THE VIEWS

CO EXISTENCE OR NO EXISTENCE

EMPOWERING CLOUD COMPUTING

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Editorial

Dear friends,

Innovate to Excel : Technology the enabler

In the last two decades the world economy has become increasingly open and robust with the consequent effect that economy of individual countries has got integrated with the world economy. Indian economy too has got increasingly dependent on the global economy. These have made our economy dynamic and fast changing which can easily adopt and enjoy the fruits of technological advancement but is also susceptible to global tremors.

The dynamic world makes it imperative for us to have a relook at the way we conduct our business so that we are able to cope and face the challenges in this environment. Business relies on professionals as enablers and consequently professionals need to adapt to these changing environment more than anyone else and therein lays the need to innovate to excel.

Technological adoption is one of the basic tools in the hands of us professionals. Unless we constantly update ourselves in line with the various technological tools available we cannot hope to excel in any field. Technology has made the task of doing business a lot easier. Technology now controls every sphere of economy, be it manufacturing, trading or services. Every professional needs to adopt technology to reduce cost and increase output. From online retail trade to tech savvy taxis, the fastest growing sectors of the economy are the one that have made innovation in the way they have adopted technology.

Several new technological advancement like Cloud computing are helping the professionals in working in a technological environment without any hassles and in a very cost effective manner. The Chartered accountants are also presented with several opportunities in the field of cloud computing ranging from advising the client of the transition to the cloud computing, to undertaking system audit of the process or advising on the taxation aspect of service provider. Also the chartered accountants can effectively use the cloud computing after carrying out proper audit to ensure security of the data to maintain a paperless office thereby reducing overhead costs.

If our economy has to progress, then the government also needs to innovate and excel. We need to innovate to make our laws easier to comply and reduce beauracratic intervention, while ensuring that there is greater transparency and laws are complied voluntarily. Mr Narendra Modi used technology to connect with the people of India to great effect. The income tax department has used technology to improve collection at a rate much faster than the rate of growth of the Indian Economy and therein lies the lesson for every not only for every government department, professional or businessman but for every person.

As rightly pointed out by Michael Hugos:

Success will go to those companies that combine business agility and cloud computing to continuously explore new opportunities. Attempts to pick winning opportunities by doing lengthy analysis do not work in our real time economy."

Best wishes for Deepawali,

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EDITORIAL BOARD

President's Message

Dear friends,

"You must be the change you wish to see in the world"-Mahatma Gandhi

One should raise its character beyond reproach. Following the theory behind the quote on the birth anniversary of the Father of Nation Mahatma Gandhi, Prime Minister's dream project of "Swachh Bharat Abhiyaan" was launched and the mission has received support from every quarter of the society and also internationally. Let us all support the noble endeavour started by our Prime Minister.

During the last week of July, 2014, CBDT had vide its Notification No. 33/2014 revised the forms for filing the tax audit report. Further, pursuant to the representations made and in compliance with the directions of the High Courts, the Board vide its Order No. F.No.153/53/2014-TPL dated 26th September, 2014 extended the due-date for furnishing the return of income for the assessment year 2014-15, from 30th September to 30th November for all purposes of the Act, in case of such assesses who are required to get their accounts audited under section 44AB of the Act. Despite the extension of the due date, the assessee shall continue to remain liable for payment of interest as per the provisions of Section 234A of the Act. Though the direction came too late the extension bought a much needed relief to the professionals in the month of September 2014.

At Views Exchange we have always tried to impart knowledge by planning and organising various seminars. A seminar on "Amendment in Tax Audit and Practical aspects of Search and Survey" was held on 13th September, 2014 at Kalakunj, Kolkata. Dr. V K Singhania and CA K K Chhaparia, the speakers for the seminar, highlighted the various aspects that are to be considered while drafting the tax audit report in the new format and the various practical complications faced by the assessee in the course of search and survey, respectively.

The month of October is a very exuberant time in

India bringing relief and festivities for all professionals after a strenuous previous month. To further enhance the festive spirit, we extend a very warm invitation to you and your family to join the Diwali Get Together organised by ICAI- EIRC jointly with all the study circles on the 31st October, Friday at 27, Ballygunge Park.

We would also like to extend a very cordial invitation to our Annual Conference with the Theme "***Innovate to excel***" scheduled on **8th/ 9th November at The Park, Kolkata**. The deliberations at the Conference shall be across topics ranging from Corporate Laws, Taxation and Capital Markets. Distinguished speakers from all across the country have been invited to share their experiences with the participants. We are glad to inform you that Dr Subramanian Swamy , Senior Advocate – Supreme Court of India and an eminent politician, has consented to be the Chief Guest for the event. It will be our pleasure to have your benign presence

I extend my warm wishes to all on this festive season .Let us celebrate the festivals with happiness and responsibility.

Best Regards,

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CLOUD COMPUTING – AN OVERVIEW

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Introduction

The IT industry was the worst hit by the recent US economic meltdown. So IT giants had to start a search to find ways of providing the best optimal services with minimum cost. With the profit margin of almost every IT company declining, it had become necessary to find a way out for survival. Finding innovative ways to keep the business margin ticking was the need of the hour. With the database not providing the scalability option and with increasing infrastructure costs, there arose a need to implement a solution which could mitigate these two critical issues. In such a scenario, cloud computing emerged as a disruptive wave, promising to deliver IT as a service in the most cost effective manner.

Cloud computing is the web based processing where the data, application and infrastructure are provided to computers and other devices on demand over the network. It is a technique where in the service provider and the consumer both can suffice their business objective with maximum profits. It has emerged as an eternal solution for the IT majors, which could easily setup the cloud environment and provide services on pay as per use basis through the internet.

So what exactly is cloud computing and how did it evolve?

What is Cloud Computing

Cloud computing is the delivery of computing services over the Internet. Cloud services allow individuals and businesses to use software and hardware that are managed by third parties at remote locations. Examples of cloud services include online file storage, social networking sites, webmail, and online business applications. The cloud computing model allows access to information and computer resources from anywhere that a network connection is available.

Cloud computing provides a shared pool of resources, including data storage space, networks, computer processing power, and specialized corporate and user applications.

When you **store your photos online instead of on your home computer, or use webmail or a social networking site, you are using a "cloud computing" service.** If you are an organization, and you want to use, for example, an online invoicing service instead of updating the in house one you have been using for many years, that **online invoicing service is a "cloud computing" service.**

Cloud computing refers to the delivery of computing resources over the Internet. Instead of keeping data on your own hard drive or updating applications for your needs, you use a service over the Internet, at another location, to store your information or use its applications. Doing so may give rise to certain privacy implications.

Cloud Computing
Having secure access to all your applications and data from any network device

Cloud History

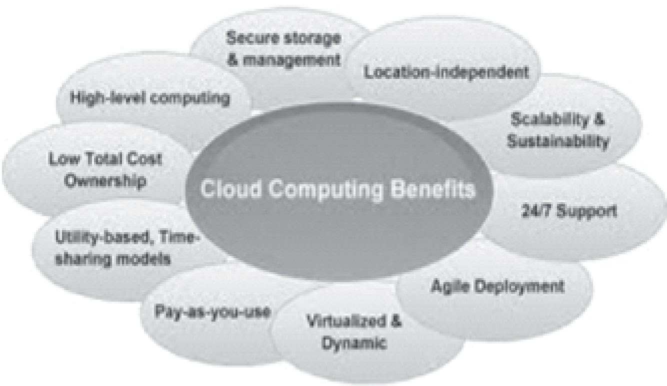
The evolution of cloud computing concept dates back to 1960 when John McCarthy quoted that "Computation at someday will be organized as a public utility." The term cloud came into existence with the introduction of Virtual Private Network (VPN) for telephone services which provided comparable quality of service at lower cost. The cloud symbol was used on paper to denote the separation mark between the responsibilities of service provider and the user. The concept of renting the storage and infrastructure came during the dot com bubble where Amazon realized the benefits of renting unused storage space to external customers. This innovation was constantly worked upon in 2006 by Amazon to offer utility computing to its external customers under the new services named Amazon Web Services.

In 2007, Google, IBM along with several institutions started an official research on implementation of cloud computing. The word computing means improving and utilizing the computer hardware. With the traditional database not fulfilling the scalability feature and the increasing infrastructure costs, cloud computing was the need of an hour than an investment. In early 2008, Eucalyptus became the first open source platform used for deploying private clouds. Today, many major IT organizations like Google, IBM, Amazon, Microsoft, etc have started offering cloud services to their customers. In the near future, cloud computing will change

the way IT organizations run business.

Advantages

Some of the benefits of the Cloud are listed below:



Difference between Client Server and Cloud Computing

❑ Typically, in client server computing, a network friendly **client version of the application is required on client computers** which utilized the client system's memory and CPU for processing, even though resultant application data files were stored centrally on the data servers. Multiple user licenses of an application were purchased for use by many users on a network.

❑ Cloud computing differs from the classic client server model by **providing applications from a server that are executed and managed by a client's web browser**, with no installed client version of an application required.

Hosted services

The cloud computing service models are Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS). In a Software as a Service model, a pre made application, along with any required software, operating system, hardware, and network are provided. In PaaS, an operating system, hardware, and network are provided, and the customer installs or develops its own software and applications. The IaaS model provides just the hardware and network; the customer installs or develops its own operating systems, software and applications.

Most internet users cannot tell the difference between web hosting and cloud computing. These two terms are similar but their differences have not always been clear.

What is web hosting?

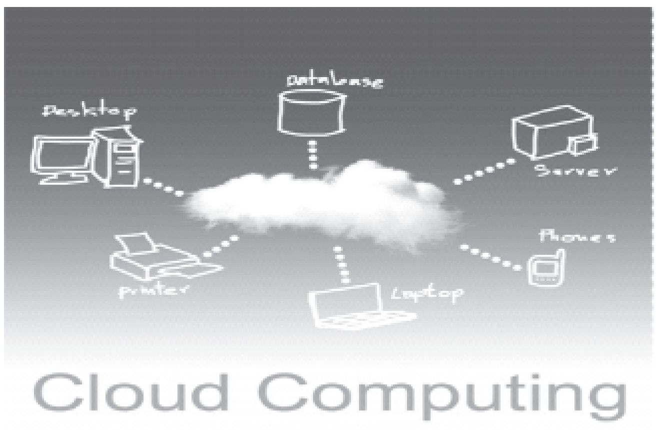
Web hosting is the business of providing server space, web services and file maintenance for websites controlled by companies or individuals that do not have their own web servers.

There are different types of web hosting:

Shared Hosting/virtual hosting/mass hosting: Your content and applications are uploaded into a server which is then shared with other customers who also use the web host. The web host owns the equipment and the server and they have technicians who monitor and manage the servers.

1. Dedicated hosting: Dedicated hosting is specialised hosting. It is much more sophisticated and the most popular type of hosting. With dedicated hosting, you can rent an entire server for yourself and you can gain access to all the web host provider's resources to host one or more websites. With dedicated hosting, either you or your web host provider owns the equipment.
2. Root server hosting/semi-managed hosting: This is a form of dedicated hosting. Root server hosting gives uninterrupted internet connectivity. It is flexible in that, you can choose hardware specifications and operations systems that are best suited to your needs.
3. Reseller hosting: Reseller hosting is the best type of hosting for entrepreneurs and businesses who wish to host on behalf of their own clients. You can have a contract with a web hosting provider and then sell their services under your own brand.

Cloud computing is a type of computing that relies on sharing computing resources instead of having local servers or personal devices to handle applications.



Examples of Cloud Computing services

Major corporations including Amazon, Google, IBM, Sun, Cisco, Dell, HP, Intel, Novell, and Oracle have invested in cloud computing and offer individuals and businesses a range of cloud based solutions.

Social Networking

Perhaps the most famous use of cloud computing, which does not strike people as "cloud computing" at first glance is social networking Websites, including Facebook, LinkedIn, MySpace, Twitter, and many, many others. The main idea of social networking is to find people you already know or people you would like to know and share your information with them. Of course, when you share your information with these

people, you're also sharing it with the people who run the service.

While the primary purpose of social networking previously was connecting people, businesses can use social networking too. By creating a Facebook fan page, a business can connect with its customers, and at the same time, those customers will be promoting your business. Also, viral marketing tactics can be used in combination with social networks. There are public relations experts who specialize in social media marketing.

E Mail

Some of the biggest cloud computing services are Web based e mail. As of January 2009, over 500 million people used Microsoft's Web based e mail, Hotmail or Windows Live Mail. Using a cloud computing e mail solution allows the mechanics of hosting an e mail server and maintaining it to be taken out of your hands. It also means that your e mail is accessible from anywhere.

Document/Spreadsheet/Other Hosting Services

As made famous by Google Docs, a number of services like Zoho Office exist on the Internet that allow you to keep and edit your documents online. By doing so, the documents will be accessible anywhere, and you can share the documents and collaborate on them. Multiple people can work in the same document simultaneously.

A new online project management tool, Onit, is for "anyone and everyone who manage projects – big, small, business, legal." For Robert Ambrogi's preview, Legal Project Management in the Cloud, or access the link below to go directly to Onit's homepage.

Yahoo!'s Flickr and Google's Picasa offer hosting for photographs that you want to share with friends, family, or the world. People can comment on the photographs, much like they can on Facebook, but these specialized photo hosting services offer some perks for the photography enthusiast.

Perhaps nothing has revolutionized entertainment more than YouTube, a video sharing site. It's not the only one, though. Other video sharing sites include Vimeo and MetaCafe. Users are permitted to upload their own video content, and the services take care of putting it into a form that can be easily viewed by users without downloading much, if any, special software. Stars are made on YouTube.

Backup Services

Even if you do use services to keep all your documents and photos, chances are you still have data on your personal computer. One of the biggest problems with personal computing has been the tendency to lose that data if your computer is stolen, destroyed, or the storage device damaged. This is where backup comes in. Sometimes, even backing up to media you have isn't good enough you need to store the data off site for more complete protection. Services like JungleDisk, Carbonite, and Mozy allow you to automatically back up all your data to servers spread around the country or world for a suprisingly low price. Of course, your data is then susceptible to security breaches.

Similarly, services like Syncplicity and Dropbox (both offer free versions) make it easy to keep local copies of files on multiple computers synchronized while keeping a copy in the "cloud."

Some of these services will even keep previous versions of files or deleted files in case you happen to delete or mess up an important file.

Banking and Financial Services

Consumers store personal financial information to cloud computing service providers. In addition, consumers store tax records using free or low cost online backup services.

Health Care

In an effort to improve the nation's health IT infrastructure, the Department of Health and Human Services' (HHS) Office of the National Coordinator for Health Information Technology (ONC) recently selected a cloud computing platform to manage the selection and implementation of Electronic Health Record (EHR) systems across the country.

Non health care organizations as Google and Microsoft provide a means by which consumers can create an online personal health record ("PHR"). Google Health and Microsoft HealthVault allow the public to create, store, and access online personal health records on the search engine's website.

Similar systems and concepts

Cloud Computing is the result of evolution and adoption of existing technologies and

paradigms. The goal of cloud computing is to allow users to take benefit from all of these technologies, without the need for deep knowledge about or expertise with each one of them.

The cloud aims to cut costs, and help the users focus on their core business instead of being impeded by IT obstacles.

The main enabling technology for cloud computing is virtualization. Virtualization abstracts the physical infrastructure, which is the most rigid component, and makes it available as a soft component that is easy to use and manage. By doing so, virtualization provides the agility required to speed up IT operations, and reduces cost by increasing infrastructure utilization. On the other hand, autonomic computing automates the process through which the user can provision resources on demand. By minimizing user involvement, automation speeds up the process and reduces the possibility of human errors. Users face difficult business problems every day. Cloud computing adopts concepts from Service oriented Architecture (SOA) that can help the user break these problems into services that can be integrated to provide a solution.

Cloud computing provides all of its resources as services, and makes use of the well established standards and best practices gained in the domain of SOA to allow global and easy access to cloud services in a standardized way.

Cloud computing also leverages concepts from utility computing in order to provide metrics for the services used. Such metrics are at the core of the public cloud pay per use models. In addition, measured services are an essential part of the feedback loop in autonomic computing, allowing services to scale on demand and to perform automatic failure recovery.

Cloud computing is a kind of grid computing; it has evolved by addressing the QoS (quality of service) and reliability problems. Cloud computing provides the tools and technologies to build data/compute intensive parallel applications with much more affordable prices compared to traditional parallel computing techniques.

Cloud computing shares characteristics with:

❑ **Client–server model** — Client–server computing refers broadly to any distributed application that distinguishes between service providers (servers) and service requestors (clients).

❑ **Grid computing** — “A form of distributed and parallel computing, whereby a ‘super and virtual computer’ is composed of a cluster of networked, loosely coupled computers acting in concert to perform very large tasks.”

❑ **Mainframe computer** — Powerful computers used mainly by large organizations for critical applications, typically bulk data processing such as: census; industry and consumer statistics; police and secret intelligence services; enterprise resource planning; and financial transaction processing.

❑ **Utility computing** — The “packaging of computing resources, such as computation and storage, as a metered service similar to a traditional public utility, such as electricity.”

❑ **Peer to peer** — A distributed architecture without the need for central coordination. Participants are both suppliers and consumers of resources (in contrast to the traditional client–server model).

❑ **Cloud gaming** — Also known as on demand gaming, is a way of delivering games to computers. Gaming data is stored in the provider’s server, so that gaming is independent of client computers used to play the game.

9 top threats to cloud computing security

CSA (Cloud Security Alliance) has identified “The Notorious Nine,” the top nine cloud computing threats for 2013. The report reflects the current consensus among industry experts surveyed by CSA, focusing on threats specifically related to the shared, on-demand nature of cloud computing.

First on the list is data breaches. To illustrate the potential magnitude of this threat, CSA pointed to a research paper describing how a virtual machine could use side-channel timing information to extract private cryptographic keys in use by other VMs on the same server. A malicious hacker wouldn’t necessarily need to go to such lengths to pull off that sort of feat, though. If a multitenant cloud service database isn’t designed properly, a single flaw in one client’s application could allow an attacker to get at not just that client’s data, but every other clients’ data as well.

The challenge in addressing this threats of data loss and data leakage is that “the measures you put in place to mitigate one can exacerbate the other,” according to the report. You could encrypt your data to reduce the impact of a breach, but if you lose your encryption key, you’ll lose your data. However, if you opt to keep offline backups of your data to reduce data loss, you increase your exposure to data breaches.

The second-greatest threat in a cloud computing environment, according to CSA, is data loss: the prospect of seeing your valuable data disappear into the ether without a trace. A malicious hacker might delete a target’s data out of spite — but then, you could lose your data to a careless cloud service provider or a disaster, such as a fire, flood, or earthquake. Compounding the challenge, encrypting your data to ward off theft can backfire if you lose your encryption key.

Data loss isn’t only problematic in terms of impacting relationships with customers, the report notes. You could also get into hot water with the government if you’re legally required to store particular data to remain in compliance with certain laws, such as HIPAA.

The third-greatest cloud computing security risk is account or service traffic hijacking. Cloud computing adds a new threat to this landscape, according to CSA. If an attacker gains access to your credentials, he or she can eavesdrop on your activities and transactions, manipulate data, return falsified information, and redirect your clients to illegitimate sites. “Your account or services instances may become a new base for the attacker. From here, they may leverage the power of your reputation to launch subsequent attacks," according to the report. As an example, CSA pointed to an XSS attack on Amazon in 2010 that let attackers hijack credentials to the site.

The key to defending against this threat is to protect credentials from being stolen. "Organizations should look to prohibit the sharing of account credentials between users and services, and they should leverage strong two-factor authentication techniques where possible," according to CSA.

Fourth on the list of threats are insecure interfaces and Application Program Interfaces. IT administrators rely on interfaces for cloud provisioning, management, orchestration, and monitoring. APIs are integral to security and availability of general cloud services. From there, organizations and third parties are known to build on these interfaces, injecting add-on services. "This introduces the complexity of the new layered API; it also increases risk, as organizations may be required to relinquish their credentials to third parties in order to enable their agency," the report notes.

CSA's advice here is for organizations to understand the security implications associated with the usage, management, orchestration, and monitoring of cloud services. Weak interfaces and APIs can expose an organization to such security issues pertaining to confidentiality, integrity, availability, and accountability.

Denial of service ranks as the fifth-greatest security threat to cloud computing. DoS has been an Internet threat for years, but it becomes more problematic in the age of cloud computing when organizations are dependent on the 24/7 availability of one or more services. DoS outages can cost service providers customers *and* prove pricey to customers who are billed based on compute cycles and disk space consumed. While an attacker may not succeed in knocking out a service entirely, he or she "may still cause it to consume so much processing time that it becomes too expensive for you to run and you'll be forced to take it down yourself," the report says.

No. 6 on the list is malicious insiders, which can be a current or former employee, a contractor, or a business partner who gains access to a network, system, or data for malicious purposes. In an improperly designed cloud scenario, a malicious insider can wreak even greater havoc. From IaaS to PaaS to SaaS, the malicious insider has increasing levels of access to more critical systems and eventually to data. In situations where a cloud service provider is solely responsible for security, the risk is great. "Even if encryption is implemented, if the keys are not kept with the customer and are only available at data-usage time, the system is still vulnerable to malicious insider attack," according to CSA.

Seventh on the list is cloud abuse, such as a bad guy using a cloud service to break an encryption key too difficult to crack on a standard computer. Another example might be a malicious hacker using cloud servers to launch a DDoS attack, propagate malware, or share pirated software. The challenge here is for cloud providers to define what constitutes abuse and to determine the best processes for identify it.

Eight on the list of top security threats to cloud computing is insufficient due diligence; that is, organizations embrace the cloud without fully understanding the cloud environment and associated risks. For example, entering the cloud can generate contractual issues with providers over liability and transparency. What's more, operational and architectural issues can arise if a company's development team isn't sufficiently familiar with cloud technologies as it pushes an app to the cloud. CSA's basic advice is for organizations to make sure they have sufficient resources and to perform extensive due diligence before jumping into the cloud.

Last but not least, CSA has pegged shared technology vulnerabilities as the ninth-largest security threat to cloud computing. Cloud service providers share infrastructure, platforms, and applications to deliver their services in a scalable way. "Whether it's the underlying components that make up this infrastructure (e.g. CPU caches, GPUs, etc.) that were not designed to offer strong isolation properties for a multi-tenant architecture (IaaS), re-deployable platforms (PaaS), or multi-customer applications (SaaS), the threat of shared vulnerabilities exists in all delivery models," according to the report.

If an integral component gets compromised — say, a hypervisor, a shared platform component, or an application — it exposes the entire environment to a potential of compromise and breach. CSA recommends a defensive, in-depth strategy, including compute, storage, network, application, and user security enforcement, as well as monitoring.

Depreciation as per Companies Act, 2013

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With the introduction of the revamped Company Law, changes have been brought about in quite a few areas of interest. We're focusing on the changes in depreciation in this article.

Schedule XIV of the erstwhile Companies Act prescribed minimum SLM (straight line method) and WDV (written down value) rates for depreciation. The Companies could charge higher depreciation, if the useful life of an asset was shorter than that envisaged under Schedule XIV.

The Companies Act, 2013 replaces Schedule XIV by Schedule II which requires systematic allocation of the depreciable amount of an asset over its useful life.

UsefulLife

Useful life may be considered as a period over which :

- an asset is available for use, or
- as the number of production or similar units expected to be obtained from the asset by the entity, or
- specified time after which the assets are planned to be disposed off, or
- after consumption of a specified proportion of the future economic benefits embodied in the asset.

The useful life of the asset may therefore be shorter than its economic life.

The estimation of the useful life of the asset is a matter of judgement based on the experience of the entity with similar assets.The useful lives specified in Part C of Schedule II of the 2013 Act for various assets will result in their depreciation over a different period than what is currently applicable under Schedule XIV of the Act.

For example, for an entity using straight line method of depreciation under the Act, useful life has been reduced for

- General plant and machinery from 21years to 15 years;
- General furniture and fittings from 15years to 10 years;
- Computers from 6 years to 3 years;

However, in some cases it can also result in lower depreciation — that is, when the useful lives are much longer than earlier rates, as in the case of metal pot line, bauxite crushing and grinding section used in the manufacture of non-ferrous metalsand continuous process plants.

In case the companies choose to calculate depreciation on the basis of useful lives which are different from the life specified in the Schedule, the information will have to be disclosed in the financial statements.

What Is The Component Approach?

Schedule II states that the useful life specified is for whole of the asset.However, where a part of the asset is significant to total cost of the asset and the part's useful life is different from the useful life of the remaining asset, the said significant part shall be depreciated separately. This method of breaking a fixed asset into components for depreciation purposes is known as the 'component approach' to compute depreciation. Companies will now have to estimate the useful life of each such component (in case it is not provided in Schedule II) and depreciate the cost of that specific component over the estimated useful life.

How To Apply Component Approach?

To apply the component approach, it is crucial to identify the various significant parts of an asset.

There are two reasons for identifying the parts:

- Depreciation, and
- The replacement of parts.

Generally, it is done by looking for items that will require replacement before the end of the asset's useful life, and to treat these items as separate components.

Upon replacement of a part, the remaining book value of the replaced part is derecognised and the cost of the new part recognised, irrespective of whether the replaced part was depreciated separately or not.

How Many Components?

There is no minimum requirement for the number of parts of a fixed asset that should be identified. The number of parts may vary depending on the nature and the complexity of the fixed asset.

Ind AS 16 requires each significant part of a fixed asset to be depreciated separately. Significant partswhich have the same useful life and depreciation method may be depreciated together. Additionally, such parts that are individually not significant are combined in the remainder and are depreciated together.

Identifying The Components

Componentization requires professional judgment. In many situations, a company may not have a good understanding of the cost of the individual components purchased. In that case, the cost of individual components should be estimated based on reference to:

- current market prices (if available),
- discussion with experts in valuation, or
- use of other reasonable approaches.

It might also be considered necessary to request an expert opinion (for example, construction experts) in order to determine the parts of a fixed asset. This will also depend on the size of the organization and whether the component and related depreciation will have a material effect on the financial statements.

For instance, the following practices are commonly used to identify the parts of a building:

- Exterior walls
- Interior walls
- Windows
- Roof
- Staircase
- Elevators
- Air condition
- Heating system
- Water system
- Electrical system
- Major inspections

The following can also help in identifying components :

- Review plant maintenance programs. If the replacement of a component is significant enough to be listed on maintenance schedule, it may have a cost that is significant in comparison to the total cost of the asset;
- Review historical retirement patterns to evaluate what constitutes a component;
- Analyze major capital expenditures.

Capitalization OfExpenses

Ind AS 16 states that an entity will recognise costs of day-to-day servicing, primarily towards labour, consumables and small parts, in the Statement of Profit and Loss as incurred rather than in the carrying amount of an item of fixed asset. The purpose of these expenditures is often described as for the 'repairs and maintenance' of the fixed asset, hence they are not being capitalized.

At times, fixed assets (for example, an aircraft) require major inspections for continued operations regardless of whether parts are being replaced. When each major inspection is performed, its cost is recognised in the carrying amount of the fixed asset as a replacement. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Additions During The Year

Companies seldom purchase assets on the first day of a fiscal period or disposethem on the last day of a fiscal period. Depreciation in such cases will be required to be calculated for partial periods. In computing depreciation for partial periods, companies must determinethe depreciation expense for the full year and then prorate this depreciation expensefor the period of use. This process should continue throughout the usefullife of the asset.

Assume, for example, that ABC Ltd. purchases a machine with a five-year life for Rs. 45,000 (no residual value) on June 10, 20XX. The company'sfiscal year ends 31st March. ABC Ltd. therefore charges depreciation for only $9\frac{2}{3}$ months during that year. The total depreciation for a full year (assuming straightline depreciation) is Rs. 9,000 (Rs. 45,000/5). The depreciation for the first partial year istherefore:

$$\frac{9\frac{2}{3}}{12} * 9000 = 7250$$

IFRS supplements explain that companies can modify the process of calculating depreciation to a partialperiod to handle acquisitions and disposals of plant assets more simply.

- Take no depreciation in the year of acquisition and a full year's depreciationin the year of disposal, or
- Charge one-half year's depreciation both in theyear of acquisition and in the year of disposal (referred to as the half-year convention),or
- Charge a full year in the year of acquisition and none in the year of disposal.

Companies may adopt any one of these several fractional-year policies for depreciating a fixed asset so long as it applies the methodconsistently.

To illustrate the accounting for component depreciation, assume that XYZ Airlines purchases an airplane for Rs. 8,00,00,00,000 on 1st April, 20XX. The airplane has auseful life of 20 years and a nil residual value. XYZ uses the straight-line methodof depreciation for all its airplanes. XYZ identifies the following components,amounts, and useful lives, as shown below:

Component	Component Amt	Useful Life
Airframe	₹ 48000,00,000	20
Engine	₹ 25600,00,000	8
Others	₹ 6400,00,000	5
	₹ 80000,00,000	

Component	Component Amt	Useful Life	Depreciation
Airframe	₹ 48000,00,000	20	₹ 2400,00,000
Engine	₹ 25600,00,000	8	₹ 3200,00,000
Others	₹ 6400,00,000	5	₹ 1280,00,000
	₹ 80000,00,000		**₹ 6880,00,000**

As indicated, XYZ Airlines records depreciation expense of Rs.68,80,00,000 in 20XX.

Method Of Depreciation

The depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. The depreciable amount of an asset can be allocated on a systematic basis over its useful life through:

- straight-line method, or
- the diminishing balance method, or
- the units of production method.

That method is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits.

Double And Triple Shifts

The useful lives of assets have been specified in the Schedule based on their single shift working. In respect of assets working the second and third shift, Schedule II states that except for assets in respect of which no extra shift depreciation is permitted, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.

Transitional Provisions

The transitional provision, which requires depreciating the remaining carrying value over the remaining useful life (as determined under Schedule II), can provide harsh outcomes. For example, suppose the remaining carrying value is 60 per cent of the original cost, while the remaining useful life under Schedule II is one year. Here, the entire 60 per cent will be depreciated in one year. However, if the remaining useful life was nil, the entire 60 per cent would be charged to retained earnings.

No Monetary Limits

Under Schedule XIV, assets whose actual cost does not exceed Rs 5,000 are depreciated at 100 per cent. Under Schedule II, there is no requirement to charge 100 per cent depreciation on assets whose actual cost does not exceed Rs 5,000. These assets will be depreciated in accordance with their useful lives.

In effect, componentization may or may not bring about an additional depreciation charge in the Statement of Profit and Loss, depending on the nature and value of fixed assets owned by the Company. As proposed in the Budget 2014, Ind AS, which supports component accounting, will also come into effect from 1st April, 2015. All in all, Schedule II to the Companies Act, 2013 is another step forward by corporate India towards globalizing not only our operations but also our financials.

TDS on Payment of commission to Non-Residents Agents

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Residents in India acquire the services of non-resident agents for canvassing of overseas contacts, for export of their products and/or for the provision of ancillary support services etc. Commission is paid to the non-resident agents in lieu of the services rendered by them. The chargeability and deduction of tax on such payments has been a controversial subject. This article intends to discuss the issue in the light of the applicable provisions, circulars issued and recent judicial pronouncements pertaining to the same.

1. Applicable provisions

1.1 Basis of charge

The basis of charge is determined in accordance with Section 4 of the Act. As per the provision of Section 4(1) of the Act, "where any Central Act enacts that income-tax shall be charged for any assessment year at any rate or rates, income-tax at that rate or those rates shall be charged for that year in accordance with, and subject to the provisions (including provisions for the levy of additional income-tax) of, this Act in respect of the total income of the previous year of every person.

1.2 Income chargeable to tax

Further, as per the provisions contained in Section 5(2), the total income of previous year of a person, who is a non-resident, is chargeable to tax in India if it is

- Received or is deemed to be received in India or
- Accrues or arises or is deemed to accrue or arise to him in India.

Explanation 1 to the Section further clarifies that income accruing or arising outside India shall not be deemed to be received in India within the meaning of the said section by reason of the fact that it is taken into account in the balance sheet prepared in India.

1.3 Deeming fiction u/s 9(1)

Section 9(1)(i) of the Act, stipulates that income which accrues or arises directly or indirectly **through or from any business connection** in India in India, or through or from any property in India, or **through or from any asset or source of income** in India, or through the transfer of a capital asset situate in India, is deemed to accrue or arise in India. Explanation 2 to the Section defines the term Business connection to include specified activities carried out through a person acting on behalf of the non-resident.

Section 9(1)(vi) of the Act states that **royalty payable by a resident** shall deem to accrue or arise in India except where the royalty is payable in respect of any right, property or information used or service utilised for the purposes of business or profession carried on by such person outside India or for the purposes of making any income from any source outside India.

Section 9(1)(vii) of the Act states that income by way of **fees for technical services payable by a resident** shall be deemed to accrue or arise in India except where the fees is payable in respect of service utilized in a business or profession carried on by such person outside India or for the purposes of making any income from any source outside India

2. Applicability of Section 195 of the Act

Section 195 imposes a statutory obligation on any person responsible for paying to a non-resident any interest (not being interest u/s 194 LB, 194 LC, 194 LD) or any other **sum chargeable under the provisions of the Act** (not being salaries), to deduct income-tax at the rates in force. Whether or not the payment of commission to the non-residents agent falls within the ambit of any sum chargeable needs to be determined after a combined analysis of the relevant provisions of the Act discussed hereunder.

2.1 Interoperability of Section 4, Section 5(2) and Section 9(1) of the Act

Let us understand the issue with the help of an example.Mr A has paid commission to a non-resident agent Mr B in UK for securing orders abroad and for the provision of other ancillary support services. Mr B does not have any Permanent Establishment in India, and the remittance is made directly to him. It is important to answer the following question in order to determine the chargeability thereof: -

- **Are such payments received in India?**
- **Does the payments accrue or arise in India?**
- **Are such payments deemed to accrue or arise in India?**

- **Does there exist any Business connection/asset/source of income in India?**
- **Can such payments be classified as royalty/fees for technical services?**

2.1.1 Are such payments received in India?

The payments in lieu of commission are remitted directly to the non-resident agent Mr B and the same is not received by him or on his behalf in India.Even in a situation where the sales to the end customers abroad is effected through Mr B, and the sale proceed thereof are remitted to Mr A, who thereafter remits the appropriate amount of commission as is payable to Mr B, the same cannot be considered as receipt of commission by Mr B in India.

2.1.2 Do the payments accrue or arise in India?

Also such payments do not accrue or arise in India, as they are pursuant to services rendered abroad. A similar view has been held by the Bangalore Tribunal in the case of **Exotic Fruits (P.) Ltd. *v.* Income-tax Officer (International Taxation) Ward -1(1),** Bangalore wherein it was held that "The income of the non-resident(s) by way of commission in the present case cannot be considered as accrued or arisen or deemed to accrue or arise in India as the services of such agents, as asserted by the assessee, were rendered/utilised outside India and the commission was also paid outside India".

2.1.3 Are such payments deemed to accrue or arise in India u/s 9(1)(i)?

Classification of such payments as deemed to accrue or arise in India requires establishing among other things, of the fact that the same is rendered

- Through or from any **business connection** in India as defined in Explanation 2 to Section 9(1)(i) or
- Through or from any asset or **source of income** in India.

a. Does there exist any Business connection in India?

The term "business connection" has been interpreted by the Supreme Court to mean something more than mere business. The same is not equivalent to carrying on business, but a relationship between, the business carried on by a non-resident which yields profits and some activities in India, which contributes directly or indirectly to the earning of those profits or gains. It predicates an element of continuity between the business of the non-resident and their activities in India. Mr B does not carry on any business activity in India which shall enable him in delivering the services for which commission is being paid to him. Accordingly there does not exist any business connection of Mr B in India.

Refer: - CIT vs. R.D. Aggarwal and Company (1965) 56 ITR 20 (SC),

Carborandum& Co. vs. CIT (1977) 2 SCC 862

Ishikawajma-Harima Heavy Industries ltd. vs. DIT, Mumbai (2007) 3 SCC 481

b. Does there exist any source of income in India?

The term "source" has not been defined in the Act. However, the term has been referred to in certain judicial pronouncements. The Judicial Committee in the case of *Rhodesia Metals Ltd.* v. *CIT* [1941] 9 ITR (Suppl.) 45 (PC) observed that a "source" means not a legal concept but one which a practical man would regard as a real source of income.

A source of income was described by R.S. Pathak, J. in the following words in *Seth Shiv Prasad* v. *CIT*[1972] 84 ITR 15 (All.) at page 18: *"A source of income, therefore, may be described as the spring or fount from which a clearly defined channel of income flows. It is that which by its nature and incidents constitutes a distinct and separate origin of income, capable of consideration as such in isolation from other sources of income, and which by the manner of dealing adopted by the assessee can be treated so."*

The non-resident agent Mr B has been appointed by Mr A for the purposes of securing orders abroad and for the provision of other ancillary support services. One possible view which may be taken is that the source of the commission income vests in the sale of goods to the non-resident end users/customers pursuant to orders secured by Mr B. Thus, the services of Mr B are utilized for earning income from sources outside India. Accordingly, the commission received by Mr B cannot be said to be derived through or from any source of income in India. A similar view in case of royalty income has been taken by the Madras High Court in the case of **CIT vs. AktiengesellschaftKuhnle Kopp and Kausch W. Germany by BHEL [2002] 125 taxmann 928** wherein it was held that "As far as royalty on export sales was concerned, that amount was also exempt under section 9(1)(vi). Though the royalty was paid by a resident in India, it could not be said that it was deemed to have accrued or arisen in India as the royalty was paid out of the export sales and, hence, the source for the royalty was the sales outside India. Since the source for the royalty was from the source situated outside India, the royalty paid on export sale was not taxable."

The other view which may be taken is that the term "source of income" is distinct from the term "source of receipts". The source of the commission income as is being paid to the non-resident agent Mr B can be interpreted as the activity of exports which is actually generating the income. Since the goods are manufactured by Mr A in India and thereafter sent to Mr B pursuant to the contracts secured by them it may be inferred that the actual source of the commission income received by Mr B vests in India. The export proceeds which are ultimately derived from persons located outside India, can be interpreted as the source of the receipts which differs from the source of the income.Thus, the commission income may be deemed to accrue or arise in India since the source of such income lies in India. A similar view has been held by the Delhi High Court in the case of **CIT v. Havells India Limited [2012] 21 taxmann.com 476** wherein it was held that "In view of the decision in CIT v. Anglo French Textiles [1993] 199 ITR 785 (Mad.), the export activity having taken place or having been fulfilled in India, the source of income was located in India and not outside. Mere fact that the export proceeds emanated from persons situated outside India did not constitute them as the source of income."

However, even if it is presumed that such commission income is derived from any business connection in India or asset or source of income in India, only such proportion of the income as is reasonably attributable to the operations carried out by the non-resident agent in India shall be deemed to accrue or arise in India. Where the non-resident agent Mr B does not carry out any operations in India which would facilitate him in providing the services outside India in lieu of which the commission is being paid to him, no portion of the income shall be deemed to accrue or arise in India.

2.1.4 Can such payments be deemed to accrue or arise in India as royalty/FTS?

Fees for technical services is defined in Explanation 2 to Section 9(1)(vii) as consideration for the rendering of managerial, technical or consultancy services including the provision of services of technical or other personnel.

It is imperative to determine whether the services rendered by the commission agent are of managerial, technical or consultancy nature. Payment of commission to the non-residents for services rendered by them otherwise cannot be classified as fees for technical services. Such services are of regular/routine nature and do not involve any technical skills or knowhow so as to be roped in within the ambit of managerial, technical or consultancy services. Accordingly, where Mr B is habitually rendering such routine services abroad in the ordinary course of his business, the same shall not be classified as fees for technical services. Accordingly, no income shall be deemed to accrue or arise in India, except where the same is attributable to any operations carried out by the non-resident in India.

However, where the commission agreement between the resident and the non-resident agent is so drafted that in substance it relates to rendering of services which are of managerial, consultancy or technical nature, then the agreement may be disregarded as such and the commission payments may be construed by the Department as fees for technical services. By virtue of the provisions contained in Section 9(1)(vii)(b), such payments shall then be deemed to accrue or arise in India if the services are utilised for carrying on any business or profession in India or for the purposes of earning any income from any source in India.Further, pursuant to the provisions of Section 9(2) of the Act, such fees for technical services shall be deemed to accrue or arise in India irrespective of whether the non-resident has a place of residence or business connection in India, and whether or not such services are rendered in India.

3. Analysis

A combined reading of Section 4, Section 5 and Section 9 of the Act suggests that, if the payments to the non-resident agent are purely towards commission and the provisions of section 9(1)(i) are not fulfilled then there is no deemed accrual of such income in India. This means that there is no income which can be said to be includible in the total income of Mr B u/s 5(2) and accordingly, there is no requirement for charging income-tax in respect of the commission payments made to Mr B, u/s 4(1) of the Act.

Thus, if such payments are not chargeable to tax, then there does not arise any liability to deduct taxes in respect thereof u/s 195 of the Act. Accordingly, the explanation (2) to sub-section (1) of Section 195 which clarifies that the obligation to comply and make deduction thereunder applies/extends and shall be deemed to have always applied/extended to all persons, resident or non-resident, whether or not the non-resident person has a residence/place of business/business connection/any other presence in any manner whatsoever in India also remains inapplicable to such payments.

However, it is pertinent to note that the terms of the agreement should be read carefully. As discussed in the prior paragraphs where the terms of the agreement suggest otherwise, and it appears that the actual services rendered are not in the nature of a pure commission agent then such services should be appropriately classified and the liability to tax should be determined accordingly.

4. **Withdrawal of erstwhile Circulars**

The Central Board of Direct Taxes has vide Circular No 7 dated 22nd October,2009 withdrawn its earlier circulars namely:-

- Circular No 23 dated 23rd July, 1969
- Circular No163 dated 29th May, 1975 and
- Circular No 786 dated 7th February, 2000.

The earlier circulars clearly furnished illustrations to explain that such commissions can be paid without deduction of tax. However, the withdrawal of such Circulars shall not have any significant impact on the issue since the law and the provisions of the various section of the Act pertaining to the same continue to remain unchanged.

5. **Recent Judicial pronouncements**

- The ITAT Chennai Bench 'B' in the case of **ACIT vs. T. Abdul Wahid & Co. [2014] 46 taxmann.com 75** has held that "A*gency/sales commission paid by assessee to non-resident agents for services rendered by them outside India in procuring export orders for assessee, is not chargeable to tax in India and consequently the assessee is not under any obligation to deduct TDS under section 195 on said commission payment. Therefore, provisions of section 40(a)(i) have no application".*
- The ITAT Chennai Bench 'A' in the case of **DCIT, Company Circle-II(1), Chennai v. Farida Prime Tannery Pvt. Ltd. [2014] 45 taxmann.com 174**wherein following prior judgements in the cases of ITO v. Faizon Shoes (P.) Ltd. [2013] 58 SOT 245/34 taxmann.com 79 (Chennai) (para 6), it was concluded that the transactions of commission payments to the non-residents for procuring export orders, are not assessable to tax in India and consequently the assessee company is not under any obligation to deduct the TDS on the above commission payments u/s.195 of the Act. Therefore, the provisions of sec.40(a)(i) have no application in the case.
- The ITAT Chennai Bench 'B' in the case of**DCIT, Chennai vs. Rane (Madras) Ltd.** [2014] wherein the assessee had entered into agreement with agents outside India for procurement of export orders and marketing purposes,held that"*From the above scope of services of the agreement, we do not find any managerial/technical services are to be provided to the assessee by the overseas agent M/s. James Druchas, USA so as to attract the provisions of section 195 of the Act. However, this agreement which was entered into on 5.6.2008 is relevant to the assessment year 2009-10 and the assessment year under appeal now before us is 2007-08. Neither the assessee nor the Revenue placed an agreement relevant for the assessment year under consideration. Therefore, we restore this issue to the file of the Assessing Officer to examine afresh with reference to the agreement and the case laws relied on this issue".*
- The ITAT Delhi Bench 'B' in the case of **Deputy Commissioner of Income-tax, Circle 11(1), New Delhi*v.*Eon Technology (P.) Ltd. [2011] 11 taxmann.com 53**wherein it was held that "The *operations carried out by ETUK were not carried out in India. ETUK did not have any permanent establishment in India. ETUK was acting as the assessee's marketing agent and was providing marketing and sales support to all purchases executed by the assessee-company for its overseas clients. It was for the rendering of such service that the commission was paid by the assessee to ETUK. The payment was remitted outside India. [Para 17]. Therefore, the provisions of section 9(1)(i) were not fulfilled and there was no deemed accrual of income in India".*

Commission Agents- Across Territories

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A number of changes have been made by the Budget 2014. One of them is regarding Commission Agents providing services across borders.

The definition of 'Intermediary' has been changed. The earlier definition provided in Rule 2(f) of the Place of Provision Rules, 2012 is produced hereunder:

"Intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of a service (hereinafter called the main service) between two or more persons, but does not include a person who provides the main service on his account."

Now, Notification No. 14/2014-ST dated 11.07.2014 has amended the definition of "Intermediary". The amended definition which is effective from 01.10.2014 is produced hereunder:

"Intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of a service (hereinafter called the main service) or a ***supply of goods****, between two or more persons, but does not include a person who provides the main service or supplies the goods on his account."*

A major impact of this amendment is on Rule 9 of the Place of Provision Rules, 2012 which are as under:

> *"**Place of provision of specified services**- The place of provision of following services shall be the location of the service provider:-*
>
> *(a) ….*
>
> *(b) ….*
>
> *(c) Intermediary services*
>
> *(d) …."*

From the above, it is clear that now, the scope of the definition of 'intermediary' has been expanded by adding 'supply of goods' under the area of governance of Rule 9(c) of the Place of Provision Rules, 2012 w.e.f 01.10.2014. Accordingly, w.e.f 01.10.2014, an intermediary of goods such as a commission agent or a consignment agent shall be covered under Rule 9(c) of the Place of Provision Rules, 2012.

The impact of the above change is quite widespread, which is discussed below:

Commission agent in India providing service to foreign principal:

The above activity was previously governed by the General Rule i.e Rule 3 of the Place of Provision Rules, 2012. The said rule provides that the place of provision of a service shall be that of the ***location of the service recipient***. Therefore, in the context of a commission agent, the location of the principal of goods, who is the service recipient, is to be considered as the place of provision of service. Since in this case, the principal is located outside the taxable territory, such services were out of tax net.

Now, w.e.f. 01.10.2014, the Commission agent in India will be liable to pay service tax since he will henceforth be governed by Rule 9 wherein the place of provision of service will be the ***location of the service provider*** (the Commission Agent) which is India. This has caused much distress to Indian Commission Agents since now he is liable to pay tax despite receiving payment in Foreign Currency.

Foreign Commission agent providing service to principal in India:

In this case also, Rule 3 was applicable previously and the service receiver (i.e the Principal in India) was liable to pay tax under RCM in respect of commission paid by him to his foreign agent, since the place of provision of service was taken to be India (Exemption under Notification No. 42/2012 dated 29.06.2012 is discussed later in the article itself)

Now, w.e.f. 01.10.2014, since such activity will be covered under Rule 9, the Place of Provision will be the location of the foreign commission agent i.e.

outside India which is not a taxable territory. In simple words, services provided by a commission agent located outside India to principal located in India are now exempt from service tax.

As a consequence, Indian manufacturers and traders involved in export, shall not be liable to pay tax under RCM for services received from foreign commission agents situated outside India.

EXP-3 and EXP-4 need not be filed:

A major impact of this amendment is in respect of the exemption as provided by Notification No. 42/2012-ST dated 29.06.2012 according to which declarations in Form EXP-3 and half yearly returns in Form EXP-4 that were required to be filed by exporter of goods situated in India, to claim exemption from payment of service tax under RCM for the services received from the foreign commission agents. This has in turn rendered Notification 42/2012-ST dated 29.06.2012 irrelevant and henceforth, EXP-3 and EXP-4 need not be filed in respect of any commission paid to foreign agents after 01.10.2014.

Impact on Foreign Exchange:

The above provisions have created an ironical situation since now, if a Commission agent in India provides services to Principal outside India, he is required to pay service tax but if a commission agent outside India provides service to Indian principal, no service tax is leviable thereon. This implies that a transaction due to which India receives foreign exchange is subjected to service tax while transactions which result in outflow of foreign exchange are non-taxable.

Real Estate Agents:

The amendment has caused ambiguity in various matters such as who can be considered an intermediary (Real Estate agents are governed by Rule 5 of the Place of Provision Rules. However, where such estate agents are engaged in arranging a service such as renting of immovable property, they could qualify as an intermediary and consequently be governed by Rule 9(c) of Place of Provision Rules, 2012 and may become liable to pay tax because Rule 9 will be applicable to them). Moreover, the words arrangement and facilitation also require clarification.

Considering the above, the provisions need more clarity in terms of their application to persons facilitating cross border services. Moreover, such vague provisions might lead to unnecessary litigations.

Section 186 of the Companies Act 2013

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Section 186 in the Companies Act 2014 (herein after referred to as "The Act") corresponds to Section 372A in the erstwhile 1956 Act. The intention of both the provisions is by and large identical namely to regulate primarily Inter-corporate Investments and loans. Although the provisions are substantially the same in spirit, there are certain subtle differences between the two in content which make Section 186 a much more rigorous and potent regime as compared to its predecessor in the 1956 Act.

The differences are enumerated as under:

- Section 186 is applicable without prejudice to the provisions in the Act. There was no similar provision in Section 372A. Section 186 has been so worded with a view to isolate it from Section 185 which carries a blanket embargo on loans to Directors and their relatives.

- **Section 186 imposes embargo on multi-layered Investments**

Section 186(1) restrains a company from making investments beyond two layers of subsidiary companies subject to certain exceptions as provided under the Section which are as follows:

a) Where an Indian company is seeking to acquire any other company incorporated outside India, if such other company has investment subsidiaries beyond two layers as per the laws of the concerned Country.

b) A subsidiary company is not restrained from having any investment subsidiary for the purposes of meeting the requirements of any law for the time being in force.

c) The above restriction did not apply under the erstwhile regime of Section 372A.The fact that investments could be made through multi-layered structures gave the investor company the much needed flexibility in the process of planning and structuring the investments. Sub-section (1) in Section 186 is therefore constrictive in its approach.

- **Section 186 restrains loans to Non-corporate Entities as well**

Whereas Section 372A regulated only inter corporate loans and investments, Section 186 applies also to the provision of loans, guarantees, to non-corporate bodies. Clause (a) under sub-section (2) introduces this fetter by making the Section applicable to any person or other body corporate. Therefore by a strange quirk of logic or lack of it ,if you may, a company cannot provide loans to a non-corporate entity such as a partnership firm or a sole proprietor without approvals u/s 186.For that matter, even a loan given to an employee of a company will come within the ambit of the collective wisdom of the Board which will have to, willy-nilly, sit in pompous judgement on this triviality and approve of an innocuous application for financial support at a duly convened meeting!

Having said this, the new Act, to its credit, does have some novel characteristics which are laudable. However, the flip side is that the contents of clause (a) in sub-section (2) above pushes its quality or the lack of it to a nadir - to a , bottomless pit, as it were. Surely there could not be anything more archaic and retrograde than this provision, in a legislation which is supposed to be contemporary and which seeks to supplant the 1956 Act which was considered as an anachronism and well past its useful shelf life. To be fair to the law makers, our surmise is that this was an unintended aberration in drafting, the consequence of which they had not comprehended. Now that the MCA has set in motion the process of mitigating the hardships caused to stakeholders by some of the impractical provisions in the new Act through a slew of circulars to ease the rigours of several provisions, our optimism is that MCA will soon rectify the anomalous situation arising out of the above as well.

- **Section 186 only regulates Inter-corporate Investments**

Where it comes to investments, Section 186 regulates only investments made by a Company into any other body corporate. The term "body corporate" has to be given the meaning provided by Section 2(11) of the Act and includes a company incorporated outside India.

It follows from the above that investments made by companies into non-corporate avenues such as mutual funds will not be subject to compliance with the procedure of Section 186.

- **Section 186 exemptions are less liberal than its predecessor Section 372A**

The other major difference is that the provisions of Section 372A were in totality inapplicable to certain categories of

Companies including companies, involved inter alia, in providing infrastructural facilities.

As against this, as stated in sub -section (11) u/s 186, the section does not apply only to loans made, guarantees given or securities provided, inter alia, by a Company engaged in providing infrastructural facilities. The expression "infrastructural facilities" refers to the facilities specified in Schedule VI to the Act. Therefore, if such a company makes an acquisition by subscription, purchase or otherwise, in the securities of any other body corporate, the limits laid down in section 186 shall apply.

In the same vein, NBFCs registered with RBI whose principal business shall be in respect of its investment and lending activities will not have to seek approvals for making investments. In their case, the provision of loan and guarantees will come under the radar of the Board and in applicable cases, involve approval of the members as well.

- **Section 186 considers "securities premium" for determining thresholds for loans and Investments**

For computing the aggregate value of investments/loans that can be made, the lender/Investor company is allowed to include the amount of 'Securities premium" standing to the credit of its Books, in addition to its paid up capital and Free Reserves. By contrast under Section 372A one could consider only the aggregate of the paid up share capital and free reserves. It is pertinent to note that in the 1956 Act, the term "free Reserves" was not specifically defined except by way of a passing reference in Section 293(1)(d) wherein the term has been referred to as "Reserves not set apart for any specific purpose". In contrast, Section 2(43) in the Act, provides a restricted "means" definition to the expression "Free Reserves" by describing it as" such reserves which as per the latest audited Balance Sheet of a company ,are available for distribution as dividend". In the light of the above, it is perhaps appropriate to allow the "Securities Premium' as a concomitant to the aggregate threshold for investments and loans.

- **Can loans be extended at subsidized rates of Interest ?**

Sub-section (7) to Section 186 which corresponds to sub-section (3) in Section 372A provides that no loans can be provided to a body corporate at a rate of interest which is lower than the prevailing bank rate being the standard rate made public under Section 49 of the RBI Act, 1934.This throws up a pertinent question as to whether a Holding Company can provide to its 100% Subsidiary loans at either zero or subsidized rates of interest for business exigencies. The answer to this question would be an emphatic "No" as appears from a plain reading of Rule 11 (1) of the Companies (Meetings of Board and its powers) Rules ,2014. The above Rule merely clarifies that where a loan or guarantee is given or an investment is made in the securities of a wholly owned Subsidiary or a joint venture company , the requirement of sub-section(3) of Section 186 shall not apply. Sub-section(3) calls for the passing of a special resolution where the limits contemplated in subsection(2) are proposed to be exceeded. Hence only the procedure of a special resolution can be dispensed with. All other requirements of section 186 will have to be met.

On the other hand, in as much as clause (c) in subsection (8) of Section 372A exonerated a Holding Company from complying with Section 372A for loans made to its wholly owned Subsidiary, it was possible under the previous regime to provide interest free loans to a wholly owned subsidiary.

The above is yet another fetter in the new law which is perhaps oblivious to the realities of business. In many circumstances it may be necessary for a Holding Company to nurse back an ailing wholly owned Subsidiary to good health through the provision of subsidized loans .By denying this benefit the new law could push many a subsidiary to the throes of an unprecedented financial crisis. This anomalous position needs to be addressed urgently in the interest of business.

- **Conflict between Section 179 and 186- which provision carries greater force ?**

The new law also throws up a conflict as between Section 179 and 186 in the matter of precedence very similar to the question which was raised between Section 292 and Section 372A in the 1956 Act once the latter provision was introduced in the Statute Book by the Companies (Amendment)Act,1999 with effect from 31.10.1998.

We are aware that Section 179(3) in the Act, lists out the powers that are exercisable by the Board by means of resolutions passed at its meetings. Some of the powers listed out can be delegated by the Board to a Committee of Directors, the Managing Director ,the Manager or any other principal officer of the company.

The following powers can thus be delegated:

a) the power to borrow monies;

b) to invest the funds of the company.

c) to grant loans or give guarantee or provide security in respect of loans.

We are also aware that Section 186 provides that any decision to make investments or to make loans ,extend guarantees has to be approved unanimously by the Board at a duly convened Meeting even if the investments proposed or loans to be made are within the limits of the Board's authority.

The question therefore arises whether the power to invest the funds or to grant loans or guarantees can be exercised through the scope of delegated authority as envisaged in Section 179 by bypassing the rigmarole stipulated in Section 186.Our view is that as Section 186 is a specific and composite code to rein in inter-corporate investments and loans, if there is a conflict , competition between Section 179 and 186 ,having regard to the settled principles of judicial interpretation, Section 179 being a general provision will have to yield place to Section 186 since the latter is a specific provision.

Conclusion

In the above discussion we have endeavoured to capture the nuances of the new provision Section 186 and bring home the differences between the same and its predecessor Section 372A in the 1956 Act both in terms of their forcefulness and subtlety. Without doubt Section 186 comes off as a more potent and rigid law. Our view is that there exists still considerable headroom for making the law more pliable and friendly to companies.

Ceiling u/s 186 Sub section (2) provides that no company shall directly or indirectly –

a) give any loan to any person or other body corporate ;

b) give any guarantee or provide security in connection with a loan to any other body corporate or person and

c) acquire by way of subscription ,purchase or otherwise,the securities of any other body corporate.

if a Company subscribes to the securities of any other body corporate, the following limits shall apply :-

Unanimous approval of the Board required:-

Where the value of investment does not exceed 60% of the Company's paid up share capital, free reserves and securities premium account or

Where the investment does not exceed 100% of its free reserves and securities premium account whichever is more

Approval of Board has to be at a Meeting and if the Company has obtained loans from any public financial institutions which are outstanding, prior approval of the institution would also be needed.

If the above limits are exceeded, approval of members by special resolution will be needed.

Rule 11 in the Companies (Meetings of Board) Rules, 2014 provides that where the loans or guarantees or securities have been given to a wholly owned subsidiary or a joint venture Company or where the investment is made by holding Company in its wholly owned subsidiary it will not be necessary to obtain shareholders approval by special resolution u/s 186(3).

It is pertinent to note that where any Company subscribes to the shares of another Company under a Rights issue which is covered by Section 62, Section 186 shall not apply. In other words if shares are acquired pursuant to a rights issue, the ceiling laid down u/s 186 as stated above shall not apply.

In view of the above, the applicability of section 186 to Companies such as ours which are into infrastructural facilities is restricted to the following:-

Provision of loans, guarantees or securities can be made without any ceiling and without requiring compliance with Section 186.

Investment in securities of non corporate bodies such as mutual funds can be made without the regulation of the above provision.

The ceiling laid down in Section 186(1) shall apply for any acquisition of the securities of any other Company. Whenever any investment is proposed by a Company such as ours into the securities of any other body corporate, approval of the Board should be obtained at a duly held meeting with the unanimous consent of the members, provided the investment is within the limits prescribed. If the investment exceeds the limits prescribed, approval of the shareholders has to be taken. The best strategy to get away the above from rigours of compliance is to make investments in the securities of another Company pursuant to a Rights issue made by it. In such a case the above section shall not apply. Therefore, whenever we are making investments into any of our subsidiaries, we should make sure that the subsidiary is raising subscription through the rights issue. Otherwise the ceiling laid down in Section 186 shall apply.

JUDICIAL PRONOUNCEMENTS (DIRECT TAX)

(Compiled by : **K.K. Chhaparia,** FCA)

CIT Vs. Impact Containers Private Limited [2014] 48 taxmann.com 294 (Bombay) decided on 4th July, 2014

Sub: *Applicability on deemed dividend when recipient of loan is not a shareholder - Where certain companies advanced money to assessee-company in which one director of assessee was holding more than 10 per cent equity shares, since assessee itself was not shareholder of those lending companies, impugned addition made by Assessing Officer by invoking provisions of section 2(22)(e) was not sustainable.*

Facts: Certain companies had lent advanced monies to the assessee company in which one of Director of the assessee-company held more than 10 per cent of equity shares. He also held more than 20 per cent of the shares of the assessee-company. The Assessing Officer perused the balance sheet of the respective companies and it revealed that the reserves and surpluses in all these companies were more than the amount standing to the credit of these companies. He thus arrived at the conclusion that the requirement of section 2(22)(e) was satisfied and the balance namely credit entries found in the books of the assessee-company were considered for additions u/s 2(22)(e). The Tribunal noted that the Assessing Officer had not found that the assessee company was a shareholder of any of the four companies. In such circumstances, addition made under section 2(22)(e) was deleted. The revenue filed instant appeal wherein it raised a contention that the view taken in the Universal Medicares (P.) Ltd.[324 ITR 263 (Bom)] case upon which Tribunal acted required reconsideration.

Held: The loan granted to the beneficial owner of the share, who is not registered shareholder would not fall within the meaning of section 2 (6A)(e) of the I. T. Act. What the section is designed to strike at is advance or loan to a shareholder and the word shareholder can mean only the registered shareholder. Accordingly, it was held that since the assessee company was not a shareholder in any of the entities which have advanced and lent sums, then, the addition is required to be deleted.

Comments: *The law laid down in Universal Medicare 324 ITR 263 (Bom) approving Bhaumik Colour 313 ITR 146(SB), that s. 2(22)(e) doesn't apply to a non-shareholder is a good law.*

DCIT vs M/s. Kredent Brokerage Services Ltd ITA No. 806/Kol/2012 decided on 11th September, 2014

Sub: *Applicability of disallowance u/s 14A of the Income Tax, 1961 when shares are held as stock in trade and issue of disallowance of penalty when the same is just compensatory charges for delay and not for infringement of any law.*

Facts: The assessee was a member of stock exchange and both dealer and investor in shares and received dividend on both investments and inventories. The AO made disallowance u/s 14A read with Rule 8D, on shares held as stock in trade as well as investments. The CIT(A) restricted the disallowance u/s 14A with respect to investments only. The second issue in this case was disallowance of penalty charges paid to stock exchange for over trading and other minor procedural lapses. The CIT(A) segregated the penalty charges and deleted the disallowances with respect to penalty charges which were compensatory in nature.

Held: It has been held that when the shares are not retained for earning the dividend income and the dividend income is incidental to its business of sale of shares and the shares were kept on trading account, disallowance u/s 14A is not called for. The CIT (A) has given a clear basis for the computation of disallowance and there is no infirmity in the same.

It was further held that the sums paid to stock exchange for delay in payment of dues and for various other obligations arising out of carrying business activities, cannot be said to be infringement of any law, they are just compensatory charges for delay and other procedural lapses, and hence they should be allowed.

Comments: *In the Tax Audit Report, while reporting in Clause 21, with respect to penalty, the reporting requirements clearly demarcate three types of penalty:*

1. *Expenditure by way of penalty or fine for violation of any law for the time being in force*
2. *Expenditure by way of any other penalty or fine not covered above*
3. *Expenditure incurred for any purpose which is offence or prohibited by law*

As per Explanation below section 37, only such expenses which are incurred by an assessee for any purpose which is an offence or which is prohibited by law shall not be deemed to have been incurred for the purpose of business. Accordingly, the first two categories of penalty expenses as mentioned above, are not specifically disallowable as per the Act. Payment to stock exchange for over trading etc is not covered in third category. Similar view has been held in Jai Surgicals Limited Vs. ACIT, 46 taxmann.com 246 (Delhi ITAT) decided on 26th June, 2014

CIT Vs. Nayan Builders and Developers ITA No. 415 of 2012 (Bombay High Court)

Sub: *Whether mere admission of appeal by High Court is sufficient to debar penalty u/s 271(1)(c) of the Income Tax Act, 1961?*

Facts: In quantum proceedings, the Tribunal upheld the addition of three items of income. The assessee filed an appeal to the High Court which was admitted. The AO levied penalty u/s 271(1)(c) in respect of the said three items. The penalty was upheld by the CIT (A). The Tribunal deleted the penalty on the ground that when the High Court admits substantial question of law on an addition, it becomes apparent that the addition is certainly debatable. In such circumstances penalty cannot be levied u/s 271(1) (c).

Held: **The Court** held that the admission of substantial question of law by the High Court lends credence to the bona fides of the assessee in claiming deduction. It is added that once it turns out that the claim of the assessee could have been considered for deduction as per a person properly instructed in law and is not completely debarred at all, the mere fact of confirmation of disallowance would not per se lead to the imposition of penalty.

Comments: *It makes sense to file appeal to High Court, when the additions have been confirmed by ITAT to avoid penalty.*

DCIT Vs. Bounty Trading & Investments Ltd. ITA No. 268/Kol/2012 decided on 26th August, 2014

Sub: *What will be the fate of an appeal when the Grounds of Appeal are not exhaustive?*

Facts: In this case, in the order passed u/s 147 of I.T.Act, the AO observed that the loss of amalgamating company on account of sundry balances written off (Bad Debts) was not allowable as per I.T.Act. Accordingly, such loss cannot be allowed in the hands of amalgamated company u/s 72A of I.T.Act. The assessee argued that once original assessment of amalgamated company was passed u/s 143(3), it was not open for the AO to re-examine the issues already examined in the original passessment order. It was further argued that if the loss of amalgamating company is disputed, then the assessment proceedings of the said amalgamating company should have been reopened. It was further argued that all the conditions laid down u/s 72A was otherwise satisfied and if the AO have any specific doubt, he should inform by way of speaking order, before proceeding for assessment. The AO however disallowed the loss of amalgamating company u/s 72A in the hands of amalgamated company.

The CIT(A) deleted the disallowance by the AO on the ground that the appellant was satisfying the conditions u/s 72A and if at all the AO has any dispute with respect to allow ability of certain loss of amalgamating company, he should have done so in the assessment proceedings of the said company.

The appeal has been filed by the Revenue against the order of CIT (A)-I, Kolkata dated 30/11/2011 for the A.Y 2005-06 by contending that CIT(A) has erred in treating the assessment order passed u/s 147 as void-ab-initio in so much as the Ld. AO did not pass any speaking order against the objections filed by the appellant against issuing of notice u/s 148.

Held: It was held as follows:

The learned DR could not point out the relevant paragraph of the order of the CIT (A), under which CIT (A) has held that the assessment order passed under section 147 is void ab initio. The assessee had taken several grounds before the CIT (A). However, the CIT(A) allowed the appeal on merit and not on technical ground. While filing appeal at ITAT, the Ground taken was on technical ground and not on merit. However, since the CIT(A) had allowed the appeal on merit, the Department's appeal was misconceived and dismissed.

Comments: *One has to be very particular while drafting Grounds of appeal in appellate proceedings.*

Iqbal M. Chagala (ITAT Mumbai) Vs. ACIT, ITA No. 877/Mum/2013 decided on 30th August, 2014

Sub*: Sec 14A & Rule 8D cannot be applied in a mechanical manner and disallowance cannot exceed expenditure claimed as a deduction*

Facts: In AY 2009-10, the assessee was assessed at income of Rs. 12.62 crore. The assessee had investments of Rs. 32.71 crore. The investment transactions were managed by investment advisers and the assessee paid portfolio management services (PMS) fees which were debited to his capital account. The demat expenses and security transaction tax (STT) was also debited to the capital account. The assessee claimed that the expenses relating to salary, telephone and other administrative expenses were incurred by him for his professional income and not for earning tax-free income. However, the AO rejected the claim and made a disallowance of Rs. 16.35 lakhs, being 0.5% of the average investments under Rule 8D(2)(iii). The CIT(A) deleted the disallowance on the ground that it was without establishing any nexus.

Held: On appeal by the department to the Tribunal HELD dismissing the appeal:

The assessee had debited direct expenses on account of dematerialization and STT in the capital account and not in the Profit and loss account. The AO had presumed that the assessee had must have incurred some expenditure under the heads salary, telephone and other administrative charges for earning the exempt income. It is further found that the total expenditure claimed by the assessee for the year is about 13 lakhs and the AO had made a disallowance of about Rs.16 lakhs. He has just adopted the formula of estimating expenditure on the basis of investments. But, the justification for calculating the disallowance is missing. The assessee had not claimed any expenditure in its P&L account and so the onus was on the AO to prove that out of the expenditure incurred under various heads were related to earning of exempt income. Not only this he had to give the basis of such calculation. In any manner disallowance of Rs.16.35 lakhs as against the total expenditure of Rs.13 lakhs claimed by the assessee in P&L account is not justified. Rule 8D cannot and should not be applied in a mechanical way. Facts of the case have to be analyzed before invoking them.

Comments*: Before applying Rule 8D, it is mandatory for the AO to have satisfaction. He cannot make a disallowance in a mechanical manner.*

DCIT vs. Seervi Samaj Tambaram Trust 362 ITR 199 (Mad)

Sub: *A Charitable Trust cannot be denied registration on the ground that the Trust has not commenced its activities on the date of filing of application for registration.*

Facts: The assessee filed an application for registration u/s 12AA of the Income Tax Act, 1961. The commissioner did not grant the registration to the asseessee merely because the trust has not commenced its activities on the date of filling of application for registration.

Held: The Hon'ble High Court in the case of DCIT vs. Seervi Samaj Tambaram Trust 362 ITR 199 (Mad) held that the sec 12AA(1) contemplates satisfaction of the Commissioner about the objects of the Trust and the genuineness of the activities and to make such enquiry as may be necessary for the purpose of grant of registration. It was further stated that Sec 12AA(3) empowers the Commissioner to cancel the registration, if he is satisfied that the objects of such trust are not genuine or are not being carried out in accordance with the objects of the trust. When such a power is vested with the Commissioner to cancel the registration, the Commissioner was not correct in not granting the registration to the assessee trust merely on the fact the activities had not yet commenced on the date on which application was made without doubting the genuineness of the objects of the trust.

Comments: *Similar view has been held by a number of Tribunals.*

CIT Vs. Textool Company Limited [2013] 35 taxmann.com 639 (SC), decided on 9th September, 2009

Sub: *Assessee-company was entitled to deduction under section 36(1)(v) in respect of payment made directly to LIC towards employees' group gratuity fund duly approved by Commissioner.*

Facts: The assessee-company paid certain amount to LIC as initial contribution in the group Life Assurance Scheme framed by the LIC for the benefit of the employees of the assessee. While completing assessment, the Assessing Officer disallowed said contribution on the ground that payment towards the gratuity fund was made by the assessee directly to the LIC and not to an approved gratuity fund and, therefore, it was not allowable under section 36(1)(v). Upon perusal of the original master policy issued by the LIC, the Commissioner recorded his satisfaction that the initial contribution as well as annual premium had been credited by the LIC to the group life assurance scheme on behalf of the assessee-company's employees group gratuity fund only, meaning thereby that the insurance policy had been taken in the name of the approved gratuity fund only. The Commissioner thus opined that by making payment of the amounts in question directly to the LIC, the assessee had not violated any of the conditions stipulated in section 36(1)(v). Accordingly, the assessee's claim for deduction was allowed. The Tribunal as well as the High Court confirmed the order passed by the Commissioner (Appeals). On appeal to the Supreme Court:

Held: From a bare reading of section 36(1)(v), it is manifest that the real intention behind the provision is that the employer should not have any control over the funds of the irrevocable trust created exclusively for the benefit of the employees. In the instant case, it is evident from the findings recorded by the Commissioner and affirmed by the Tribunal that the assessee had absolutely no control over the fund created by the LIC for the benefit of the employees of the assessee and further all the contribution made by the assessee in the said fund ultimately came back to the assessee's employees gratuity fund, approved by the commissioner. Thus, the conditions stipulated in section 36(1)(v) stood satisfied.

Comments: *This is an important Supreme Court judgment.*

ITO Vs. Toscana Lasts Ltd (ITAT Delhi) ITA No. 4600/Del/2010, decided on 12th May, 2014

Sub: ***Huge carry forward losses and depreciation and filed a nil return suggests that there is no motive or incentive to make a bogus claim in the return and hence, penalty proceedings u/s 271(1)(c) of the Income Tax Act, 1961 are not valid.***

Facts: The assessee filed audited accounts along with the return of income declaring total income at Rs.2,12,05,670/- which was set off against the unabsorbed depreciation and business losses of earlier years. The total business loss of Rs.2,27,88,104/- and unabsorbed depreciation of Rs.7,27,38,068/- available with the assessee as per the return of income filed. Based on certain additions in the assessment order, the Assessing Officer levied penalty u/s 271(1)(c). Now, the assessee is in appeal before the Hon'ble Delhi (ITAT).

Held: Quantum additions and penalty proceedings are two separate and distinct proceedings. Penalty cannot be levied for every disallowance made in the assessment order. The assessee has submitted the agreement, debit note for these expenses, ledger account of APR Limited to whom the payments were made. Further, the confirmation from APR Limited was also filed in penalty proceedings. The revenue authorities have not brought anything on record which could prove the non-genuineness of these documents. The facts with regard to these claims were clearly mentioned and disclosed in the return of income. The expenses payable to APR Limited were shown separately by the assessee in the profit and loss account and the same has been also discussed by the auditor in the audit report. Thus, assessee has made a claim which was transparent and bona fide. Assessee has not concealed anything in this regard. Therefore, it cannot be a case of concealment of facts. As far as the filing of inaccurate particulars of income is concerned, the assessee was having huge carry forward losses and depreciation and the return was filed at nil income. In our considered view, there cannot be a motive or incentive for the assessee to make any bogus claim in the return of income. These facts show that whatever claim made by the assessee was under good faith and with the advice of the auditors and the employees. The assessee has furnished an explanation which has not been found false.

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Seminars conducted in month of September, 2014

3 CPE hours Practical Aspects in Efiling of Roc Forms and Transactions under Sec. 92E at Clive Row, 5th Flr. Unit 81, Kol-1 on 26/09/2014

3 CPE hours Seminar on VAT Audit and Foreign Trade Policies at 1A, 1st. Flr. 23 Gangadhar Babu Lane, Kolkata-12 on 19/09/2014

4 CPE hours Seminar on Amendments in Tax audit Report and Practical aspects of Search and Survey at Kala Kunj, Shakespeare Sarani on 13/09/2014

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Annual Conference 2014

The Park, 17 Park Street, Kolkata on 8th & 9th November 2014

Chief Guest
Dr. Subramanian Swamy
Politician & Sr. Advocate, Supreme Court of India

Saturday, 8th November 2014

First Technical Session : Real Estate

★ Real Estate Transactions – Minimizing tax burden through effective structuring - By CA Ashok Raghavan, Bangalore

★ Indirect Tax Issues for Real Estate Developers & Owners with particular reference to Joint Development Agreements & Collaboration Agreements - By Adv. Puneet Agarwal, Delhi

Second Technical Session : Business Restructuring

★ Corporate Laws: Business Restructuring under the Companies Act, 2013 with particular reference to mergers, demergers, slump sales, buy backs & holding company structures - By Adv. Sanjay Buch, Mumbai

★ Controversies and Possible Solutions - Section 56(2) (vii b) read with Rule 11UA and Section 68 - By CA Ashok Raghavan,

Sunday, 9th November 2014

Third Technical Session : Direct Tax : Emerging Areas of Practice

★ International Tax as required in everyday practice – particularly tax deduction on foreign remittances u/s 195 and domestic transfer pricing - By CA T P Ostwal, Mumbai

★ Tax Planning through Trusts and LLP - By CA Yogesh Thar, Mumbai

★ Revisions and Re-Assessments - By Dr. Girish Ahuja, Delhi*

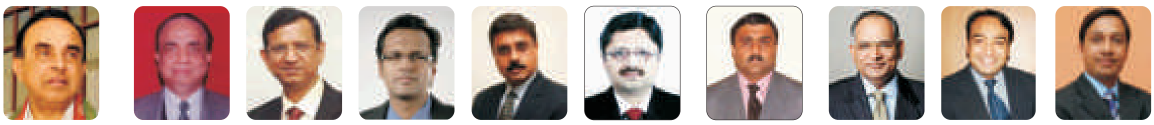
Fourth Technical Session : Chasing Growth with NaMo

★ Sri S P Tulsian - Editor and CEO, Premium Investments

★ Sri Nikunj Dalmia* - Stock Editor, ET Now

★ Sri Pankaj Tibrewal - Fund Manager - Equity, Kotak Mahindra

Speakers



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* Confirmation Awaited

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