairs and bringing the key students' initiatives. I also express my appreciation for the Director, faculty members and other officials of Board of Studies. I am confident that the BOS of ICAI shall continue to strive to render best learning resources, knowledge delivery systems, quality service and support to our students.

Believe in yourself and all that you are. Remember that there is something inside you that is greater than any obstacle!

Wishing you all the best in your future endeavors,

CA. PRAFULLA P. CHHAJED
PRESIDENT, ICAI

VICE PRESIDENT'S COMMUNICATION ||



Dear Students,

At the outset, CA final results are out and it gives me immense pleasure to welcome the new entrants to our esteemed profession. I would like to convey my heartiest Congratulations to all the students who have qualified the CA examinations, especially the Rank Holders for their remarkable achievement. Take pride and pleasure that you have earned this privilege due to your hard work and toil and I wish your future be a rosy one. A successful person does not quit trying once a goal is reached but sets a new one and keeps going. To those who have not been fortunate to clear the CA final exams, gear yourself to do better. The past is past. Reaffirm your faith in your capacity to succeed, be convinced that you have the will and determination to persevere, persist and proceed.

"Success is not final; failure is not fatal: It is the courage to continue that counts."

-- Winston S. Churchill

As you know, the Institute provides a wide range of support to its students for the enhancement of their technical knowledge and enrichment of their professional know-how. The high quality study material provided to the students is developed keeping in view the requirements of the concerned job sectors in the corporate and professional world. This has helped our students to blend rigorous study with practical experience, applying what they learn while pursuing CA course to situations they face in their work and lives.

Digital Learning Hub

The Board of Studies has launched e-Books for Foundation and Intermediate Courses for the students preparing for May, 2020 examinations. e-Books are available on ICAI Digital Learning Hub. The work towards implementation of e-Books for Final Course has also started and will be completed by March 31, 2020. The e-Books offer video lectures, self-assessment quizzes and summary capsules embedded inside the unit/ chapter itself for detailed conceptual clarity of a topic. It emphasises concept-based learning with all learning resources for a topic integrated at a single place for deeper understanding. After studying a chapter, the student can go through the visual representation of the summary of the chapter to get a quick recap and also self-assess through a quiz of multiple-choice questions.

I am sure that the students would find these e-Books very valuable for their preparation as they can annotate and make notes within the e-Book itself for later revision.

A Booklet on Case studies / scenarios for Practice

In select core papers at the intermediate and final levels, MCQ based assessment (Part I of the question paper for 30 marks) has been introduced from May 2019 examination, comprising of independent MCQs. From May, 2020 onwards, integrated case scenarios with MCQs based on such scenarios are being included in Part I of the question paper of such core subjects, in addition to the independent MCQs already included therein. These integrated case scenarios are expected to assess the analytical and application skills of candidates more effectively. The Board

of Studies is in process of developing integrated case scenarios in these subjects to facilitate effective understanding of the manner of answering MCQs based on such scenarios. Further, more case studies in elective papers at the Final level are also being developed to enhance the understanding of the manner of approaching and answering questions based on case studies. I am happy to inform that these integrated case scenarios in select core subjects and case studies in elective subjects are being made available to students shortly.

Live Virtual Classes

The Board of Studies has been running Live Virtual Classes (LVC) for the benefit of Intermediate and Final students. These classes are relayed in morning and evening beyond the office hours from Noida, Mumbai, Chennai and Indore and students are able to see the classes anywhere on their laptop/desktop/mobile. The lectures are delivered by renowned faculty. Video on Demand, Periodical Tests, Open House Question Answer Sessions are an integral part of these classes.

So far two batches of Intermediate – one targeting November 2019 examination and other May 2020 examination during the year 2019-20 and one batch for Final targeting May 2020 examination has been completed. Thousands of students are getting benefitted.

Live Revision Classes

The Board of studies for the first time in its history had launched Live Revision Classes for the benefit of Intermediate and Final level students. These classes ran whole day and intensively covered important topics of the Intermediate and Final syllabi of CA course. These virtual revision classes provided strong impetus in learning efforts of the students.

Articleship and Industrial Training Placement Portal

Board of Studies is in the process of revamping its existing portal with more advanced features to make it more user friendly for students and members. This portal will show the following additional features:

- Glimpse of number of companies registered, region-wise, specialization-wise and number of vacancies created.
- Integration with SSP portal to get actual position of members' status and student enrollment in it.
- Portal will also deboard the students after completion of their training period to avoid redundancy.
- Regular updation of records.
- Intimate the students well in advance about the eligibility of industrial training via emails/SMS.

Online Scholarship Portal

In order to motivate our talented CA Students and to provide support to the needy students who want to pursue Chartered Accountancy as their carrier, the Board of Studies awards Scholarships. The Scholarship is provided to the students twice a year in the months of April and October under various categories, namely, Merit Scholarship; Merit-cum-Need based; Need-based and Weaker Sections. A Scholarship Portal will be developed for the students which will help them to have one to one communication without delay and help to have a fast payment process. The portal will be designed to ease the process of logging in by the students as per their need and convenience. Also, to have one to one communication thereby reducing the time lag.

I convey my best wishes to all our students to achieve success in their all personal and professional endeavours.

Yours sincerely

CA. ATUL K. GUPTA
VICE PRESIDENT, ICAI, NEW DELHI



My Dear Students,

As I write this missive, I realize that this is my last communication to you as Chairperson, Board of Studies. It makes me nostalgic, as I complete my tenure at Board of Studies, a committee truly dedicated to your welfare and well-being. It has been a fulfilling journey, replete with challenges and accomplishments. We worked together relentlessly, with utmost sense of allegiance and commitment towards implementing key initiatives to extend better services and undertaking reformative measures, making ICAI a better place for you our students. During the last one year, I had the opportunity to connect with you through various forums, such as webcasts, conferences, contests and competitions. I witnessed your indomitable spirit, remarkable talent and unwavering dedication. I shall cherish these memories forever.

Results of November 2019 exams have been recently declared. I would like to congratulate all the successful candidates especially the rank holders, for exceeding their expectations. My best wishes to all of you who could not get through this time. Remember, with your grit and determination, you just need to try a trifle bit more to succeed. Stay positive, work hard and make it happen! We at Board of Studies have put together our best efforts to create an ecosystem, providing a conducive habitat where you can enhance your knowledge, enrich your skills and elicit timely information and services offered.

It is time to recapitulate the initiatives/measures executed by the Board of Studies in the year 2019-20

- **Live Virtual Classes:** Classes were conducted for November 2019 and May 2020 examinations. Concessional fee is being offered for students who registered for these classes along with course registration at the SSP portal. Launched **Live Revision Classes (Crash Course)** for the benefit of Intermediate and Final level students for the November 2019 exam.
- **Mentoring Sessions:** LIVE online mentoring sessions were organized for six elective papers at the Final level to clarify your queries and to help you understand, answer questions based on these case studies.
- **E-Books:** CA Foundation and Intermediate E-Books have been launched. CA Final e-books will be available shortly. These come complete with video lectures and MCQs and enable you to study anytime, anywhere as per your convenience on your smart devices, without having to carry cumbersome books. These will provide a holistic learning experience, complete with text and audio-video material for a topic integrated at the same place. You can annotate while you study and randomly access/search any topic/page through the **table of contents (ToC)**.

- **Refresher Course:** To enrich your knowledge on topical subjects, webcast was organized on **GST, Ind AS and Companies Act, 2013, International Taxation, Insolvency and Bankruptcy Code, 2016 and Foreign Exchange Management Act (FEMA), 1999**. 576 students amongst you completed the course. Next such course has already commenced, scheduled from Jan 25 till March 1, 2020 on **GST, Ind AS and Companies Act, 2013, International Taxation, Insolvency and Bankruptcy Code, 2016 and Real Estate Regulation and Development Act (RERA)**.
- **CA Students' Journal:** E-Journal was launched with the SCORM compliant version that facilitates annotations, random access/search to any page/topic, accessible through the **Digital learning hub**. The PDF version is available at the Link: https://www.icaai.org/post.html?post_id=6894.
- **Subject Specific Capsules:** Abridged/Summarized version of the subject contents of papers at all levels of the CA course are featured in every issue of the Students' Journal. You may access pdf/scorm compliant version of the journal to refer to these capsules. You may access the E-Capsule Compiler for Intermediate at <http://icaivt.com/sites/default/files/bos-2019/Intermediate-Course/index.html>
- **Page of BOS- ICAI on Social media:** To reach out to you, our students, the BoS launched its social media pages available at the following links:
Facebook: <https://www.facebook.com/theicaibos/>
Instagram: <https://www.instagram.com/theicaibos/>
Twitter: <https://twitter.com/theicaibos>
Youtube: <https://www.youtube.com/theicaibos> You must view these page to stay abreast about the BOS's recent initiatives, events and activities and share knowledge / information or voice your opinion/concern on important issues.
- **Webcast to resolve your queries- Forging a connect:** Periodic webcasts were conducted to address your queries live. Answers to the queries are compiled as FAQs and webhosted at the Link: <https://resource.cdn.icaai.org/54948bosfaq-mcq.pdf>
- **Training Guide Revised:** To provide latest and updated information to you our students, members and all stakeholders with regard to practical training, revised version of the guide was launched.
- **One Stop Referencer:** Booklet with detailed information about the BOS initiatives and activities, contact details of the respective officials handling the activities launched to apprise you as well as regions, branches, members in Practice and Industry.
- **E-identity Card and Welcome Letter for Intermediate Students:** Those of you enrolling/re-registering/converting in the New Scheme of education and training can download their e-Identity Cards free of cost at the SSP Portal after confirmation of their registration. A welcome letter signed by the Chairman/Chairperson and Vice-Chairman, BOS is automatically sent through the portal to foster a sense of belongingness. The letter comprises complete details to familiarize you about BoS initiatives, contact details of BoS faculty, live links of various BoS activities/services, toll-free helpline details as well as vital tips and cues to prepare for examination.
- **Creating Research opportunities/Encouraging higher studies:** 104 Universities, 6 IIMs and 2 IIT (Madras and Bombay) (Total 112 Universities/Institutions) have recognized Chartered Accountancy qualification for pursuing Doctorate of Philosophy (Ph.D.) programme/higher studies.
- **Revamping ITT training Centres:**
 - 158 ITT centres were equipped with the latest computers, software and other infrastructural facilities

CHAIRPERSON'S COMMUNICATION ||

- Biometric Devices installed at 18 POUs for IT and Soft Skill Courses
- **Scholarships:** 1783 scholarships were awarded to Merit, Merit cum need, Need Based and Weaker Sections students.
- **Students' Conferences:** 46 conferences were organized.
- **Fee Concession:** 75% fee concession was implemented to encourage students from the newly formed Union Territories of Jammu & Kashmir and Ladaakh, and North Eastern States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura) to enroll in the CA course.

Major BOS events

- **Teachers' Day Celebrations:** Teachers' Day Celebrations were held across the country on September 5, 2019 with an objective to forge the bond between the Principal CAs and our article students. Various competitions such as Essay competition and Slogan Competition were organized by the regional councils and branches.
- **International Conference for CA Students, Pune:** The two-day conference was organized by Pune branch of WIRC of ICAI, WICASA of ICAI along with BOS, ICAI organised during Dec 14-15, 2019. The event was a huge success. The highlights of the event were the technical sessions wherein student participants presented their expositions with aplomb on myriad subjects. Over 2700 CA students and dignitaries from India, Nepal and Sri Lanka attended the event.
- **CA Students Talent Search:** The event was organized with full fervor for the third consecutive year on Dec 20, 2019 at Indore. Contests such as Quiz, Elocution, Instrumental

Music and Nukkad Drama were held where finalists from all the five regions participated. It was an exhilarating experience watching our students coming through with soulful renditions, captivating the audience with power packed performances.

I along with **Vice Chairman BOS, CA. Durgesh Kabra** extend our heartfelt gratitude and earnest regards to the Honorable **President CA. Prafulla P. Chhajed**, Honorable **Vice President CA. Atul Kumar Gupta**, esteemed council members and co-opted members for their constant support and guidance. I am indebted to **Vice Chairman BOS, CA. Durgesh Kabra** for his untiring support. I would also like to acknowledge the Director, BOS and staff for their industrious efforts and wholehearted cooperation and collaboration towards execution of these initiatives. I sincerely hope that the entire team at BOS will continue to work towards the larger interest of our students.

As students, your motto in life must be ***Never to settle for anything but the best, that is the only way you will excel and leave behind the rest!***

I wish you all the best in your future pursuits.



CA. KEMISHA SONI
CHAIRPERSON, BOARD OF STUDIES, ICAI

TOPPERS OF CHARTERED ACCOUNTANTS FINAL (NEW SCHEME) EXAMINATION-NOVEMBER-2019



All India Topper First Rank

ABHAY BAJORIA
Kolkata



All India Topper First Rank

SURYANSH AGARWAL
Noida



All India Topper Second Rank

DHRUV KOTHARI
Kolkata



All India Topper Third Rank

DARSHAN
MUKESHKUMAR SHAH
Ahmedabad

TOPPERS OF CHARTERED ACCOUNTANTS FINAL (OLD SCHEME) EXAMINATION-NOVEMBER-2019



All India Topper First

GURRAM NAGA
SRI KRISHNA PRANEETH
Vijayawada



All India Topper Second

VARADA K P
Mannarkkad



All India Topper Third

DHAWAL
KAPOORCHAND CHOPDA
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SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

DIRECT TAX LAWS

This capsule on Final (New) Paper 7: Direct Tax Laws and International Taxation, in its first segment, attempts to give an insight into the amendments made by the Taxation Laws (Amendment) Act, 2019 in the Income-tax Act, 1961 and the Finance (No. 2) Act, 2019. In the second segment, it also attempts to give an overview of the significant select Supreme Court decisions pronounced in the last decade. In this capsule, the provisions of the Taxation Laws (Amendment) Act, 2019 are detailed using comparative tables and examples, so as to facilitate easy understanding of the new/amended provisions inserted in the Income-tax Act, 1961. Students may note that the amendments made by the Taxation Laws (Amendment) Act, 2019 are relevant for May 2020 Final (New) and Final (Old) Examinations.

I. TAXATION LAWS (AMENDMENT) ACT, 2019

The Taxation Laws (Amendment) Ordinance, 2019 was promulgated by the President of India on 20.9.2019. The same has been subsequently approved by the Cabinet, consequent to which, the Taxation Laws (Amendment) Bill, 2019, with certain further changes, was introduced in the Parliament. The same has been passed by both Houses of the Parliament and has received the assent of the President of India. The Taxation Laws (Amendment) Act, 2019 shall be deemed to have come into force on 20.9.2019. This Act has, *inter alia*, reduced the rate of minimum alternate tax, withdrawn enhanced surcharge in respect of capital gains chargeable to tax under sections 111A and 112A and inserted new sections 115BAB and 115BAA providing for concessional rate of tax in respect of certain domestic companies.

INSERTION OF NEW SECTIONS 115BAB AND 115BAA

New sections 115BAB and 115BAA have been inserted in the Income-tax Act, 1961 (**IT Act, in short**) by the Taxation Laws (Amendment) Act, 2019, providing for concessional rates of tax and exemption from minimum alternate tax (MAT) in respect of certain domestic companies with effect from A.Y.2020-21. The comparative provisions of these two new sections are tabulated hereunder -

(1) S. No.	(2) Particulars	(3) Section 115BAB	(4) Section 115BAA
(1)	Applicability	Domestic manufacturing company	Any domestic company
(2)	Rate of tax	15%	22%
(3)	Rate of surcharge	10%	10%
(4)	Effective rate of tax (including surcharge & HEC)	17.16% [Tax@15% (+) Surcharge@10% (+) HEC@4%]	25.168% [Tax@22% (+) Surcharge@10% (+) HEC@4%]
(5)	Applicability of MAT	Not applicable	Not applicable
(6)	Manner of computation of tax liability		
	Income on which concessional rate of tax is applicable	The rate of tax (i.e., 17.16%) would be applicable in respect of income derived from or incidental to manufacturing or production of an article or thing. [Read with point no.11 below, wherein the rate of 34.32% (i.e., Tax@30% + surcharge@10% + HEC@4%) would be applicable in specified circumstance]	The rate of tax (i.e., 25.168%) is notwithstanding anything contained in the IT Act, but subject to the provisions of Chapter XII, other than sections 115BA and 115BAB.
	Rate of tax on income covered under Chapter XII [For example, LTCG chargeable to tax u/s 112 and 112A, STCG chargeable to tax u/s 111A]	Such income would be subject to tax at the rates mentioned in the said sections in Chapter XII . Surcharge@10% would be levied on tax computed on such income. HEC@4% would be levied on the income-tax <i>plus</i> surcharge.	Such income would be subject to tax at the rates mentioned in the said sections in Chapter XII . Surcharge@10% is leviable on tax computed on such income. HEC@4% would be levied on the income-tax <i>plus</i> surcharge.
	Rate of tax on other income in respect of which no specific rate of tax is provided in Chapter XII	The applicable tax rate is 25.168% (i.e., tax@22%, plus surcharge @10% plus HEC@4%) , if such income has neither been derived from nor is incidental to manufacturing or production of an article or thing (For example, income from house property and income from other sources). In respect of such income, no deduction or allowance in respect of any expenditure or allowance shall be allowed in computing such income.	The applicable tax rate is 25.168% (i.e., tax@22% plus surcharge@10% plus HEC@4%) . There is, however, no restriction regarding claim of any deduction or allowance permissible under the relevant provisions of the Act.

(1) S. No.	(2) Particulars	(3) Section 115BAB	(4) Section 115BAA
	Rate of tax on STCG derived from transfer of a capital asset on which no depreciation is allowable under the Act	The applicable rate of tax is 25.168% (i.e., tax@22%, plus surcharge@10% plus HEC@4%) . There is, however, no restriction regarding claiming of deduction or allowance in this regard.	The applicable rate of tax is 25.168% (i.e., tax @22%, plus surcharge @10% plus cess@4%) . There is no restriction regarding claiming of deduction or allowance in this regard.
(7)	Conditions to be fulfilled for availing concessional rate of tax and exemption from MAT		
	Conditions to be fulfilled for availing concessional rate of tax and exemption from MAT	(i) The company (Co.) should be set-up and registered on or after 1.10.2019 .	No time limit specified. Both existing Cos and new Cos can avail benefit.
		(ii) It should commence manufacturing or production of an article or thing on or before 31.3.2023 .	Need not be a manufacturing or a production Co.
		(iii) It should not be formed by splitting up or the reconstruction of a business already in existence (except in case of a Co., business of which is formed as a result of the re-establishment, reconstruction or revival by the person of the business of any undertaking referred to in section 33B, in the circumstances and within the period specified therein).	No similar condition has been prescribed.
		(iv) It does not use any P or M previously used for any purpose [Refer Note at the end].	No similar condition has been prescribed.
		(v) It does not use any building previously used as a hotel or a convention centre [meanings assigned in section 80-ID(6)] in respect of which dedctn. u/s 80-ID has been claimed and allowed.	No similar condition has been prescribed.
		(vi) It should not be engaged in any business other than the business of manufacture or production of any article or thing and research in relation to, or distribution of, such article or thing manufactured or produced by it. Note – Business of manufacture or production of any article or thing does not include business of – 1. Development of computer software in any form or in any media 2. Mining 3. Conversion of marble blocks or similar items into slabs 4. Bottling of gas into cylinder 5. Printing of books or production of cinematograph films 6. Any other business as may be notified by the Central Govt. in this behalf.	No similar condition has been prescribed.
		Note - If difficulty arises regarding fulfilment of conditions listed in (iv) to (vi) above, the CBDT may, with the approval of the Central Govt, issue guidelines for the purpose of removing difficulty and to promote manufacturing or production of article or thing using new P & M. Every guideline issued by the CBDT has to be laid before each House of Parliament, and shall be binding on the person, and the income-tax authorities subordinate to it.	

(1)	(2)	(3)	(4)																										
S. No.	Particulars	Section 115BAB	Section 115BAA																										
(8)	Common conditions for both sections for availing the concessional rate of tax and exemption from MAT	In case of a Co. opting for either section 115BAA or 115BAB, the total income should be computed - (i) without providing for deduction under any of the following sections: <table><tr><th>Section</th><th>Provision</th></tr><tr><td>10AA</td><td>Exemption of profits and gains derived from export of articles or things or from services by an assessee, being an entrepreneur from his Unit in SEZ.</td></tr><tr><td>32(1)(ia)</td><td>Additional depreciation @20% or @35%, as the case may be, of actual cost of new P&M acquired and installed by manufacturing undertakings.</td></tr><tr><td>32AD</td><td>Deduction@15% of actual cost of new P&M acquired and installed by an assessee in a manufacturing undertaking located in the notified backward areas of Andhra Pradesh, Telengana, Bihar and West Bengal.</td></tr><tr><td>33AB</td><td>Deduction@40% of profits and gains of business of growing and manufacturing tea, coffee or rubber in India, to the extent deposited with NABARD in accordance with scheme approved by the Tea/Coffee/Rubber Board.</td></tr><tr><td>33ABA</td><td>Deduction@20% of the profits of a business of prospecting for, or extraction or production of, petroleum or natural gas or both in India, to the extent deposited with SBI in an approved scheme or deposited in Site Restoration Account.</td></tr><tr><td>35(1)(ii)/(ia)/(iii)</td><td>Deduction/weighted deduction for payment to any research association, company, university etc. for undertaking scientific research or social science or statistical research.</td></tr><tr><td>35(2AA)</td><td>Weighted deduction@150% of payment to a National Laboratory or University or IIT or approved specified person for scientific research</td></tr><tr><td>35(2AB)</td><td>Weighted deduction@150% of in-house scientific research expenditure incurred by a company engaged in the business of bio-technology or in the business of manufacture or production of an article or thing.</td></tr><tr><td>35AD</td><td>Investment-linked tax deduction for specified businesses.</td></tr><tr><td>35CCC</td><td>Weighted deduction@150% of expenditure incurred on notified agricultural extension project</td></tr><tr><td>35CCD</td><td>Weighted deduction@150% of expenditure incurred by a company on notified skill development project.</td></tr><tr><td>80-IA to 80RRB</td><td>Deductions from GTI under Chapter VI-A under the heading “C-Deductions in respect of certain incomes” other than the provisions of section 80JJA.</td></tr></table> (ii) without set-off of any loss or allowance for unabsorbed depreciation deemed so u/s 72A, where such loss or depreciation is attributable to any of the deductions listed in (i) above [Such loss and depreciation would be deemed to have been already given effect to and no further deduction for such loss shall be allowed for any subsequent year]. (iii) by claiming depreciation u/s 32 determined in the prescribed manner. However, additional depreciation u/s 32(1)(ia) cannot be claimed. Note – Additional points relevant in the context of section 115BAA: (1) In case of a Co. opting for section 115BAA, total income should be computed without set-off of any loss c/f or depreciation from any earlier A.Y., where such loss or depreciation is attributable to any of the deductions listed in (i) above [Such loss and depreciation would be deemed to have been already given effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year]. (2) In the case of a person having a Unit in the IFSC, referred to in section 80LA(1A), which has exercised option for section 115BAA, deduction u/s 80LA would be allowed subject to fulfilment of the conditions specified in that section.		Section	Provision	10AA	Exemption of profits and gains derived from export of articles or things or from services by an assessee, being an entrepreneur from his Unit in SEZ.	32(1)(ia)	Additional depreciation @20% or @35%, as the case may be, of actual cost of new P&M acquired and installed by manufacturing undertakings.	32AD	Deduction@15% of actual cost of new P&M acquired and installed by an assessee in a manufacturing undertaking located in the notified backward areas of Andhra Pradesh, Telengana, Bihar and West Bengal.	33AB	Deduction@40% of profits and gains of business of growing and manufacturing tea, coffee or rubber in India, to the extent deposited with NABARD in accordance with scheme approved by the Tea/Coffee/Rubber Board.	33ABA	Deduction@20% of the profits of a business of prospecting for, or extraction or production of, petroleum or natural gas or both in India, to the extent deposited with SBI in an approved scheme or deposited in Site Restoration Account.	35(1)(ii)/(ia)/(iii)	Deduction/weighted deduction for payment to any research association, company, university etc. for undertaking scientific research or social science or statistical research.	35(2AA)	Weighted deduction@150% of payment to a National Laboratory or University or IIT or approved specified person for scientific research	35(2AB)	Weighted deduction@150% of in-house scientific research expenditure incurred by a company engaged in the business of bio-technology or in the business of manufacture or production of an article or thing.	35AD	Investment-linked tax deduction for specified businesses.	35CCC	Weighted deduction@150% of expenditure incurred on notified agricultural extension project	35CCD	Weighted deduction@150% of expenditure incurred by a company on notified skill development project.	80-IA to 80RRB	Deductions from GTI under Chapter VI-A under the heading “C-Deductions in respect of certain incomes” other than the provisions of section 80JJA.
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(1)	(2)	(3)	(4)
S. No.	Particulars	Section 115BAB	Section 115BAA
		(3) Where there is a depreciation allowance in respect of a block of asset which has not been given full effect to prior to A.Y.2020-21, corresponding adjustment shall be made to the WDV of such block of assets as on 1.4.2019 in the prescribed manner, if option for section 115BAA is exercised for P.Y.2019-20 relevant to A.Y.2020-21.[For example, in case of an asset acquired and put to use for < 180 days in P.Y. 2018-19, the effect of balance additional depreciation to be allowed in P.Y. 2019-20 will be made in the WDV of the block as on 1.4.2019, if option for section 115BAA is exercised for P.Y.2019-20 relevant to A.Y.2020-21] (4) Since there is no time line within which option under section 115BAA can be exercised, a domestic company having b/f losses and depreciation on a/c of deductions listed in (i) above may, if it so desires, postpone exercise the option u/s 115BAA to a later A.Y., after set off of the losses and depreciation so accumulated.	
(9)	Failure to satisfy conditions	On failure to satisfy the conditions mentioned in point no. (7) & (8) above in any P.Y., the option exercised would be invalid in respect of the A.Y. relevant to that P.Y. and subsequent AYs; Consequently, the other provisions of the Act would apply to the person as if the option had not been exercised for the A.Y. relevant to that P.Y. and subsequent AYs. Note – Where option exercised u/s 115BAB is rendered invalid due to violation of conditions stipulated in point no.7 [(iv) to (vi)] above, such person may exercise option u/s 115BAA.	On failure to satisfy the conditions mentioned in point no.(8) above in any P.Y., the option exercised would be invalid in respect of the A.Y. relevant to that P.Y. and subsequent AYs; Consequently, the other provisions of the Act would apply to the person as if the option had not been exercised for the A.Y. relevant to that P.Y. and subsequent AYs.
(10)	Availability of set-off of MAT credit brought forward from earlier years	Since it is a new Co, there would be no b/f MAT credit	B/f MAT credit cannot be set-off against income u/s 115BAA. Note - If a Co. has b/f MAT credit, it can first exhaust the MAT credit, and thereafter opt for section 115BAA in a subsequent P.Y.
(11)	Adjustments for transactions with persons having close connection	If the A.O. opines that the course of business between the Co. and any other person having close connection therewith is so arranged that the business transacted b/w them produces more than the ordinary profits to the Co., he is empowered to take into a/c the amount of profits as may be reasonably deemed to have been derived therefrom, while computing profits and gains of such Co. In case the arrangement referred above involves a specified domestic transaction ref. to in section 92BA, then, the amt of profits from such transaction would be determined by considering the ALP. The amt, being profits in excess of the amt of the profits determined by the A.O., shall be deemed to be the income of the person. The income-tax on the income so deemed shall be subject to tax@34.32%(i.e., tax@30% + surcharge @10% +HEC@4%). Note – The scope of “specified domestic transaction” referred to in section 92BA has been expanded to include within its ambit, any business transacted between such persons with close connection, where one such person is a Co. claiming benefit u/s 115BAB.	No such requirement to make any adjustment.

(1)	(2)	(3)	(4)
S. No.	Particulars	Section 115BAB	Section 115BAA
(12)	Exercise of option by the company within the prescribed time	The beneficial provisions of this section would apply only if option is exercised in the prescribed manner on or before the due date u/s 139(1) for furnishing the first of the returns of income for any P.Y. relevant to A.Y.2020-21 or any subsequent A.Y. Such option, once exercised, would apply to subsequent AYs. Further, once the option has been exercised for any P.Y., it cannot be subsequently withdrawn for the same or any other P.Y. Notes – (1) The option has to be exercised at the time of furnishing the first of the returns of income for any P.Y. If a person fails to so exercise such option, it cannot be exercised thereafter for any subsequent P.Y. (2) In case of amalgamation, the option exercised u/s 115BAB shall remain valid in the case of the amalgamated Co. only and if the conditions mentioned in point no.(7) and (8) are continued to be satisfied by such Co.	The beneficial provisions of this section would apply if option is exercised in the prescribed manner on or before the due date u/s 139(1) for furnishing the return of income for any P.Y. relevant to A.Y.2020-21 or any subsequent A.Y. Such option, once exercised, would apply to subsequent AYs. Further, once the option has been exercised for any P.Y., it cannot be subsequently withdrawn for the same or any other P.Y. Note – The option can be exercised even in a later year, but once exercised, cannot be withdrawn subsequently. Further, where the person exercises option u/s 115BAA, the option u/s 115BA may be withdrawn.

Note – For the purpose of point no.7(iv) in column (3) of the above table in relation to a Co. exercising option under section 115BAB, any P or M which was used outside India by any other person shall not be regarded as P or M previously used for any purpose, if all the following conditions are fulfilled, namely:—

- such P or M was not, at any time previous to the date of the installation, used in India;
- such P or M is imported into India from any country outside India;
- no deduction on account of depreciation in respect of such P or M has been allowed or is allowable under the provisions of the Act in computing the total income of any person for any period prior to the date of installation of the P or M by the person.

Further, where in the case of a person, any P or M or any part thereof previously used for any purpose is put to use by the Co. and the total value of the P or M or part so transferred does not exceed 20% of the total value of the P or M used by the Co., then, the condition specified that the Co. does not use any P or M previously used for any purpose would be deemed to have been complied with.

RATES OF SURCHARGE APPLICABLE TO INDIVIDUALS/HUF/AOP/BOI/ARTIFICIAL JURIDICAL PERSONS FOR A.Y.2020-21

	Particulars	Rate of surcharge on income-tax	Example	
			Components of total income (TI)	Applicable rate of surcharge
(i)	Where TI (including income u/s 111A & 112A) > ₹ 50 lakhs but ≤ ₹ 1 crore	10%	- STCG u/s 111A ₹ 30 lakhs; - LTCG u/s 112A ₹ 25 lakhs; and - Other income ₹ 40 lakhs	Surcharge would be levied @10% on income-tax computed on TI of ₹ 95 lakhs.
(ii)	Where TI (including income u/s 111A & 112A) > ₹ 1 crore but ≤ ₹ 2 crore	15%	- STCG u/s 111A ₹ 60 lakhs; - LTCG u/s 112A ₹ 65 lakhs; and - Other income ₹ 50 lakhs	Surcharge would be levied @15% on income-tax computed on TI of ₹ 1.75 crores.
(iii)	Where TI (excluding income u/s 111A & 112A) > ₹ 2 crore but ≤ ₹ 5 crore The rate of surcharge on the income-tax payable on the portion of income chargeable to tax u/s 111A and 112A	25% Not exceeding 15%	- STCG u/s 111A ₹ 54 lakh; - LTCG u/s 112A ₹ 55 lakh; and - Other income ₹ 3 crores	Surcharge would be levied @15% on income-tax on: - STCG of ₹ 54 lakhs chargeable to tax u/s 111A; and - LTCG of ₹ 55 lakhs chargeable to tax u/s 112A. Surcharge @25% would be leviable on income-tax computed on other income of ₹ 3 crores included in TI.

	Particulars	Rate of surcharge on income-tax	Example	
			Components of total income (TI)	Applicable rate of surcharge
(iv)	Where TI (excluding income u/s 111A & 112A) > ₹ 5 crore Rate of surcharge on the income-tax payable on the portion of income chargeable to tax u/s 111A and 112A	37% Not exceeding 15%	- STCG u/s 111A ₹ 50 lakhs; - LTCG u/s 112A ₹ 65 lakhs; and - Other income ₹ 6 crore	Surcharge@15% would be levied on income-tax on: - STCG of ₹ 50 lakhs chargeable to tax u/s 111A; and - LTCG of ₹ 65 lakhs chargeable to tax u/s 112A. Surcharge@37% would be leviable on the income-tax computed on other income of ₹ 6 crores included in TI.
(v)	Where TI (including income u/s 111A & 112A) > ₹ 2 crore in cases not covered under (iii) and (iv) above	15%	- STCG u/s 111A ₹ 60 lakhs; - LTCG u/s 112A ₹ 55 lakhs; and - Other income ₹ 1.10 crore	Surcharge would be levied@15% on income-tax computed on TI of ₹ 2.25 crore.

RATES OF SURCHARGE APPLICABLE ON TAX ON TOTAL INCOME OF INDIVIDUALS/AOP/BOI/ARTIFICIAL JURIDICAL PERSONS (HAVING ANY INCOME UNDER SECTION 115AD) FOR PAYMENT OF ADVANCE TAX FOR A.Y.2020-21

	Particulars	Rate of surcharge on income-tax	Example	
			Components of TI	Applicable rate of surcharge
(i)	Where TI > ₹ 50 lakhs but ≤ ₹ 1 crore	10%	- Capital gains on securities referred to in section 115AD(1)(b) ₹ 60 lakhs; and - Other income ₹ 35 lakhs;	Surcharge would be levied@10% on income-tax computed on TI of ₹ 95 lakhs.
(ii)	Where TI > ₹ 1 crore but ≤ ₹ 2 crore	15%	- Capital gains on securities referred to in section 115AD(1)(b) ₹ 1.20 crore; and - Other income ₹ 60 lakhs;	Surcharge would be levied@15% on income-tax computed on TI of ₹ 1.80 crore.
(iii)	Where TI [excluding STCG/LTCG on securities referred to in section 115AD(1)(b)] > ₹ 2 crore but ≤ ₹ 5 crore Rate of surcharge on the income-tax payable on the portion of income chargeable to tax u/s 115AD(1)(b)	25% Not exceeding 15%	- Capital gains on securities referred to in section 115AD(1)(b) ₹ 1.20 crore; and - Other income ₹ 3 crores;	Surcharge would be levied: @15% on income-tax leviable on capital gains of ₹ 1.20 crore referred to in section 115AD; and @25% on income-tax computed on other income of ₹ 3 crores included in TI.
(iv)	Where TI [excluding STCG/LTCG on securities referred to in section 115AD(1)(b)] > ₹ 5 crore Rate of surcharge on the income-tax payable on the portion of income chargeable to tax u/s 115AD(1)(b)	37% Not exceeding 15%	- Capital gains on securities referred to in section 115AD(1)(b) ₹ 1.70 crore; and - Other income ₹ 6 crore	Surcharge would be levied - @15% on income-tax leviable on capital gains of ₹ 1.70 crore referred to in section 115AD; and @37% on income-tax computed on other income of ₹ 6 crore included in TI.
(v)	Where TI (including STCG/LTCG on securities referred to in 115AD(1)(b)) > ₹ 2 crore in cases not covered under (iii) and (iv) above	15%	- Capital gains on securities referred to in section 115AD(1)(b) ₹ 1.10 crore; and - Other income ₹ 1.60 crore	Surcharge would be levied@15% on income tax on TI of ₹ 2.70 crore.

Note – The October, 2019 edition of the Study Material incorporates the amendments made by the Taxation Laws (Amendment) Ordinance, 2019, promulgated by the President of India on 20.9.2019.

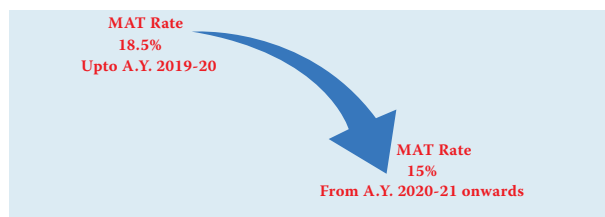
On account of the subsequent amendments brought in through the Taxation Laws (Amendment) Bill, 2019 introduced in the Parliament, **students are advised to ignore Annexures 1, 2 and 3 of Chapter 12 in the printed copy of Module 2 of the October 2019 edition and instead, read the Annexures given in the RTP for May, 2020 Examination, which have also been detailed in this Capsule.**

Students are advised to also **ignore the last paragraph in page no.1.38 and the first paragraph in page no. 1.39** given in italics in Chapter 1: Basic Concepts of the printed copy of Module 1 of the October, 2019 Edition of the Study Material, which incorporates the provision relating to surcharge as inserted by the Taxation Laws (Amendment) Ordinance, 2019 promulgated on 20.9.2019. Consequent to the amendment effected by the Taxation Laws (Amendment) Act, 2019 as assented by the President of India, **surcharge of 10% would be leviable on the income-tax computed on the total income of a company opting for the provisions of section 115BAA or 115BAB.**

Further, students are advised to **ignore the table containing rates of surcharge in pages 1.35-1.36 of Chapter 1 in Module 1 of the printed copy of the October, 2019 edition of the study material and read the table containing the rate of surcharge for Individuals/HUF/AOP/BOI/ Artificial Juridical Persons given in this capsule.**

RATE OF MINIMUM ALTERNATE TAX ON COMPANIES (MAT)

In respect of companies, other than companies opting for section 115BAB and 115BAA, the rate of MAT has been reduced from **18.5%** (*plus* applicable surcharge and HEC) to **15%** (*plus* applicable surcharge and HEC). However, for units located in an International Financial Services Centre, deriving its income solely in convertible foreign exchange, the rate of MAT would continue to be 9% (*plus* applicable surcharge and HEC).



Taxation provisions in respect of buyback of shares effected on or after 5.7.2019 (except where buyback is announced before 5.7.2019 and effected on or after 5.7.2019)

Taxability in the hands of	Buyback of shares by domestic companies	Buyback of shares by a company, other than a domestic company	Buyback of specified securities by any company
Company	Subject to additional income-tax@23.296%.	Not subject to tax in the hands of the Co.	Not subject to tax in the hands of the Co.
Shareholder / holder of specified securities	Income arising to shareholders exempt u/s 10(34A)	Income arising to shareholder taxable as capital gains u/s 46A.	Income arising to holder of specified securities taxable as capital gains u/s 46A.

Note - Prior to 5.7.2019, additional income-tax was attracted only in case of buy-back of unlisted shares by domestic companies. Consequently, only holders of unlisted shares were entitled to exemption u/s 10(34A). Further, where buyback of listed shares is announced before 5.7.2019 but effected on or after 5.7.2019, additional income-tax is not payable by the domestic companies. Consequently, income arising to shareholders would not be exempt u/s 10(34A).

II. OVERVIEW OF SELECT SIGNIFICANT SUPREME COURT RULINGS

The Supreme Court of India is the apex court of the country and its rulings lay down the law of the land. In this capsule, an attempt has been made to capture select significant Supreme Court rulings in income-tax law pronounced during the last decade. For detailed reading of these cases, you may refer to the October, 2019 edition of the Study Material of Final Paper 7 and the webhosted Judicial Update for May, 2020 examination.

Sl. No.	Case Law	
1	CIT v. Saurashtra Cement Ltd. (2010) 325 ITR 422	
	Issue	Decision
	What is the nature of liquidated damages received by a company from the supplier of plant for failure to supply machinery to the company within the stipulated time – a capital receipt or a revenue receipt?	The damages are directly and intimately linked with the procurement of a capital asset i.e., the cement plant, which lead to delay in coming into existence of the profit-making apparatus. It was not a receipt in the course of profit earning process. Therefore, the amount received by the assessee towards compensation for sterilization of the profit earning source is not in the ordinary course of business, hence it is a capital receipt in the hands of the assessee.
2	CIT v. HCL Technologies Limited (2018) 404 ITR 719	
	Issue	Decision
	Can expenditure incurred in foreign exchange for provision of technical services outside India, which is deductible for computing export turnover, be excluded from total turnover also for the purpose of computing deduction under section 10AA?	Deduction u/s 10AA is based on the profit from export business, thus, expenses excluded from “export turnover” must also be excluded from “total turnover”; since one of the components of “total turnover” is export turnover. Expenses incurred in foreign exchange for providing the technical services outside India are thus, to be excluded from total turnover also. If deductions in respect of freight, telecommunication charges and insurance attributable to delivery of articles, things etc. or expenditure incurred in foreign exchange in rendering of services outside India are allowed only against export turnover but not from the total turnover for computing deduction under section 10AA, then, it would give rise to inadvertent, unlawful, meaningless and illogical results causing grave injustice, which could have never have been the intent of the Legislature. Hence, such expenditure incurred in foreign exchange for providing technical services outside India is deductible from total turnover also.

3	Chennai Properties and Investments Ltd. v. CIT (2015) 373 ITR 673; Rayala Corporation (P) Ltd. v. Asstt. CIT (2016) 386 ITR 500; and Raj Dadarkar and Associates v. ACIT (2017) 394 ITR 592	
	Issue	Decision
	Would rental income from the business of leasing out properties be taxable under the head “Income from house property” or “Profits and gains from business or profession”?	In <i>Chennai Properties and Investments Ltd. v. CIT (2015) 373 ITR 673</i> , the Supreme Court observed that holding of the properties and earning income by letting out of these properties is the main objective of the company. Further, in the return of income filed by the company and accepted by the Assessing Officer, the entire income of the company comprised of income from letting out of such properties. The Supreme Court, accordingly, held that such income was taxable as business income. Likewise, in <i>Rayala Corporation (P) Ltd. v. Asstt. CIT (2016) 386 ITR 500</i> , the Supreme Court noted that the assessee was engaged only in the business of renting its properties and earning rental income therefrom and accordingly, held that such income was taxable as business income. However, in <i>Raj Dadarkar and Associates v. ACIT (2017) 394 ITR 592</i> , on account of lack of sufficient material to prove that substantial income of the assessee was from letting out of property, the Supreme Court held that the rental income has to be assessed as “Income from house property”.
4	I.C.D.S. Ltd. v. CIT (2013) 350 ITR 527	
	Issue	Decision
	Can depreciation on leased vehicles be denied to the lessor on the ground that the vehicles are registered in the name of the lessee and that the lessor is not the actual user of the vehicles?	Section 32 imposes a twin requirement of “ownership” and “usage for business” as conditions for claim of depreciation thereunder. As far as usage of the asset is concerned, the section requires that the asset must be used in the course of business. It does not mandate actual usage by the assessee itself. In this case, the assessee did use the vehicles in the course of its leasing business. Hence, this requirement of section 32 has been fulfilled, notwithstanding the fact that the assessee was not the actual user of the vehicles. As long as the assessee-lessor has a right to retain the legal title against the rest of the world, he would be the owner of the asset in the eyes of law. In this regard, the following provisions of the lease agreement are noteworthy – • The assessee is the exclusive owner of the vehicle at all points of time; • The assessee is empowered to repossess the vehicle, in case the lessee committed a default; • At the end of the lease period, the lessee was obliged to return the vehicle to the assessee; • The assessee had a right of inspection of the vehicle at all times. The proof of ownership lies in the lease agreement itself, which clearly points in favour of the assessee. The assessee-lessor is, therefore, entitled to claim depreciation in respect of vehicles leased out since it has satisfied both the requirements of section 32, namely, ownership of the vehicles and its usage in the course of business.
5	CIT v. Smifs Securities Ltd. (2012) 348 ITR 302	
	Issue	Decision
	Is the assessee entitled to depreciation on the value of goodwill considering it as an asset within the meaning of <i>Explanation 3(b)</i> to section 32(1)?	<i>Explanation 3</i> to section 32(1) states that the expression ‘asset’ shall mean, <i>inter-alia</i>, an intangible asset, being know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature. A reading of the words ‘any other business or commercial rights of similar nature’ in <i>Explanation 3(b)</i> indicates that goodwill would fall under the said expression. In the process of amalgamation, the amalgamated company had acquired a capital right in the form of goodwill because of which the market worth of the amalgamated company stood increased. Therefore, it was held that ‘Goodwill’ is an asset under Explanation 3(b) to section 32(1) and depreciation thereon is allowable under the said section.

6	Berger Paints India Ltd v. CIT (2017) 393 ITR 113	
	Issue	Decision
	Whether “premium” on subscribed share capital is “capital employed in the business of the company” under section 35D to be eligible for deduction?	Share premium collected by the assessee on its subscribed issued share capital could not be part of “capital employed in the business of the company” for the purpose of section 35D(3)(b). If it were the intention of the legislature to treat share premium as being “capital employed in the business of the company”, it would have been explicitly mentioned. Moreover, Sl. No. IV(i) in Form MGT- 7 read with section 92 of the Companies Act, 2013 dealing with capital structure of the company provides the break-up of “issued share capital” and “subscribed share capital” which does not include share premium at the time of subscription. Hence, in the absence of the reference in section 35D, share premium is not a part of the capital employed. Also, section 52 of the Companies Act, 2013 requires a company to transfer the premium amount to be kept in a separate account called “securities premium account”. The assessee is, therefore, not entitled to claim deduction in relation to the premium amount received from shareholders at the time of share subscription.
7	Palam Gas Service v. CIT (2017) 394 ITR 300	
	Issue	Decision
	Whether section 40(a)(ia) is attracted when amount is not ‘payable’ to a sub-contractor but has been actually paid?	The obligation to deduct tax at source is mandatory and applicable irrespective of the method of accounting adopted. If the assessee follows the mercantile system of accounting, then, the moment amount was credited to the account of the payee on accrual of liability, tax was required to be deducted at source. If the assessee follows cash system of accounting, then, tax is required to be deducted at source at the time of making payment. Accordingly, section 40(a)(ia) would be attracted for failure to deduct tax in both cases i.e., when the amount is payable or when the amount is paid, as the case may be, depending on the system of accounting followed by the assessee.
8	Balakrishnan v. Union of India & Others (2017) 391 ITR 178	
	Issue	Decision
	Whether receipt of higher compensation after notification of compulsory acquisition would change the character of transaction into a voluntary sale, so as to deny exemption u/s 10(37)(iii)?	When proceedings were initiated under the Land Acquisition Act, 1894, even if the compensation is negotiated and fixed, it would continue to remain as compulsory acquisition. Merely because the compensation amount is agreed upon, the character of acquisition will not change from compulsory acquisition to a voluntary sale. The claim of exemption from capital gains under section 10(37)(iii) is, therefore, tenable in law.
9	CIT v. V.S. Dempo Company Ltd (2016) 387 ITR 354	
	Issue	Decision
	In a case where a depreciable asset (building) held for more than 24 months is transferred, can benefit of exemption u/s 54EC be claimed, if the capital gains on sale of such asset are reinvested in long-term specified assets within the specified time?	The assessee cannot be denied exemption u/s 54EC, because firstly, there is nothing in section 50 to suggest that the fiction created therein is not restricted to only sections 48 and 49. Secondly, fiction created by the legislature has to be confined for the purpose for which is created. Thirdly, section 54EC does not make any distinction between depreciable and non-depreciable asset for the purpose of re-investment of capital gains in long term specified assets for availing the exemption thereunder. Further, section 54EC specifically provides that when the capital gain arising on the transfer a long-term capital asset (being land or building or both) is invested or deposited in long-term specified assets, the assessee shall not be subject to capital gains to that extent. Therefore, the exemption u/s 54EC cannot be denied to the assessee on account of the fiction created in section 50.
10	Fibre Boards (P) Ltd v. CIT (2015) 376 ITR 596	
	Issue	Decision
	Can advance given for purchase of land, building, plant and machinery tantamount to utilization of capital gain for purchase and acquisition of new machinery or plant and building or land, for claim of exemption under section 54G?	For the purpose of availing exemption, all that was required for the assessee is to “utilise” the amount of capital gain for purchase and acquisition of new machinery or plant and building or land. Since the entire amount of capital gain, in this case, was utilized by the assessee by way of advance for acquisition of land, building, plant and machinery, the assessee is entitled to avail exemption/deduction under section 54G.

11	CIT v. Sree Rama Multi Tech Ltd. (2018) 403 ITR 426	
	Issue	Decision
	Is interest income from share application money deposited in bank eligible for set-off against public issue expenses or should such interest be subject to tax under the head 'Income from Other Sources'?	The assessee-company was statutorily required to keep share application money in a separate account till the allotment of shares was completed. Part of the share application money would normally have to be returned to unsuccessful applicants, and therefore, the entire share application money would not ultimately be appropriated by the company. The interest earned was inextricably linked with the requirement of raising share capital. Any surplus money deposited in the bank for the purpose of earning interest is liable to be taxed as "Income from Other Sources". Here, the share application money was deposited with the bank not to make additional income but to comply with the statute. The interest accrued on such deposit is merely incidental. Moreover, the issue of shares relates to capital structure of the company and hence, expenses incurred in connection with the issue of shares are to be capitalized. Accordingly, the accrued interest is not liable to be taxed as "Income from Other Sources"; the same is eligible to be set-off against public issue expenses.
12	CIT v. Container Corporation of India Limited (2018) 404 ITR 397	
	Issue	Decision
	Can Inland Container Depots (ICDs) be treated as infrastructure facility, for profits derived therefrom to be eligible for deduction u/s 80-IA?	Inland Container Depots function for the benefit of exporters and importers located in industrial centres which are situated at distance from sea ports. The purpose of establishing them was to promote the export and import in the country as these depots acts as a facilitator and reduce inconvenience to the exporter or importer. Section 80-IA provides for a deduction of profits derived from operation of an infrastructure facility. The definition of "infrastructure facility" in <i>Explanation</i> to section 80-IA(4)(i) includes an inland port. Considering the nature of work such as custom clearance carried out at inland container depots, it can be considered as an inland port within the meaning of section 80-IA(4).
13	CIT v. Meghalaya Steels Ltd (2016) 383 ITR 217	
	Issue	Decision
	Can transport subsidy, interest subsidy and power subsidy received from the Government be treated as profits "derived from" business or undertaking to qualify for deduction u/s 80-IB?	There is a direct nexus between profits and gains of the undertaking or business, and reimbursement of such subsidies. Transport subsidy, interest subsidy and power subsidy from Government were revenue receipts which were reimbursed to the assessee for elements of cost relating to manufacture or sale of their products. Thus, the subsidies were only in order to reimburse, wholly or partially, costs actually incurred by the assessee in the manufacturing and selling of its products. Accordingly, these subsidies qualify for deduction u/s 80-IB.
14	CIT v. Orchev Pharma P. Ltd. (2013) 354 ITR 227 [Liberty India v. CIT (2009) 317 ITR 218 followed]	
	Issue	Decision
	Can Duty Drawback be treated as profit derived from the business of the industrial undertaking to be eligible for deduction under section 80-IB?	DEPB / Duty drawback are incentives which flow from the schemes framed by the Central Government or from section 75 of the Customs Act, 1962. Section 80-IB provides for the allowing of deduction in respect of profits and gains derived from eligible business. However, incentive profits are not profits derived from eligible business under section 80-IB. They belong to the category of ancillary profits of such undertaking. Profits derived by way of incentives such as DEPB/Duty drawback cannot be credited against the cost of manufacture of goods debited in the statement of profit and loss and they do not fall within the expression "profits derived from industrial undertaking" u/s 80-IB. Hence, Duty drawback receipts and DEPB benefits do not form part of the profits derived from the eligible business for the purpose of the deduction u/s 80-IB.

15	Pr. CIT v. Aarham Softronics (and other appeals) [2019] 412 ITR 623	
	Issue	Decision
	Can an assessee who has set up a new industrial undertaking and availed deduction@100% of profits u/s 80-IC(3) for the 5 years, once again claim deduction@100% of profits on the basis of having undertaken "substantial expansion" thereafter?	Where an eligible unit carries out "substantial expansion" as defined in 80-IC(8) (ix) within the period of 10 years, the previous year in which the substantial expansion is undertaken would become "initial assessment year", and from that assessment year, the assessee shall again be entitled to 100% deduction of the profits and gains. Such deduction, however, would be for the period remaining out of 10 years, as per section 80-IC(6). For example, if the substantial expansion is carried out immediately, on the completion of first 5 years, the assessee would be entitled to 100% deduction again for the next 5 years. On the other hand, if substantial expansion is undertaken, say, in the 8th year, deduction would be 100% for the first 5 years, deduction at 25% for the next 2 years and at 100% again from the 8th year as this year becomes "initial assessment year" once again. This 100% deduction would be for the remaining 3 years only, i.e., 8th, 9th and 10th assessment years.
16	Union of India v. Tata Tea and Others (2017) 398 ITR 260	
	Issue	Decision
	Can dividend distribution tax u/s 115-O be levied in respect of the dividend declared out of agricultural income?	Dividend is not 'revenue derived from land' and hence cannot be termed as agricultural income in the hands of a shareholder. Hence, despite the company being involved in agricultural activities, in the shareholder's hands, the income is only dividend and not agricultural income. When dividend is declared to be distributed and paid to a company's shareholders, it is not impressed with character of the source of its income. Section 115-O is within the competence of the Union Parliament and therefore, dividend distribution tax can be levied in respect of the entire dividend declared and distributed by a tea company.
17	ITO v. Venkatesh Premises Co-operative Society Ltd. (2018) 402 ITR 670	
	Issue	Decision
	Whether certain receipts by co-operative societies from its members (non-occupancy charges, transfer charges, common amenity fund charges) are exempt based on the doctrine of mutuality?	The doctrine of mutuality is based on the common law principle that a person cannot make a profit from himself. Accordingly, the transfer charges, non-occupancy charges common amenity fund charges and other charges are exempt owing to application of the doctrine of mutuality.
18	CIT v. Govindbhai Mamaiya (2014) 367 ITR 498	
	Issue	Decision
	Where land inherited by three brothers is compulsorily acquired by the State Government, whether the resultant capital gain would be assessed in the status of "Association of Persons" (AOP) or in their individual status?	In this case, the property in question came to the assessee's possession through inheritance i.e., by operation of law. It is not a case where any 'association of persons' was formed by volition of the parties. Further, even the income earned in the form of interest is not because of any business venture of the three assesseees, but is the result of the act of the Government in compulsorily acquiring the said land. Thus, the basic test to be satisfied for making an assessment in the status of AOP is absent in this case. Hence, the income from asset inherited by the legal heirs is taxable in their individual hands and not in the status of AOP.
19	Joint CIT v. Rolta India Ltd. (2011) 330 ITR 470	
	Issue	Decision
	Can interest u/s 234B and 234C be levied where a company is assessed on the basis of book profits u/s 115JB?	Section 115JB(5) provides that all other provisions of the Income-tax Act, 1961 shall apply to every assessee, being a company, mentioned in that section. Section 115JB is a self-contained code pertaining to MAT, and by virtue of sub-section (5) thereof, the liability for payment of advance tax would be attracted. Therefore, if a company defaults in payment of advance tax in respect of tax payable under section 115JB, it would be liable to pay interest under sections 234B and 234C.
20	CIT v. Society for the Promotion of Education (2016) 382 ITR 6	
	Issue	Decision
	In a case where the charitable trust is deemed to be registered u/s 12A due to non-disposal of application within the period of 6 months, as stipulated u/s 12AA(2), from when would such deemed registration take effect?	Deemed registration would commence only after 6 months from the date of application. Note - In the light of the current provisions of section 12A(2), the exemption provisions of sections 11 and 12 would apply in relation to the income of the trust from the assessment year immediately following the financial year in which such application is made, even though the effective date of deemed registration would be after expiry of the six month period as per the Supreme Court ruling.

21	ITC Ltd v. CIT (2016) 384 ITR 14	
	Issue	Decision
	Whether "tips" received by the hotel-company from its customers (who made payment through credit card) and distributed to the employees would fall within the meaning of "Salaries" to attract tax deduction at source under section 192?	Section 15 applies when an employee has a vested right to claim any salary from an employer or former employer. However, in the case on hand, there is no vested right on the part of the employee to claim any amount of tips from the employer, since tips are purely voluntary amounts that may or may not be paid by customers for services rendered. The amount of tips paid by the employer to the employees had no reference to the contract of employment at all. Tips were received by the employer in a fiduciary capacity as trustee for payments that were received from customers which they disbursed to their employees for service rendered to the customer. There was, therefore, no reference to the contract of employment when these amounts were paid by the employer to the employee. Therefore, the tips received by the employees could not be regarded as "profits in lieu of salary" in terms of section 17(3). The payment by the employer of tips collected from the customers to the employees would not be a payment made "by or on behalf of" an employer. Such payments would be outside the purview of section 15(b) of the Act. The person who paid the tip was the customer and not the employer. Even though the amounts were with the employer, he had no title to the money and it was held in a fiduciary capacity as trustee for and on behalf of the employees. Therefore, in such a case, no liability to deduct tax at source under section 192 arises, and hence, the assessee company cannot be treated as an assessee in default for non-deduction of tax at source from the amount of tips collected and distributed to its employees.
22	Japan Airlines Co. Ltd. v. CIT / CIT v. Singapore Airlines Ltd. (2015) 377 ITR 372	
	Issue	Decision
	Are landing and parking charges paid by an airline company to Airports Authority of India in the nature of rent to attract tax deduction at source u/s 194-I?	The charges which are fixed by the AAI for landing and take-off services as well as for parking of aircrafts are not for the "use of the land". These charges are for services and facilities offered in connection with the aircraft operation at the airport which include providing of air traffic services, ground safety services, aeronautical communication facilities, installation and maintenance of navigational aids and meteorological services at the airport. Hence, the charges are not for use of the land per se and, therefore, it cannot be treated as "rent" within the meaning of section 194-I.
23	CIT and Anr v. SV Gopala and Others (2017) 396 ITR 694	
	Issue	Decision
	Does the CBDT have the power to amend legislative provisions through a Circular?	The CBDT does not have the power to amend legislative provisions in exercise of its powers under section 119 of the Income-tax Act, 1961 by issuing a Circular.
24	CIT v. Meghalaya Steels Ltd. (2015) 377 ITR 112	
	Issue	Decision
	Does the High Court have an inherent power under the Income-tax Act, 1961 to review an earlier order passed on merits?	High Courts being courts of record under article 215 of the Constitution of India, the power of review would inhere in them. There is nothing in article 226 of the Constitution to preclude a High Court from exercising the power of review which inheres in every court of plenary jurisdiction to prevent miscarriage of justice or to correct grave and palpable errors committed by it. Section 260A(7) does not purport in any manner to curtail or restrict the application of the provisions of the Code of Civil Procedure. Section 260A(7) only states that all the provisions that would apply qua appeals in the Code of Civil Procedure would apply to appeals under section 260A. That does not in any manner suggest either that the other provisions of the Code of Civil Procedure are necessarily excluded or that the High Court's inherent jurisdiction is in any manner affected.
25	CIT v. A.A. Estate Pvt. Ltd. (2019) 413 ITR 438	
	Issue	Decision
	Considering the procedure as prescribed u/s 260A, is the High Court justified in not framing any substantial question of law itself and adjudicating merely on the questions put forth by the appellant?	There lies a distinction between the questions proposed by the appellant for admission of the appeal to the High Court and the questions framed by the High Court. The substantial questions of law, which are proposed by the appellant, fall u/s 260A(2)(c) whereas the substantial question of law required to be framed by the High Court falls u/s 260A(3). U/s 260A(4), the appeal is heard on merits only on the substantial question of law framed by the High Court u/s 260A(3). If the High Court is of the view that the appeal did not involve any

		substantial question of law, it should have recorded a categorical finding to the effect that the questions proposed by the appellant either do not arise in the case or/and are not substantial questions of law so as to attract the rigour of section 260A for its admission and accordingly should have dismissed the appeal in limine. However, this was not done. Instead, the appeal was heard only on the questions urged by the appellant u/s 260A(2)(c), which is not in line with the requirement contained in section 260A(4). The High Court, therefore, did not decide the appeal in conformity with the mandatory procedure prescribed in section 260A.
26	<i>Spinacom India (P.) Ltd. v. CIT (2018) 258 Taxman 128</i>	
	Issue	Decision
	Whether delay in filing appeal u/s 260A can be condoned where the stated reason for delay is the pursuance of an alternate remedy by way of filing an application before the ITAT u/s 254(2) for rectification of mistake apparent on record?	The Supreme Court rejected the question of invoking section 14 of the Limitation Act, 1963 which allows condonation of delay on demonstration of sufficient cause. The Supreme Court refused to accept the submission that the application before the ITAT u/s 254(2) was an alternate remedy to filing of the application u/s 260A. The former is an application for rectifying a 'mistake apparent from the record' which is much narrower in scope than the latter. U/s 260A, an order of the ITAT can be challenged on substantial questions of law. The Supreme Court stated that the appellant had the option of filing an appeal u/s 260A while also mentioning in the Memorandum of Appeal that its application u/s 254(2) was pending before the ITAT. The time period for filing an appeal u/s 260A does not get suspended on account of the pendency of an application before the ITAT u/s 254(2).
27	<i>K. Lakshmansa and Co. v. CIT and Anr (2017) 399 ITR 657</i>	
	Issue	Decision
	Is an assessee receiving refund consequent to waiver of interest u/s 234A to 234C of the Income-tax Act, 1961 by the Settlement Commission, also entitled to interest on such refund u/s 244A?	The right to claim refund is automatic once the statutory provisions have been complied with. The statutory obligation to refund, being non-discretionary, carries with it the right to interest. Section 244A is clear and plain – it grants a substantive right of interest and is not procedural. U/s 244A, it is enough if the refund becomes due under the Income-tax Act, 1961 in which case the assessee shall, subject to the provisions of that section, be entitled to receive simple interest. The expression "due" only means that a refund becomes due pursuant to an order under the Act which either reduces or waives tax or interest. It does not matter that the interest being waived is discretionary in nature; the moment that discretion is exercised and refund becomes due consequently, a concomitant right to claim interest springs into being in favour of the assessee.
28	<i>Asstt. CIT v. Hotel Blue Moon (2010) 321 ITR 362; and CIT v. Laxman Das Khandelwal (2019) 417 ITR 325</i>	
	Issue	Decision
	Is the omission to issue notice u/s 143(2) a defect not curable u/s 292BB, inspite of participation by the assessee in assessment proceedings?	Without the statutory notice u/s 143(2), the Assessing Officer could not assume jurisdiction. In <i>Hotel Blue Moon's</i> case, the Assessing Officer recorded his inability to generate a notice as the return was not filed electronically. Such defect cannot be cured subsequently, since it is not procedural but one that goes to the root of the jurisdiction. Even though the assessee had participated in the proceedings, in the absence of mandatory notice, section 292BB cannot help the Revenue officers who have no jurisdiction, to begin with. Section 292BB helps Revenue in countering claims of assessee who have participated in proceedings once a due notice has been issued.
29	<i>Principal CIT v. Maruti Suzuki India Ltd. (2019) 416 ITR 613</i>	
	Issue	Decision
	Is notice issued u/s 143(2) and 142(1) to the amalgamating company, after approval of the scheme of amalgamation by the High Court and intimation of the same to the A.O., a defect curable under section 292B?	The consequence of the scheme of amalgamation approved under section 394 of the Companies Act, 1956 (section 232 of the Companies Act, 2013) was that the amalgamating company ceased to exist. It could not thereafter be regarded as a person u/s 2(31) against which assessment proceedings could be initiated or an order of assessment made. Notice u/s 143(2) was issued to the amalgamating company. Prior to the date on which the jurisdictional notice under section 143(2) was issued, the scheme of amalgamation had been approved by the High Court. Since the notice u/s 143(2) was issued in the name of the amalgamating company in spite of the fact that the amalgamated company had, prior to that date, addressed a communication to the Assessing Officer intimating the fact of amalgamation, the initiation of assessment proceedings against an entity which had ceased to exist was void ab initio. Further, participation in the proceedings by the amalgamated company would not cure this defect.

GOODS AND SERVICES TAX: A CAPSULE FOR QUICK RECAP

The subject-wise capsules published in the Students' Journal every month are one among the many initiatives of Board of Studies which aim at providing quality academic inputs to students of Chartered Accountancy Course. The Capsule is an educational aid that assist students in quick revision of select topics of a subject. This Capsule covers the topics "Registration" and "Tax invoice, credit and debit notes" of Paper 4B Indirect Taxes of Intermediate Course (Old as well as New).

The Capsule is based on the GST law as amended by the significant notifications/circulars issued till 31st October, 2019 and is thus, relevant for students appearing in May, 2020 examination. This Capsule should not be taken as a substitute for the detailed study of these topics. Students are advised to refer to the August, 2019 Edition of Study Material along with Statutory Update for May 2020 examination for comprehensive study and revision.

REGISTRATION

Nature of registration

The registration in GST is PAN based and State specific.

One registration per State/UT.

However, a business entity having separate **places of business** in a State may obtain separate registration for each of its **places of business**.

GST identification number called "GSTIN" - a 15-digit number and a certificate of registration incorporating therein this GSTIN is made available to the applicant on the GSTN common portal.

Registration under GST is not tax specific, i.e. single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cesses.

Persons liable to registration

Those who exceed threshold limit

• Threshold limit elaborated separately in the diagram below.

In case of transfer of business on account of succession, etc.

• **transferee** liable to be registered from the date of succession of business

In case of amalgamation/ demerger by an order of High Court etc.

• **transferee** liable to be registered from the date on which Registrar of Companies issues incorporation certificate giving effect to order of High Court etc.

Taxable Supplies

+ Exempt supplies

+ Exports

+ Inter State supplies

= Aggregate Turnover

Aggregate Turnover will be computed on All-India basis for same PAN

Applicable threshold limit

States with threshold limit of ₹ 10 lakh for both goods and services

• Manipur, Mizoram, Nagaland and Tripura

States with threshold limit of ₹ 20 lakh for both goods and services

• Arunachal Pradesh, Meghalaya, Sikkim, Uttarakhand, Puducherry and Telangana

States with threshold limit of ₹ 20 lakh for services and ₹ 40 lakh for goods (exclusive)

• Jammu and Kashmir, Assam, Himachal Pradesh, All other States

Compulsory registration in certain cases

Inter-State supplier

Casual taxable person

Person receiving supplies on which tax is payable by recipient on reverse charge basis

Non-resident taxable persons

A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal)

Person/class of persons notified by the Central/State Government

Persons not liable for registration

Person engaged exclusively in supplying goods/services/both not liable to tax/wholly exempt from tax

Agriculturist limited to supply of produce out of cultivation of land

Persons making only reverse charge supplies

Persons making inter-State supplies of taxable services up to ₹ 20 lakh

Persons making inter-State taxable supplies of notified handicraft goods up to ₹ 20 lakh

Casual Taxable Persons making inter-State taxable supplies of notified handicraft goods up to ₹ 20 lakh

Where and by when to apply for registration?

Person who is liable to be registered under section 22 or section 24

- in every such State/UT in which he is so liable
- within 30 days from the date on which he becomes liable to registration

A casual taxable person or a non-resident taxable person

- in every such State/UT in which he is so liable
- at least 5 days prior to the commencement of business

Voluntary Registration and UIN

Voluntary Registration • Person not liable to be registered under sections 22/24 may get himself registered voluntarily.

Unique Identification Number (UIN) • In respect of supplies to some notified agencies of United Nations organisation, multinational financial institutions and other organisations, a UIN is issued.

Effective date of registration

Application submitted **within 30 days** of the applicant becoming liable to registration • Effective date is the date on which he becomes liable to registration

Application submitted **after 30 days** of the applicant becoming liable to registration • Effective date is date of grant of registration

Procedure for registration

Part I

Every person liable to get registered and person seeking voluntary registration shall, before applying for registration, declare his Permanent Account Number (PAN), mobile number, e-mail address, State/UT in **Part A of FORM GST REG-01** on GST Common Portal.

PAN, mobile number & e-mail address are validated.

PAN validated online by Common Portal from CBDT database

Mobile number and email verified through one time password sent to it.

Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.

Using TRN, applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal.

On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A **Casual Taxable Person (CTP)** applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.*

Application shall be forwarded to the Proper Officer.

The procedure after receipt of application by the Proper Officer is depicted in Part II.

Part II

Proper Officer examines the application and accompanying documents.

If same are found in order?

No

Proper Officer issues notice electronically, **within 3 working days** from application date thereby seeking clarification**, information or documents from the applicant.

Yes
within 3 working days from the date of submission of application

If applicant has furnished the clarification**, information or documents within 7 working days from receipt of notice?

No

Yes

If proper officer is satisfied with it?

No

Yes

Proper officer will grant registration certificate in **Form GST REG-06**

within 7 working days from the date of receipt of information/clarification/ documents

Proper officer will reject the application for reasons to be recorded in writing.

****Clarification** includes modification/correction of particulars declared in the application for registration, other than PAN, State, Mobile No. & E-mail address.

Deemed Approval of Application

If the proper officer fails to take any action -

- within **3 working days** from the date of submission of application, or
- within **7 working days** from the date of receipt of clarification, information or documents furnished by the applicant, the application for grant of registration shall be deemed to have been approved.

Special procedure for registration of CTP and NRTP

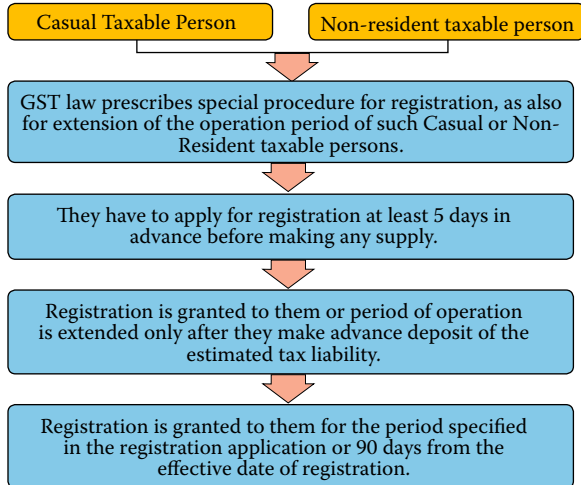
Casual Taxable Person

A Casual taxable person is one who has a registered business in some State in India, but wants to effect supplies from some other State in which he is not having any fixed place of business.

Such person needs to register in the State from where he seeks to supply as a Casual taxable person.

Non-resident Taxable Person

A Non-Resident taxable person is one who is a foreigner and occasionally wants to effect taxable supplies from any State in India, and for that he needs GST registration.



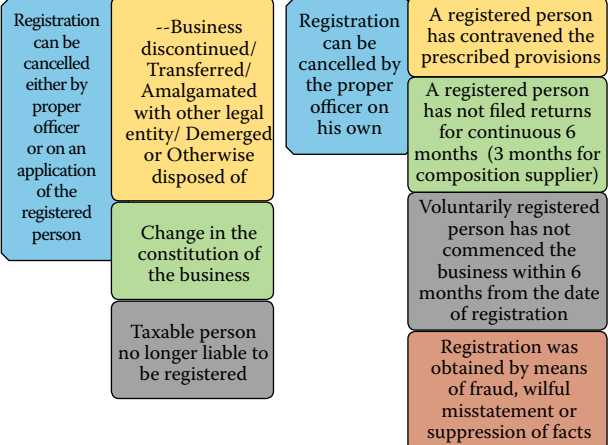
Amendment of Registration

Except for the changes in some core information in the registration application, a taxable person shall be able to make amendments without requiring any specific approval from the tax authority.

In case the change is core fields of information, the taxable person will apply for amendment within 15 days of the event necessitating the change. The Proper Officer, then, will approve the amendment within the next 15 days.

For changes in non-core fields, no approval of the Proper Officer is required, and the amendment can be affected by the taxable person on his own on the common portal.

Cancellation of registration



Suspension of registration

Once a registered person has applied for cancellation of registration or the proper officer seeks to cancel his registration, proper officer may suspend his registration during pendency of proceedings relating to cancellation of registration filed by such registered person.

Procedure for Cancellation

Where the registered person applies for cancellation

Registered person seeking cancellation shall apply for the same within **30 days** of occurrence of the event warranting cancellation, in prescribed form, furnishing the details of inputs held in stock or inputs contained in semi-finished/finished goods held in stock and of capital goods held in stock on the date from which cancellation of registration is sought, liability thereon, payment, if any made & relevant documents.

Proper officer (PO) shall issue the order of cancellation within 30 days of submission of application for the same.

Where the proper officer cancels the registration

PO shall issue a SCN to the registered person who has to reply to said notice within 7 days.

Proceedings shall be dropped

If reply to SCN is satisfactory

Where instead of replying to SCN, person furnishes all pending returns & makes full payment of tax along with interest & late fee.

Cancellation order shall be issued within 30 days of reply to SCN where registration is liable to be cancelled

Revocation of cancellation

In case where registration is cancelled suo-motu by the proper officer, the taxable person can apply within 30 days of service of cancellation order, requesting the officer for revoking the cancellation ordered by him.

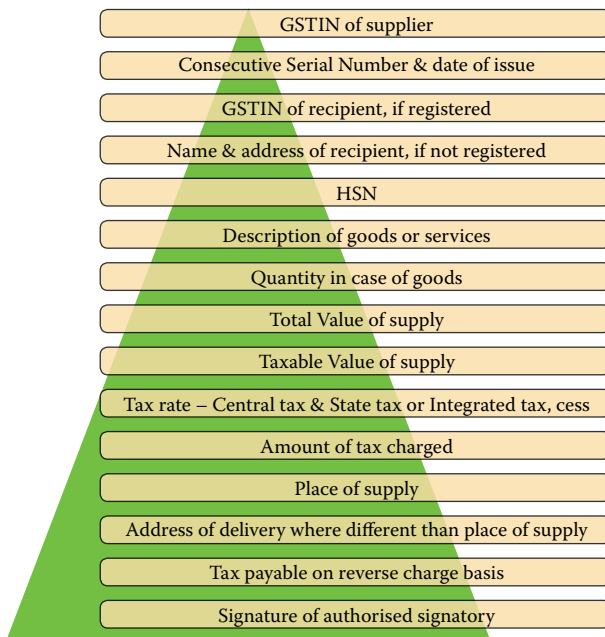
However, before so applying, the person has to make good the defaults (by filing all pending returns, making payment of all dues and so) for which the registration was cancelled by the officer.

If satisfied, the proper officer will revoke the cancellation earlier ordered by him.

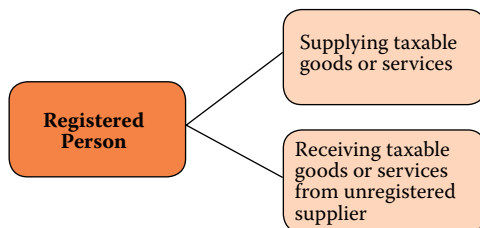
However, if the officer concludes to reject the request for revocation of cancellation, he will first observe the principle of natural justice by way of issuing notice to the person and hearing him on the issue.

TAX INVOICE

Important Contents of tax invoice



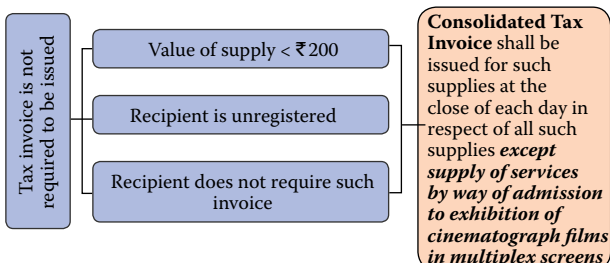
Who can raise a tax invoice?



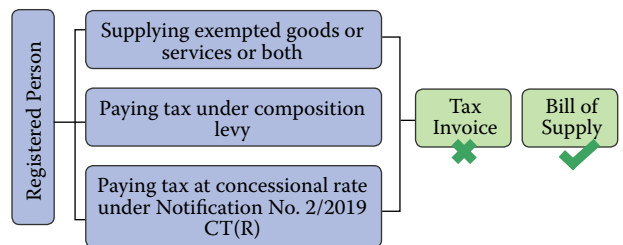
Manner of issuing the invoice

Supply of Goods	Supply of services
Triplicate	Duplicate
Original copy for recipient Duplicate copy for transporter; and Triplicate copy for supplier	Original copy for recipient; and Duplicate copy for supplier
The serial number of invoices issued during a month / quarter shall be furnished electronically in FORM GSTR-1.	

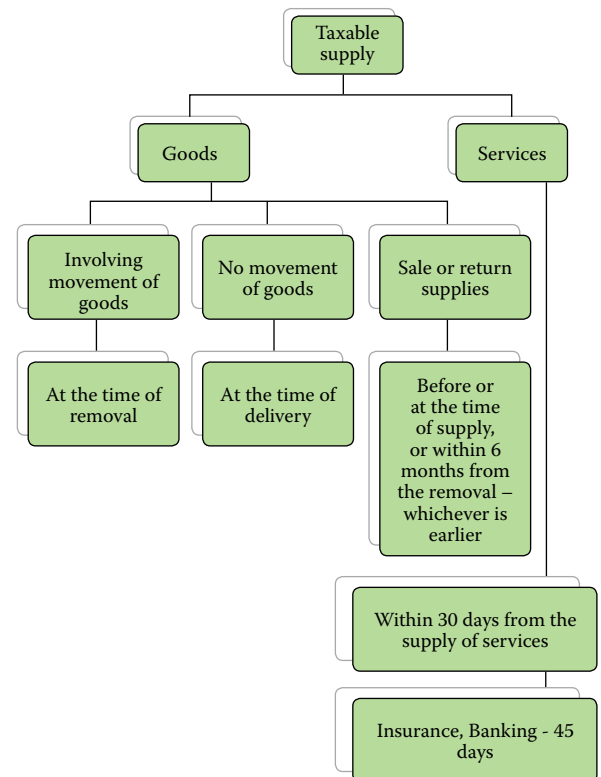
Consolidated Tax Invoice



Bill of Supply



Time limit for issuance of invoice



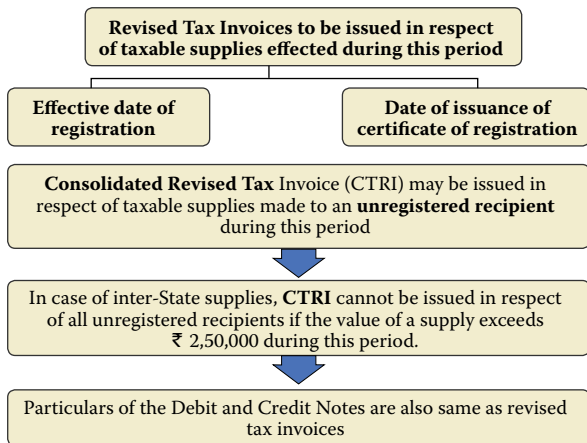
In case of continuous supply of goods

before/at the time each successive statements of accounts is issued or each successive payment is received

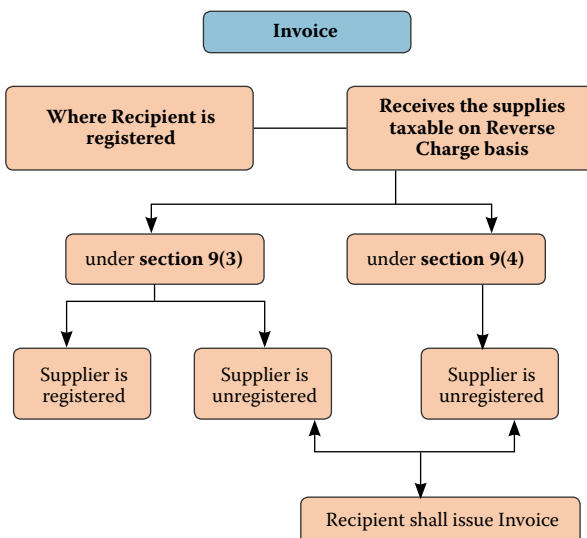
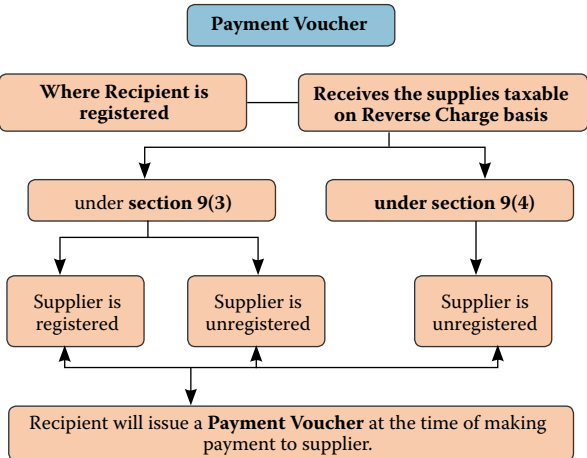
In case of continuous supply of services

- Where due date of payment is ascertainable from the contract, invoice to be issued on/ before due date of payment
- Where due date of payment is not so ascertainable, invoice to be issued before/at the time of receipt of payment
- Where payment is linked to the completion of an event, invoice to be issued on/before the date of completion of that event

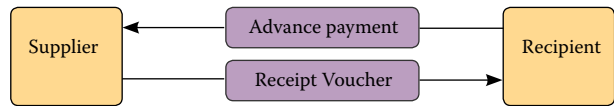
Revised Tax Invoice



Invoice and Payment Vouchers to be issued by recipient of supply liable to pay tax under reverse charge



Receipt Voucher

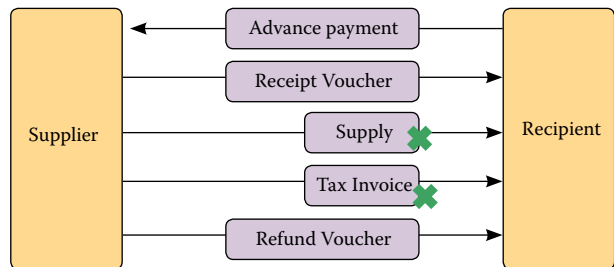


Where at the time of receipt of advance, rate of tax/ nature of supply is not determinable

Where at the time of receipt of advance

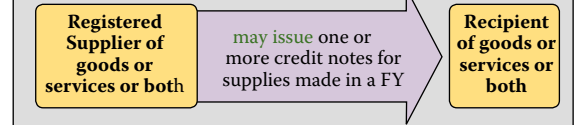
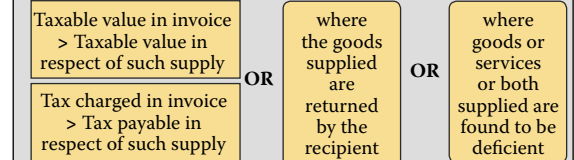
(i) rate of tax is not determinable	tax shall be paid at the rate of 18%
(ii) nature of supply is not determinable	same shall be treated as inter-State supply

Refund Voucher



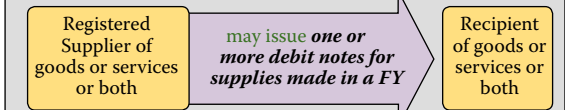
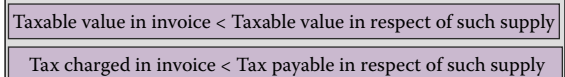
Credit Notes

Where **one or more tax invoices have** issued for supply of any goods or services or both



Debit Notes

Where **one or more tax invoices have** been issued for supply of any goods or services or both

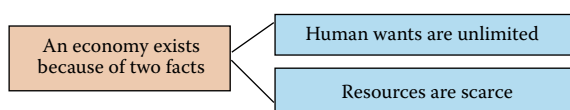


CAPSULE ON BUSINESS ECONOMICS

Economics deals with problems and questions that affect all kinds of individuals in their capacities as consumers and producers. Therefore, economic literacy is essential for everyone. Business Economics, which is being taught at the Foundation level, has been developed keeping in mind the fact that CAs now a days have to take up the role of not merely an accountant or auditor, but also as a business solution provider. Business Economics integrates economic theory with business practices and help business in the process of decision making. Significant parts of Chapter 1 and 2 are covered here. Remaining will be covered in the forthcoming issue of Student's Journal. You are advised to read and understand the study material for a thorough understanding of the topic. This capsule on Foundation Paper 4, Part I is intended to assist you in the process of revision of concepts discussed in the study material.

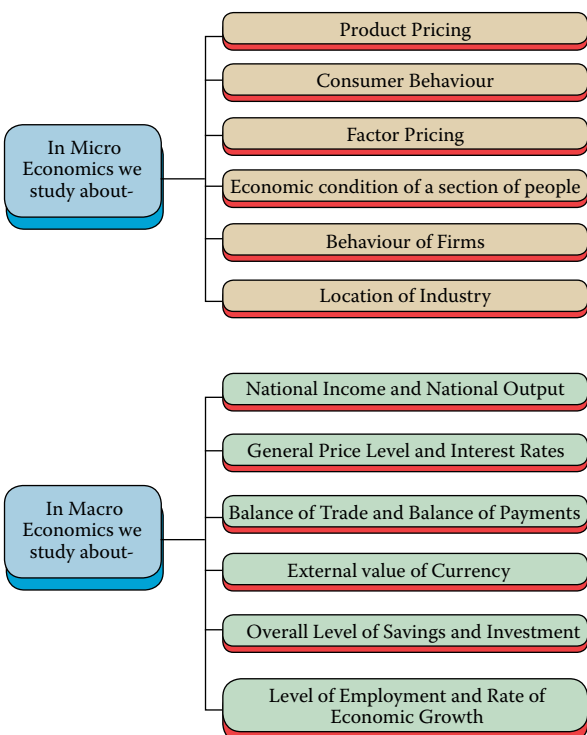
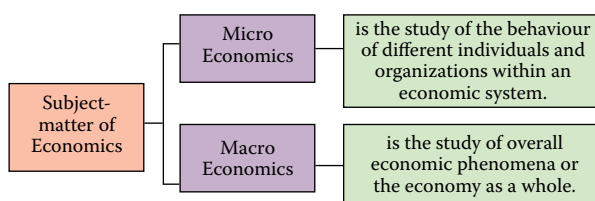
Economics

Economics is the study of processes by which the relatively scarce resources are allocated to satisfy the competing unlimited wants of human beings in a society.



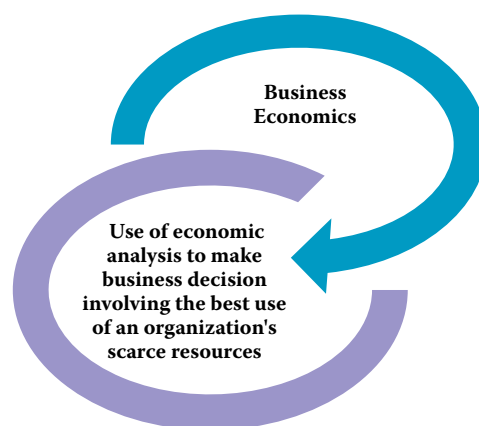
Subject –matter of Economics

Economics is broadly divided into two major parts- Micro Economics and Macro Economics



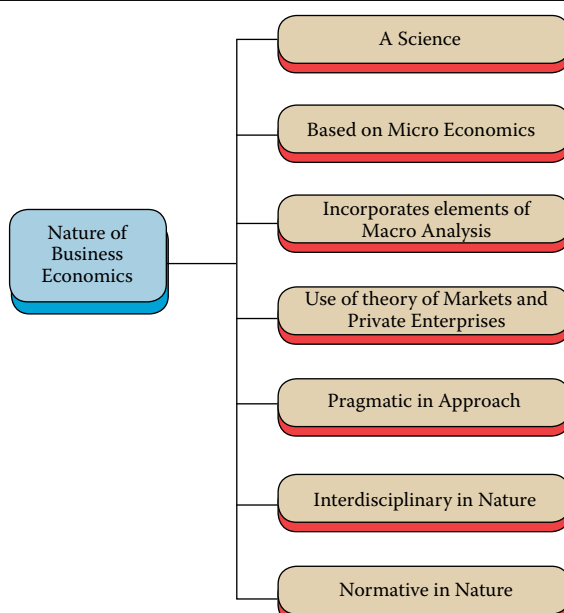
Business Economics

enables application of economic logic and analytical tools to bridge the gap between theory and practice.



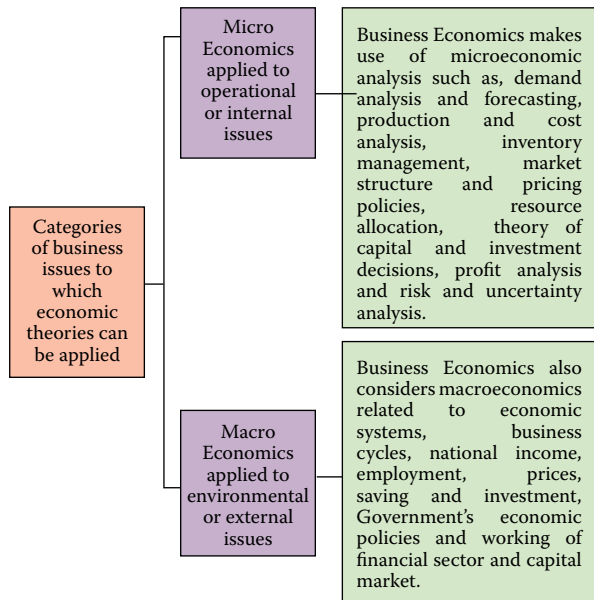
Nature of Business Economics

Business Economics is basically concerned with Micro Economics. However, Macro Economic analysis has got an important role to play in Business Economics. Macro Economics analyzes the environment in which the business has to function.



Scope of Business Economics

The scope of Business Economics is quite wide. It covers most of the practical problems a manager or a firm faces.



Central Economic Problems

What to Produce ?	How to Produce ?	For whom to Produce ?	What Provisions are to be made for Economic Growth ?
Since the resources are limited, every society has to decide which goods and services should be produced and how many units of each good (or service) should be produced.	It has to decide whether to use labour-intensive techniques or capital-intensive techniques. The choice would depend on the availability of different factors of production and their relative prices.	How the goods (and services) should be distributed among the members of the society.	A society has to decide how much saving and investment (i.e. how much sacrifice of current consumption) should be made for future progress.

The basic economic problems of what, how and for whom to produce are solved by different economies in different ways.

Three broad classifications of Economies

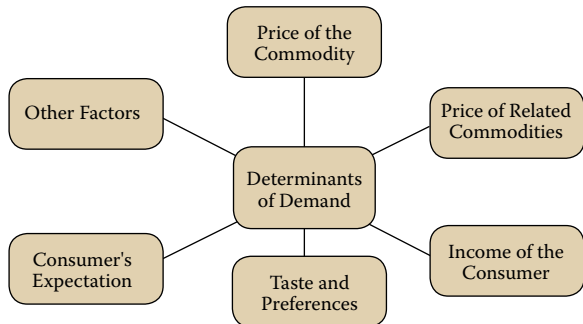
Capitalist Economy	Socialist Economy	Mixed Economy
Uses the tool of price mechanism	Uses the tool of central planning	Uses the tool mix of both price mechanism and central planning

Meaning of Demand

Demand means desire or wish to buy and consume a commodity or service backed by adequate ability to pay and willingness to pay during a given period of time.

Determinants of Demand

Demand for a product depends on a number of determinants / variables. The study of relationship between demand and its determinants is essential for a business firm. It helps in estimating market demand for its product.

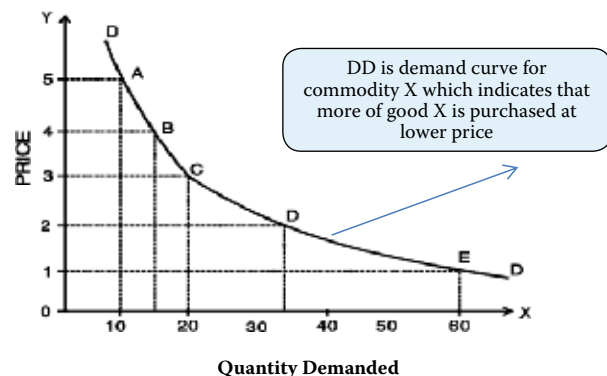


Demand Function

- It states the relationship between the demand for a product and its determinants. It may be expressed as follows-
 - $D_x = f(P_x, M, P_y, P_c, T, A)$
 - where D_x is the quantity demanded of product X
 - P_x is the price of the commodity
 - M is the money income of the consumer
 - P_y is the price of its substitutes
 - P_c is the price of its complementary goods
 - T is consumer tastes, and
 - A is advertisement expenditure

Law of Demand

According to the law of demand, other things being equal, if the price of a commodity falls, the quantity demanded of it will rise and if the price of a commodity rises, its quantity demanded will decline. Thus, there is an inverse relationship between price and quantity demanded, ceteris paribus.



Demand Curve for Commodity X

Movement along the Demand Curve

- Contraction of Demand - Other things being equal, when the price rises and as a response, the quantity demanded decreases, it is a contraction of demand or an upward movement along the same demand curve
- Expansion of Demand - When the price falls and the quantity demanded increases, it is an extension of demand or a downward movement on the same demand curve.

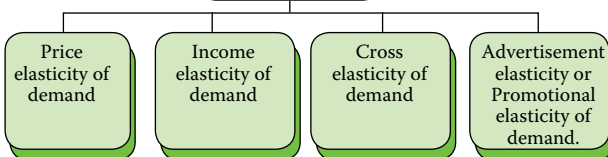
Shift of the Demand Curve

- The demand curve will shift to the right when there is a rise in income (unless the good is an inferior one), a rise in the price of a substitute, a fall in the price of a complement, a rise in population and a change in tastes in favour of commodity. The opposite changes will shift the demand curve to the left.

Elasticity of Demand

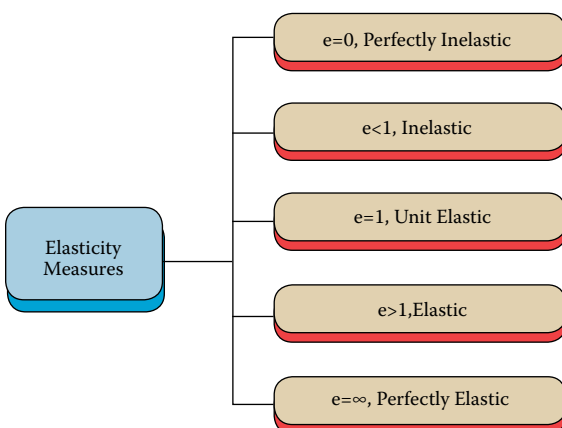
- Elasticity of demand is defined as the responsiveness of the quantity demanded of a good to changes in one of the variables on which demand depends. More precisely, elasticity of demand is the percentage change in quantity demanded divided by the percentage change in one of the variables on which demand depends.

Types of Elasticity of Demand



Price Elasticity of Demand

- Price Elasticity of Demand refers to the percentage change in quantity demanded of a commodity as a result of a percentage change in price of that commodity.
- As demand curve slopes downwards to the right, the sign of price elasticity is negative.
- We normally ignore the sign of elasticity and concentrate on the coefficient. Greater the absolute coefficient, greater is the price elasticity.
- In symbolic form, price elasticity (E_p) = $\% \text{ change in quantity demanded} \div \% \text{ change in price.}$

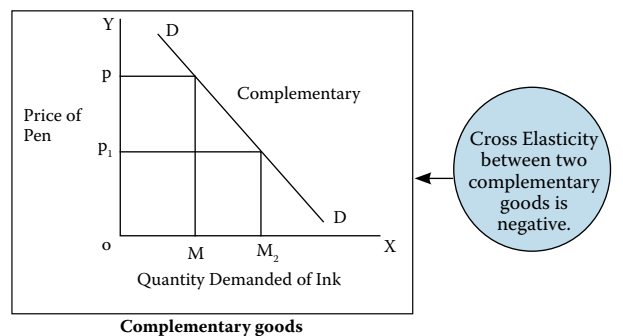
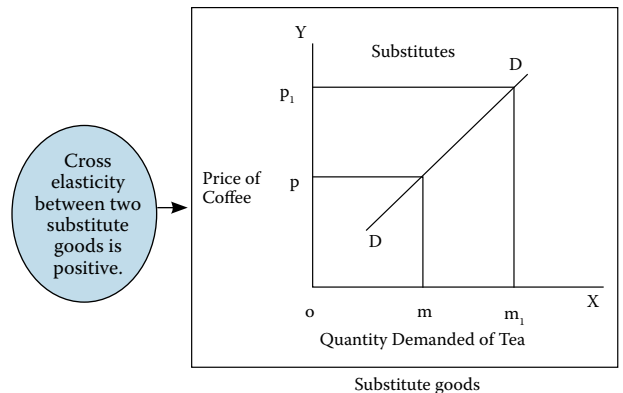


Income Elasticity of Demand

- Income elasticity of demand is the degree of responsiveness of quantity demanded of a good to changes in the income of consumers. In symbolic form, $\text{percentage change in demand} \div \text{percentage change in income}$.
- For all normal goods, income elasticity is positive, on the other hand, goods having negative income elasticity are known as inferior goods.
- If the income elasticity for a good is greater than one, such goods are called luxury goods. On the other hand, if the income elasticity is less than one, it is a necessity.

Cross Elasticity of Demand

- The cross elasticity of demand is the percentage change in the quantity demanded of commodity X as a result of a percentage change in the price of some related commodity Y.

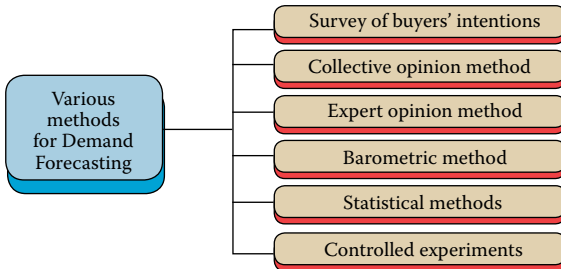


Advertisement Elasticity of Sale

- Advertisement elasticity of sales or promotional elasticity of demand is the responsiveness of a good's demand to changes in firm's spending on advertising.
- The advertising elasticity of demand measures the percentage change in demand that occurs given a one percent change in advertising expenditure.
- Advertising elasticity measures the effectiveness of an advertisement campaign in bringing about new sales.
- Advertising elasticity of demand is typically positive. Higher the value of advertising elasticity greater will be the responsiveness of demand to change in advertisement. Advertisement elasticity varies between zero and infinity.
- It is measured by $\% \text{ change in demand} \div \% \text{ change in spending on advertising.}$

Demand Forecasting

- Forecasting of demand is the art and science of predicting the probable demand for a product or a service at some future date on the basis of certain past behaviour patterns of some related events and the prevailing trends in the present..



Meaning of Utility

It refers to the want satisfying power of goods and services. It is not absolute but relative. It is a subjective concept and it depends upon the mental attitude of people.

Law of Diminishing Marginal Utility

It states that as a consumer increases the consumption of a commodity, every successive unit of the commodity gives lesser and lesser satisfaction to the consumer.

Total Utility $TU = MU_1 + MU_2 + \dots + MU_n$

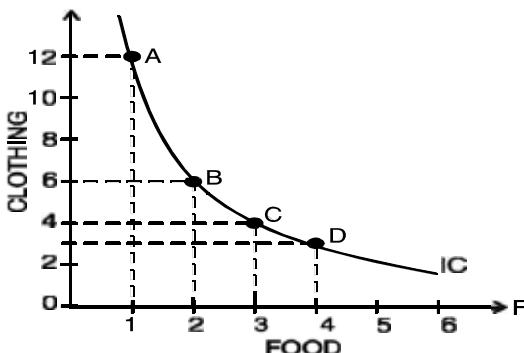
Marginal Utility $MU_n = TU_n - TU_{n-1}$

Consumer's Surplus

What a consumer is ready to pay - What he actually pays

Indifference Curve

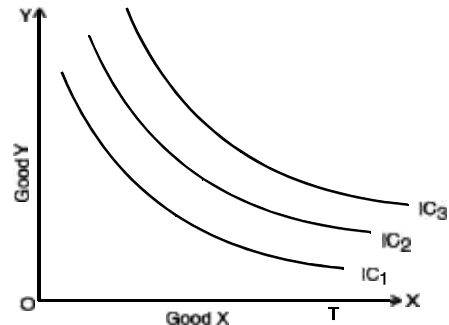
is a curve which represents all those combinations of two goods which give same satisfaction to the consumer. Since all the combinations on an indifference curve give equal satisfaction to the consumer, the consumer is indifferent among them



Consumer's indifference curve

An Indifference Map

represents a collection of many indifference curves where each curve represents a certain level of satisfaction.



Indifference Map

Properties of indifference curve

- Indifference curve slopes downwards to the right
- It is always convex to the origin
- Two ICs never intersect each other
- It will never touch the axes
- Higher the indifference curve higher is the level of satisfaction.

Marginal rate of Substitution

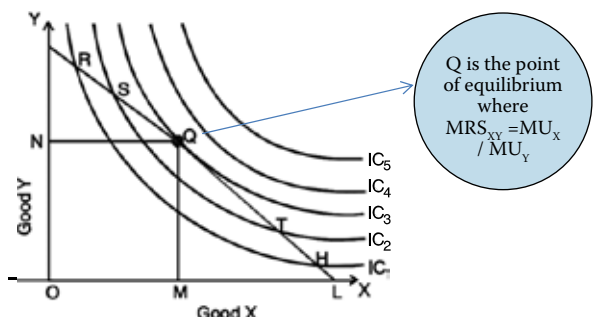
$$MRS_{xy} = MU_x / MU_y$$

Budget Line/ Price Line

Budget line or price line shows all those combinations of two goods which the consumer can buy spending his given money income on the two goods at their given prices.

Consumer's Equilibrium

- A consumer is said to be in equilibrium when he is deriving maximum possible satisfaction from the goods and is in no position to rearrange his purchase of goods.
- The consumer attains equilibrium at the point where the budget line is tangent to the indifference curve and $MU_x / P_x = MU_y / P_y = MU_z / P_z$



Consumer's Equilibrium

NEWS UPDATES

FINANCE UPDATES

SEBI asks investment advisers to do clients' risk profiling, bans free trial of services

To further strengthen the conduct of investment advisers, markets regulator Securities and Exchange Board of India (SEBI) asked them to do proper risk profiling of clients and obtain their consent on the same before providing any advice to such investors.

The SEBI noted that Investment Advisers (IAs) are providing advice on a free trial basis without considering risk profile of the client. The regulator therefore restrained investment advisers from providing free trial for any product and service.

To bring transparency in dealing with the clients, SEBI has asked IAs to accept fees through banking channels only. It has clarified that IAs shall not accept cash deposits. SEBI observed that investment advisers are receiving advisory fee in the form of cash deposit in their bank accounts or through payment gateways which does not provide proper audit trail of fees received from the clients.

<https://www.moneycontrol.com/news/business/markets/sebi-asks-investment-advisers-to-do-clients-risk-profiling-bans-free-trial-of-services-4766771.html>

RBI's 'Operation Twist' promise drags down long-term yields sharply

Central bank Reserve Bank of India (RBI) announced in December 2019 that it will conduct simultaneous sale and purchase of ₹10,000 crore of government securities of varying tenor. While it will sell short-term bonds of ₹10,000 crore, it will also purchase long-term securities of the same value.

While the net liquidity in the system will remain unchanged, experts said that the anomaly between the yields of short and long-term bonds will be corrected. Yields in the short term had fallen below RBI's benchmark repo rate of 5.15% and the term premium for long-dated paper had touched around 150 basis points (bps), making the yield curve steeper. RBI's Operation Twist will now help recalibrate the yield curve.

Moreover, with the long-term yields coming down, the government will be able to borrow money cheaper against its bonds, as well as induce demand for private sector loans.

<https://www.livemint.com/industry/banking/rbi-s-operation-twist-to-pave-way-for-cheaper-government-borrowing-11577000331452.html>

BHEL, HDFC, Kotak Mahindra, 5 others to list commercial papers on BSE

Recently BHEL, HDFC, Kotak Mahindra Prime, Tata Steel Ltd, Sterlite Technologies, Vardhman Special Steels, Kotak Mahindra

Investments and Tata Steel BSL made an application to list commercial paper at BSE for an issue size of ₹ 1,150 crore, ₹ 1,000 crore, ₹ 575 crore, ₹ 500 crore, ₹ 100 crore, ₹ 80 crore, ₹ 75 crore and ₹ 75 crore, respectively, at Bombay Stock Exchange (BSE).

<https://economictimes.indiatimes.com/markets/stocks/news/bhel-hdfc-kotak-mahindra-5-others-to-list-commercial-papers-on-bse/articleshow/72984093.cms>

With mandatory pre-trade allocation, SEBI to plug IPO-arbitrage in MFs

The SEBI wants to plug the arbitrage play that Mutual Fund (MF) houses deploy during Initial Public Offering (IPO) to benefit one scheme over another. To meet this end, the market watchdog wants to make pre-trade allocations mandatory for all institutional investors.

https://www.business-standard.com/article/markets/with-mandatory-pre-trade-allocation-sebi-to-plug-ipo-arbitrage-in-mfs-119123000317_1.html

SEBI keeping tabs on social media for insider trading clues

In December 2019, the SEBI passed an order in an insider trading case pertaining to Fidelity Group after tying two of the accused to a profile in jainshubhbandhan.com, an online matrimonial site.

Matrimonial sites, Facebook and Instagram — social media is becoming a hunting ground for SEBI as it seeks to trace connections in various insider trading cases, especially when it's unable to establish links through conventional ways such as know-your-customer (KYC) documents or bank account transactions.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-keeping-tabs-on-social-media-for-insider-trading-clues/articleshow/73053225.cms>

Mutual fund houses see red as SEBI asks them to monitor listed companies

A proposed code asking fund managers to monitor corporate governance issues in the companies that they invest in has raised concern among several mutual and Alternative Investment Funds (AIFs), which have flagged the move as one that will increase their compliance burden.

The SEBI put out a circular in December 2019 asking mutual funds and all categories of AIFs to "shoulder greater responsibility" by monitoring their investee companies from April 1, 2020.

<https://economictimes.indiatimes.com/mf/analysis/mutual-fund-houses-see-red-as-sebi-asks-them-to-monitor-listed-companies/articleshow/73221879.cms>

ECONOMIC UPDATE

World Bank cuts India's FY20 growth estimates to 5% from earlier 6%-

The World Bank lowered its growth estimate for India to 5 per cent for the current fiscal from the earlier projection of 6 per cent. The multilateral development lender also expects India's growth to pick up slightly to 5.8 per cent in the next fiscal.

World Bank's Global Economic Prospects report stated weakness in credit from non-banking financial companies (NBFCs) as one of the primary reasons behind the growth rate cut.

<https://www.businesstoday.in/current/economy-politics/world-bank-cuts-india-fy20-growth-estimates-5-percent-from-earlier-6-percent/story/393431.html>

Important Announcement

Student may refer below mentioned link for "Applicability of Standards / Guidance Notes / Legislative Amendments etc. for May, 2020 Examination"

Final Examination: <https://resource.cdn.icai.org/57801bos47085finalold.pdf>

Final (New) Examination: <https://resource.cdn.icai.org/57800bos47085finalnew.pdf>

Intermediate (IPC) Examination: <https://resource.cdn.icai.org/57803bos47085ipc.pdf>

Intermediate (New Course) Examination: <https://resource.cdn.icai.org/57802bos47085inter.pdf>

Director, Board of Studies



1st January, 2020

IMPORTANT ANNOUNCEMENT

No. 13-CA (EXAM)/M/2020: In pursuance of Regulation 22 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India is pleased to announce that the next Chartered Accountants Foundation Course {Under New Scheme}, Intermediate (IPC) {Under Old Scheme}, Intermediate {Under New Scheme} and Final {Under Old & New Scheme} Examinations will be held on the dates given below at the following places provided that sufficient number of candidates offer themselves to appear from each centre.

Similarly, Examinations in Post Qualification Course under Regulation 204, viz.: International Trade Laws and World Trade Organisation (ITL & WTO) and International Taxation – Assessment Test (INTT – AT) (which is open to the members of the Institute) will be held on the dates and places (centres in India only) which are given below provided that sufficient number of candidates offer themselves to appear from each of the below mentioned places.

FOUNDATION COURSE EXAMINATION – Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 25 F (3) of the Chartered Accountants Regulations, 1988.]

11th, 13th, 15th & 17th May 2020

INTERMEDIATE (IPC) COURSE EXAMINATION – Under OLD SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 28 E (3) of the Chartered Accountants Regulations, 1988.]

Group-I: 3rd, 5th, 8th & 10th May 2020

Group-II: 12th, 14th & 16th May 2020

INTERMEDIATE COURSE EXAMINATION – Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 28 G (4) of the Chartered Accountants Regulations, 1988.]

Group-I: 3rd, 5th, 8th & 10th May 2020

Group-II: 12th, 14th, 16th & 18th May 2020

FINAL COURSE EXAMINATION - Under OLD SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 31 (ii) of the Chartered Accountants Regulations, 1988.]

Group –I: 2nd, 4th, 6th & 9th May 2020

Group –II: 11th, 13th, 15th & 17th May 2020

FINAL COURSE EXAMINATION - Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 31 (iv) of the Chartered Accountants Regulations, 1988.]

Group –I: 2nd, 4th, 6th & 9th May 2020

Group –II: 9th, 13th, 15th & 17th November 2019

INTERNATIONAL TRADE LAWS AND WORLD TRADE ORGANISATION (ITL & WTO), Part I EXAMINATION

Group A: 3rd & 5th May 2020

Group B: 8th & 10th May 2020

INTERNATIONAL TAXATION – ASSESSMENT TEST (INTT – AT)

11th & 13th May 2020

It may be emphasized that there would be no change in the examination schedule in the event of any day of the examination schedule being declared a Public Holiday by the Central Government or any State Government / Local Holiday.

Candidates may note that two of the papers viz. Paper(s) 3 & 4 of Foundation Examination are of 2 hours duration. Similarly, Elective Paper - 6 of Final Examination (under New Scheme) is of 4 hours. However, all other examinations are of 3 hours duration, and the examination wise timing(s) are given below:

Examination	Paper(s)	Exam. Timings (IST)	Duration
Foundation	Paper 1 & 2	2 PM to 5 PM	3 Hours
	Paper 3 & 4*	2 PM to 4 PM	2 Hours
Intermediate (IPC)	All Papers	2 PM to 5 PM	3 Hours
Intermediate (New Scheme)	All Papers	2 PM to 5 PM	3 Hours
Final (Old Scheme)	All Papers	2 PM to 5 PM	3 Hours
Final (New Scheme)	Paper 1 to 5 & Paper 7 & 8.	2 PM to 5 PM	3 Hours
	Paper 6 (Elective)	2 PM to 6 PM	4 Hours
Post Qualification Course Examinations i.e. (ITL & WTO), Part I and (INTT – AT)	ALL	2 PM to 5 PM	3 Hours

*In Paper 3 and 4 of Foundation Examination and all papers of Post Qualification Course Examinations there will not be any advance reading time, whereas in all other papers / exams mentioned above, an advance reading time of 15 minutes will be given from 1.45 PM (IST) to 2 PM (IST).

Foundation Course Examination is to be held along with Final Group –II Examinations on 11th, 13th, 15th & 17th May, 2020 and the Post Qualification Course Examination i.e. INTT - AT is to be held along with Final Group – II Examination on 11th and 13th May, 2020 whereas ITL & WTO examination is to be held along with 4 papers, Group – I of Intermediate (IPC) / Intermediate Examinations.

EXAMINATION ||

PLACES OF EXAMINATION CENTRES IN INDIA:

The Chartered Accountants examinations in May 2020 will be held in the following cities:

Sl. No.	Name of the Cities	Sl. No.	Name of the Cities	Sl. No.	Name of the Cities
1	AGRA	2	AHMEDABAD	3	AHMEDNAGAR
4	AJMER	5	AKOLA	6	ALAPPUZHA
7	ALIGARH	8	ALLAHABAD (PRAYAGRAJ)	9	ALWAR
10	AMBALA	11	AMBIKAPUR* (CHHATTISGARH)	12	AMRAVATI
13	AMRITSAR	14	ANAND	15	ANANTAPUR
16	ASANSOL	17	AURANGABAD	18	BADLAPUR
19	BAHADURGARH	20	BALOTRA*	21	BANSWARA
22	BAREILLY	23	BATHINDA	24	BEAWAR
25	BEED	26	BELGAUM	27	BELLARY
28	BENGALURU	29	BERHAMPORE (ODISHA)	30	BHAGALPUR
31	BHARATPUR	32	BHARUCH	33	BHAVNAGAR
34	BHILWARA	35	BHIWANDI	36	BHIWANI
37	BHOPAL	38	BHUBANESWAR	39	BHUJ
40	BIKANER	41	BILASPUR	42	BULANDSHAHR
43	BURHANPUR	44	CHANDIGARH	45	CHANDRAPUR
46	CHENNAI	47	CHHINDWARA	48	CHITTORGARH
49	CHURU	50	COIMBATORE	51	CUTTACK
52	DARBHANGA	53	DAVANGERE	54	DEHRADUN
55	DELHI / NEW DELHI	56	DHANBAD	57	DHULE
58	DIBRUGARH	59	DURG	60	DURGAPUR
61	ELURU	62	ERNAKULAM	63	ERODE
64	FARIDABAD	65	FATEHABAD	66	FIROZABAD
67	GANDHIDHAM	68	GANDHINAGAR	69	GHAZIABAD
70	GONDIA	71	GORAKHPUR	72	GUNTUR
73	GURGAON	74	GUWAHATI	75	GWALIOR
76	HALDWANI	77	HARIDWAR	78	HISAR
79	HUBLI	80	HYDERABAD	81	ICHALKARANJI
82	INDORE	83	JABALPUR	84	JAIPUR
85	JALANDHAR	86	JALGAON	87	JALNA
88	JAMMU	89	JAMNAGAR	90	JAMSHEDPUR
91	JHANSI	92	JHARSUGUDA	93	JHUNJHUNU
94	JIND	95	JODHPUR	96	JUNAGADH
97	KADAPA	98	KAITHAL	99	KAKINADA
100	KALABURGI* (GULBARGA)	101	KANCHEEPURAM	102	KANNUR
103	KANPUR	104	KARIMNAGAR	105	KARNAL
106	KISHANGARH	107	KOLHAPUR	108	KOLKATA
109	KOLLAM	110	KOTA	111	KOTTAYAM
112	KOZHICODE	113	KUMBAKONAM	114	KURNOOL
115	KURUKSHETRA	116	LATUR	117	LUCKNOW
118	LUDHIANA	119	MADURAI	120	MALAPPURAM
121	MANDSAUR	122	MANGALORE	123	MAPUSA (GOA)
124	MARGAO (GOA)	125	MATHURA	126	MEERUT
127	MORADABAD	128	MUMBAI	129	MUZAFFARNAGAR
130	MUZAFFARPUR	131	MYSORE	132	NAGPUR
133	NANDED	134	NASHIK	135	NAVI MUMBAI
136	NAVSARI	137	NEEMUCH	138	NELLORE
139	NIZAMABAD	140	NOIDA	141	ONGOLE
142	PALAKKAD	143	PALGHAR	144	PALI MARWAR
145	PANIPAT	146	PANVEL	147	PARBHANI
148	PATIALA	149	PATNA	150	PIMPRI-CHINCHWAD
151	PONDICHERRY	152	PORT BLAIR*	153	PUNE
154	RAIGARH* (CHHATTISGARH)	155	RAIPUR	156	RAJAMAHENDRAVARAM
160	RATLAM	161	RATNAGIRI	162	REWA
163	REWARI	164	ROHTAK	165	ROURKELA
166	SAHARANPUR	167	SALEM	168	SAMBALPUR
169	SANGLI	170	SANGRUR	171	SATARA
172	SATNA	173	SHIMLA	174	SHIMOGA
175	SIKAR	176	SILIGURI	177	SIROHI
178	SIRSA	179	SIVAKASI	180	SOLAPUR
181	SONEPAT	182	SRI GANGANAGAR	183	SRINAGAR
184	SURAT	185	SURENDRANAGAR	186	THANE
187	THIRUVANANTHAPURAM	188	THRISSUR	189	TINSUKIA
190	TIRUCHIRAPALLI	191	TIRUNELVELI	192	TIRUPATI
193	TIRUPUR	194	TUTICORIN	195	UDAIPUR
196	UDUPI	197	UJJAIN	198	VADODARA
199	VAPI	200	VARANASI	201	VASAI
202	VELLORE	203	VIJAYAWADA	204	VISAKHAPATNAM
205	WARANGAL	206	YAMUNA NAGAR	207	YAVATMAL

* Kindly note that only Foundation Examination will be conducted at these cities.

PLACES OF EXAMINATION CENTRES OVERSEAS: [FOR FOUNDATION, INTERMEDIATE (IPC), INTERMEDIATE AND FINAL EXAMINATIONS ONLY]

The May - 2020 examinations will also be held at the 5 (Five) overseas examination centres, namely

• ABU DHABI • DOHA • DUBAI • KATHMANDU • MUSCAT

The Examination commencement timings at Abu Dhabi, Dubai and Muscat Centres will be 12.30 PM i.e. Abu Dhabi, Dubai and Muscat local time corresponding / equivalent to 2.00 PM. (IST). The Examination commencement timing at Doha Centre will be 11.30 AM i.e. Doha local time corresponding / equivalent to 2.00 PM. (IST). The Examination commencement Timing at Kathmandu (Nepal) Centre will be 2.15 PM Nepal local time corresponding / equivalent to 2.00 PM (IST).

The Council reserves the right to withdraw any city / centre at any stage without assigning any reason.

Online filling up of examination forms:

Applications for admission to Foundation, Intermediate (IPC), Intermediate & Final Examinations; Candidates are required to apply on-line at <https://icaexam.icaai.org> from **5th February, 2020 to 26th February, 2020** and remit the examination fee on-line by using VISA or MASTER or MAESTRO Credit / Debit Card / Rupay Card / Net Banking / Bhim UPI. They shall however, be required to remit additional ₹ 600/- towards late fee (for Domestic & Kathmandu centres) and US\$ 10 (for Overseas centres) in case the application on-line is made after **26th February, 2020** and upto **4th March, 2020** [up to 5.30 PM (IST)]

Whereas the Examination application form for Post Qualification Course Examinations i.e. International Trade Laws and World Trade Organisation (ITL & WTO) and International Taxation – Assessment Test (INTT – AT) (which is open to the members of the Institute) is to be filled up in the downloadable paper based form (hard copy) only and is priced at ₹ 100/- per examination application form. The forms can be downloaded from our website www.icaai.org on or after **5th February 2020**. ₹ 100 may be added to the examination fees payable for the relevant post qualification course. It may be noted that the application forms duly completed for the Post Qualification Course Examination will be received **only** at the New Delhi office of the Institute. The last date for application is **26th February, 2020** without late fee and **4th March, 2020** with late fee of ₹ 600/-

Payment of fees for the Post Qualification Course i.e. International Trade Laws and World Trade Organisation (ITL & WTO) and International Taxation – Assessment Test (INTT – AT) should be made by Demand Draft only. The Demand Draft may be of any Scheduled Bank and should be drawn in favour of The Secretary, **The Institute of Chartered Accountants of India**, payable at **New Delhi only**.

The examination fees payable for various courses are as under:-

Intermediate (IPC) & Intermediate Course Examinations {Old and New Scheme}	
For Indian Centre(s)	
Single Group / Unit 1 to 10 (except Unit 9) / Unit 4A to 7A	₹ 1500/-
Both Groups / Unit 9 / Unit 8A / Unit 9A	₹ 2700/-
For Overseas Centre(s) – Excluding Kathmandu Centre	
Single Group / Unit 1 to 10 (except Unit 9) / Unit 4A to 7A	US\$ 325
Both Groups / Unit 9 / Unit 8A / Unit 9A	US\$ 500
For Kathmandu Centre	
Single Group / Unit 1 to 10 (except Unit 9) / Unit 4A to 7A	INR ₹ 2200
Both Groups / Unit 9 / Unit 8A / Unit 9A	INR ₹ 3400
Final Course Examinations {Old and New Scheme}	
For Indian Centre(s)	
Single Group	₹ 1800/-
Both Groups	₹ 3300/-
For Overseas Centre(s) – Excluding Kathmandu Centre	
Single Group	US\$ 325
Both Groups	US\$ 550
For Kathmandu Centre	
Single Group	INR ₹ 2200
Both Groups	INR ₹ 4000
ITL & WTO	
	₹ 2000/- per group
INTERNATIONAL TAXATION – ASSESSMENT TEST	
	₹ 2000/-
Foundation Course Examination	
For Indian Centre(s)	
	₹ 1500/-
For Overseas Centre(s) – Excluding Kathmandu Centre	
	US\$ 325
For Kathmandu (Nepal) Centre	
	INR ₹ 2200

The late fee for submission of examination application form after the scheduled last date would be ₹ 600/- (for Indian / Kathmandu Centres) and US \$ 10 (for Abroad Centres) as decided by the Council.

OPTION TO ANSWER PAPERS IN HINDI:

Candidates of Foundation, Intermediate (IPC), Intermediate and Final (Old & New Scheme) Examinations will be allowed to opt for English / Hindi medium for answering papers. Detailed information will be found in guidance notes hosted at <https://icaexam.icaai.org>. However the medium of Examinations will be only English in respect of Post Qualification Course viz.: International Trade Laws and World Trade Organisation (ITL & WTO) and International Taxation – Assessment Test (INTT – AT).

(S. K. GARG)
ADDITIONAL SECRETARY (EXAMINATIONS)

CROSSWORD SOLUTION – JANUARY 2020

¹ S	² H	³ E	E	⁴ N		⁵ I		⁶ W	⁷ I	⁸ F	I
⁹ P	A	E	A	N		¹⁰ A	N		¹¹ I	R	
¹² E	G	G		P		R		¹³ I	S	E	
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¹⁶ C	A	¹⁷ C	H	¹⁸ E		¹⁹ A	²⁰ G	E		²¹ I	L
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	²⁵ R	A	D	I	O		²⁶ E	N	G	I	N
		²⁷ S	E	C	U		²⁸ R	E			C
²⁹ P	³⁰ R	E	S	S		³¹ O	N	E	R		³² H
³³ H	E			³⁴ S	O	B	S		³⁵ A	³⁶ D	
³⁷ Y	A	³⁸ H	³⁹ O	O			H			⁴⁰ E	⁴¹ L
⁴² S	C	I	O	N		⁴³ J	O	⁴⁴ N	⁴⁵ E	S	E
⁴⁶ I	T	A	T				⁴⁷ O	I	L		A
⁴⁸ C	I	T	Y			⁴⁹ A	T	T	E	⁵⁰ N	D
⁵² A	O	U		⁵³ A	R	I	S	I	N	G	
⁵⁴ L	N	S		⁵⁵ C	I	L			⁵⁶ O	D	D



LIVE VIRTUAL CLASSES AND VIRTUAL REVISION CLASSES

(UNDER THE REVISED SCHEME OF EDUCATION AND TRAINING
APPLICABLE FROM JULY 01, 2017)

WATCH LIVE OR RECORDED

LIVE VIRTUAL CLASSES

- Intermediate Course – Fourth batch – From March 06, 2020 – For November, 2020 and onward examinations
- Final Course – Third batch – From April 06, 2020 – For May, 2021 and onward examinations

Course	Single Group	Both Groups
Intermediate Course - Regular Fees	Rs. 3,750	Rs. 6,250
Intermediate Course - Concessional fees	Rs. 2,250	Rs. 4,000
Final Course - Regular Fees	Rs. 4,500	Rs. 7,500
Final Course - Concessional fees	Rs. 2,500	Rs. 4,750

Concessional fees is applicable to students who register for Live Virtual Classes simultaneously with their registration for Intermediate and Final Courses.

VIRTUAL REVISION CLASSES

- Final Course – From February 18, 2020 – For May 2020 examinations
- Intermediate Course – From March 04, 2020 – For May 2020 examinations

Course	Single Group	Both Groups
Intermediate Course	Rs. 500	Rs. 800
Final Course	Rs. 1,000	Rs. 1,600

Students registered for Live Virtual Classes will not have to pay any additional fees for revision classes.

- Expert faculty with rich experience
- Interactive classes with facility to raise questions. There is also additional facility to resolve queries over email
- Exam focussed approach
- Separate question answer sessions
- Review your performance through integrated tests
- Delivered on your computers and mobiles
- Revision classes Cover all important topics in 2-5 days per subject.
- Revision classes are also available in selected cities at ICAI locations.

Details and registration: www.icai.org/boslvc

Queries: virtualclasses@icai.in



Board of Studies
The Institute of Chartered Accountant of India

UNIFORMITY

CONTINUITY

CONSISTENCY

Announcement for conversion from Final (Old) Course under the Earlier Scheme of Education and Training to the Revised Scheme of Education and Training

It may be noted that **November, 2020** is the last attempt for students registered under **Final old course under the Earlier Scheme of Education and Training**. Therefore, it is advised to all the Final (old) course students to timely convert their registration into **Revised Scheme of Education and Training** for smooth transition.

For conversion from Earlier Scheme to Revised Scheme of Education and Training, students may visit the Self Service Portal at <https://eservices.icai.org/per/g21/pub/1666/SelfServices/templates/Login%20Folder21052019122446/Login%20Folder/ICAI%20Phase%20II%20Login%20Page521052019122546.html>

Director, Board of Studies



▲ **CA Students Conference at Surat:** Vice Chairman, Board of Studies, CA Durgesh Kabra, Central Council Members, CA Jay Chhaira and CA Pramod Kumar Boob with CA Mihir Thakkar, Chairman, Surat Branch of WIRC of ICAI, CA Ishwar Jivani, Chairman, Surat Branch of WICASA, along with Surat branch committee members and WICASA committee members.



▲ **CA Students Conference at Thiruvananthapuram:** Guest of Honour, Shri C V Ananda Bose IAS, Central Council Members, CA Anuj Goyal and CA Babu Abraham Kallivayalil, CA Jomon K George SIRC Chairman, CA Revathi S Raghunathan SIRC SICASA Chairperson, CA Roopesh R, Chairman Thiruvannathapuram branch, CA Cherianji Samuel, SICASA Chairman.



▲ **CA Students Conference at Bengaluru:** Past President, ICAI, CA K Raghu, Managing committee members and other dignitaries.



▲ **CA Students Conference at Bhopal:** Past President ICAI, CA Amarjit Chopra, Central Council Member, CA Pramod Kumar Boob and other dignitaries seen.



▲ **CA Students Conference at Pondicherry:** Central Council Members, CA G Sekar, CA P Rajendra Kumar and other dignitaries seen.



▲ **CA Students Conference at Trichur:** Central Council Member, CA M P Vijay Kumar addressing the students.



▲ **CA Students Conference at Trichur:** Central Council Member, CA G Sekar addressing the students.

CROSSWORD - FEBRUARY 2020

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10							11				12
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	20	21					22	23			
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35	36				37				38	39	
40					41						
42			43	44				45			46
			47			48		49			
	50					51					

23. Vector graphics is composed of.....
24. Generally, the price of a commodity is inversely related to its quantity
25. Testing of software with actual data and in actual environment is called.....
26. The ____ Judgement.
27. A stupid or foolish person (same word twice)
31. Operatic solo
32. Barely manages
36. One of the import items of India.
39. Gawk
43. One of major export items of India.
44. Web address
45. _____ for SAP Business One is designed to protect its installation by providing automated and remote support in a high-volume business.
46. _____ Software Group is a premier provider of global investment technology to support the front, middle and back office.
48. Used to link alternatives

ACROSS

- The _____ is a unit of digital information in computing and telecommunications that consists of eight bits.
- _____ Domestic Product minus Depreciation is Net Domestic Product.
- Said
- Slit
- Artist on stage
- _____ is the ratio of a circle's circumference to its diameter.
- Usually used as an expression of surprise in the phrase lo and behold.
- _____ is the global organization for the accountancy profession founded in 1977.
- People born between 1965 - 1979 and are currently between 40-54 years old: ____ X.
- 1005 in Roman numeral.
- _____ and shut case.
- Twofold blow or setback.
- Grasslands
- A 1982 American science fiction film based on alien from other planet left on earth.
- _____ is a form of speech synthesis that converts text into spoken voice output.
- Pale
- _____ is a type of testing performed by the end user or the client to verify/accept the software system before moving the software application to the production environment.
- According to one theory, profit is the reward for ____ taking in business.
- Partner of neither.
- An Indian telecommunications company and wholly owned subsidiary of Reliance Industries.
- Ages
- Do or _____.
- Underdog – Also _____.
- An urban railway that operates chiefly on an elevated structure also.
- _____ model : A person looked to by others as an example to be imitated
- Therefore
- The _____ Canal is a sea-level waterway in Egypt, connecting the Mediterranean Sea to the Red Sea.
- Latin phrase which means "and others".
- Completely fascinated or absorbed.

DOWN

- Elliptical
- Model used for cost estimation
- _____ for tat.
- _____ friendly : Products designed to do the least possible damage to the environment.
- A research institute in New Delhi that specializes in the fields of energy, environment and sustainable development.
- An official document providing the proof of registration of a vehicle.
- Not at home.
- Used for a person who is recognized as having an exceptional degree of holiness or likeness or closeness to God.
- Thousandth part of a yen.
- A person who writes or copies; scribe; copyist.
- Enemies
- The relationship of data elements in a module is called.....
- Precious stone
- Scavenger

If undelivered, please return to: The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi-110104