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The Chartered Accountant STUDENT

Your monthly guide to CA news, information and events



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INSIDE

3	President's Communication
4	Vice President's Communication
5	Chairman's Communication
6	Profile: Our New President
7	Profile: Our New Vice President
8	Profile: Our New Chairman
9	Profile: Our New Vice Chairman
10	Article: TDS – Section 194IA – Concept and Issues
13	Article: Letter of Credit: Accounting and Service Tax Implications in Banking Sector
18	Corrigendum
23	Academic Update: Accounting
24	Interview: Toppers Speak...
28	Results
29	Announcement: Scholarships for CA Students
30	Announcements
34	Crossword Puzzle

SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

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My Dear Students,

I feel delighted to communicate with all of you for the first time as the President of the august Institute. During my tenure as Vice President, I had an opportunity to get first hand exposure to the challenges facing the Accountancy Profession. I am fully aware that the new responsibility is more stimulating and full of challenges. I am quite sure, with the unflinching support and help of all; we together can drive the Institute into greater heights. As Napoleon Hill said, ***“what ever the mind of man can conceive and believe, it can achieve.”***

My predecessors, through their hard work and dedication have achieved a lot. Their achievements have created a very high set of benchmarks for us. At this juncture, I pledge to do my best, particularly for the progress of our Institute and for the betterment of our Accountancy Profession. It is my firm belief that with the help and whole-hearted support of all the stakeholders, we can ensure that the accountancy profession continues to grow, enhancing its public value in the society.

Chartered Accountancy is regarded as a very prominent and worthy profession in the society. Our Institute plays a very vital role in providing the best of infrastructure, learning facilities and technical skills in all the key areas of Accounting Profession. I assure you that we will try our level best to provide ample and equal opportunities to explore your horizons in the right perspective. Further, we would like to strengthen our academic and training activities as to facilitate you with the value added professional services in India and abroad as well. Making the CA course curriculum comprehensive and engaging is one of my priorities. It is our earnest endeavour to make the educational systems benchmarked to the modern educational pedagogies being followed globally.

Students have always been the biggest priority for the Institute and it is always our endeavor to prepare its students for tomorrow. In this direction, a Committee to review the existing system of education and training was set up in 2014. The Committee after following a

multi pronged strategy came out with a New Proposed Scheme of Education and Training. The proposed Scheme is available on the Institute's website and was opened for public comments. We have received thousands of comments and we are in the process of analyzing the comments. I would like to request all of you to post your comments.

It is in the workplace, where the CAs normally encounters with real professional issues. Considering the importance of articleship training, we felt that a monitoring framework should be in place and methodologies should be evolved to ensure quality training imparted to the students. All out efforts would be made to encourage the students to undergo industrial training so as to enable them to take challenges of industrial world. We believe that soft-skills are highly critical for becoming a successful professional. Emphasis would be given to the development of soft-skills for the holistic development of our students. We are also looking forward to enhance the participation of national and foreign organizations in the campus placement programme of the Institute.

It is also our endeavour to provide the best possible infrastructure support to our students and members to develop their knowledge, skill, ability and behaviour to perform in a professional standard. So, we propose to effectively use technology for the improved delivery of services to our students and members. We are planning to create a self-service portal for students and members for the submission of forms, receipt of fee and tracking of status electronically. We are also planning to create the technical contents in professional subjects and their distribution through mobile app and ICAI TV.

I am quite hopeful that with your vibrant vibes and continual co-operation, we at the Institute will be able to develop an ambience for transparent, integrated and ethical professional practices that can be helpful to us to meet the challenges of a globalized professional world with a note of resounding success. I hope that the student community will enthusiastically respond and support the Institute's initiatives for the advancement of the accounting profession.

With best wishes for a colorful Holi.

CA. MANOJ FADNIS

PRESIDENT
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



Dear Students,

It gives me immense pleasure to communicate with you as the new Vice President of the Institute. Students have always been very close to my heart. I consider myself fortunate to work for the cause of students as the Chairman of Board of Studies last time. Now, when I have been assigned greater responsibilities it would be my endeavour to continue to serve the interest of students besides working towards the growth of profession. I would like to take this opportunity to express my heartfelt thanks and gratitude to the Council of ICAI for considering me worthy to shoulder this responsibility to work for the overall benefit of the Institute and its student fraternity. I think that the present role is much wider and bigger in terms of responsibilities. As Booker T. Washington rightly said, *"Few things can help an individual more than to place responsibility on him, and to let him know that you trust him"*.

As you are all aware, Chartered Accountancy is a dynamic, challenging and rewarding profession. The challenges facing professional accountants are both complex and pressing. We have to produce excellent professionals to meet the challenges. Our Institute provides the best infrastructure, learning facilities and technical skills in all the key areas of accounting profession. We would also like to further revitalize our education and training systems and establish an enabling ecosystem to produce globally competitive accounting professionals. As a part of our new initiative to strengthen education and training initiatives,

we would like to update the chartered accountancy course curriculum to satisfy the needs of the students, employers and the society as well. In this direction, a Committee to review the existing system of education and training was set up in 2014. The Committee after following a multi pronged strategy came out with a New Proposed Scheme of Education and Training. The proposed Scheme is available on the Institute's website and opened for public comments. I would like to request all of you to post your comments. As Leonardo da Vinci said, *"I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do"*

The Chartered Accountancy qualification is considered as a leading accounting qualification because the theoretical learning is coupled with a component of practical experience. The Institute is fully aware of its onerous responsibilities to provide highest form of professional education to its students. The Board of Studies is continuously engaged in evolving and implementing a number of proactive measures for the benefit of the students. The four weeks Residential Programme at the Centre of Excellence, Hyderabad and at NIFM, Faridabad, has been appreciated by the student community. The course has been successful in developing the soft skills and communication skills of the students.

We, at the Institute, are trying our best to ensure that all possible doors are opened for the students who will join the profession in coming years. I hope that the student community will enthusiastically respond and support the Institute's initiatives for the advancement of the accounting profession.

Wishing you all, a very wonderful and cheerful Holi Festival.

Yours sincerely,

CA. M. DEVARAJA REDDY
VICE PRESIDENT
ICAI, NEW DELHI



My Dear Students,

Writing this first message to you in my capacity as Chairman, Board of Studies fills me with joy because I am addressing the future of our CA Profession. I have no doubt that each and every one of you will achieve the target and will have a coveted prefix 'CA' to your name in the near future.

POINTS TO PONDER – GOLDEN QUOTES FOR SUCCESS IN LIFE

1. Learning is a treasure which accompanies its owner everywhere. Live to learn, learn to live and learn from everyone.
2. Never try to DEFEAT anyone, just try to WIN everyone. Don't laugh at them, but laugh with them.
3. Lord Buddha said *"The tongue is like a sharp knife – it kills without dropping blood"*. Hence, always speak sweet words.
4. Work for a cause, not for applause; Live life to express, not to impress.
5. Mark Twain said *"Kindness is the language which the deaf can hear and the blind can see."*
6. Bill Gates said *"In life and in business if you want to go fast, go alone. But, if you want to go far – go together."*
7. Forgiveness saves the expenses of anger, the cost of hatred and the waste of spirits.
8. Always chase your dreams instead of running from your fears.
9. Write your sad times on water and write your good times on stone.
10. Life is a great trip. The only problem is that it doesn't come with a map. We have to search our own routes to reach our destination.

KEYS FOR SUCCESS IN YOUR EXAMINATIONS

I am well aware that most of you would be gearing yourselves to write the forthcoming May examinations. Positive attitude, enthusiasm, hard work and self confidence are the keys for your sure success in your examinations. Nothing great was ever achieved without enthusiasm and there is no substitute for hard work. The immortal quote of Stephen Leacock is apt in this respect *"I am a great believer in luck, and I find the harder I work, the more I have of it."* Bring your most amazing self out into this world. Be Amazing, Be Positive. Helen Keller

said *"We can do anything we want, if we stick to it long enough"*. Patience is not about the ability to wait, but, the ability to keep a good attitude while waiting.

TO THOSE WHO HAVE NOT BEEN FORTUNATE TO CLEAR THE CA EXAMINATIONS

Please don't lose heart. Sometimes, not getting what you want may become your greatest turning point. God upsets your plans to execute His plans for you. Hence, dear students, evolve a long range vision and combine it with result oriented action. Vision without action is a daydream. Action without vision is a nightmare. Vision plus action is progress. Act today in sync with tomorrow's vision. Failure is not the opposite of success. It is part of success. It is the Stepping Stone to success. Napoleon Hill said *"In every adversity there is the seed of an equivalent or greater benefit. Defeat is never permanent, unless you accept it as such."* Thomas Alva Edison failed ten thousand times before perfecting the electric lightbulb. He had a wonderful piece of advice *"Many of life's failures are people who did not realize how close they were to success when they gave up."* So recoup yourself, don't worry or despair or moan, but pull your socks up, put your head down to your books and victory will be yours. Never lose hope, never give up on your faith and never stop believing in your dreams because miracles do happen; you just need to believe in yourself! Problems are like trees seen through a running train. As you approach them they grow bigger. Once you pass them, they become smaller. That's Life.....!

WRAP UP POINT

Helen Keller was a person who had a very positive attitude to life and her words of wisdom have been a beacon light. She said *"Keep your face to the sunshine and you cannot see the shadows."* To carry on in life we must polish up the bright side and not be sucked into the dark and dreary void of vindictiveness, hatred, non-achievement and other energy draining emotions. *It is better to light one small candle than to curse the darkness.* Every little smile can touch somebody's heart. No one is born happy, but all of us are born with the ability to create happiness. The biggest obstacle to happiness is undervaluing what we have and overvaluing what others have. Life never leaves you empty. It always replaces what you have lost. If it asks you to put something down, it is because it wants you to pick up something better. Every king was once a crying baby and every great building was once a blueprint. *"The adventure of Life is to learn, the purpose of Life is to grow, The nature of Life is to change, the challenge of Life is to overcome, the opportunity of Life is to serve, the secret of Life is to dare and the beauty of Life is to give."*

With Warm Professional Regards,

Forever, yours in service,

(CA. V. MURALI)

CHAIRMAN, BOARD OF STUDIES, ICAI, NEW DELHI



CA. MANOJ FADNIS
PRESIDENT ICAI
2015-2016

A blend of erudition, experience, foresight, technical expertise and professional excellence worth emulating, CA. Manoj Fadnis has been elected as the President of the Institute of Chartered Accountants of India (ICAI) by the 22nd Council of the Institute on February 12, 2015. A fellow member of the ICAI with 28 years of standing, he was the Vice-President Institute for the Council Year 2014-15.

An altruistic hard-worker bestowed with exceptional organisational, networking, administrative and leadership skills, he has been serving as a Central Council member since 2001, for five consecutive terms. An illustrious and versatile accountancy professional, he passed his B.Com from Indore University and qualified as a Chartered Accountant in January 1987. He has been in practice ever since. Known for his passion for professional upliftment, he also holds Diploma in Information Systems Audit (DISA).

A seasoned professional, he was elected to the Managing Committee of Indore Branch for the term 1992-95 and later elected as Chairman of the Branch in 1994-95. He was also elected to the Central India Regional Council for the

term 1995-98 and was later elected as Chairman in 1997-98.

During his illustrious inning in ICAI Council ever since 2001, CA. Manoj Fadnis has made noteworthy contributions in whatever capacity he served the profession, particularly as the Chairman of various important Committees/Board like Board of Studies, Direct Taxes Committee, Committee on Economic, Commercial Laws & WTO and Accounting Standards Board (ASB), etc. He was also on various Standing Committees of the Institute like Disciplinary and the Examination Committees.

As Chairman of the ASB he was instrumental in formulation of accounting standards and has been widely credited with the converging Indian Accounting Standards with the International Financial Reporting Standards, which were eventually notified in February 2011.

Having also passionately represented Indian accountancy profession on the international front, he had been ICAI nominee in the meetings of the National Standard Setters and the World Standard Setters, Asia Oceania Standard Setters Group and Emerging Economies Group. He has also represented the ICAI in IFAC Board Meeting as Technical Advisor, CAPA Board Meeting, SAFA-IFAC Regional SMP Forum, World Congress of Accountants.

An outstanding facilitator of ICAI and accountancy profession as a leading partner in nation building, he has been nominated on the board of public companies by the Ministry of Corporate Affairs. He is also on the board of listed companies as independent director, besides being on the board of Directors of Indore Management Association. He was nominated as Director on the Board of State Bank of Indore from 2002 to 2005 besides having been nominated on the Audit Board of M.P. Co-operative Board, Bhopal.

A prolific writer and ace speaker, his articles have been published in various magazines including *The Chartered Accountant*. He has also been the visiting faculty in management colleges for the subjects related to the profession. ■



CA. M. DEVARAJA REDDY
VICE PRESIDENT,
ICAI 2015-16

A virtuous man of efficiency, discipline and high integrity with firm belief in inclusive growth of accountancy profession, CA. M. Devaraja Reddy is the new Vice President of The Institute of Chartered Accountants of India for the term 2015-16. With more than 27 years of continuous and dedicated professional service to the cause of accountancy profession, he was elected Vice-President of the Institute by 22nd Council on February 12, 2015.

Having a deep-rooted interest in academic discipline of accountancy, he is widely commended and credited for his key role in conceptualization and devising of a new futuristic CA Curriculum as Chairman of Board of Studies in 2014-15.

CA. M. Devaraja Reddy is a Graduate in Commerce from Pragati Maha Vidyalaya Abids, Hyderabad affiliated to Osmania University, Hyderabad. He did his articleship under Principal, V. S. Narayan, Boggulakunta, Hyderabad. CA. M. Devaraja Reddy qualified Chartered Accountancy examination in Nov. 1987 and since then he is practice. He has always dazzled his fellow members with his humble down-to-earth approach to connect with people, and brilliant and uninterrupted service to the profession. A resident of Hyderabad, he has been a Central Council Member for two consecutive terms of 2010-13 and 2013-16. As the Vice President of the ICAI, he is now the Vice-Chairman of all the Standing Committees of the ICAI, the Member ex-officio in all Non-Standing Committees of the ICAI and Joint Editor of *The Chartered Accountant* journal.

Liked for his benign behaviour and beneficent attitude, he graduated in Commerce from Pragati Maha Vidyalaya Abids,

Hyderabad affiliated to Osmania University, Hyderabad. CA. Reddy started his professional journey in November 1987 when he qualified as Chartered Accountant and thereafter started independent professional practice in Hyderabad. Later, he got elected to the Managing Committee of Hyderabad Branch and became its Secretary in 1994, Vice chairman in 1995 and Chairman in 1996.

His stint at the Southern India Regional council started in the year 2004 and served as Chairman SICASA, Secretary, Vice Chairman in 2008 and Chairman in the year 2009.

Since 2010, he went on to record a magnetic presence in the Central Council of the Institute and has been actively involved with the functioning of the Council in various capacities, viz. as Chairman, Vice-Chairman and member of its various Committees.

CA. Reddy has shown his professional skills and acumen in all tasks and responsibilities assigned to him both at national as well as international level. During the year 2010-2011, he was Member of Executive Committee and Vice Chairman of Direct Taxes Committee. In 2011-2012, he served as Member of Examination Committee, Board of Disciplinary Committee, Vice-Chairman of International Taxation Committee and Committee for Members in Entrepreneurship & Public Services. In 2012-13, CA. M. Devaraja Reddy was Chairman Continuing Professional Education Committee, Vice Chairman, Committee for Members in Entrepreneurship and Public Services and Member to the Disciplinary Committee. In the year 2013-14 CA. M. Devaraja Reddy was Chairman to Committee for Members in Entrepreneurship and Public Services, Peer Review Board and members to other important Committees. In the year 2014-15 he contributed to the Profession as Chairman of Board of Studies and member of the Audit Committee, Continuing Professional Education Committee, Committee on Economic, Commercial Laws and WTO, Editorial Board, Ind AS (IFRS) Implementation Committee, International Affairs Committee, Committee for Members in Industry, Public Relations Committee and Young Members Empowerment Committee.

An ardent devotee of Lord Sri Venkateswara Balaji, CA. M. Devaraja Reddy is involved in a number of social service activities. He is also an active member in Indo-Pakistan Cultural Society and Federation of Andhra Pradesh Chamber of Commerce & Industry.

As an avid academic, CA. M. Devaraja Reddy has attended and contributed to numerous national and international seminars and conferences on the issues of professional interest. He has addressed at length on various issues including networking, investment strategies, e-learning, initiatives on education for accountancy showing his passion for the profession and its core concerns. A proponent of putting Indian accountancy profession on global map, he has also passionately represented the profession on the international front at a number of global meetings and conferences. ■



CA. V. Murali
Chairman, Board of Studies

CA. V. Murali is a bachelor of Commerce from Vivekananda College, Madras University. He is a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Cost Accountants of India. He is a Practising Chartered Accountant at Chennai and has to his credit more than 3 decades of experience. Hailing from a family of Freedom Fighters, he has been a Student Leader since his school and college days.

CA. V. Murali is an elected Central Council Member of the Institute of Chartered Accountants of India from the Southern Region for Four terms in succession for the periods 2004-2007, 2007-2010, 2010-2013 and 2013-2016. For the year 2015-2016 he has been nominated as the Chairman Board of Studies, Chairman Strategy and Perspective Planning Committee and Member Board of Discipline u/s 21-A constituted by ICAI. Before being elevated to the Central Council, he was elected to the SIRC of ICAI for two terms in succession for the periods 1998-2001 and 2001-2004 and was Chairman of SIRC for the year 2002-03. He has held all the important positions in the Regional Council viz. SICASA Chairman, Treasurer, Secretary, Vice- Chairman and Chairman. He was the Chairman Board of Studies for the years 2006-07, 2011-12 and Vice-Chairman, Board of Studies for the years 2008-09, 2010-11 and 2013-14. He has the distinction of being nominated as Chairman of Board of Studies & Career Counselling, Committee for Members in Industry, PR Committee, CPE Committee, Committee on Banking and Insurance, Research Committee and Strategy and Perspective Planning Committee. He has the distinction of being member of all the standing and non-standing committees of ICAI including the Executive Committee (2008-2009 and 2013-14), Disciplinary Committee (u/s 21-B & 21-D), Board of Discipline u/s 21-A, Examination Committee (2004-2005).

Government of India had nominated CA. V. Murali as a Director on the Boards of State Bank of Hyderabad, Neyveli Lignite Corporation Ltd, Hindustan Insecticides Ltd, Censor

Board Member, Audit Board of Power Finance Corporation Ltd and Rural Electrification Corporation Ltd as Technical Expert, Director on the Board of MSEFSL (Madras Stock Exchange), Regional Advisory Committee member of Central Excise Commissionerate of Chennai and Cochin for 3 years, member RBI co-ordination committee for NBFCs and unincorporated bodies. The Ministry of Labour and Employment has nominated him as a member of the Innovation Council to prepare a roadmap for innovation 2010-2020. He has been nominated as Chairman of the Committee on Education, Training and CPD constituted by the South Asian Federation of Accountants (SAFA) for the year 2013-14, task Force member to combat corruption in the SAARC Region, Task Force Member to perform advisory role to facilitate mutual recognition agreements between its member bodies. Task force member of the Confederation of Asian and Pacific Accountants (CAPA) in the Environmental Accounting and CSR Project. Nominated to the UNCTAD IAESB Accountancy Education Forum at Palais Des Nations, Geneva. Nominated to the International Innovation Network (IIN) and attended IIN Conference at London hosted by The Institute of Chartered Accountants of England and Wales (ICAEW). Nominated as member of the prestigious National Society of Accountants for Cooperatives, United States of America. Nominated to the ICAI - ICWAI - ICSI Co-ordination Committee. Nominated to The Education, Education Services, Sectional Committee Msd9 of Bureau of Indian Standards, Govt of India, convener of the Special Technical Group for PFRDA. He has been appointed by the University of Madras as Member, Board of Studies for a period of 6 years, Honorary Member, Curriculum Advisory Committee, University of Hyderabad, Member, Academic Council Vivekananda College, D.B. Jain College, Quaid – E – Millath Government College for Women and Queen Mary's College, Chennai.

CA.V. Murali is the President of Hindustan Chamber of Commerce besides being the Executive Committee member of Madras Chamber of Commerce, Andhra Chamber of Commerce and Tamil Chamber of Commerce. He is the President of All India Tax Payers' Association, President of Suguna Vilasa Sabha, President of Citizen Awareness Forum of India, President of Film Fans' Association, President of Southern India Investors Association. He is the Vice President of Young Men's Indian Association, Triplicane Cultural Academy, Kasturi Srinivasan Public Library and Mylapore Arts Academy. Honorary Treasurer of Madras Gymkhana Club, Committee Member of Cosmopolitan Club, SPCA, Association for Hospitality. Paul Harris Fellow, Rotarian, Treasurer of Rotary Club of Madras Charitable Trust. Free Mason and Life Member AIMA, MMA, YMCA and IIPA. Honorary Secretary, Indian Heritage Cultural Society, Rural Economy Developmental Studies, Executive Committee member of All India Organisation of Employers (AIOE). Member Madras Cricket Club, Madras Race Club & Presidency Club.

Widely travelled, led professional delegations to various countries, CA. V.Murali is a motivational speaker and prolific writer, authored many books and Articles of Professional Interest. Recipient of many awards including 'SERVICE TO THE TAX PAYER' Award from Income Tax Department at its 150th year celebrations. He is an Independent Director on the Boards of various listed and unlisted Companies, Trustee of various Public Trusts, Societies and Trade bodies. ■



CA. NILESH VIKAMSEY
VICE CHAIRMAN,
BOARD OF STUDIES

A philanthropic hard-worker bestowed with exceptional organizational, networking, and leadership capabilities, CA Nilesh Shivji Vikamsey has been serving as a Central Council member of the Institute of Chartered Accountants of India (ICAI) since 2010.

As a professional who has made significant contribution to this great institute and having a blend of knowledge, experience, vision, technical expertise and professional excellence he has been nominated as the Vice-Chairman of Board of Studies, Committee on Accounting Standards for Local Bodies & Committee on Banking, Insurance and Pension & as a Member of various committees of the Institute of Chartered Accountants of India (ICAI) by the 22nd Council of the Institute on February 12, 2015.

A versatile accountancy professional, he passed his B.Com. from R. A. Podar College of Commerce & Economics, Mumbai in 1984 and qualified as a Chartered Accountant in 1985. He also holds Diploma in Information Systems Audit (DISA). He has been in practice since 1985.

During his term in the ICAI Council since 2010, CA Nilesh Vikamsey has made noteworthy contributions in whatever capacity he served the profession, particularly as the Chairman/Vice Chairman of various important Committees/Board like Financial Reporting Review Board, Board of Studies, etc. He was also on various Standing Committees of the Institute like Disciplinary Committee and Examination Committee and presently is in Executive Committee and Finance Committee.

He was instrumental in initiating ICAI responses to Exposure Drafts on International Accounting. Building upon and cementing ICAI relationship with SEBI through significant contributions in SEBI committees like SCODA & its new QARC committee, doing substantial work in FRRB & EAC, contributed significantly in the ICAI suggestions to Ministry of Corporate Affairs (MCA) on Companies Act, 2013 & its earlier Bills and Draft Rules, Piloting the developments in India on Accounting Standards on Financial Instruments & for Asset Reconstruction Companies & preparation of Guidance Note on Revised Schedule VI of the Companies Act, 1956.

A facilitator of ICAI and accountancy profession, he has been nominated as a Chairman of Qualified Audit Report Committee (QARC) of SEBI & Audit Committee of XBRL India and as a Member of various committees of Indian Merchants Chamber (IMC), Bombay Chamber of Commerce and Industry (BCCI), The Chamber of Tax Consultants (CTC) etc. He is also on the board of a few eminent listed companies/ Bank as an independent director.

He is a speaker/chairman, at various seminars, meetings, lectures held by various Committees, Regional Councils, Branches & Study Circles of ICAI, Bankers Training College of RBI, Comptroller & Auditor General of India (C&AG) and various other organizations. He has also been a Contributor to WIRC Annual Referencer & Income Tax Review – monthly journal of The Chamber of Tax Consultant. ■

TDS – Section 194IA – Concept and Issues



The author is a student of ICAI
(Reg.No. CRO0288690)

Introduction

The real estate sector in India is one of the largest drivers of the country's economic growth. Real estate in India contributes massively to the country's GDP. Currently, the Indian Real Estate Market has a market size of approx USD 70 billion [INR 3.8 lakh crore] and is expected to touch the market size of USD 180 billion [INR 10 lakh crore] by the year 2020.

Objective

While introducing TDS on immovable property the Finance Minister said that transactions of immovable property were usually undervalued and under-reported. Almost half of the transactions did not even carry the PAN number of the parties concerned. Thus, in order to prevent undervaluation and under-reporting of transactions in the real estate sector and to systematize tax provisions and ensure early collection of tax Section 191A has been introduced vide Finance Act, 2013. This section is effective from 1st June 2013.

Concept of TDS u/s 194-IA

TDS is required to be deducted at source as per provisions of section 194-IA of the Income-tax Act, 1961 ('the Act'). The provisions of section 194-IA are as under:

"(1) Any person, being a transferee, responsible for paying (other than the person referred to in section 194LA) to a resident transferor any sum by way of consideration for transfer of any immovable property (other than agricultural land), shall, at the time of credit of such sum to the account of the transferor or at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to one per cent of such sum as income-tax thereon."

(2) No deduction under sub-section (i) shall be made where the consideration for the transfer of any immovable property is less than fifty lakh rupees.

(3) The provisions of section 203A shall not apply to a person required to deduct tax in accordance with the provisions of this section."

The provision can be summarised as under:

Transferor	Resident
Transferee	Any person (Resident or Non Resident)
Asset Transferred	Immovable property except agricultural land
Point of Deduction	Payment or credit whichever is earlier
Rate of Deduction	1% (if PAN available)
Consideration paid/payable	₹50 Lacs or more
TAN number	Not required

Definitions

- **"Immovable Property"** means any land (other than agricultural land) or any building or part of a building. Example; Shop, Godown, theater etc.
- **"Agriculture land"** means agricultural land in India, not being land situated in any area referred to in items (a) and (b) of sub-clause (iii) of clause (14) of section 2 i.e.
 - It is situated within the jurisdiction of municipality which has population of not less than 10000; or
 - It is situated in any area mentioned below:

Aerial Distance From Municipal Limits	Population as per last Census
Within 2 Kms	>10,000 but ≤ 1,00,000
Within 6 Kms	>1,00,000 but ≤ 10,00,000
Within 8 Kms	>10,00,000

Take Aways:

On analysis of above definition of agricultural land it can be said that

- Urban agricultural land is not considered as agricultural land and thus is covered under provisions of section 194 IA.
- Immovable property could be located in India or outside India.

Analysis of Section 194IA:

- Provisions of section 194-IA are triggered when transaction has been entered after

01.06.2013 and payment consideration is ₹50,00,000 or above.

- Section 194IA is applicable in case of gift from relatives also. However, if transfer is made without payment of any consideration, then provisions of this section will not apply.
- Provisions of Section 194--A does not apply for consideration received under the compulsory acquisition of the property as mentioned in section 194-A. []
- In case the seller is the non-resident provisions of section 194-IA will not apply. The same is covered by section 195 of the Act.

Rate of TDS

- Tax is deductible at the rate of 1% of the consideration payable to a resident transferor.
- If a valid PAN is not provided by the seller then provisions of section 206AA would apply and the tax rate would be 20%.

Registration of transferred property only after proof of TDS

The registration for transfer of immovable properties

cannot be done unless the transferee provides proof of deduction of tax at source and payment thereof to the registering officer.

Procedural Requirement :

- **Procedure for Payment of TDS:**
 - Tax deductor (Buyer) has to furnish information regarding the transaction online in Form 26QB;
 - after furnishing of details of the transaction deductor (i.e. Buyer) is required to make online payment of tax withheld.
- **Time for depositing of TDS :**
 - TDS is required to be deposited within a period of 7 days from the end of the month in which deduction is made.
- **Issuance of TDS Certificate to Seller :**
 - Buyer is required to issue a TDS Certificate in Form No.16B within 15 days from the due date of furnishing the challan cum statement in Form No. 26QB;
 - Seller can verify deposit of taxes deducted by the buyer in his Form 26AS [Annual Tax Statement].

Penal Provisions For Non – Compliance:

(A) Interest:

Section	Default	Rate of simple interest	Amount on which interest is levied	Interest beginning from date	Interest Upto
201(1A)	Failure to deduct TDS	1% Per Month or part of month	Amount on which short deduction / non-deduction of TDS	Date when TDS was deductible	TDS is deducted
201(1A)	Failure to pay tax after deduction	1.5% Per Month or part of month	Amount on which TDS is not deposited	Date when TDS was required to be deposited	TDS was actually paid

(B) Penalty:

As per section 271C of the Act, penalty for non deduction / non-payment of TDS is equal to the amount of tax which the assessee failed to deduct or pay [This penalty shall be imposed by the Joint Commissioner].

payment after 1st June 2013 is likely to be INR 50 lakh or more.

Issues:

1. **Should the buyer need to comply with TDS provisions if the agreement is entered before 1st June 2013 but the payments are made after 1st June 2013?**

What if when part payment has been made on or before the agreement date and agreement was made after 1st June 2013?

What if the part payment is made before 1st June and balance is paid after 1st June? Whether TDS to be deducted on the entire amount or the balance amount?

On aforementioned issues there is judicial impasse. Thus, it is advisable for buyers to deduct tax on every payment made after 1st June 2013, if total

2. **In case of payment in installments**, tax is required to be deducted for every installment. The same will increase the compliance burden on the buyers.

3. **In case of under construction property and payments are made in installments.**

Now the question here is whether the banks/FIs will deduct tax @ 1% and pay to the government or bank will pay the full installments and the buyer will pay the tax and get it refunded from the builder. There is no clarity on this aspect till date. In my view, Banks/FIs will not take the additional administrative burden and buyer should discharge these obligations.

4. As per section 199 (read with Rule 37BA) of the Act, a person can avail credit of TDS in the year in which the income is assessable. In case of Real Estate Developers who are following project completion

method, TDS refund has to be claimed each year during the construction stage.

5. **In case of sellers claiming exemption u/s 54, 54EC, 54F** of the Act, Tax has to be deducted u/s 194-IA. They will be required to claim refund by filing the return of income. Till that time, their refund lies with the revenue authorities for a return of 6% per annum, which is even lower than the treasury rates. Facility of lower or NIL deduction is not provided under section 194-IA.

6. **In case of joint ownership of property.** For example, a property under joint ownership is sold for INR 60 lakh, where individual share of each of the seller is less than INR 50 lakh. In case of jointly purchase of property having a value of INR 60 lakh, where each buyer had contributed less than INR 50 lakh, whether each buyer has to make comply with the provisions of the Act as per their share or 1 buyer can make compliance for entire transaction?

In case of two or more buyers or two or more sellers, there is no clear guidance. Though, a bare reading of the section gives an impression for applicability of the section if the consideration for immovable property value in Rs. 50 Lacs or above. It is advisable that each buyer comply the provision in respect of their share in property. Still the same needs clarification for preventing litigation.

7. **Whether deemed consideration, being stamp duty**

value as per section 50C / 43CA, can be replaced with actual consideration for compliance?

In Finance bill 2012, there was a proposal to take stamp duty value for TDS. However, the same is missing in the newly introduced section. Thus, actual consideration should be considered for compliance.

8. In case of cancellation of transaction/booking, procedure of claiming refund has not been prescribed.

9. Sellers cannot apply for lower deduction certificate as section 197 does not cover section 194-IA. This will lead to unwarranted exercise of tax and then claiming refund from government.

10. There is no guidance regarding sale of immovable property as slump sale.

Conclusion

Section 194 IA puts additional compliance burden for property buyers. The provisions are required to be complied by them timely in order to prevent penal action. Moreover, the provision has acted as trail for government to trace the major property transactions and to ensure proper valuation and reporting of same to the government authorities leading to higher tax revenue for the government. However, several issues need to be clarified in order to avoid future litigations. ■

Disclaimer: The views expressed in this article are that of the author and do not reflect the views of the Institute.

20th All India Elocution and 14th All India Quiz Contests

The 20th All India Elocution Contest & 14th All India Quiz Contest were held in Hyderabad on 28th January 2015. The following are the winners in the respective Contests.

Elocution Contest

First Prize	– Ms. Francin Shiney Menezes	(SRO- 0325430)
Second Prize (Jointly)	– Ms. Ashvitha R	(SRO-0327789)
	– Ms. Ekta Burman	(CRO-0417525)
Third Prize (Jointly)	– Mr. Jinit Pragnesh Dharja	(WRO-0451055)
	– Ms. Neha Navalakha	(ERO-0177709)
	– Ms. Vinita Taneja	(NRO-0275539)
Special Prize	– Mr. Shreyas Gopalkrishna	(SRO-0355147)

Quiz Contest

Winners	: Team WIRC	
	– Ms. Bharti R Girase	(WRO-0410770)
	– Ms. Ketaki Sunil Nikumbh	(WRO-0412041)
Runners-up	: Team NIRC	
	– Mr. Sanchit Grover	(NRO-0279065)
	– Mr. Sajal Garg	(NRO-0334253)

Letter of Credit: Accounting and Service Tax Implications in Banking Sector



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(Reg. No. NRO 0294830)

Introduction :

Letters of credit is an important payment mechanism for any business organisation entering into international market.

Our purpose in this article is to provide a basic understanding of Letters of credit and we hope that it will serve as a handy reference tool while conducting audit of a bank.

Meaning of Letter of Credit :

Inland LC :

- A Letter of Credit (LC) is a written instrument issued by a bank on request of its customer, being the buyer, whereby the bank promises to pay the seller for goods or services provided the documents are as per the LC policy.
- It is also known as "Documentary Credit".

Foreign LC :

- A Letter of Credit is a set of instructions of a buyer conveyed through his banker (issuing bank) to the seller, through another bank (advising bank) in the seller's country, whereby the issuing bank undertakes to pay the seller for goods or services delivered on due date provided the document raised by the seller are as per the LC Policy.
- It is also known as "Foreign Import Letter of Credit" [FLC].
- A letter of credit guarantees payment of specified sum.

Meaning of Certain terms :

Sight LC : If payment is to be made at the time documents are presented, this is referred to as a sight Letter of Credit.

Usance LC : If payment is to be made at a future fixed time from presentation of documents (e.g. 60 days after sight), this is referred to as a Term, Usance or Deferred Payment Letter of Credit.

Why need for Letter of Credit has arisen?

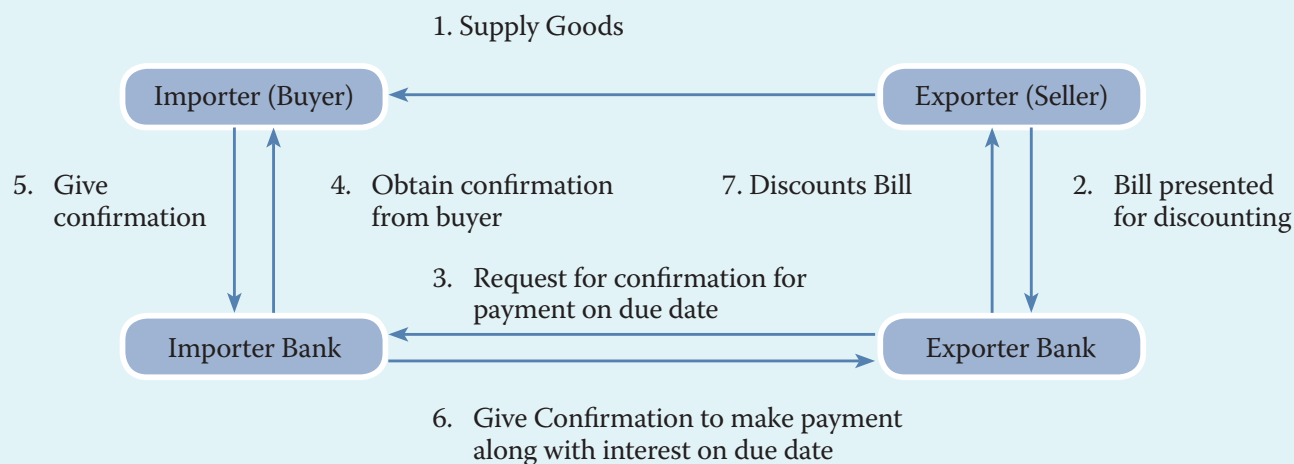
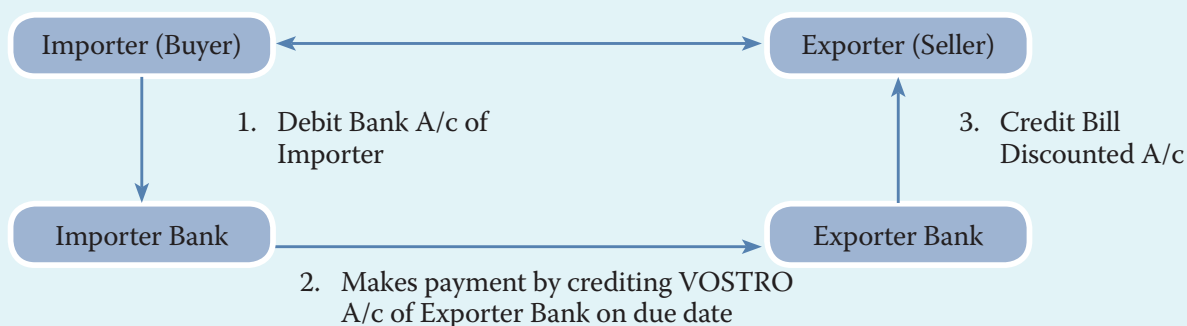
Suppose while buying goods/items from the supplier, the buyer demands some time period to make payment, the Supplier will not extend credit until and unless he is fully secured as to recovery and ultimate collection of his funds. The Supplier is also not be sure as to creditworthiness of the buyer i.e. whether he will be able to pay later or not. So the supplier will hesitate in making credit sales to the buyer. In such circumstances, the Letter of Credit proves to be an effective tool for buying goods on credit because of the following features :

- Letter of credit solves all hurdles that come in the way of obtaining goods on credit from the supplier.
- LC issued by bank will give certainty to buyer as to recovery and ultimate collection of his funds, as the importer bank gives an undertaking to pay to the supplier in case of default.
- Also, the bank issues LC only after analyzing the creditworthiness of the buyer. Therefore, the seller need not worry about the sound creditworthiness of the buyer.

Operating Letter of Credit :

I. Issue of Letter of Credit



II. Shipment of Goods & receipt of documents**III. Payment on Due Date****Part A : Issue of Letter of Credit**

Letter of credit is issued to customers having a credit facility with the bank. Generally, it is issued as a separate facility but sometimes it can be issued as a sub-limit of Cash Credit limit. When letter of credit is issued by the bank, some charges are recovered from the importer as "Charges for establishment of Letter of Credit". These charges are generally recovered as a percentage of the amount of Letter of Credit. For example, as per bank manual, following charges are recovered for establishment of Letter of Credit

1	Charges for establishment of Letter of Credit	
1.1	Commitment Charges	0.15% for every quarter or part thereof
1.2	Usance Charges	0.15% for sight LC and upto 30 days Usance and 0.10% every month beyond 30 days usance - Minimum of ₹2500/-
2	Out of Pocket Expenses	₹500/-

Now, if an importer approaches bank for establishment of Letter of Credit for USD 10000 (Merchant rate being 1 USD = 62.36 INR i.e., amount of LC = 10000 x 62.36 = 623600/-) on January 24, 2015, on the following terms :

- Expected date of Shipment : 28th February, 2015
- Usance Period : 180 days
- Expiry Date : 15th March, 2015

Bank will recover charges for establishment of Letter of credit from borrower as follows:

- Commitment Charges = 0.15% of 623600 = ₹935.40
These charges are recovered for Sight period only i.e upto February 28, 2015.
- As the Usance Period involved is 180 days, Usance charges will be recovered @ 0.15% for 30 days usance and for rest period @ 0.10% p.m. Hence, total usance charges comes to ₹4053.40 (0.15% of 623600 = ₹935.40 + 0.10% x 5 months x 623600 = ₹3118)

Charges for establishment of LC

= ₹935.40 + ₹4053.40 = ₹4988.80

Out of Pocket Expenses = ₹500.00

Add : Service Tax @ 12.36% = ₹678.42 (Refer note below)

Total Charges = ₹6167.22

Note : Service tax on charges for establishment of Letter of Credit : As per Chapter V of the Finance Act, 1994, charge is attracted on services provided in taxable territory. Place of Provision of Service Rules, 2012 helps us to determine place of service. As per **Rule 9(a)** of said rules place of a service is location of **service provider** for **“Services provided by a Banking Company/Financial Institution/ NBFC to Account Holders”**. As per definition of account given u/rule 2 (b) of said rules **“Account” means an account which bears an interest to the depositor [including NR(E) A/c and NR(O) A/cs]**. Since the letter of credit facility is not given to saving account holders, rule 9 of POPs Rule will not apply in this situation but rule 3 will apply. As per **rule 3**, place of provision of a Service shall be the **location of recipient of service**. Moreover, as per **rule 8**, place of provision **where location of the provider of service as well as that of recipient of service is in the taxable territory, shall be the location of recipient of service**. Hence, finally the place of provision comes at location of service receiver i.e. taxable territory and therefore chargeable to service tax. Value for this purpose is the Gross Amount charged by the service provider for such service provided, because consideration is represented in Money (Section 67(1)(i))

Service tax on Out of Pocket Expenses : *Emphasis shall be given to the words “ SUCH SERVICE” used u/s 67(4) – Since Gross Amount Charged by service provider i.e bank for providing such service i.e. issue of Letter of Credit is ₹4988.80, hence, ₹4988.80 is the value of service. Question arises whether expenditure incurred in the course of providing taxable service is also included in the value of service? For this we have to refer to the section 67(4).*

“Subject to the provisions of sub-sections (1), (2) & (3), the value shall be determined in such manner as may be prescribed”^[SERVICE TAX (DETERMINATION OF VALUE) RULES, 2006]”

As per Rule 5 of Service Tax (Determination of Value) Rules, 2006

“Where any expenditure or costs are incurred by the service provider in the course of providing taxable service, all such expenditure or cost shall be treated as consideration for the taxable service provided or to be provided and shall be included in the value for the purpose of charging service tax.”

Hence, out of pocket expenses recovered will also attract levy of service tax.

Accounting Treatment in the books of importer bank:

Date	Particulars			Debit (₹)	Credit (₹)
24.01.2015	Letter of Credit (Foreign) - Asset	A/c	Dr.	623600.00	
	To Letter of Credit (Foreign) – Liability	A/c			623600.00
24.01.2015	Importer	A/c	Dr.	6167.22	
	To Commission on Letter of Credit	A/c			4988.80
	To Service Tax on Commission	A/c			616.62
	To Out of Pocket Expenses	A/c			500.00
	To Service Tax	A/c			61.80

Part B : Shipment of Goods and receipt of documents

- Bill of Lading is conclusive evidence as to the date of shipment of goods.
- Usance Period is computed from the date of shipment of goods.
- In the above example, exporter makes shipment of Goods on 23rd February, 2015 (say date mentioned on Bill of Lading). Hence, Usance Period of 180 days will be computed from 23rd February, 2015. Therefore, due date of bill will be 22nd August, 2015.

Documents are required to be submitted within a period of 15 days from date of shipment of goods : As a consequence of this clause, expiry date of LC is fixed. Hence, in the present case, LC expiry date is fixed as 15th March, 2015 at time of issue of LC. This time limit of 15 days is allowed because :

- After the goods has been dispatched to India, exporter will request the exporter bank to discount the bill (for this bill, exporter bank has Letter of

Credit issued by Importer bank) so that the amount can be realized.

- Exporter bank will make payment only when he gets confirmation from the Importer Bank that they will make the payment along with interest to exporter bank on due date.
- Therefore, Exporter bank will send via courier all documents like Bill of Lading, Invoice etc to importer bank and request them to give confirmation to honour payment of the bill along with interest on due date.
- Importer bank will obtain confirmation from Importer that he will make available required funds on due date for payment of amount under LC and thereafter importer bank will give confirmation to exporter bank.

Ques : For what amount confirmation is claimed by Exporter Bank from Importer Bank ?

- Exporter bank will claim confirmation for USD 10000 (Value of Invoice) plus interest for period starting

ARTICLE

from date of shipment of goods i.e 23rd February, 2015 to due date for payment of Bill i.e 22nd August, 2015 from Importer Bank.

- When Exporter will lodge his bill for discounting to Exporter bank, it would be similar to discounting of Bills under LC and for discounting of bill

every bank deducts interest amount for the discounting period.

- Since, Exporter will not bear the discounting charges, exporter bank will pay USD 10000 to exporter.
- Therefore, exporter bank will lodge for confirmation of following amount :

USD 10000 + USD 173.54 (say Interest for 180 days) = USD 10173.54

Accounting Treatment in the books of bank:

Date	Particulars			Debit (₹)	Credit (₹)
Contingent Liability booked is reversed :					
10.03.2015	Letter of Credit (Foreign) - Asset	A/c	Dr.	623600	
	To Letter of Credit (Foreign) - Liability	A/c			623600
Creation of Payment Liability :					
10.03.2015	Import LC Bill for Realisation	A/c	Dr.	611430*	
	To Import LC Bill for Collection	A/c			611430*

*Payment liability is created at the exchange rates in force on the date of negotiation of documents. As in the above example, date of negotiation of Bill is 10th March, 2015 and exchange rate in force on that day is

1 USD = 60.10 INR

Hence, payment liability is booked for ₹10173.54 x 60.10 = 611430

Part C : Payment on Due Date

At the time of making the payment on due date, bank will recover the charges for Retirement of bills received under Letter of Credit and some out of pocket expenses. These charges are generally recovered as per amount of bill to be retired under LC on due date. Suppose, a bank circular prescribes collection charges as under :

A	Up to ₹10,00,000.00	₹1500/-
B	₹10,00,000.00 to ₹1 Crore	₹2500/-
C	Above ₹1 Crore	₹5000/-

Hence, in the present case, when the bill for USD 10000 is retired along with interest on due date, bank will charge ₹1500/- from the importer (as the amount in INR is less than ₹10 Lacs) and service tax will be leviable thereon @ 12.36% as discussed in part –A .

Amount paid to Foreign Exporter : USD 10173.54 will be paid to the foreign bank and amount equivalent to the USD 10173.54 as per merchant rates in force on due date along with charges for retirement of bill under LC will be recovered from the importer. Suppose exchange rate on 22nd August, 2014 (due date/ date of payment) is 1 USD = 60.62 INR. Then ₹616720 (10173.54 x 60.62) will be paid to exporter bank and ₹1500 will be recovered as charges for establishment of Letter of Credit. In addition to this, service tax will also be recovered.

Service tax on amount paid to Foreign Bank under LC : First of all, let us discuss whether amount paid to exporter's bank is a service? As per section 65B(44) of Chapter V of Finance Act, 1994

“Service does not include an activity which constitutes merely.... A transaction in Money..”

Stress shall be laid on the words **“merely”**. *When bank makes payment to foreign bank, it will convert INR into USD and will charge merchant rate from the importer. Since merchant rate includes profit margin in the form of Exchange Margin, it will not amount to mere exchange of money. Hence, service tax is leviable on such exchange. Moreover, explanation 2 to section 65B(44) also covers it within the ambit of taxable service.*

Valuation of Service : As per Section 67(1)(i)

“In case where the provision of service is for a consideration in MONEY, gross Amount charged by the service provider for such service provided or to be provided by him.”

Emphasis shall be given to the words “SUCH SERVICE” – Since Gross Amount Charged by service provider i.e bank for providing such service i.e. issue of Letter of Credit the exchange margin inherent therein. But, practically it is not determinable, as it is not easy to detect the purchase price of the USD which has been sold to the importer for making payment to the exporter bank. Hence, we refer to the Section 67(1)(iii).

“In case where the provision of service is for a consideration in which is not ascertainable, the amount as may be determined in the prescribed manner [SERVICE TAX (DETERMINATION OF VALUE) RULES, 2006]”

Rule 2B of Service Tax (Determination of Value) Rules, 2006 deals with the valuation of service element involved in money changing i.e. exchange margin. But the procedure given in Rule 2B is also very difficult to be followed by the bank as daily record of the purchase and sale as well as RBI Reference rate cannot be easily

updated daily into the database and proper control over the transactions cannot be maintained. Hence, a composition scheme has been issued in this respect which leads to easy calculation and control over calculation of service tax

Composition Scheme : *Instead of paying ST at the rate specified u/s 66-B of chapter V of the Act, the person liable to pay ST in relation to service of purchase or sale of Foreign Exchange (including Money Changing) shall have the OPTION to pay the following amount :*

Gross Amount of Currency Exchanged	ST Payable	Subject to
Upto ₹1,00,000	0.12%	Minimum ₹30/-
More than ₹1,00,000 upto ₹10,00,000	₹120 + 0.06% of the excess over ₹1,00,000 ---	
More than ₹10,00,000	₹660 + 0.012% of the excess over ₹10,00,000	Maximum of ₹6000/-
		(EC and SHEC extra)

Calculation of Service Tax on amount paid to foreign bank: In the example, at the time of making payment to exporter, ₹6,16,720 has been debited from the account of borrower (being an amount equivalent to USD 10,173.54). Now, this would amount to levy of Service Tax on forex money changing, which will be computed as under :

Upto ₹1,00,000	0.12% of ₹100000	₹120
From 1,00,001 to 6,16,720	0.06% of ₹516720	₹310
		₹430
EC and SHEC @ 3%	430 x 0.03	₹13
Service Tax		₹443

Accounting Treatment in the books of importer bank:					
Date	Particulars			Debit (₹)	Credit (₹)
22.08.2015	Letter of Credit (Foreign) - Liability	A/c	Dr.	623600.00	
	To Letter of Credit (Foreign) - Asset	A/c			623600.00
22.08.2015	Importer (USD 10000 x 60.62)	A/c	Dr.	606200.00	
	Importer (USD 173.54 x 60.62)	A/c	Dr.	10520.00	
	Importer	A/c	Dr.	2240.00	
	To Commission recd on Forex Bills	A/c			1500.00
	To Service Tax on Commission	A/c			185.00
	To Service Tax on Forex Money Changing business	A/c			443.00
	To Out of Pocket Expenses	A/c			100.00
	To Service Tax	A/c			12.00
	To Bank	A/c			616720.00

Corresponding concepts involved: When advice of receipt of letter of credit is given to exporter, he will immediately present his bill for discounting with exporter bank and said bank opens a “**Bill discounted under LC A/c**” in his name and on the due date when the payment is received from importer bank, exporters account i.e “Bill discounted under LC” will be credited and hence closed. However, in case exporter needs pre shipment finance, he can avail **Packing Credit** limit and after exporting the goods the said limit has to be converted into post shipment finance or will be adjusted from bill presented for discounting or from

export proceeds.

Moreover, if on the due date, the importer does not have sufficient funds in his account to make payment to exporter bank for realization of his import transaction on due date, there is one more facility available i.e. Buyer's Credit. **Buyers Credit (Letter of comfort)** is loan raised from international market at rate of interest which is directly linked to LIBOR & hence much lower. In doing so, exporter bank will get payment on due date and importer will become the borrower and his payment liability will shift from import bill to Buyers Credit. ■

CORRIGENDUM TO SELECT PUBLICATIONS OF FINAL COURSE

Paper 4: Corporate and Allied Laws**Study Material (October, 2014 edition relevant for May, 2015 Examinations & onwards) – Printed Copy**

Students may note that in the Study Material of the Corporate and Allied Laws, the notified definitions of the Companies Act, 2013 are given in the initial pages from Page No. xxiii to Page No. xxxv for the easy understanding of the Act. Below are some modifications made in the Study Material which students may refer while reading the same:

Definitions/Topics	Page No.	Particulars	Content
Associate Company [Section 2(6) of the Companies Act, 2013]	xxiii	Addition of a clarification issued by MCA dated 25 th June, 2014	The shares held by a company in another company in a 'fiduciary capacity' shall not be counted for the purposes of determining the relationship or 'associate company' u/s 2(6) of the Companies Act, 2013.
Financial year [Section 2(41) of the Companies Act, 2013]	xxvi	Addition of a clarification issued by MCA dated 3 rd June, 2014	Until the NCLT is constituted u/s 408 of the Companies Act, 2013, the Board of Company Law Administration constituted in pursuance of sub-section (1) of Section 10E of the Companies Act, 1956 shall exercise the jurisdiction, powers, authority and functions under the exception to Clause (41) of section 2 of the Companies Act, 2013.
Related Party [Section 2(76) of the Companies Act, 2013]	xxxii & 5.35	Replace the existing definition with the new one	Related party-with reference to a company, means— (i) a director or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, manager or his relative is a partner; (iv) a private company in which a director or manager or his relative is a member or director; (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital; (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to Act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) any company which is— (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; (ix) such other person as may be prescribed. Rule 3 of the Companies (<i>Specification of Definitions Details</i>) Rules, 2014 provides that for the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

Section 149(5) of the Companies Act, 2013	3.2	Printing mistake (Transition period related to Resident Director)	It was earlier read as " <i>Transition period</i> : Section 149(5) provides for the transition period of one year from the date of commencement i.e. 1 st April, 2014 to comply with section 149(3)." <i>It may be corrected as "Transition period</i> : Section 149(5) provides for the transition period of one year from the date of commencement i.e. 1 st April, 2014 to comply with section 149(4)."
Current Account Transactions under chapter 21 i.e. Foreign Exchange Management Act, 1999	21.10	Two transactions to be added under (a) Transactions for which drawal of foreign exchange is prohibited	(i) Drawal of foreign exchange by any person for the purpose of travelling to Nepal and/or Bhutan; (ii) Drawal of foreign exchange by any person for a transaction with a person resident in Nepal or Bhutan. Provided that the prohibition in clause (ii) may be exempted by RBI subject to such terms and conditions as it may consider necessary to stipulate by special or general order.

Paper 7: Direct Tax Laws & Paper 8: Indirect Tax Laws

Supplementary Study Paper - 2014 for Direct and Indirect Tax Laws [October, 2014 Edition relevant for May, 2015 and November, 2015 Examinations] – Printed copy

(1) Direct Tax Laws

- (i) In page no.43, the following Note may be added after point (v) of para (c) –

Note - In case of non-corporate non-residents and foreign companies, the benefit of tax@10% (without giving effect to the indexation benefit and conversion of currency) would be available on long-term capital gains arising on transfer of unlisted securities by virtue of the specific provision contained in sub-clause (iii) of section 112(1)(c).

- (ii) At page no. 46, in the sentence "Mr. Ram made the following investments out of capital gains arising on sale of residential house", the words "out of capital gains" be substituted with the words "out of net consideration".
- (iii) At page no.51, in the first line of the answer, i.e., "Computation of taxable capital gain of Mr. H for the A.Y.2014-15", the words "A.Y.2014-15" be substituted with the words "A.Y.2015-16".
- (iv) At page 69, in the third column of the first row of the table, "5:11.1" be substituted by "5/11.1".
- (v) At page 72, in the first line, i.e. "AMT Credit to be carried forward under section 115JEE", "15JEE" be substituted with "115JD".

- (vi) In page 113, in paras (ii) and (iii) of point (b), the words "two years from the date of order made under section 281B(1)" be substituted with the words "two years".

(2) Indirect Tax Laws

- (i) At page no. 211, the table in the answer to the example be substituted with the following table:

Particulars	Rate of interest pa	Interest (₹)
Delay from 07.11.2014 - 06.05.2015	18% for first six months	5,445 [60,500 x 18% x 6/12]
Delay from 07.05.2015 - 06.11.2015	24% for next six months	7,260 [60,500 x 24% x 6/12]
Delay from 07.11.2015 - 06.01.2016	30% for period beyond one year	3,033 [60,500 x 30% x 6/365]
Total Interest		15,738

- (ii) In page nos. 130 and 226, the numeral "40,000", wherever it appears, be substituted with the numeral "45,000".

Study Material for Direct Tax Laws [November, 2014 Edition relevant for May 2015 and November 2015 Examination – printed copy]

- (i) At page 13.52, in Illustration 7, in the last line of the third column of the first row of the table, "5:11.1" be substituted by "5/11.1".
- (ii) At page 13.56, in Illustration 9, in the last third line, i.e., "AMT Credit to be carried forward under section 115JEE", "15JEE" be substituted with "115JD".

CORRIGENDUM TO STUDY MATERIAL, PRACTICE MANUAL (JANUARY, 2015 EDITION) AND COMPILER APPLICABLE FOR MAY AND NOVEMBER, 2015 EXAMINATION

Group-I: Paper 3-Advanced Auditing and Professional Ethics

(A) Study Material – Module I (January, 2015 Edition)

In Chapter 6 on The Company Audit, at Page No. 6.20, Para No. (c) "Right to receive notices and to attend general meeting" should be replaced with-

"Auditor to attend General Meeting:

Section 146 of the Companies Act, 2013 discusses right as well as duty of the auditor. According to the section 146:

"all notices of, and other communications relating to, any general meeting shall be forwarded to the auditor of the company, and the auditor shall, unless otherwise exempted by the company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any general meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor."

Thus, it is right of the auditor to receive notices and other communications relating to any general meeting and to be heard at such meeting, relating to the matter of his concern, however, it is duty of the auditor to attend the same or through his authorised representative unless otherwise exempted."

(B) Practice Manual (January, 2015 Edition)

- At Page No. 6.3, in table, under heading "Equity & Liabilities" of Question No. 4(a), following sub-heads need to be added, corresponding to the data given:

- Share Capital
- Reserves & Surplus
- Employee Stock Option Outstanding
- Share Application Money

- At Page No. 1.24, in Answer to Question No. 3(d); and at Page No. 1.66, in Answer to Question No. 39, the word "SA 4410" need to be replaced with the word "SRS 4410".

3. Chapter 22- Professional Ethics:

- At Page No. 22.7, Answer to Question No. 1(d), should be read as under:

Partnership with Non-Chartered Accountants:
As per clause 4 of Part I of the First Schedule to the Chartered Accountants Act, 1949, a chartered accountant will be guilty of professional misconduct if he enters into partnership, in or outside India, with any person other than Chartered Accountant in practice or such other person who is a member of any other professional body having such qualifications as may be prescribed, including a resident who but for his residence abroad would be entitled to be registered as a member under clause (V) of sub-section (1) of section 4 or whose qualifications are recognized by the Central Government or the Council for the purpose of permitting such partnerships.

However, for the purpose of Limited Liability Partnership, Regulation 53B of the Chartered Accountants Regulations 1988 permits a Chartered Accountant in practice to enter into partnership with other prescribed Professional Bodies which includes an Advocate, a member of Bar Council of India.

In the instant case, Mr. P, a Chartered Accountant, has entered into partnership with Mr. L, an advocate. Thus, he would not be guilty of professional misconduct

as per Clause 4 of Part I of First Schedule read with Regulation 53B.

- At Page No. 22.34, Answer to Question No. 21(b), should be read as under:

"As per Section 141(3)(d)(ii) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company, or its subsidiary, or its holding or associate company, or a subsidiary of its holding company, for an amount exceeding ₹5,00,000 then he is not qualified for appointment as an auditor of a company. There is no such similar provisions in the Income Tax Act.

Further, the Research Committee of the ICAI has expressed the opinion that where in accordance with the terms of his engagement by a client the auditor recovers his fees on a progressive basis as and when a part of the work is done without waiting for the completion of the whole job, he cannot be said to be indebted to the company at any stage.

However, as per Chapter X of Council General Guidelines, 2008 a member of the Institute in practice or a partner of a firm in practice or a firm shall not accept appointment as auditor of a concern while indebted to the concern or given any guarantee or provided any security in connection with the indebtedness of any third person to the concern, for limits fixed in the statute and in other cases for amount exceeding ₹10,000/-.

In the instant Case, Mr. D is appointed to conduct a tax audit u/s 44AB of the Income Tax Act, 1961. He has received the entire audit fees of ₹25,000 in April, 2014 in respect of the tax audit for the year ended 31.3.2014 which is not on progressive basis. Furthermore, the monetary limit is also exceeding the limit of ₹10,000 as per Council General Guidelines. Therefore, Mr. D will be held guilty for misconduct."

- At Page No. 22.12, additional provisions to be inserted in Answer to Question No. 6(b):

"This is also a contravention of section 141(3)(f) of the Companies Act, 2013, which requires that a person shall not be eligible for appointment as an auditor of a company whose relative is a director or is in the employment of the company as a director or key managerial personnel.

In the given case, Mr. Shah, Chartered Accountant, has certified the financial statements of a company in which his wife is a director with substantial interest. Hence, this amounts to professional misconduct which attracts clause (4) of Part I of Second Schedule to the Chartered Accountants Act, 1949 and Mr. Shah has to vacate the office accordingly.

- At Page No. 22.50, last part i.e. Conclusion part of Answer to Question No. 31(a), word "Professional Misconduct" should be read as "Other Misconduct".

(C) Compiler

- At Page No. 6.7, in Point No. (i) of Answer to Question No. 6, section 140(2) of the Companies Act, 2013 should be read as section 140(4) of the Companies Act, 2013.
- Students are advised to refer corrigendum given above for Professional Ethics Chapter of Practice Manual

CORRIGENDUM TO SELECT PUBLICATIONS OF INTERMEDIATE (INTEGRATED PROFESSIONAL COMPETENCE) COURSE

Paper 4: Taxation

1. Study Material (Module 2) of Part I: Income-tax of Paper 4: Taxation [October, 2014 Edition relevant for May, 2015 and November 2015 Examinations] – Printed copy

In Unit 4: Capital Gains of Chapter 4, in illustration 17, the word “building” in the question should be substituted with “land” at both places where the word appears.

2. Practice Manual of Part I: Income-tax of Paper 4: Taxation [October, 2014 Edition relevant for May, 2015 and November, 2015 Examinations] – Printed copy

At page no. 2.16, in the computation of tax payable by Miss Charlie, tax on total income of ₹2,67,000 would be ₹1,700 (instead of ₹6,700), education cess@2% would be ₹34 (instead of ₹134) and secondary and higher education cess@3% would be ₹17 (instead of ₹67). The total tax payable would be ₹1,751 (instead of ₹6,901).

3. Study Material of Part II: Indirect Taxes of Paper 4: Taxation [October, 2014 Edition relevant for May, 2015 and November, 2015 Examinations] – Printed copy

- (i) In Chapter 1, pg. no. 1.47 under heading 2.13, sub-point (1), the words “*or an importer who issues an invoice on which CENVAT credit can be taken.*” be added at the end of the paragraph after the words “.....or otherwise uses excisable goods”.

- (ii) In Chapter 6, pg. no. 24, under sub-heading “B.In case of insurer carrying on life insurance business [Sub-rule (7A)]”, the word “on”, wherever it appears in the table, be replaced with ‘at’.

4. Practice Manual of Part II: Indirect Taxes of Paper 4: Taxation [October, 2014 Edition relevant for May, 2015 and November, 2015 Examinations] – Printed copy

- (i) At page no. 6.10, the table in answer to Q. 17 be substituted with the table given below in point 4(ii).

- (ii) At page no. 7.16, in Note no. 2 to Question 25, the words “definition of capital goods excludes office equipment” be substituted with the words “same is not used for providing the construction service.”

5. Supplementary Study Paper – 2014 of Paper 4: Taxation [October, 2014 Edition relevant for May, 2015 and November, 2015 Examinations] – Printed copy

- (i) In page no.40, the following Note may be added after point (v) of para (c)–

Note - In case of non-corporate non-residents and foreign companies, the benefit of tax@10% (without giving effect to the indexation benefit and conversion of currency) would be available on long-term capital gains arising on transfer of unlisted securities by virtue of the specific provision contained in sub-clause (iii) of section 112(1)(c).

- (ii) At page no. 43, in the sentence “Mr. Ram made the

following investments out of capital gains arising on sale of residential house”, the words “out of capital gains” be substituted with the words “out of net consideration”.

- (iii) At page no.48, in the first line of the answer, i.e., “Computation of taxable capital gain of Mr. H for the A.Y.2014-15”, the words “A.Y.2014-15” be substituted with the words “A.Y.2015-16”.

- (iv) The following be added at page no. 70 after the point relating to e-payment of excise duty:

AMENDMENTS BY NOTIFICATIONS/CIRCULARS
ISSUED BETWEEN 01.05.2013 TO 30.04.2014

Importer issuing CENVATable invoices now required to obtain registration

Hitherto, every person, who produces, manufactures, carries on trade, holds private store-room or warehouse or otherwise uses excisable goods, was required to get registration under central excise.

With effect from 01.04.2014, rule 9(1) of the CER has been amended to provide that an importer who issues an invoice on which CENVAT credit can be taken, is also required to obtain such registration. Thus, such importer will have to obtain registration as a ‘registered importer’ with the central excise authorities to pass on the credit on the imported goods.

[Notification Nos. 8/2014 CE(NT) dated 28.02.2014]

- (v) At page no. 99, the table in answer to the example be substituted with the following table:

Particulars	Rate of interest pa	Interest (₹)
Delay from 07.11.2014 - 06.05.2015	18% for first six months	5,445 [60,500 x 18% x 6/12]
Delay from 07.05.2015 - 06.11.2015	24% for next six months	7,260 [60,500 x 24% x 6/12]
Delay from 07.11.2015 - 06.01.2016	30% for period beyond one year	3,033 [60,500 x 30% x 61/365]
Total Interest		15,738

Intermediate (IPC) Course

CORRIGENDUM TO STUDY MATERIAL, PRACTICE MANUAL (JULY, 2014 EDITION) AND COMPILER RELEVANT FOR MAY, 2015 EXAMINATIONS] – PRINTED COPY

Group-II: Paper 6-Auditing and Assurance

(A) Study Material – Module I (July, 2014 Edition):

In Chapter 7 on The Company Audit, at Page No. 7.20, Para No. (c) "Right to receive notices and to attend general meeting" should be replaced with-

"Auditor to attend General Meeting:

Section 146 of the Companies Act, 2013 discusses right as well as duty of the auditor. According to the section 146:

"all notices of, and other communications relating to, any general meeting shall be forwarded to the auditor of the company, and the auditor shall, unless otherwise exempted by the company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any general meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor."

Thus, it is right of the auditor to receive notices and other communications relating to any general meeting and to be heard at such meeting, relating to the matter of his concern, however, it is duty of the auditor to attend the same or through his authorised representative unless otherwise exempted."

(B) Practice Manual (July, 2014 Edition)

- At Page No. 7.14, Answer to Question No. 12(b), should be read as under:

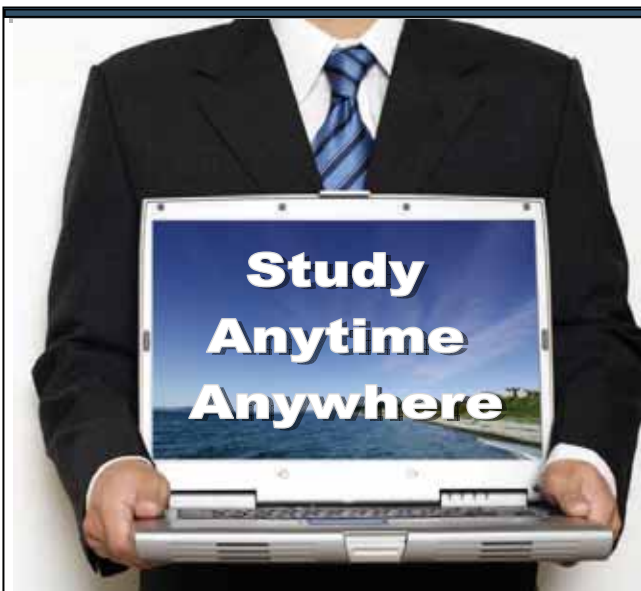
As per Section 146 of the Companies Act, 2013, it is right of the auditor to receive notices and other communications relating to any general meeting and to be heard at such meeting, relating to the matter of his concern, however, it is duty of the auditor to attend the same or through his authorised representative unless otherwise exempted.

In the instant case, the Board of Directors of a company have filed a complaint with the Institute of Chartered Accountants of India against their statutory auditors for their failing to attend the Annual General Meeting of the Shareholders in which audited accounts were considered. In view of above discussed provisions of section 146, the statutory auditor of the company should attend the general meetings either through himself or through his authorised representative.

- At Page No. 7.18, in Point No. 1. of Answer to Question No. 15(c), section 140(2) of the Companies Act, 2013 should be read as section 140(4) of the Companies Act, 2013.

(C) Compiler:

At Page No. 7.28, in Point No. (i) of Answer to Question No. 40(c), section 140(2) of the Companies Act, 2013 should be read as section 140(4) of the Companies Act, 2013.



The Board of Studies of the Institute has made available online e-Learning for the CA Course (CPT, IIPC & Final) with an objective to provide quality education anytime and from anywhere through a self learning facility on the Students Learning Management System (LMS). Students can also access the online e-Learning even through Smart Phones & Tablets.

E-Learning is now also available on DVDs as a part of the Study Material issued to students; and these DVDs are available for sale @ Rs.100/- each. These DVDs are made as responsive sites to work on mobiles/ tablets, in addition to Desktop/ Laptop, when transferred to memory card.

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Students of the CPT/ IIPC/ Final Courses of the Institute interested in pursuing the e-Learning can register themselves on the Students LMS by giving their Student Registration Number, Name and DoB; and start their e-Learning immediately.

<http://cloudcampus.icai.org/>

Accounting

1. Notified Roadmap for applicability of Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs has notified Roadmap for applicability of Indian Accounting Standards (Ind AS) vide Notification No. G.S.R dated 16 February, 2015, for compliance by the class of companies specified in the said roadmap. The notification has been uploaded on www.mca.gov.in along with the thirty nine (39) Indian Accounting Standards (Ind AS). It is pertinent to note that earlier the roadmap was released by the MCA through a press release on 2nd January, 2015. Companies which are not required to follow Indian Accounting Standards (Ind AS) shall continue to comply with Accounting Standards as prescribed in Companies (Accounting Standards) Rules, 2006. Following notification and Ind ASs can be accessed from the MCA's website:

Notifications	Description
G.S.R dated 16 Feb 2015	The Companies (Indian Accounting Standards) Rules, 2015.
Indian Accounting Standard (Ind AS) 101	First-time Adoption of Indian Accounting Standards
Indian Accounting Standard (Ind AS) 102	Share-based Payment
Indian Accounting Standard (Ind AS) 103	Business Combinations
Indian Accounting Standard (Ind AS) 104	Insurance Contracts
Indian Accounting Standard (Ind AS) 105	Non-current Assets Held for Sale and Discontinued Operations
Indian Accounting Standard (Ind AS) 106	Exploration for and Evaluation of Mineral Resources
Indian Accounting Standard (Ind AS) 107	Financial Instruments: Disclosures
Indian Accounting Standard (Ind AS) 108	Operating Segments
Indian Accounting Standard (Ind AS) 109	Financial Instruments
Indian Accounting Standard (Ind AS) 110	Consolidated Financial Statements
Indian Accounting Standard (Ind AS) 111	Joint Arrangements
Indian Accounting Standard (Ind AS) 112	Disclosure of Interests in Other Entities
Indian Accounting Standard (Ind AS) 113	Fair Value Measurement
Indian Accounting Standard (Ind AS) 114	Regulatory Deferral Accounts
Indian Accounting Standard (Ind AS) 115	Revenue from Contracts with Customers
Indian Accounting Standard (Ind AS) 1	Presentation of Financial Statements
Indian Accounting Standard (Ind AS) 2	Inventories
Indian Accounting Standard (Ind AS) 7	Statement of Cash Flows

Indian Accounting Standard (Ind AS) 8	Accounting Policies, Changes in Accounting Estimates and Errors
Indian Accounting Standard (Ind AS) 10	Events after the Reporting Period
Indian Accounting Standard (Ind AS) 12	Income Taxes
Indian Accounting Standard (Ind AS) 16	Property, Plant and Equipment
Indian Accounting Standard (Ind AS) 17	Leases
Indian Accounting Standard (Ind AS) 19	Employee Benefits
Indian Accounting Standard (Ind AS) 20	Accounting for Government Grants and Disclosure of Government Assistance
Indian Accounting Standard (Ind AS) 21	The Effects of Changes in Foreign Exchange Rates
Indian Accounting Standard (Ind AS) 23	Borrowing Costs
Indian Accounting Standard (Ind AS) 24	Related Party Disclosures
Indian Accounting Standard (Ind AS) 27	Separate Financial Statements
Indian Accounting Standard (Ind AS) 28	Investments in Associates and Joint Ventures
Indian Accounting Standard (Ind AS) 29	Financial Reporting in Hyperinflationary Economies
Indian Accounting Standard (Ind AS) 32	Financial Instruments: Presentation
Indian Accounting Standard (Ind AS) 33	Earnings per Share
Indian Accounting Standard (Ind AS) 34	Interim Financial Reporting
Indian Accounting Standard (Ind AS) 36	Impairment of Assets
Indian Accounting Standard (Ind AS) 37	Provisions, Contingent Liabilities and Contingent Assets
Indian Accounting Standard (Ind AS) 38	Intangible Assets
Indian Accounting Standard (Ind AS) 40	Investment Property
Indian Accounting Standard (Ind AS) 41	Agriculture

2. Section 24 of the Banking Regulation Act, 1949 - Maintenance of Statutory Liquidity Ratio (SLR)

The Reserve Bank vide notification no. RBI/2014-15/445 DBR.Ret. BC.70/12.02.001/2014-15 dated February 03, 2015 has reduced the Statutory Liquidity Ratio (SLR) of Scheduled Commercial Banks, Local Area Banks and Regional Rural Banks from 22.0 per cent of the Net Demand and Time Liabilities (NDTL) to 21.5 per cent with effect from the fortnight beginning February 07, 2015.

(Source: www.rbi.org.in)

Note: The above academic updates are not applicable for May, 2015 examination.

TOPPERS SPEAK...

A set of questions were asked to the first three rank holders of CA Final Examinations November 2014. The questions and their responses are included in these pages for the benefit of future aspirants.



Vijender Aggarwal
Gurgaon
First Rank- CA Final
November 2014

How does it feel to be at the top?

Ans. The feeling presently is a mix of happiness and contentment; moments like these are hard to come by and it really feels great when you get appreciated for all the efforts that you have put in. More than the appreciation, what really matters is the sense of accomplishment that you experience, which reinforces your trust in your own abilities and motivates you to aim for bigger things in your life.

According to you, what are the intrinsic and external factors contributing to your outstanding success in the final exam.

Ans. Given that I just got around four months leave for my exams, I really had to back upon my conceptual understanding of the subjects and the ability to churn around the things quickly for getting me through the entire syllabus. Dealing with this huge and never ending syllabus is a task in itself and at times it becomes extremely important to act smartly and improvise the things. I would say a combination of smart work and correct guidance from creditable people at the right time was a key to nailing down the exams with a good result.

What strategy/study plan did you follow while preparing for the exam?

Ans. First and foremost, I managed to take coaching for two subjects only – SFM and DT and for DT, I could only attend around 30 percent of the classes and rest all the subjects I prepared on my own. I got my exam preparatory leaves near June end and from then on, it was a step-by-step journey towards completing the entire syllabus. I must admit that the syllabus was huge and I won't be lying if I say that I couldn't

manage to complete my first revision thoroughly. As to how much time I spent studying every day, it would be around 8-10 hours of effective study with weekly breaks in between to catch up with friends and movies. I am essentially a night person and I used to study at night and then go for swimming early in the morning. Throughout, I never compromised on my sleep and just divided the entire time that I had amongst the subjects that I had to prepare.

I took one practical subject at a time and complemented it with a theory subject for 2-3 hours daily to maintain a proper balance between theory and practical. These kinds of nitty-gritties are purely personal and driven by one's own comfort but the overall focus should always be to cover the syllabus comprehensively in a time bound manner. With the amount of syllabus that we have to cover, I think it's extremely important to prioritize things and execute them properly.

How have been the inputs provided by the Institute contributed to your success in the examinations?

Ans. Given the paucity of time, in all honesty it was not possible for me to refer to the detailed material provided by the Institute. I did refer to selected portions of the Practice Manual for a couple of subjects and had a quick glance of the RTPs released by the Institute at the dead end just to evaluate my preparation. That's it.

What are your aspirations for the future? Do you have any specific career choice?

Ans. That's like a million dollar question right now. I am currently working in indirect tax transaction advisory and its like one of the best niche work meant for CAs. There are many options that are running through my mind presently but I haven't taken a final decision yet. Ideally I would like to engage myself in some higher studies before dedicating myself to work completely. Some serious brainstorming needs to be done on this issue... let us see what developments take place on this front.

Do you think the Chartered Accountancy Course is the gateway to achieving professional excellence?

Ans. Its an undisputable fact that the Chartered

Accountants are the most technically sound persons that you would come across in so far as accounting, finance and taxation are concerned. At the same time, it's extremely important to realize that today's competitive world demands a complete person who not only is technically sound but who also complements his technical knowledge with his soft skills. Considering the fact that the course is a distance-learning course, a large part of the onus is on the aspirants to focus on areas other than academics so as to ensure all round development.

How would you motivate the youngsters joining this course?

Ans. People intending to join the course or those who have already joined it must be mindful of the challenges poised by the course. It may get demanding

at times both academically and professionally during the article training stages but the entire learning improves you as a person and as a professional. For those who are aspiring to start their career in finance and accounting, this course provides a great platform to build your concepts from the scratch and the article training, if done from a respectable place, provides the much-needed practical exposure at a very early stage in your career. I personally believe that the IPCC stage acts as the building block for your conceptual understanding of the subjects concerned and the Final stage provides you the opportunity to learn how things work practically in the real world. The course, if done in its true spirit and complemented with necessary professional traits and personality, definitely provides you the base from where you can aim for bigger and better things in your life.



Pooja R. Pareek
Ahmedabad
Second Rank- CA Final
November 2014

How does it feel to be at the top?

Ans. I am simply happy and very happy because my parents are happy.

Did you ever consider gender as a limiting factor/contributing factor in achieving your goal?

Ans. No.

According to you, what are the intrinsic and external factors contributing to your outstanding success in the final exam

Ans. At first, I would like to thank my parents who have guided me throughout this journey – especially my mom who was aware of my entire schedule and timetable. She was the one who guided me of what tasks I needed to cover up. Then, I would like to thank my professors who have given me a very good guidance. During my articleship also, I got constant help and support of my principal as well as my seniors. So, the guidance which I got from my parents and during the articleship period - deserves special mention that inspired me throughout this journey.

What strategy/study plan did you follow while preparing for the exam

Ans. First of all for 6 months you have to forget everything apart from studies. The first thing is to stop using all social networking sites for 6 months. I made a strategy of not to be in touch with the social networking sites – I even stopped using my smartphone. I had even stopped attending social functions. While studying the practical subjects in the morning, I used to listen songs, which provided good energy for studying. Then I used to have my lunch and watch TV at the same time -I specially watched comedy shows that helped to freshen up my mind. I kept half an hour each day for myself. During exam studies, I had the habit of taking tea in order to rejuvenate my stamina and sometimes my intake for tea increased from around 6 to 7 cups

Now, the strategy of studies vary from person to person. I used to study only one subject in a day. I used to allot 15 days for each subject and aimed to complete the entire subject within those 15 days only.

How have been the inputs provided by the Institute contributed to your success in the examinations?

Ans. I used practice manual provided by institute and really it helped a lot in examinations. Also attended seminars of Institute, they also helped to clear your concepts.

What are your aspirations for the future? Do you have any specific career choice?

Ans. I would like to do some professional courses and would prefer doing job.

Do you think the Chartered Accountancy Course is the gateway to achieving professional excellence?

Ans. Yes.

How would you motivate the youngsters joining this course?

Ans. It has been almost 5 years now that I have started my journey. People considered CA to be a very boring and lengthy career choice, but for me, these 4-5 years

were the most beautiful and memorable moments of my life which I enjoyed throughout the course. I came across new people and got to learn many new things. So I would suggest to join this course and not lose your hope.

I would suggest students to take up the articleship seriously and clear one's concepts in each and every subject which would help to crack one's examination. Also, one should do one's work whole-heartedly so as to fulfill one's aspirations.



Santhosh Nankani

Nandurbar
Third Rank- CA Final
November 2014

How does it feel to be at the top?

Ans. The moment when Vice Chairman, BOS CA Prafulla Chhajed Sir called me up and congratulated me for being a third rank holder, it was unimaginable moment. It was like dual feelings, I was happy and was not able to believe the results also. I am realizing now the feelings of being a rank holder and I am happy as I got the results of well-planned hard work and blessings of my elders.

According to you, what are the intrinsic and external factors contributing to your outstanding success in the final exam.

Ans. In IPCC, I missed my Rank just by few marks. My friends and teachers always used to tell me that I have that intrinsic energy to get a rank in CA Final Examinations. Moral support of my parents, well planned study, guidance from Principle, intrinsic motivation, moral and technical study support of my friends are the major contributors of my success.

What strategy/study plan did you follow while preparing for the exam?

Ans. I started my study after 1 year of Article ship. I used to read daily 2 hours after my office. In last 3 months, I studied for 12 to 13 hours a day. I used to

take all the eight subjects in day so that I can be in touch of the all subjects until examinations. I never ignored Institutes' Study Material. I prepared my expected mark sheet; I prepared long-term plans, broken down long-term plans into weekly plans. I used to celebrate the achievement on Sundays after achieving weekly targets.

How have been the inputs provided by the Institute contributed to your success in the examinations?

Ans. I read most of Institute Study Material, Practice Manuals, Revision Test papers, Case Studies, most of Mock Test Papers and many times, I also asked queries to Subject heads of BOS through mails. In my opinion, Institute materials are the true teachers. Language used in Institute material is really easy and latest updated Practice manuals are also very useful. Suggestion given in preface of practice manuals for exam preparation is also very effective for us.

What are your aspirations for the future? Do you have any specific career choice?

Ans. From the first day when I joined this course, my objective was very clear to be a Practicing Chartered Accountant. But as time passed in studies, I realized that I am good in Numbers and Taxation. So if I get a chance I would also like to go for Taxation or Finance Sector.

Do you think the Chartered Accountancy Course is the gateway to achieving professional excellence?

Ans. Of course Yes. Current quality of Course Syllabus, Many of the initiatives by Institute like Student Conventions programs, General Management & Communication Skill Programs, seminars for members, Residential Programs for newly qualified chartered accountants etc are worth remarkable for students and members to achieve professional excellence.

How would you motivate the youngsters joining this course?

Ans. First of all, I would like to request all youngsters to remove the misconception from their mind that passing CA course is very difficult and it depends

on luck. What important is only your dedication. Securing Rank was like dream for me. But today I can definitely say that your hard work can make change of your luck also.



Nikita Goel

Howrah
Third Rank- CA Final
November 2014

How does it feel to be at the top?

Ans. It feels surreal, something that I had not anticipated even in my dreams. For me, becoming a Chartered Accountant at the first attempt itself means a lot. But by the grace of the Almighty, the blessings of my parents and my elder sister and the guidance of my teachers, I am where I am today. I am highly grateful to them.

Did you ever consider gender as a limiting factor/contributing factor in achieving your goal?

Ans. One cannot deny the fact that our society has been bogged down by patriarchal mindsets in the past. But fortunately, times are changing and they are changing pretty fast. For me in particular, the fact that I am a girl has never really played a role in the achievement of my goal. In fact, I think that success is gender-neutral. One's ability is in no way influenced by one's gender and thus both genders should be given equal opportunities.

According to you, what are the intrinsic and external factors contributing to your outstanding success in the final exams?

Ans. My family has been very supportive throughout my academic and professional career. My parents never pressurized me to perform well and I have given all my exams without the burden of any expectations. My teachers who taught me the ABC and XYZ of Accountancy, have also been very facilitative. I thank all of them from the bottom of my heart. Apart from that, I think that my school and college built a strong foundation for a promising professional career.

What strategy/study plan did you follow while preparing for the exam?

Ans. I have never been a bookworm. I believe in

working smart and not just working hard. I always planned in advance the tasks for the next day, instead of relying on my whims. Since I have an inclination towards practical subjects, I tried to embed the concepts in me so that I didn't have to give a lot of time in revision. I never compromised on my sleep and on an average, I slept for 8 hours a day. I think that lack of proper sleep affects one's efficiency.

How have been the inputs provided by the Institute contributed to your success in the examinations?

Ans. Besides the study material and practice manuals provided by the Institute, I also gave a lot of mock exams which boosted my confidence and helped me shed some of the apprehension and anxiety that are typically associated with CA exams.

What are your aspirations for the future? Do you have any specific career choice?

Ans. Right now, I am looking for a job that offers a profile suited to my career objectives; one that is dynamic as well as challenging so that I realize my full potential. Since it's the start of my career, I am flexible enough to work in any type of industry although I have a desire to work in the manufacturing sector, investment banking and consultancy.

Do you think the Chartered Accountancy Course is the gateway to achieving professional excellence?

Ans. Absolutely. Although the course is a specialized one, its coverage is very comprehensive and exhaustive in a number of subjects. We are not just restricted to Accountancy or Auditing; we have promising opportunities in Taxation and Finance as well. That, coupled with the 3-year articleship training, makes the course a very fulfilling one.

How would you motivate the youngsters joining this course?

Ans. My message to all budding Chartered Accountants is that they should believe in themselves and not get disheartened by temporary setbacks. We may have to put in a lot of hard work in this course, but it's worth the effort in the end. I truly respect this elite profession and to be a part of the CA fraternity is a matter of immense pride for anyone.

Toppers of Intermediate (IPC) Examination–November-2014



ADARSH CHAMARIA
First Rank
Kolkata



SHUBHAM A. KOTHARI
Second Rank
Chennai



VAIBHAV GARG
Third Rank
Panipat

Our Hearty Congratulations

Announcement

Launch of 100 Hours Advanced ITT course

As per Regulation 29(c)(iv) of the Chartered Accountants' Regulations 1988, students who have registered for Practical Training on or after August 1st, 2012 were required to complete Advanced IT Training before admission to the Final Examination. However, the Council of the Institute has decided to defer the implementation date of Regulation 29(c)(iv) from August 1st, 2012 to February 1st, 2013. Accordingly, 100 Hours Advanced ITT course will now be applicable to those students who have registered for Practical Training on or after February 1st, 2013 but before appearing in the Final Examination in terms of Regulation 29(c)(iv) of the Chartered Accountants Regulations, 1988. Hence all such students who commenced their Practical Training on or after February 1, 2013 and are eligible to appear in November, 2015 Examination are advised to complete the Advanced ITT well in advance before appearing in the Final Examination so as to avoid any hardship at a later date.

The fee for the Advanced ITT has been fixed at ₹5,000 per student which shall be charged by the concerned branch. The duration of the batches will be 4/6 hours per day. As per the Regulations, the time spent by the students for undergoing 100 Hours of Advanced ITT will be treated as a part of the training as period actually served under articles.

The students are advised to contact the concerned Decentralised Office or the branch of the ICAI for registration to batches of 100 Hours Advanced ITT Course and ensure to complete the course well in time.

Director, Board of Studies

SCHOLARSHIPS FOR CA STUDENTS

The Board of Studies awards following Scholarships to students twice a year i.e. in the month of April and October:

Sr. No.	Scholarship	No. of Scholarships	Amount (p.m.)	Eligibility Criteria
1	Merit	As per eligibility criteria	₹ 1500/- in case of Inter (IPC). ₹ 2000/- in case of Final	Awarded to students whose names appear at Sl. No. 1-10 of Merit lists of CPT/ Intermediate (IPC) of December/ November 2014 Exam. In case the Rank at Sl. No.10 continues to Sl. No. 11 or 12 or so on, then all such rank holders securing the same marks in a particular rank shall be covered.
2	Merit-cum-Need	30	₹ 1500/-	Rank holders (other than covered under Merit category at Sr. No.1) of CPT/ Intermediate (IPC) December/ November 2014 Exam provided their parents/guardians total annual income does not exceed ₹ 1,50,000/-
3	Need Based and Weaker Sections	100	₹ 1250/-	Students of Intermediate (IPC) Course provided their parents/guardians total annual income does not exceed ₹ 1,00,000/-
		150	₹ 1250/-	Students of Final Course provided their parents/guardians total annual income does not exceed ₹ 1,00,000/-
		As per eligibility criteria	₹ 1250/-	The children undergoing Intermediate (IPC) or Final Course of the deceased members of ICAI where financial assistance is provided to spouses of the deceased members from the Chartered Accountants Benevolent Fund (CABF) shall also be eligible for scholarship.
4.	Sri Dhanraj Kanhaiyalal Dudheria Scholarships	4	₹ 1250/-	Students of Intermediate (IPC)/Final from Karnataka State under Need Based & Weaker Sections criteria
5.	R.K. Khanna Memorial Scholarships	1	₹ 1250/-	Students of Intermediate (IPC)/Final under Need Based & Weaker Sections criteria
6.	J.S. Lodha Memorial Scholarships	1	₹ 1250/-	Students of Intermediate (IPC)/Final under Need Based & Weaker Sections criteria
7.	Out of Joint Corpus formed by Donors	4	₹ 1250/-	Students of Intermediate (IPC)/Final under Need Based & Weaker Sections criteria

Merit Scholarships under Serial No. 1 are automatically awarded to the eligible students hence they are not required to apply.

With regard to Scholarship from Sl. No. 2 to 7, applications are invited for grant of scholarship to be paid from April 1, 2015 onwards to the selected candidates.

The detailed guidelines along with the requisite application forms are available on the Institute's Website (www.icai.org) (link: http://www.icai.org/post.html?post_id=6486).

Notes:

- ◆ Applicants shall be the registered students of Intermediate (IPC) or Final Course.
- ◆ In the case of Intermediate (IPC) Students, Scholarship shall be paid for a maximum period of 18 months.
- ◆ In the case of Final students, Scholarship shall be paid for a maximum period of 30 months or balance period of their articleship, whichever is less.
- ◆ An additional amount of ₹ 100/- p.m. shall be paid to SC/ ST/ OBC students, under Need-based and Weaker Sections Category. They shall have to enclose a certificate/ documentary proof duly attested by a gazetted officer or a member of the Institute.
- ◆ One scholarship under the Need-Based and Weaker Section Category is reserved for a Physically Challenged student.

Duly completed and signed Application Forms in the prescribed formats (Form No. 3 & Form No. 4) should reach the Director, Board of Studies, The Institute of Chartered Accountants of India, ICAI Bhawan, A-29, Sector-62, NOIDA-201309 latest by 31st March, 2015.

In case of any clarification, please contact the Board of Studies, Telephone Nos. 0120-3045930/931; email: gagandeepsingh@icai.in, bosnoida@icai.in

Director, Board of Studies

Announcement

2nd February 2015

On-line facility for seeking change of Centre/Group/Medium for appearing in CA examinations

It is found that some candidates while filling the examination application form (either online or physical) do not exercise reasonable care and commit errors and seek change of Centre/Group/Medium, on account of errors committed by them in their examination application forms, after submission.

With a view to provide an opportunity to the candidates to correct such errors made by them while submitting their examination application forms, it has been decided to put in place an on-line facility to view and correct errors if any, committed by them while submitting the examination application form, in the fields of Centre/Group/Medium, (i.e. for seeking change of Centre/Group/Medium), with effect from May 2015 examinations.

Salient features of the facility are as follows:

1. **Manual applications seeking change of Centre/Group/Medium will not be entertained.**
2. The on-line window for seeking change of Centre/Group/Medium will be made available at <http://icaiaexam.icaai.org>
3. This online facility will be available to the candidates who have submitted their examination application forms online as well as to those who submitted physical examination forms, i.e. OMR forms.
4. This online facility will be available to the candidates, in two separate sessions. The first opportunity (called "Correction Window") will be free of cost and the second opportunity (called "Corrections with fee-Window") will be for a fee of ₹ 1000/-.
5. Candidates will be able to check the status of their request for change of Centre/Group/Medium from the above-mentioned website.

Details are as follows:

I. Free on-line facility for seeking change of Centre/Group/Medium:

1. Details contained in the examination application forms (Both online as well as physical) submitted by the candidates will be hosted on website <http://icaiaexam.icaai.org>, normally about one week after the last date for submission of examination application forms with late fee.
2. **This "Correction Window" will be open for a week.**
3. A candidate while applying for change of Centre/Group/Medium through the online facility as mentioned above, will be required to input the following details, **as filled in by him**, in his examination application form
 - Bar Code number/control number printed on his examination application form;
 - PIN (i.e. the four digit number of his choice which he had filled in his examination application form); and
 - Registration Number
4. Candidates (those who submitted their examination application forms online as well as those who submitted physical, i.e. OMR examination application forms) will be permitted to correct errors if any, including Centre/Group/Medium opted, etc., in the data hosted, when the "Correction Window" is open.
5. Candidates will also be permitted to change the Group opted, i.e., from single Group to both Groups and the Centre opted, i.e., from an Indian Centre to Overseas Centre and pay the differential examination fee online through the payment gateway, through the "Correction Window".
6. A change may include change of Centre/Group/Medium either jointly or severally.
7. **This facility is available free of cost.**
8. The candidate will be required to upload scanned copy of a handwritten/typed application for change of Centre/Group/Medium duly signed by him.
9. Upon submission of the request, the candidate will get a Successful Submission confirmation on the screen. It is made clear here that successful submission of request does not mean that the request has been approved.
10. **Admit cards will be issued to the candidates who apply through this "Correction Window", after incorporating the changes sought.**

II. On-line facility for seeking change of Centre/Group/Medium for a fee of ₹ 1000/-

1. Those who are desirous of seeking change of Centre/Group/Medium, **after the closure of the "Correction Window"** will be permitted to apply for the same, online, through this window. This window will open from 12th April and 12th October for CA Final and Intermediate (IPC) examinations held in May and November respectively and on 25th May and 25th November for Common Proficiency Test held in June and December respectively.
2. **This "Corrections with Fee-Window" will close one week before the commencement of the relevant examination.**
3. The facility will be available for a fee of ₹ 1000/- for either one or more changes requested. Fee for seeking one or more changes, i.e. change of Centre coupled with change of Medium or Group as the case may be, will be ₹ 1000/- only. i.e. if a candidate seeks Centre and Medium change, he will still be required to pay ₹ 1000/- only and not ₹ 1000/- for each change separately. The fee will be required to be paid online, either through debit/credit card.

4. Candidates will also be permitted to change the Group opted, i.e., from single Group to both Groups and the Centre opted, i.e., from an Indian Centre to Overseas Centre and pay the differential examination fee plus the fee of ₹ 1000/- as mentioned above, online, through the payment gateway.
5. **Requests for change of Centre/Group/Medium received subsequent to the closure of the "Corrections with Fee-Window", i.e., during the period of 7 days immediately preceding the commencement of examination, shall not be entertained under any circumstances.**
6. A candidate while applying for change of Centre/Group/Medium through the online facility as mentioned above, will be required to input the following details:
 - Bar Code number/control number printed on his examination application form;
 - PIN (i.e. the four digit number of his choice which he had filled in his examination application form); and
 - Roll Number
7. The candidate will be required to upload scanned copy of a handwritten/typed application for change of Centre/Group/Medium duly signed by him.
8. Applications for changes sought shall be permitted only once. Once a candidate submits his option for a change, he cannot go back to his earlier choice or seek another change.
9. Upon submission of the request, the candidate will get a Successful Submission confirmation on the screen. It is made clear here that successful submission of request does not mean that the request has been approved. Upon approval of the request, details of the changes effected will be hosted on the same website and candidates can check the same.
10. The candidates and the new centers where they are shifted, as per the request of candidate, will be advised of the change by way of a letter.
11. **No fresh Admit Card will be issued to the candidates. Candidates will be required to appear in the examination, with the Admit Card already issued/downloaded from website and a copy of the approval letter sent to them or printed from the website.**

III. Norms governing the change of Centre/Group/Medium, through the "Corrections with Fee-Window"

1. **Change of Centre will be permitted subject to administrative exigencies and cannot be claimed as a matter of right.**
2. Change of examination centre from one city to another city will generally be considered.
3. In the case of multi zone cities, it will be the endeavour of the Institute to allot the candidates to examination centres (i.e. schools/colleges) in the zones which they have opted in the examination application form. However, Institute shall be at liberty to shift the candidates to centres (i.e. schools/colleges) in a zone other than the zone opted, in the same city, in case of shortage of accommodation in the zone opted for or on account of any other administrative exigencies.
4. **Change of centre from one zone to another zone, within the same city shall not be permitted.**
5. **Change from one examination centre (i.e. school/college) to another examination centre (i.e. school/college) within the same zone, in a city, shall not be permitted.**
6. **Change of Group will generally be considered.**
7. **Change of Medium will be permitted subject to availability of the medium sought at the particular centre (i.e. school/college) where the candidate is originally allotted. If the medium sought is not available at the centre (i.e. school/college) where the candidate is initially allotted, the candidate may be shifted to another centre (i.e. school/college) in the same city/zone where the medium sought is available.**
8. Institute shall not be responsible/ liable in respect of any hardship and/or consequential loss/damages that may be suffered by a candidate, in case he applies for the same, during the period of 7 days immediately preceding the commencement of examination and his request is not entertained.
9. **The fee of ₹ 1000/- received for change of Centre/Group/Medium will not be refunded, except in those cases where the request cannot be considered on account of administrative reasons. Refund of such fee of ₹ 1000/-, if applicable, will be made, 15 days after the last date of the examination.**

The above arrangement will be effective for submission of examination application forms relating to May 2015 examination onwards.

Candidates are advised to take note of the above provisions carefully and take advantage of the on-line facility being made available appropriately.

For any clarifications in this regard, candidate may write to

Final Candidates	: final_examhelpline@icai.in
Intermediate(IPC) candidates	: intermediate_examhelpline@icai.in
CPT candidates	: cpt_exam@icai.in

Examination Department

ANNOUNCEMENT

Online Mentoring on ICAI Cloud Campus - <http://cloudcampus.icaai.org>

The ICAI Cloud Campus enables Students can learn anytime and from anywhere using e-Learning, Audio Lectures, Video Lectures and Online Mentoring. Students can even learn through Mobile Enabled e-Learning facility on the Students Learning Management System (LMS) on their Mobile Phones/ Smart Phones/ Tablets. Online Mentoring is one of the major value added features on the Cloud Campus. The schedule of online mentoring sessions from 3.00 p.m. to 4.00 p.m. is as follows:

Online Mentoring Schedule			
Date	Course	Topic	Faculty
March 3	IIPC	Paper 7B: Strategic Management	Mr. Shaleen Suneja
March 11	IIPC	Paper 6: Auditing and Assurance	CA. Rajeev Sachdeva
March 13	IIPC	Paper 4: Taxation Part I: Income Tax	CA. Priya Subramanian and CA. Aparna Chauhan
March 17	IIPC	Paper 3:Part I: Cost Accounting	Dr. N.N.Sengupta and CA. Sanjit Sharma
March 24	Final	Final Course Paper 6 ISCA (BCP, DRP and Introduction of Information Technology Act,2000)	Ms. Sukriti Arora
March 25	IIPC	Paper 5: Advanced Accounting	CA. Seema Gupta and CA. Shilpa Aggarwal
March 27	IIPC	Paper 3:Part II: Financial Management	Ms. Nidhi Singh
March 31	Final	Paper 1: Financial Reporting	CA. Shilpa Aggarwal and CA. Seema Gupta

Students are advised to register for Online Mentoring Sessions on the ICAI Cloud Campus and provide specific questions/ queries that they need to be discussed at least 48 working hours before the session. Links to access the aforementioned Online Mentoring Sessions are also available on the <http://cloudcampus.icaai.org> under Online Mentoring.

Director of Studies

Revised Rate of Stipend for Articled Assistants

In a latest move to serve the cause of our students, the Institute has decided with immediate effect (i.e. 23 January 2015) to double the stipend rates for each of the year payable to the articled assistants pursuing Chartered Accountancy Course.

A notification issued in this regard to revise the Regulation 48 of the Chartered Accountants Regulations, 1988, is available on the website of the ICAI at the link <http://220.227.161.86/36524council25906-sas.pdf>. The stipend rates so revised are as follows:

Classification of the normal place of service of the articled assistant	During the first year of training	During the second year of training	During the remaining period of training
1	2	3	4
Cities/towns having a population of twenty lakhs and above	₹ 2000/-	₹ 2500/-	₹ 3000/-
Cities/towns having a population of four lakhs and above but less than twenty lakhs	₹ 1500/-	₹ 2000/-	₹ 2500/-
Cities/towns having a population of less than four lakhs	₹ 1000/-	₹ 1500/-	₹ 2000/-

This is brought to the knowledge of articled assistants and the principal for compliance thereof.

13th February, 2015

V. Sagar
Acting Secretary, ICAI

ANNOUNCEMENT

On Line Articles Placement Portal for selection of Articled Assistants by CA Firms/ Individual Chartered Accountants in practice

The Board of Studies of the ICAI has been providing Optional Online Placement facility for selection of Articled Assistants by CA Firms/ Individual Chartered Accountants in practice through its Articles Placement Portal on pan India basis. It provides a platform to the firms of Chartered Accountants/ Individual Chartered Accountants in practice having vacancies for Articled Assistants to shortlist eligible students for selection of articled assistants, and call them for Interview at their offices, as per date and time convenient to them. The eligible candidates who have passed Group-I or both Groups of the Intermediate (Integrated Professional Competence) Course or have been admitted under the Direct Entry Scheme and are willing to join articled training can register themselves on the portal. **The services to the Online Placement Portal are available free of charge for both CA Firms/Individual Chartered Accountants in practice and students and they can register themselves online through the Portal at <http://bosapp.icai.org>.**

From the date of registration at the Portal by the firms/ Individual Chartered Accountants in practice/students, the services on the Portal would be available for two months, twice a year. However, the same can be extended on individual requests. The candidates shortlisted by CA Firms/ Individual Chartered Accountants in practice would be informed by e-mails through the Portal, to appear for interview at their respective Offices, at the designated date and time.

Detailed guidelines are available at the institutes' website www.icai.org and on the Portal. In case of any further clarification, please contact the Board of Studies, ICAI Bhawan, A-29, Sector-62, Noida-201309, Tel. No. 0120-3045930/931; eMail: bosapp@icai.org.

CA. V. Murali
Chairman, Board of Studies

ANNOUNCEMENT

CRET: ATTENTION STUDENTS

Students have always been the biggest priority for the Institute and it is always the endeavor of the Institute to prepare its students for tomorrow. In this direction, a Committee to review the existing system of education and training was set up in 2014. The Committee after following a multi pronged strategy came out with a New Proposed Scheme of Education and Training. The proposed Scheme is available on the Institute's website and is opened for public comments. Students are requested to post their comments at the earliest. Please rest assured that the interests of the students will be adequately taken care of and they will be given sufficient time to prepare for their respective examinations. Till the time the Scheme is finalized, students are requested to concentrate on their studies and prepare for the existing scheme.

Director, Board of Studies

CROSSWORD PUZZLE

1	2	3			4		5		6	7			8
9					10			11					
12				13						14			
			15			16				17		18	
19						20			21			22	
23				24	25							26	
								27		28			
		29				30				31			
32						33							
34			35									36	
		37			38						39		40
41										42			
		43		44		45		46	47			48	
	49					50							
51				52							53		

ACROSS

- Getting a _____ means getting an official notification that a worker's position has been eliminated or that the worker's services are no longer needed.
- Any act done between living persons- _____ vivos.
- GNP minus depreciation is _____.
- Compare apples and _____ means to examine the similarities of things that are completely different.
- An international network of public accounting, tax and advisory firms which perform professional services.
- For instance, in Latin.
- Sycophant: A person with _____.
- A psychology term, meaning that a person has suddenly realized something very important that now seems so obvious that they should have "got it" a long time ago.
- A student of Chartered Accountancy has to undergo two trainings on _____.
- A period of exceptionally high achievement is called a _____ patch.
- A document from a bank guaranteeing that the seller will receive payment in full as long as certain delivery conditions have been met.
- An informational document issued by a company to promote or highlight the features of a product or service : _____ paper.
- Uncooked.
- A financial ratio that measures a company's profitability and the efficiency with which its capital is employed.
- Jealous
- Ban or forbid
- Pardons
- A ratio to help a lender work out whether the given amount can be recouped in the event a borrower defaults: _____ to value ratio.
- To be cowardly or easily scared.
- A price which reflects agricultural value of a farm land rather than a price influenced by non-farming market demand.
- Summit
- Something that misleads or distracts from the relevant or important issue.
- A mathematical constant which represents the ratio of a circle's circumference to its diameter.
- Nil
- Spectral or spooky
- One of India's main export items during Independence.
- A _____ handshake : monetary incentive to join a company.
- An import/export term relating to the point at which responsibility for goods passes from exporter to importer.

DOWN

- A nationalized bank in India.
- An airline company in India.
- An organization that uses surplus revenues to achieve its goals rather than distributing them as profit or dividends.
- A graphic mark, emblem, or symbol commonly used by commercial enterprises, organizations and even individuals to aid and promote instant public recognition.
- To engage in wild spree or to go out and celebrate.
- That is, in Latin.

- A system for registering certain non-citizens within the United States.
- Second look.
- Opposite of SWS.
- Age or evolve.
- An Institution, which offers training program, academic courses and advisory in wildlife research and management in India.
- Gulp or slurp
- An odd or disreputable member of a group, especially within a family.
- An aristocrat or member of a socially prominent family
- To incite or to poke.
- Theme of this crossword.
- Tongue is one of the _____ organs.
- A concept or topic that is unclear.
- An intergovernmental military alliance based on the North Atlantic Treaty which was signed in 1949.
- Contract.
- At no time.
- Process which was introduced by SEBI so as to enable the listed companies to raise finance through the issue of securities to QIBs.
- The capital of the Himalayan kingdom of Ladakh and now a district in the Indian state of Jammu and Kashmir.
- In project management , analysis of lead- _____ factors is important.
- Roman numeral for 511.
- A barking _____ never bites.
- An evasive or untrustworthy person.
- A venture capital firm focused on investments across several disciplines, including software, internet, mobile, financial services, environmental, and other related technologies.
- An ambitious campaign showing how a young lad who seems dejected as he fails to get admission in a leading engineering college makes a drone to deliver goods to his bakery .

SOLUTION FOR FEBRUARY 2015

1C	2A	S	E		3A	P	4R	5I	6L				
7V	I				8P	R	O	D	U	C		9T	
		10R	11A	N	12G	E		13T	E	A			A
			L		E			14A		A			N
15A	L	L	16Q	T			17S	18A	L	E	19S		
		O	D			20C	I	X			21T	22O	
23V	24I	C	E	C	H	A	I		25R	26M	A	N	
27I	S	A				I			28M	E	A	N	
29C	I	T	E			30N	O			31I	R	D	A
T		I			32I	A			33Q	T		A	
34I	35P	O	36D						37U	S	38S	R	
39M	A	N	U	A	L		I			40A	D	41O	
	N		42E	G		43S	T	E	P			R	



CCM CA. Babu Abraham Kallivayalil presenting a memento to CA. V. Pattabhiram in the presence of CA. M. Devaraja Reddy Past Chairman, BOS.



Principal Chief Commissioner of Income Tax and Director General of Income Tax (Inv), Tamil Nadu Mr. T. Jayashankar, IRS, Chief Guest inaugurating the National CA Students Conference.



Convocation-Kolkata: CA. K. Raghu, immediate Past President and Central Council Members, CA. Sumantra Guha, CA. Abhijit Bandyopadhyay and other dignitaries in ceremonial dress.



Four Weeks Residential Programme, NIFM, Faridabad: CA. K. Raghu, immediate Past President, CA. Manoj Fadnis, President, ICAI, CCM, CA. Vijay Kumar Gupta, Shri Vijay Kapur, Director, Board of Studies and other dignitaries with the participants.



Hon'ble CA. K. Rahman Khan, Former Union Minister inaugurating the CA Students Conference on 27.01.2015.



CA. K. Raghu, immediate Past President, ICAI lighting the lamp to inaugurate Convocation in Jaipur. New President, ICAI, CA. Manoj Fadnis, Central Council Members, CA. Anuj Goyal, CA. Mukesh Singh Kushwah and CA. Shyam Lal Agarwal also seen among other dignitaries.



Convocation-New Delhi: CA. K. Raghu, immediate Past President and Central Council Members, CA. Sanjiv Kumar Chaudhary, CA. Naveen N. D. Gupta, CA. Atul Kumar Gupta, CA. Vijay Kumar Gupta, CA. Charanjot Singh Nanda, CA. Mukesh Singh Kushwah and NIRC Chairman, CA. R. S. Bansal seen in picture.



All India Elocution and Quiz Competition: CA. M. Devaraja Reddy, Vice President, ICAI and Director, Board of Studies, Shri Vijay Kapur with the winners.



CA. V. Murali, Chairman BOS honouring President, ICAI, CA Manoj Fadnis and Vice-President, ICAI CA. M. Devaraja Reddy at Chennai on 21st February, 2015. Also seen is Chairman SIRC CA. P. R. Aruloli.



Former CBI Director DR. R. K. Raghavan being received by CA Students at GMCS Valedictory Function at Chennai on 9.2.2015



CA. M. Devaraja Reddy, Past Chairman BOS honouring CA. T. N. Manoharan, Past President, ICAI and Guest of Honour at the National Conference for CA Students. Also seen CA. V. Murali, Chairman BOS and CA S Santhanakrishnan, CCM and Member BOS.



Hon'ble Union Minister, CA. Piyush Goyal being felicitated by CA. V. Murali, present Chairman, Board of Studies in the presence of CA. Manoj Fadnis, new President, ICAI at the Annual Function on 11.02.2015.

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