



BARODA BRANCH OF WESTERN INDIAN CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION (WICASA) OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Taking Learning to a New Dimension.....

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Students are requested to kindly send article / paper of interest to wicasa.baroda@gmail.com. The same may be published in the newsletter subject to availability of space & editing.

WICASA COMMUNITY :

Be a part of the "WICASA Baroda" on FACEBOOK Community. Exchange views and news. Keep updated about ICAI Announcement and forthcoming events of WICASA.

STUDY CIRCLE - FOR THE STUDENT'S, BY THE STUDENT'S, OF THE STUDENT'S:

Join now where in students can exchange knowledge with the help of group discussion. Contact Mr. Amit Muley (M) 9974621161, Mr. Manish Gandhi (M) 9824385565, Mr. Ashish Agrawal (M) 9173416488

WICASA HELPLINE:

Students are invited to send their feedback suggestions or grievances to wicasa.baroda@gmail.com or contact Ms. Sheekha Kotak 9825312097

Chairman's Communication



At, the outset, I wish to extend my heartiest wishes to all those students who are toiling their labour day and night in the preparation of their May Examination. I am sure that your sincerity and hard work will help you attain success in the examination.

Knowledge is infinite that requires one to update and revise on regular basis. Keeping in view of this subtle fact we had organized a series of revisionary sessions on important topics of key subjects for IPCC/ PE-II/ PCC and as well for final students. I hope that students have been benefitted from this sessions.

Further to assist the students to take maximum benefit of the educational inputs like the Study Material, Revisionary Test Papers, Practice Manuals, Suggested Answers, Reference Books, Supplementary Study Material etc..we have started Issue of these Materials at the Students Reference Library.

Now for the month of April, the activities that have been lined up are a few Industrial Visits, A Mega Career Counseling Program.

We also kept help desk for ca exam organized a grievance cell...

Before I conclude, I urge the students to acknowledge the seriousness and hard work required to attain success in the profession like ours. A sincere and a committed approach will help you in soaring new heights.

CA Pradeep Agrawal

STUDENT'S REFERENCE LIBRARY

Recognizing the needs of the CA students of Baroda, WICASA has introduced a system of Issuance of Library Books for the benefit of all those who are seriously putting in efforts for their preparation of the approaching CA exams. We have tried to facilitate the students to the best of our abilities by purchasing various helpful reference books for CA Final, IPCC as well as CPT which are available for issuance for a petty refundable deposit of 150 rupees, but within a fixed time limit. We hope that this initiative taken by WICASA will be supported and appreciated by one and all.

MANIBHAI A PATEL ROTARY SERVICE CENTER - READING ROOM FACILITY

WICASA has once again, in a bid to help the various CA students of Baroda, identified a facility of providing reading room in the Manibhai A Patel Rotary Service Center, Opp. Raj Lakshmi Complex, O P Road. Ph.: 0265-2357420. This facility will be available to the students' right from 9:00 am to 9:00 pm with a nominal fee of 130 rupees a month. The forms for the same will be available at the Club itself on a first come first basis.



FORTHCOMING EVENTS

PUBLIC PROGRAM OF MEGA CAREER COUNSELING

Date & Day	: 03.04.2011, Sunday
Time	: 10.00 to 12.00 hrs.
Subject :	Faculties
Chartered Accountancy - As a Career Option	CA. Mayur Swadia, Baroda
How to Become a Chartered Accountant	CA. Nirav Shah, Baroda
Venue	: C C Mehta, M S University, Sayajigunj
Fees	: Nil

INTERACTION WITH HON. PRESIDENT & VICE PRESIDENT OF ICAI

Date & Day	: 22.04.2011, Friday
Time	: 11.00 to 12.00 hrs.
Subject	: Interaction with Hon'ble- President & Vice-President- ICAI
Faculties	: CA. G Ramaswamy, President, ICAI CA. Jaydeep Shah, Vice-President, ICAI
Venue	: VCA Committee Room, ICAI Bhawan
Fees	: Nil

INDUSTRIAL VISIT - FOREX MONEY CHANGER

Date & Day	: 26.04.2011, Tuesday
Time	: 15.00 to 17.00 hrs.
Subject	: Full Fledged Foreign Exchange Money Changer
Venue	: Kwick Deals Broking Pvt. Ltd. Shop No: 3, Shreyas Apartment, Nr. Alka Restaurant, Fatehgunj
Fees	: Nil

EXAM - HELPDISK

Date & Day	: 27.04.2011, Wednesday
Time	: 18.30 to 19.30 hrs.
Subject	: Open House to resolve Issues of Students related to May-11 Exams
Venue	: JRS Patel Classroom, ICAI Bhawan
Fees	: Nil

Industrial Visit - Hotel Industry

Date & Day	: 29.04.2011, Friday
Time	: 15.00 to 17.00 hrs.
Subject	: Hotel Industry
Venue	: Hotel Surya Palace, Sayjigunj
Fees	: Nil

CPT Mock Test

Date & Day	: 05.06.2011, Sunday
Time	: Will be Announced Later
Fees	: Will be Announced Later
Venue	: ICAI Bhawan,

MEGA STUDENT'S CONFERENCE

In the month of
JUNE / JULY 2011

BREAKING NEWS

Our New TORCH BEARERS

CA. G. RAMASWAMY

President, ICAI

A fellow member of the ICAI with more than 25 years of standing, CA. G. Ramaswamy has been elected as the President of ICAI for the year 2011-12 by the 21st Council of Institute on February 12, 2011. He has vast experience in the field of taxation, company law matters, audit and internal audit and management consultancy for more than two decades. He also represents ICAI on a number of Governmental/other stakeholder committees/boards including as member of National Advisory Committee on Accounting Standards (NACAS). He has served the profession by holding important positions in both Standing and Non-Standing Committees of the ICAI. He had been a member of Southern India Regional Council (SIRC) of ICAI since 1994 and went on to become the Chairman of the SIRC for 1999-2000, during period the SIRC bagged the Best Regional Council award and Best Students Association award on all India basis.



CA. JAYDEEP SHAH

Vice President, ICAI

He was a Central Council Member and was re-elected to the Central Council of ICAI for the third term for the period from 2010 to 2013. He has contributed immensely to the welfare of Students' during his tenure of 4 years as a Chairman, Board of Studies. Earlier he was Vice- Chairman of Western India Regional Council (WIRC) of ICAI for the year 1997-98. He was elected as a member of the WIRC of the ICAI for 3 consecutive terms. He has passed M.Com. from Nagpur University standing 1st in the order of Merit. He has chaired technical sessions and delivered lectures in All India conferences and seminars organised by ICAI, various regional councils of ICAI, various branches of ICAI, and various other organisations / associations.



CA V. MURALI

Chairman, Board of Studies - ICAI

is a fellow member of ICAI and ICWA since the past two decades. He has been a member of the Central Council of ICAI since 2004 and has also held various positions of SIRC. He has been nominated in various boards by SEBI, Ministry of Coal, Ministry of Information and Broadcasting, CAG, etc. He has also authored many books of taxation, audit and interpersonal skills. He has also held many positions in social organizations, professional bodies and associations.



CA. Shrinivas Joshi,
Chairman, WIRC



CA. Neel Majithia
Chairman, WICASA



THE ROLE OF CHARTERED ACCOUNTANTS CA's IN ERADICATING CORRUPTION

If the accounting profession is committed to development, then it should commit itself to combat corruption.

Introduction

Corruption is one of the most damaging consequences of poor governance. And the CAs create strong governance through supervision. Corruption is one of the world's supreme challenges and its detrimental sound effects on the overall sustainable development. No country is free of corruption. There is no doubt that it hampers economic growth by assorted means such as deterring investment and raising transaction costs and hesitation. Although it may be difficult to describe, corruption is generally not difficult to recognize. Cases of corruption are unveiled increasingly frequently even though most of them don't take place in broad daylight. The solution to this multidimensional phenomenon, which is caused by several factors, should include the enforcement of powerful watch on corporate activities. The use of transparent financial accounting information in supervision of Chartered Accountants (CAs) enhances the effectiveness of the governance process which in turn prevents corruption. Accounting scandals of high profile companies (e.g. Enrol, WorldCom, Global Crossing, and Satyam) have questioned the effectiveness of corporate governance and supervision mechanisms, the quality of financial reports as well as audit.

Role of Chartered Accountants

Chartered accountants play an essential role in society, providing reliable and transparent information, both in the public sector and in the private one. This profession has a significant role to play in anti-corruption. Accountants work in many aspects of business. As public practitioners, accountants are auditors and business advisors in a number of areas. They also hold positions as tax advisors. In addition, accountants serve in key internal positions in organizations in the public and private sector, are internal auditors, and work as educators. Each of these accountants can all play a role in combating corruption. The role of Chartered Accountants (CAs) has been seen as promoting transparency and fairness

CAs are national-level watchdog. By scrutinizing CAs are not specialized anti-corruption agencies: on the whole they are not expressly charged with detecting or investigating corrupt activity but they have expertise in auditing and reporting the facts. CAs have traditionally undertaken financial audits of organizations' accounting procedures and financial statements, and compliance audits reviewing the legality of transactions made by the audited body. In recent era many CAs have expanded the scope of their audits to scrutinize the efficiency of management viz; through Forensic auditing, CARO reporting etc.

Most CAs consider their audit mandate sufficient, although some think more investigative powers could be practical. CAs normally do not have the need to prosecute acts of corruption that could lie behind audit findings for general reporting purpose. Others discussed the difficulty in carrying out investigations, in view of the fact that the findings that usually results from the CA's audit work is not usually designed to confirm the management's improper behavior. Those CAs that have investigative authority by terms may expand the audit to collect evidence of improper behavior. Further, it is argued that specific investigative authority is unnecessary, since the responsibility for investigation and prosecution lies within the sphere of other specialized public bodies and within the management of the audited body itself. They noted that the CA can maintain close collaboration with all these organizations identifying better practices and using these practices as indicators. We generally agree that the primary responsibility for the prevention and detection of corruption

rests with the administrative authorities, the police, and other investigative institutions and cannot be counted among the main tasks of CAs. Nevertheless, we also agree that CAs are contributing their efforts in this ongoing struggle, especially by improving overall financial accountability by strong supervision (audit) and thereby creating a climate of transparency and good governance. Here we need to set main goal more in preventing corruption than in the field of actually detecting such illegal activities.

The separation of ownership and control in organizations created problems regarding the stewardship of enterprises. The principal-agent problem or agency problem in the modern corporation and mainly the fact that managers have often different motives from the owners explains up to a point why firms get involved in corrupt practices undertaking great risks and also when there are setbacks in the firm's performance, management tries to find ways to conceal them or postpone breaking the news to the public, or even to the board, waiting for things to improve. In these cases, transparency and full disclosure in financial reporting are often sacrificed. CAs are the eyes and ears of management and from that position CAs play a significant role in the organization's anti-corruption efforts. CAs establishes control mechanisms that prevent and detect the flaws in the organization. CAs discourages managers and inchoate from falsifying financial statements and at the same time, checking on the internal control system, can contribute to the enhancement of the firm's regulations.

CAs actively contributes, as auditors, accountants in management (including in private and the public sector), consultants (especially with respect to taxes, information systems, management, insolvency, and corporate finance), internal auditors, and accountants working in academia. CAs performs their duty of honesty and makes valuable efforts towards eradicating corruption.

- Contributed by Prateekumar Patel

WITH BEST COMPLIMENTS

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IMPORTANT JUDGEMENTS IN DIRECT TAXES

(1) S.28(va) inserted w.e.f AY 2002-03, non-compete compensation is a capital receipt

In AY 1997-98 the assessee received Rs. 50 Lakhs from Rainbows as a fee for agreeing not to compete for 20 years in the territory of India. The AO assessed the receipt as income though the CIT (A) & Tribunal upheld the assessee's claim that the receipt was for loss of a source of income and capital in nature. On appeal by the department, the High Court reversed the Tribunal and held the receipt to be revenue in nature. On appeal by the assessee, HELD reversing the High Court:

- (i) The position in law is clear and well settled that there is a **dichotomy between compensation for the loss of agency and compensation attributable to the negative/restrictive covenant**. While the former is a revenue receipt, the latter is a capital receipt. On facts, **as the amount was received for a non-compete covenant, it was capital in nature.**

Guffic Chem P. Ltd vs. CIT (Supreme Court), March, 2011

(2) S.9(1)(vii) & Parliament's power to make laws with extra-territorial effect

The assessee filed a Writ Petition in the AP High Court to challenge the constitutional validity of s. 9(1)(vii) (b). The High Court upheld the vires of s. 9(1)(viii) (b). On appeal to the Supreme Court, the matter was referred to a **Constitutional Bench** to determine the extent to which laws enacted by Parliament can have extra-territorial effect under Article 245. HELD by the Constitution Bench:

- (i) Parliament is constitutionally **restricted** from enacting legislation with respect to extra-territorial aspects or causes that do not have, nor expected to have any, direct or indirect, tangible or intangible impact(s) on or effect(s) in or consequences for: (a) the territory of India, or any part of India; or (b) the interests of, welfare of, well-being of, or security of inhabitants of India, and Indians. In all other

respects, Parliament may enact legislation with extra-territorial effect.

- (ii) However, Parliament does **not** have the power to legislate "for" any territory, other than the territory of India or any part of it. **Parliament can only make laws for India and any law which has no impact on or nexus with India would be ultra-vires.**

GVK Industries Ltd vs. ITO (Supreme Court – 5 Judge Bench) March 2011

SOAR BEYOND FEARS Contributed by : Ms. Anshul Bhatia (CA Final)

Once there was a king who received a gift of two magnificent falcons from Arabia. They were peregrine falcons, the most beautiful birds he had ever seen. He gave the precious birds to his head falconer to be trained. Months passed and one day the head falconer informed the king that though one of the falcons was flying majestically, soaring high in the sky, the other bird had not moved from its branch since the day it had arrived. The king summoned healers and sorcerers from all the land to tend to the falcon, but no one could make the bird fly. He presented the task to the member of his court, but the next day, the king saw through the palace window that the bird had still not moved from its perch. Having tried everything else, the king thought to himself, "May be I need someone more familiar with the countryside to understand the nature of this problem." So he cried out to his court, "Go and get a farmer." In the morning, the king was thrilled to see the falcon soaring high above the palace gardens. He said to his court, "Bring me the doer of this miracle." The court quickly located the farmer, who came and stood before the king. The king asked him, "How did you make the falcon fly?" With his head bowed, the farmer said to the king, "It was very easy, your highness. I simply cut the branch where the bird was sitting." We are all made to fly -- to realize our incredible potential as human beings. But instead of doing that, we sit on our branches, clinging to the things that are familiar to us. The possibilities are endless, but for most of us, they remain undiscovered. We conform to the familiar, the comfortable, and the mundane. So for the most part, our lives are mediocre instead of exciting, thrilling and fulfilling.

So let us learn to destroy the branch of fear we cling to and free ourselves to the glory of flight!!!

March - 2011 Events

Date	Day	Events	Venue	Atten.
01.03.2011	Tuesday	Pop the Question - on Current Affairs	ICAI Bhawan	25
03.03.2011	Thursday	Union Budget 2011	ICAI Bhawan	12
07-27.03.2011		Topic-wise Revisionary Sessions for IPCC/PCC/PE-II	ICAI Bhawan	329
11-22.03.2011		Topic-wise Revisionary Sessions for CA Final	ICAI Bhawan	47
10.03.2011	Thursday	RBI Quiz "FEMA & you"	ICAI Bhawan	55
10.03.2010	Thursday	Opening of CA Student Reference Library	ICAI Bhawan	25
10.03.2010	Thursday	Foreign Exchange for you - Exhibition Cum Interface by RBI	ICAI Bhawan	100
19.03.2011	Saturday	Meeting of WICASA committee members with WIRC Executive	ICAI Bhawan	12
20.03.2011	Sunday	Holi Milan	ICAI Bhawan	10
26.03.2011	Saturday	Tips for success in CA exams	ICAI Bhawan	57

Statutory Dates

APRIL 2011

Contributed by :
Ms. Ravida Zaidi (CA Final Student)

sun	mon	tue	wed	thu	fri	sat
31					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- Excise return (ER 1) for the month of March 2011, ER-6 Monthly Return U/R9A(3) of CCR, 2004
- PF payment for the month of March
- Professional Tax for the half year ended October 2010 to March 2011
- VAT & CST monthly payment for the month of March 2011
- ESI remittance for the month of March 2011
- Half yearly Service Tax return in Form ST-3
- PF monthly return for the previous month
- Annual PF Return for the year ending 31st March
- TCS Quarterly Statement in 27EQ

Contributed by : **Mr. Akash Yadav** (CA Final)

[illegible]

PHOTO FLASH

IPCC / PE-II / PCC SERIES OF REVISIONARY SESSIONS



CA. Nirav Shah



CA. Amit Shah



CA. Ashish Jaiswal



CA. Shyam Sachdev



Mr. Chirag Patel



Dr. J K Pandya



CA. Tushar Pathak



The students also in rapt attention in the Auditorium, ICAI Bhawan.

CA FINAL - SERIES OF REVISIONARY SESSIONS



CA. Jitendra Unadkar, Rajkot



CA. Pritesh Amin



Adv. Saurabh Dixit



The students taking part in the opening of the Student Reference Library facility in the Library room on the 10.03.2011.



CA Pritesh Amin delivering a lecture on IFRS in Full Day Seminar on IFRS & Central Excise Rules 2002.



CA Students participating in the quiz held on Current Affairs at the Bhawan while others check out the Economic Times distributed by WICASA, in the Library Dt. 01.03.2011.



Mr. Rameshwar Sharma addressing in Student's Study Circle Meeting on Union Budget 2011 - Dt. 03.03.2011



RBI holding Exhibition Cum Interface on Foreign Exchange for you followed by a quiz on the same, WICASA Students actively participated in this public event on Dt. 10.03.2011



CA. Shrinivwas Joshi, Chairman WIRC, felicitating the newly qualified Chartered Accountants of the Baroda Branch on Dt. 19.03.2011



Baroda Branch of WICASA Office bearers interacting with the WIRC Executive Committee on Dt. 19.03.2011.



The members and students enjoying themselves on the colorful festival of Holi at the ICAI Bhawan on Dt. 20.03.2011



Mr. Vineet Kotak and Ms. Sanya Sitalani - rankers of IPCC addressing the students on "Tips for success in CA exams" on Dt. 26.03.2011