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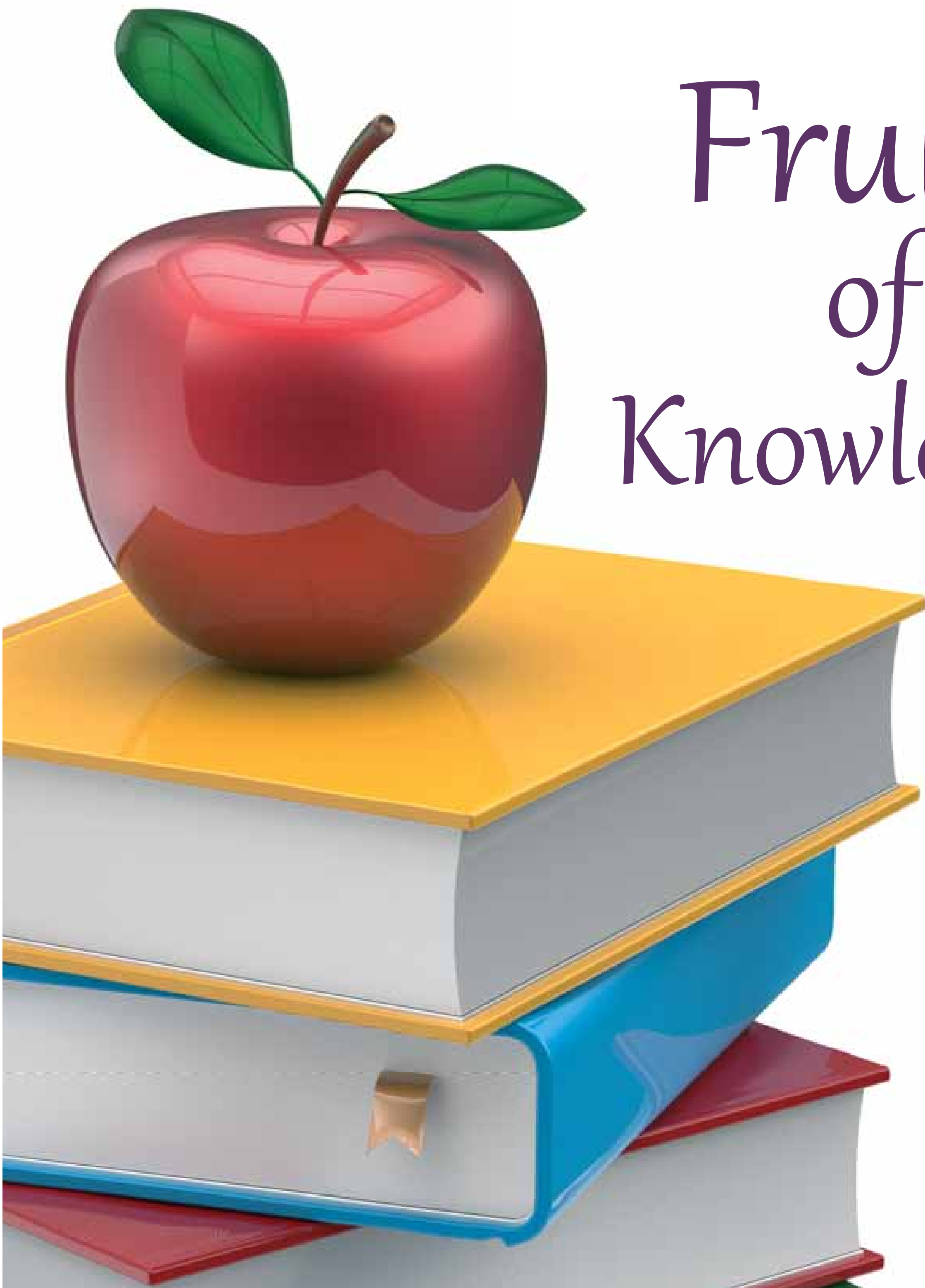
The Chartered Accountant STUDENT

The Institute of Chartered Accountants of India
(Set up by an act of Parliament)

Your monthly guide to CA news, information and events

Fruits of Knowledge



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The most valuable of all education is the ability to make yourself do the thing you have to do, when it has to be done, whether you like it or not.

Aldous Huxley

INSIDE

SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

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My Dear Students,

Heartiest best wishes on the festive occasion of Deepawali. May the festival of light dissipate darkness and illuminate all aspect of your life. The November 2015 examinations are about to start. Those of you who are appearing in the examinations should read the questions carefully, understand the requirements and then write the answers. My best wishes are always with you to succeed not only in the examinations but also in your future professional path.

Always remember the oft-repeated words of Swami Vivekananda - *Arise! Awake! and stop not until the goal is reached*. You have chosen a career path that will bring fulfilment and respect. With strong determination and holistic studies, success will be yours – sooner than later. Always maintain positivity in life. It will give you energy and motivate you. Identify your strengths to capitalise on them and weaknesses to remove them. In examinations, your weaknesses may not be restricted to lack of subject knowledge but may cover your language, handwriting, grammar, spellings, presentation and so on.

The Indian economy is again on a high growth path. It is estimated to grow at a rate of more than 7.5% this year. In the backdrop of growing economy the desired profile of the Chartered Accountants is also changing. Our members need to remain updated with latest technical and professional knowledge and skills. They should be well versed with the new and emerging issues of public interests such as environmental and sustainability concerns, in addition to business strategies, compliance management and governance.

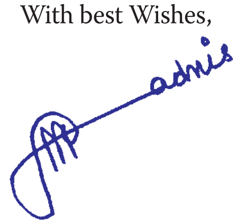
A conducive environment is being created for the growth of our country. After changes in the Companies Act, changes in other major laws are also in offing. Although, the roll out of Goods and Services Tax, the ambitious indirect tax reform has been somewhat delayed, it is still a top priority for the Government. Recently, three Draft papers on GST Business Processes have been released by the Ministry of Finance for public comments. We look forward to the new taxation regime.

We are also moving towards globalising in true sense with convergence of Indian Accounting Standards with International Financial Reporting Standards. In February, 2015, 39 Indian Accounting Standards (Ind AS) were notified which will be applicable voluntarily from 1st April, 2015 and mandatorily from 1st April, 2016 and 1st April, 2017 by certain specified companies meeting the criteria. The roadmap for applicability of Ind AS on Banking Companies, Insurance Companies and Non-banking Finance Companies will also be made applicable through a separate notification by the Central Government. The Board of Studies has modified the syllabus of Paper 1: Financial Reporting wherein the topic on 'Introduction of Ind AS' has been added in the syllabus. This topic will be applicable to the students appearing in the Group I Final Examination from May, 2016 onwards. In this regard, the Board of Studies has come up with a Supplementary Study Material, which is available at the sales counter of the ICAI and is also uploaded on the BoS Knowledge portal of our website.

It is always our endeavour to provide contemporary education and training to the students. It is heartening that we have moved a step closer towards implementation of futuristic scheme formulated by Committee for Education and Training. Required regulatory changes have been identified and after in-principle approval of the Government, the same would be exposed for public comments.

The Institute takes a number of steps for the benefit of students. It also expects students to move in honest and ethical manner. A few instances have been identified where students and candidates for Institute's examinations have submitted fictitious / forged documents. While strict action is being taken against these students, I request you to maintain honesty not only in your interaction with the Institute but in life. Remember sooner or later such acts of deceit are found, leaving you with little options. Remember the words of Mark Twain - *A lie can travel halfway around the world while the truth is putting on its shoes.* We are also advising our members to be careful while attesting the documents.

With best Wishes,



CA. MANOJ FADNIS
PRESIDENT
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

My Dear Students,

November heralds the colourful, bright and much loved Festival of Lights, Diwali. For CA Students, it is the crunch time with the examinations. May this festive season bring more power to all of you to be able to come through the exams with great success. God Bless you all!

POINTS TO PONDER

Positive thoughts generate positive feelings and attract positive life experiences. In youth we learn, in age we understand. It is said that the first to apologise is the bravest; the first to forgive is the strongest and the first to forget is the happiest. Time and Smile are two critical things in life. Sometimes, time makes you forget how to smile and sometimes someone else's smile makes you forget time. Earning a relationship is a reward of your trust; Maintaining a relationship is a result of sacrifice; Strengthening the same is a result of your care. Shakespeare said ***"Never play with the feelings of others because you may win the game but the risk is that you will surely lose the person for a lifetime."*** We should always spread happiness to all and keep personal problems within. ***When we live for others, we live in their hearts forever. To be happy, don't do whatever you like, but like whatever you do. Happiness comes not from having much to live on but having much to live for.*** Networking and relationship building with friends of similar wavelength is of paramount importance. Friends are like the walls of a house. Sometimes they hold you up, sometimes you lean on them, but, sometimes, it is enough to know that they are just standing by.

FOR STUDENTS WHO ARE IN THE MIDST OF EXAMS

Success comes from having dreams that are bigger than our fears. William Arthur said ***"Opportunities are like sunrises, if you wait too long, you can miss them."*** Persistence can change failure into extraordinary achievement.

The crucial test to your dedicated study is vested upon you. Be calm, have faith in yourself and be confident. You will come through with flying colours. Keep yourself happy, determined to succeed and enthuse yourself, envision yourself doing well and you will do so. Think of yourself reaching the next level, be it CA IPCC, CA Final or getting a job. Jules Renard, a French writer said ***"Everything you want is out there waiting for you to ask. Everything you want also wants you. But you have to take action to get it."***

There is no end to learning. Life is but a journey wherein we absorb, comprehend and assimilate experiences, relationships and situations. As the philosopher J. Krishnamurthi put it ***"It is not that you read a book, pass an examination, and finish with education. The whole of life, from the moment you are born to the moment you die, is a process of learning."*** It does not matter how slowly you go as long as you don't stop. Believe in yourself and all that you are; Know that there is something inside you that is greater than any obstacle. Trust your instinct. John Assaraf said ***"Be a warrior of your dream, a knight of your goal and a soldier of your wishes."***

TIPS TO MAKE LIFE MORE MEANINGFUL

1. If you don't challenge yourself, you will never realize what you can achieve.
2. Golden Rule for a Harmonious Life: Talk ***'TO'*** each other; instead of talking ***'ABOUT'*** each other.
3. When troubles seem to come towards you in waves, don't resist, don't hold back, just climb on the surfboard of faith and ride them out.
4. 'No' and 'Yes' are two short words which need long analysis. Most of the things we miss in life are due to saying 'No' too soon or 'Yes' too late.
5. In Life we have only 2 options - Change or accept. Change what you cannot accept and accept what you cannot change.
6. Life is like a diamond. It is rough and hard but if you work on it with patience, one can make it bright and beautiful.
7. Life is at its weakest when there is more doubt than Trust; but a person is strongest when he learns in life how to Trust despite doubts.
8. Day begins with hopes and ends with dreams. Every one starts with some expectation, but everyday surely ends with some experience. That is Life!
9. Two rules for a peaceful Life: Failure should never go to heart and Success should never go to head.
10. Life is an echo. What you send out – comes back. What you sow - you reap. What you give – you get. What you see in others – exists in you. Remember, Life is an echo. It always gets back to you.
11. Difficulties in our life do not come to destroy us but to help us to realize our hidden potential.
12. Any unique distinction we want to achieve in life may be outside our ***'comfort zone,'*** but it is always within our ***'effort zone.'***
13. Two Steps for a happy and successful life: Minimum requirements and Maximum adjustments.
14. Potter Stewart said ***"Ethics is knowing the difference between what you have a right to do and what is right to do."***
15. Affection is more important than perfection.

WRAP UP POINT

As budding Chartered Accountants, you will be aware of the importance of tallying a balance sheet – without which the accounts cannot be completed. So too it is with life. Living is an intricate art of balancing oneself on a tightrope. Vision is vital to growth. Unless we set for ourselves small reachable targets – we cannot make it to the ultimate goal. Each step is a stepping stone, each small win a step forward. ***When Helen Keller was asked "What would be worse than being born blind? She answered "To have sight without vision."*** Having a dream makes life worth living, ambition being the adrenaline. Sir Winston Churchill said ***"Never! Never! Never! Never Give up!."*** So, dare to dream, prepare for your dream, share your dream and live your dream. Abraham Lincoln underwent many hardships and overcame many obstacles on his way to the pinnacle of success and he opined ***"Always bear in mind that your own resolution for success is more important than any other thing."*** It's not where you are today, but where you'll reach tomorrow, that's Life! The mind is not a dustbin to keep anger, hatred and jealousy. It's a treasure chest to keep love, happiness and sweet memories. Always keep your treasure chest full!

With Warm Professional Regards,

Forever, yours in service,

(CA. V. MURALI)
CHAIRMAN, BOARD OF STUDIES, ICAI, NEW DELHI

Consolidation of Financial Statements - A Move to Greater Transparency

The contributor is a student of ICAI.
Reg. No. CRO0425611

The Government of India, in its endeavor to enforce and raise compliance standards, has legislated the Companies Act, 2013, the much required code for corporates in India in line with the developments taking place world-wide and in order to meet the growing demands of stakeholders towards greater transparency and ease of understanding.

However, changes in any form bring with it numerous doubts and complications, so is the case with the introduction of new provision in the form of section 129(3) which mandates every company to prepare Consolidated Financial Statements.

So, let us strive to understand the changes that are taking place around us and implement the same with the conviction that "we must be in tune with the times and be prepared to break the traditions'.

Section 129(3) of the Companies Act, 2013 deals with the placing of financial statement and CFS of the company and its subsidiaries in AGM. Accordingly, where a company has one or more subsidiaries, it shall, in addition to standalone financial statement, prepare a consolidated financial statement of the company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the company along with the laying of its standalone financial statement.

The company shall also attach along with its financial statement, a separate Statement containing the salient features of the financial statement of its subsidiary or subsidiaries in form AOC-1.

Explanation.—For the purpose of this sub-section, the word "subsidiary" shall include associate company and joint venture.

Further, Rule 6 of the Companies (Accounts) Rule, 2014 lays down the manner of consolidation of accounts of companies.

Manner of Consolidation of Accounts

The consolidation of financial statements of the company shall be made inaccordance with the provisions of Schedule III of the Companies Act, 2013 and the applicable accounting standards (i.e. AS 21-Consolidated Financial Statements, AS 23-Accounting for Investments in Associates in Consolidated Financial Statements& AS 27-Financial Reporting of Interests in Joint Ventures).

Provided that in case of a company covered under sub-section (3) of section 129 which is not required to prepare consolidated financial statements under the accounting standards, it shall be sufficient if the company complies with provisions on consolidated financial statements provided in Schedule III of the Act.

There are some exclusions under the accounting standard (AS 21) for certain subsidiaries from being taken into consideration for CFS. These exclusions cover the following situations:

(a) When control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; **or**

(b) When it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.

If any company is having subsidiary or subsidiaries which satisfy the above mentioned conditions, then such Holding Company is not required to prepare CFS in respect of those subsidiaries, but such Holding Company is required to give disclosure about the same in Schedule III, stating details of subsidiaries along with the reason for non-consolidation.

The requirement for consolidated financial statements under the Companies Act, 2013 has been introduced for the first time; however, it is not new for listed companies. The listed companies were already required to prepare consolidated financial statements in adherence to the terms of listing agreements with stock exchanges. Thus, the new requirements majorly affect the unlisted companies in India which practically might be doing this for the first time.

The accounting for subsidiaries, joint ventures and associates in the consolidated financial statements will also require extensive financial information from their respective investees.

For example, the financial statements of the subsidiaries, associates and joint ventures must be prepared following the Indian accounting standards and must conform to the accounting policies of the Indian Parent Company.

This has caused trouble to the unlisted companies as it will be a challenging task for them to accumulate all the required details within such a short span of time. Therefore for them information for making consolidation may not be readily available.

There can also be a situation wherein a Company having subsidiaries, associates and joint ventures, incorporated outside India may be preparing their financial statements only to comply with the local requirements, but now these foreign subsidiary companies will also have to undertake the cumbersome job of complying with the Indian Financial Reporting Requirements.

Accordingly, for certain companies which were facing genuine difficulty in preparation of CFS, the Ministry of Corporate Affairs ('MCA') came out withcouple of notifications to tackle the practical issues discussed above.

1) Notification dated 14/10/2014, exclude the following companies from making CFS
   - An intermediate wholly-owned subsidiary, other than a wholly-owned subsidiary whose immediate parent is a company incorporated outside India.
   - A company which does not have a subsidiary or subsidiaries but has one or more associate companies or joint ventures or both for the financial year 2014-15.
2) Notification dated 16/01/2015, excludes the following companies from making CFS
   - A company having subsidiary or subsidiaries incorporated outside India only for the financial year commencing on or after 1 April 2014.

Some Examples

Example 1) 'XYZ Private Limited' a Parent Company has an associate company named 'ABC Private Limited' and a Joint Venture named 'PQR Private Limited'. All the three companies are incorporated in India and XYZ Private limited has no Subsidiary Company. Will 'XYZ consultancy Private Limited' be required to prepare CFS for the FY 2014-15?

Solution: In this case, XYZ Private Limited is not required to make the CFS for the FY 2014-15, in pursuance of notification issued by MCA on 14/10/2014 as it has only an associate and joint venture but no subsidiary.

Example 2) 'A Private Limited' has two foreign subsidiaries named 'B Inc.' and 'C Inc.' Will 'A Private Limited' be required to prepare CFS for the FY 2014-15?

Solution: No, in pursuance of the Companies (Accounts) Amendment Rules 2015 notified by the MCA on 16/01/2015, an Indian parent company which has subsidiaries incorporated outside India is not required to prepare CFS for the financial year commencing on or after 1st April, 2014.

Example 3) 'X Private limited' has subsidiary named 'Y Private Limited, both X and Y Private Limited are SMC's. Will X Private Limited be required to prepare CFS for the FY 2014-15?

Solution: As per section 129(3) every company is required to prepare the CFS. But some people argued that 'since AS-21 is not applicable to SMC companies, how will SMC prepare the CFS.' In AS-21, it is clearly stated that the accounting standard does not mandate an enterprise to present consolidated financial statements but, if the enterprise presents consolidated financial statements for complying with the requirements of any statute or otherwise, it should prepare and present consolidated financial statements in accordance with AS.

So in this case, X Private Limited will be required to prepare the CFS as per the requirement of Companies Act, 2013 (the statute), and for the purpose of making CFS it has to follow guidelines of AS.

Some Important Terms

Subsidiary Company: Subsidiary Company means a company in which the holding company

(i) Controls the composition of the Board of Directors; or

(ii) Exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies

Explanation

(a) A company shall be deemed to be a subsidiary company of the holding company even if the control is in the nature of indirect control

(b) The composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or majority of the directors

(c) The word share capital includes equity share capital and convertible preference share capital.

Associate Company: An associate company means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation

Significant Influence means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

Some Practical Issues

1) In the notification (dated 16/01/2015) the word subsidiary is not explained, so can we take the explanation of subsidiary as subsidiary which is being given in the explanation to section 129(3) of Companies Act, 2013.
2) Whether the intention of MCA for its notification dated 16/01/2015, is to provide the temporary relief or to give exemption for all upcoming years.
3) If a company is having Indian as well as Foreign subsidiary then will it be required to prepare CFS.

Conclusion

To conclude, for the Financial Year 2014-15, following companies are not required to prepare consolidated financial statement in pursuance of MCA notifications dated 14/10/2014 and 16/01/2015.

1) An intermediate wholly-owned subsidiary incorporated in India, other than a wholly-owned subsidiary whose immediate parent is a company incorporated outside India.
2) A company which does not have a subsidiary or subsidiaries but has one or more associate companies or joint ventures or both for the financial year 2014-15
3) A company having subsidiary or subsidiaries incorporated outside India.

However, for other companies, it is mandatory to prepare Consolidated Financial Statement for the FY 2014-15.

Lastly, I want to share with you the Quote of Swami Vivekananda on our thoughts,

"We are what our thoughts have made us; so take care what you think. Words are secondary. Thoughts live; they travel far."

Therefore, let us bring more thoughts to prepare our minds to face the challenges we encounter in our professional journey and embrace all changes with gladness.

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3) www.mca.gov.in
4) The Company (Account) (amendment) Rule, 2015 ■

Base Erosion and Profit Shifting – Concept and Concerns

The contributor is a member of ICAI.
(Membership No: 094560)

Globalisation and changes in way businesses are being done due to the digital revolution, has opened up opportunities for multinational enterprises (MNEs) to sizably cut down the taxes they pay globally. International tax rules have not been able to keep pace with developments in the world economy; leaving gaps that have been systematically exploited. In fact, the laws developed to avoid double taxation have been misused to generate double non-taxation.

The Concept

Base erosion and profit shifting (BEPS) is a term used by the Organisation for Economic Cooperation and Development (OECD) which refers to the negative effect of MNEs'tax avoidance strategies on national tax bases. It includes tax planning strategies that take advantage of gaps in tax rules to shift profits to low or no-tax locations where there is little or no economic activity. The net impact being that, there is lesser or no overall corporate tax being paid. As per OECD, the revenue loss from BEPS is expected to be about USD 100-240 billion annually, which works out to be 4-10% of the global corporate income-tax revenues.

Who is Impacted

BEPS is an issue that impacts everyone. It affects governments globally as it reduces their tax revenues which could have been productively utilized to boost growth. Impact is felt more by the developing countries due to their heavy reliance on corporate income tax, particularly from MNEs. It harms MNEs too as they face a reputational risk from the public wherein the public focus on their tax arrangements increases. Domestic companies face an uneven playing field when competing with MNEs. It erodes trust of taxpayers in the fairness of the tax system and in many cases individual taxpayers have to bear additional tax burden to make up for shortfall in collection of taxes from MNEs.

Co-ordinated efforts of OCED and G20 countries

As BEPS requires global resolution, the OECD and G20 countries joined hands to develop solutions in a coordinated and comprehensive manner. The OECD's Action Plan on BEPS was initially published in July 2013. It contained 15 separate action points. This Plan was endorsed by G20 leaders at their summit in St. Petersburg in September 2013. India is a G20 member and an observer member of OECD. In September 2014, the OECD released the first 7 elements of the Action Plan. The final package of measures was released on October 5, 2015. In this two year long process, all stakeholders, including around 80 developing countries and other non-OECD / non G20 countries have also been consulted. The final reports would also have been discussed on October 8, 2015 in the G20 meet.

15 Point Action Plan

The 15-point Action Plan aims at development of tools to equip the governments with the domestic and international instruments needed to address BEPS. These tools would be used to develop and shape 'fair, effective and efficient tax systems' which are based on three core principles of coherence, substance and transparency. They would also give business greater certainty by reducing disputes over the application of international tax rules and standardizingrequirements. As some Actions are more important than others, OECD has put in specific commitment levels to each Action, the Nomenclature used being defined hereunder:

- **Minimum standard** – New minimum standard indicates a 'new rule' being endorsed by all states to be implemented against an Action point. However, it may be followed optionally by a few states.
- **Common Approach** – Common approach depicts a common approach of all states towards facilitating a particular Action in a way so as to create a 'minimum standard' out of it.
- **Best practice recommendations** – These are not standard recommendations and are optional for the states to follow. For example: Best practice recommendations, being the 'Building blocks' for effective CFC rules have been identified in OECD's final report.

These action points are:

Action	Broad Outline
Action 1- Address the Tax Challenges of the Digital Economy	Existing provisions of tax treaties were designed to cater to traditional businesses often called "brick and mortar businesses" and have become redundant in context of the digital economy. Focus is now to identify the main difficulties that the digital economy poses for the application of existing international tax rules and the options to deal with it. A holistic approach considering both direct and indirect taxation is being propogated. The Concept of virtual PE has been discussed and recommended along with application of Controlled Foreign Company ('CFC') rules and GAAR provisions to combat the challenges posed by Digital Economy.
Action 2- Neutralise the Effects of Hybrid Mismatch Arrangements	Model rules have been drafted to eliminate Hybrid Mismatch Arrangements. The aim is to neutralize double non-taxation or double deduction in case of hybrid instruments and entities. Hybrid financial instruments are instruments such as preference shares, convertible debentures etc. which are treated differently in different countries and therefore create a tax mismatch. e.g. an instrument may be considered as debt in Country A and equity in country B, so payment is tax deductible in country A and tax exempt dividend in country B. Hybrid entities refers to entities such as Partnerships and Trusts which may be taxed in one country and may be considered a transparent or pass through in another country. Recommendations for both general changes in domestic law and dedicated Anti-Hybrid rules are made. Amendments to CFC rules, denial of foreign tax credit and denial of tax exemptions are few of other suggestions.
Action 3- Strengthen Controlled Foreign Company (CFC) Rules	MNE groups often set up low taxed affiliates and shift their income there. CFC rules enable taxation of income of foreign subsidiaries without waiting for actual distribution. Please note India at present, does not have CFC Rules. Best practice recommendations, being the 'Building blocks' for effective CFC rules have been identified in OECD's final report. However, no 'minimum standards' are being proposed.
Action 4 -Limit Base Erosion via Interest Deductions and Other Financial Payments	A common approach has been developed in the area of interest deductibility. Focus is to prevent base erosion through the use of interest expense, for example, through the use of related-party and third-party debt to achieve excessive interest deductions. Earnings Stripping rules are recommended as a preferred approach wherein actual interest expense is capped as a percentage of EBITDA. The rules would not apply if interest is less than the threshold and the un-deducted interest can be claimed in later years.
Action 5- Counter Harmful Tax Practices	Factors for determining a potential harmful tax practice are no or low effective tax rate, lack of transparency, negotiable tax rate or base etc. A minimum standard has been set up based on an agreed methodology to assess whether there is substantial activity in a preferential regime. In the area of transparency, a framework has been agreed for mandatory spontaneous exchange of information on rulings that could give rise to BEPS concerns.
Action 6 -Prevent Treaty Abuse	A minimum standard has been agreed to ensure that treaty benefits are only granted to those that deserve them. The aim is to prevent treaty shopping. Focus is on development of model treaty provisions, design of domestic rules, to clarify that tax treaties are not intended to be used to generate double non-taxation and to identify the general tax policy considerations countries should consider before deciding to enter into a tax treaty. Tools used would be Simplified Limitation of Benefits Clause, Principal purpose test etc.
Action 7 -Prevent the Artificial Avoidance of (Permanent Establishment) PE Status	Tax treaties generally provide that the business profits of a foreign enterprise are taxable in a State only to the extent that the enterprise has in that State, PE to which the profits are attributable. Changes have been recommended in definition of PE to address techniques used to inappropriately avoid the tax nexus, including via replacement of distributors with commissionaire arrangements or via the artificial fragmentation of business activities. Objective is to target those structures where in the PE is avoided artificially.

Action	Broad Outline
Action 8 -Assure that Transfer Pricing Outcomes are in Line with Value Creation/Intangibles	The existing standards in this area have been clarified and strengthened, an approach to ensure the appropriate pricing of hard-to-value-intangibles has been agreed upon within the arm's length principle. Aim is to prevent BEPS resulting from the movement of intangibles among group members.
Action 9- Assure that Transfer Pricing Outcomes are in Line with Value Creation/Risks and Capital	Aim is to prevent BEPS resulting from the transfer of risks among, or allocation of excessive capital to, group members. The guidance issued requires alignment of returns with value creation,addresses the situation where a capital-rich member of the group provides funding but performs few activities.
Action 10 -Assure that Transfer Pricing Outcomes are in Line with Value Creation/Other High-Risk Transactions	Focus is on other high-risk areas, including the scope for addressing profit allocations resulting from controlled transactions which are not commercially rational and the use of certain type of payments between members of the MNE group (such as management fees and head office expenses) to erode the tax base.
Action 11- Establish Methodologies to Collect and Analyse Data on BEPS and the Actions to Address	Indicators of the scale and economic impact of BEPS have been developed. This ensures that tools are available to monitor and evaluate the effectiveness and impact of the actions taken on an ongoing basis.
Action 12 -Require Taxpayers to Disclose their Aggressive Tax Planning Arrangements	Best practices have been established for mandatory disclosure regimes targeting aggressive or abusive transactions, arrangements, or structures. It would require promoters / taxpayers to disclose use of schemes with certain specified features called the hallmarks viz. use of hybrid tax mismatch structures, separate legal and tax ownership of depreciable assets etc.
Action 13- Re-examine Transfer Pricing Documentation	The requirements for transfer pricing documentation have been substantially revised, with a groundbreaking template agreed for country-by-country reporting containing indicators of economic activity. There is a requirement to maintain a global file giving global information which is accessible to all countries called the Master File, maintaining local files for local tax administration. Further, a country by country report containing material economic indicators in each country of operation should be submitted before the jurisdiction of tax residence.
Action 14- Make Dispute Resolution Mechanisms More Effective	Effective dispute resolution mechanisms such as MAP have been reinforced, including the use of arbitration for interested countries. A Forum on Tax Administration ('FTA') has been set up for dealing with practical issues related to MAP.
Action 15 -Develop a Multilateral Instrument	Explores the technical feasibility of a multilateral instrument to implement the BEPS treaty-related measures and amend bilateral tax treaties. It concludes that a multilateral instrument is desirable and feasible, and that negotiations for such an instrument should be convened quickly.

Implementation

With the release of the final reports, the focus would now shift to designing a framework for monitoring and supporting implementation. The implementation requires changes in Model Tax Conventions, Transfer Pricing guidelines, changes in domestic laws of countries, changes in bilateral tax treaties and development of multilateral instrument.

A number of these measures such as changes in TP guidelines and model tax convention may be directly applicable. On the other hand, changes in domestic laws may require clearances from law makers in the respective countries. The work to develop a multilateral instrument to implement the treaty-related BEPS measures has already started and around 90 countries are participating in it. The instrument will be open for signature in 2016. Toolkits are also being developed to provide practical solutions and address specific issues faced by developing countries. OECD and G20 countries will extend their cooperation on BEPS until 2020 to complete pending work and ensure an efficient targeted monitoring.

Concerns

The consistency, timing and speed with which the measures are implemented would to a great extent depend on the different countries involved. It is important to understand that BEPS requires coordinated implementation, particularly in case of domestic law measures. It is, therefore, expected that different countries will implement their commitments in a consistent and convergent manner. The speed of implementation will also depend on the success of the multilateral instrument. The final BEPS Reports are consensus documents, reflecting the agreement of all OECD and G20 governments and as soft law instruments, the expectation is that the conclusions of the reports will be implemented in a consistent manner.

From the perspective of the taxpayers, they fear that implementation would increase the compliance cost, uncertainty and complexity. Transfer pricing is going to become even more complex. Also traditional businesses, despite any change in their mode of doing business, would be saddled with more complex regulations and compliances.

In a nutshell, these measures represent the most fundamental changes in the international tax rules in this century. Today, it is important for businesses to be aware about the progress of the ongoing OECD work and also the domestic developments in connection with BEPS so that can they re-examine their international business models and be prepared for the changes that lie ahead.

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a) *Base Erosion and Profit Shifting Project Explanatory Statement- 2015 Final Reports*
b) *Base Erosion and Profit Shifting Project 2015 Final Reports- Executive Summaries*
c) *Base Erosion and Profit Shifting Project 2015 Final Reports- Information Brief*
d) *Myths and Facts about BEPS*
e) *Policy Brief October 2015*

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ANNOUNCEMENT

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[Set up by an Act of Parliament]

21st October, 2015

IMPORTANT ANNOUNCEMENT

POSTPONEMENT OF EXAMINATION OF FINAL (GROUP-I), PAPER- 1, 2, 3 & 4 AND INTERMEDIATE (IPC) (GROUP I), PAPER 1, 2 & 3 SCHEDULED FROM 1st – 7th, NOVEMBER, 2015 IN KERALA STATE ONLY.

It is hereby notified for general information that in view of Elections to the local bodies in Kerala, the Chartered Accountants Final (Group I), Paper – 1 Financial Reporting, Paper – 2 Strategic Financial Management, Paper – 3 Advanced Auditing and Professional Ethics & Paper 4 Corporate & Allied Laws and Intermediate (IPC) (Group I), Paper – 1 Accounting, Paper – 2 Business Laws, Ethics and Communication, Paper – 3 Cost Accounting and Financial Management initially scheduled from November 1st – 7th, 2015 in Alappuzha, Ernakulam, Kannur, Kollam, Kottayam, Kozhikode, Palakkad, Thiruvananthapuram and Thrissur centre(s) (in the State of Kerala) stand rescheduled and the examinations in the said paper(s) shall now be held from November 17th – 24th, November, 2015 as per schedule given below at the same venue(s) and at the same timings i.e. 2.00 PM to 5.00 PM (IST).

Admit Cards already issued would remain valid for the rescheduled date(s).

However, it is clarified that the schedule of examinations notified vide Notification No. 13-CA (Exam)/N/2015 dated 21st July 2015 in respect of all other cities shall remain unchanged.

INTERMEDIATE (IPC) EXAMINATION

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

Group-I: 17th, 19th & 21st November 2015

(Afternoon Session: 2.00 PM to 5.00 PM) (IST)

FINAL EXAMINATION

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

Group -I: 18th, 20th, 22nd & 24th November 2015

(Afternoon Session: 2.00 PM to 5.00 PM) (IST)

(B. Muralidharan)
Deputy Secretary (Examinations)

Associated Enterprises under Section 92A of the Income-tax Act, 1961

The contributor is a member of ICAI.
(Membership No. – 141126)

Background:
Over the past many years, in the era of globalization and liberalization, there emerged an immense scope for cross-border transactions. Generally, when transactions are entered into between independent unrelated entities, commercial factors such as prevailing market rates, volume of trades, competitors in the market, additional miscellaneous costs associated with each vendors etc. come into play. However, when transactions are entered into between related parties, it possible that the transaction is not entirely concluded based on plain market forces alone. There may be internal factors that come into the picture. One such internal factor, more so in cross-border transactions arises due to difference in prevailing tax rates and rules in various countries and the potential tax incentives offered by various governments. This may lead to multinational companies/enterprises to recognize lower profits in a high tax jurisdiction, and higher profits in a low tax jurisdiction/tax haven, causing unprecedented loss of revenue to the relatively higher tax jurisdiction.

This concern was recognized, and sought to be addressed by the Finance Act 2001, wherein a set of provisions were introduced in 'Chapter X' of the Income-tax Act, 1961 ('the Act') titled, 'Special Provisions relating to avoidance of tax'. These provisions attempt to monitor the price at which goods, services and facilities are transferred to ensure that such prices are subject to the same market influences that affect a similar transaction between two independent unrelated entities, or in other words, conform to the 'Arm's Length Principle'.

Applicability of provisions contained in Chapter X:
Chapter X speaks of the computation of income from an international transaction, having regard to the arm's length price. The applicability of the provisions contained in Chapter X would apply on the satisfaction of certain prescribed factors, such as:

1. There must be an 'international transaction';
2. Such international transaction must be entered into between two or more 'associated enterprises', either or both of whom, are non-residents;

Further, the Finance Act 2012 introduced 'specified domestic transactions', which ought to satisfy the conditions outlined in Section 92BA of the Act, in order to covered under these prescribed provisions.

In this article, we shall discuss the definition of 'Associated Enterprises' as prescribed under Section 92A of the Act. The Guidance Note on Report under section 92E of Income Tax Act,1961 may be referred for more detailed study.

Section 92A(1):
Section 92A(1) defines 'Associated Enterprises' as follows:

"92A. (1) For the purposes of this section and sections 92, 92B, 92C, 92D, 92E and 92F, "associated enterprise", in relation to another enterprise, means an enterprise—

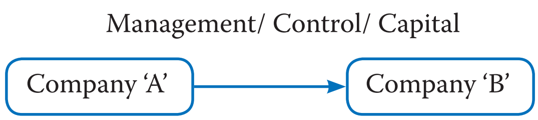
(a) which participates, directly or indirectly, or through one or more intermediaries, in the management or control or capital of the other enterprise; or

(b) in respect of which one or more persons who participate, directly or indirectly, or through one or more intermediaries, in its management or control or capital, are the same persons who participate, directly or indirectly, or through one or more intermediaries,

in the management or control or capital of the other enterprise."

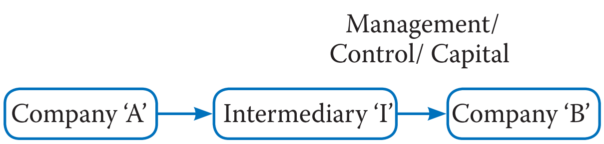
From the above, according to Section 92A(1)(a), 'Associated Enterprise' is defined as an enterprise[1] which participates, directly or indirectly, or through one or more intermediaries, in the management, control or capital of the other enterprise. This may be illustrated as follows:

Example of Direct Participation:



Example of Participation through an Intermediary:

Example of Direct Participation:

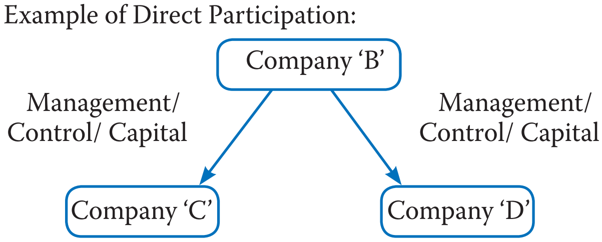


In both circumstances illustrated above, Company 'A' shall be an 'Associated Enterprise' of Company 'B'.

Further, Section 92A(1)(b), may be considered an extension of the definition laid down in Section 92A(1)(a). Under Section 92A(1)(b), it has been provided that two entities may be determined to be associated enterprises if one or more persons who participate in the in management or control or capital, directly or indirectly of such enterprise, are the same persons who participate in the management or control or capital of the other enterprise.

This may be illustrated diagrammatically as follows:

Example of Direct Participation:



In the circumstances illustrated above, Company 'C'and Company 'D' would be Associated Enterprise.

Section 92A(2):

The Finance Act, 2002 amended Section 92A(2) to the effect that for the purposes of Section 92A(1), two enterprises shall be associated enterprises if at any time during the previous year (not to be determined based on end of year; to be determined on case to case basis for each of the concerned previous year), any of the 13 clauses defined under clause (a) to (m) of Section 92A(2) are satisfied. Thus, Section 92(A)(2) enhances the definition of 'Associated Enterprises' prescribed under Section 92A(1) by listing out situations under which two or more enterprises may be deemed to be associated enterprises. Each of the 13 clauses has been explained in a detailed manner below:

Section 92A(2)(a):

"one enterprise holds, directly or indirectly, shares carrying not less than twenty-six per cent of the voting power in the other enterprise"

Two enterprises shall be associated enterprises if one of such enterprise, either directly or indirectly, holds at least 26% of the shareholding of the other enterprise. The focus, for this clause is voting power. In case one enterprise holds preference shares in the other, or such other shares not having voting power, they shall not be considered to be associated enterprises under the said clause.

Example: A Ltd. holds 17% equity shares in B Ltd. having voting rights. During the year under consideration, A Ltd. buys further 20% equity shares of the same class in B Ltd. Now, the subsequent purchase of shares of B Ltd. by A Ltd., by virtue of share-holding being 26% or more, triggers an Associated Enterprise relationship with B Ltd.

Section 92A(2)(b):

"any person or enterprise holds, directly or indirectly, shares carrying not less than twenty-six per cent of the voting power in each of such enterprises"

This clause is an extension of clause (a) of Section 92A(2), wherein two enterprises shall be associated enterprises even if one of such enterprises does

[1]*Section 92F(iii) of the Act defines an 'enterprise' as "a person (including a permanent establishment of such person) who is, or has been, or is proposed to be, engaged in any activity, relating to the production, storage, supply, distribution, acquisition or control of articles or goods, or know-how, patents, copyrights, trade-marks, licences, franchises or any other business or commercial rights of similar nature, or any data, documentation, drawing or specification relating to any patent, invention, model, design, secret formula or process, of which the other enterprise is the owner or in respect of which the other enterprise has exclusive rights, or the provision of services of any kind, or in carrying out any work in pursuance of a contract, or in investment, or providing loan or in the business of acquiring, holding, underwriting or dealing with shares, debentures or other securities of any other body corporate, whether such activity or business is carried on, directly or through one or more of its units or divisions or subsidiaries, or whether such unit or division or subsidiary is located at the same place where the enterprise is located or at a different place or places."*

not directly or indirectly hold shares in the other enterprise. Here, if common persons/ enterprise holds shares (to the extent of at least 26% of such shares having voting power) in both the said enterprises, then these two enterprises are considered to be associated enterprises.
Example: Mr. G (individual) holds 26% or more voting rights in Company I (Indian company) and Company F (Foreign company), then such Company I and Company F are Associated Enterprises. Here, Mr. G's holding in Company I and Company F may be either direct or indirect.

Section 92A(2)(c):
"a loan advanced by one enterprise to the other enterprise constitutes not less than fifty-one per cent of the book value of the total assets of the other enterprise"

When one enterprise (say, 'lender enterprise') loans out funds to another enterprise (say, 'borrower enterprise'), such that the quantum of such funds comprise at least 51% of the book value of the total assets of the borrower enterprise, then such lender and borrower enterprises are determined to be associated enterprises.

Section 92A(2)(d):
"one enterprise guarantees not less than ten per cent of the total borrowings of the other enterprise"

Where one enterprise has guaranteed 10% or more of the total borrowing of the other enterprise which has sought such guarantee, they would be considered to be associated enterprises.

Section 92A(2)(e):
"more than half of the board of directors or members of the governing board, or one or more executive directors or executive members of the governing board of one enterprise, are appointed by the other enterprise"

This clause triggers the 'Associated Enterprise' relationship between two enterprises in the following conditions, when one enterprise appoints:

(i) More than 50% of the board of directors or members of the governing board; OR
(ii) At least oneexecutive director/ executive member of the governing board of the other enterprise.

Section 92A(2)(f):
"more than half of the directors or members of the governing board, or one or more of the executive directors or members of the governing board, of each of the two enterprises are appointed by the same person or persons"

Clause (f) of Section 92A(2) is nothing but a mere extension of clause (e) of the same section. Clause (f) states that the relationship of 'Associated Enterprise' is established if the same person(s) appoint(s):

(i) More than 50% of the board of directors or members of the governing board of each of two enterprises; OR
(ii) At least one executive director/ executive member of the governing board of each of two enterprises

Section 92A(2)(g):
"the manufacture or processing of goods or articles or business carried out by one enterprise is wholly dependent on the use of know-how, patents, copyrights, trade-marks, licences, franchises or any other business or commercial rights of similar nature, or any data, documentation, drawing or specification relating to any patent, invention, model, design, secret formula or process, of which the other enterprise is the owner or in respect of which the other enterprise has exclusive rights"

This clause defines the relationship between two entities as associated based on the dependency of one on the other. As per Section 92A(2)(g), two entities are considered to be Associated Enterprises if one is wholly dependent on the other for the manufacture or processing of goods or articles or for the business carried out by one enterprise, in the following one or many ways:

(i) Use of Know-how, patents, copyrights, trade-marks, licences, franchises or any other business or commercial rights of similar nature
(ii) Any data, documentation, drawing or specification relating to any patent, invention, model, design, secret formula or process, of which the other enterprise is the owner or in respect of which the other enterprise has exclusive rights. These rights should vest exclusively with the other enterprise for the relationship to be triggered.

Section 92A(2)(h):
"ninety per cent or more of the raw materials and consumables required for the manufacture or processing of goods or articles carried out by one enterprise, are supplied by the other enterprise, or by persons specified by the other enterprise, and the prices and other conditions relating to the supply are influenced by such other enterprise"

Clause (h) gets triggered on the fulfillment of the following 2 conditions:

Condition (i):
ninety per cent or more of the raw materials and consumables required for the manufacture or processing of goods or articles carried out by one enterprise, are **supplied by the other enterprise**;

OR

ninety per cent or more of the raw materials and consumables required for the manufacture or processing of goods or articles carried out by one enterprise, are **suppliedby persons specified by the other enterprise;**

AND

Condition (ii):
The prices and other conditions relating to the supply, for the raw materials and consumables, are influenced by such other enterprise.

Section 92A(2)(i):
"the goods or articles manufactured or processed by one enterprise, are sold to the other enterprise or to persons specified by the other enterprise, and the prices and other conditions relating thereto are influenced by such other enterprise"

Clause (i) gets triggered on the fulfillment of the following 2 conditions:

Condition (i):
the goods or articles manufactured or processed by one enterprise, **are sold to the other enterprise;**

OR

the goods or articles manufactured or processed by one enterprise, **are sold to persons specified by the other enterprise;**

AND

Condition (ii):
The prices and other conditions relating thereto are influenced by such other enterprise.

The difference between clause (h) and clause(i) is that clause (i) does not specify the 90% threshold/ any other form of quantitative criterion, like specified in Clause (h).

Section 92A(2)(j):
"where one enterprise is controlled by an individual, the other enterprise is also controlled by such individual or his relative or jointly by such individual and relative of such individual"

Section 92A(2)(j) seeks to cover a case where one enterprise is controlled by an individual, and the other enterprise is also controlled by:
(i) The same individual;
(ii) A relative of such individual; OR
(iii) Jointly by such individual and his relative[2]

Section 92A(2)(k):
"where one enterprise is controlled by a Hindu undivided family, the other enterprise is controlled by a member of such Hindu undivided family or by a relative of a member of such Hindu undivided family or jointly by such member and his relative"

Clause (k) draws reference to the 'Associated Enterprise' relationship in context of a Hindu Undivided Family ('HUF'). Here, the relationship is triggered when one enterprise is controlled by an HUF and the other enterprise is controlled by:
(i) Member of such HUF;
(ii) Relative of a member of such HUF; OR
(iii) Jointly by the a member of the HUF and his relative.

Section 92A(2)(l):
"where one enterprise is a firm, association of persons or body of individuals, the other enterprise holds not less than ten per cent interest in such firm, association of persons or body of individuals"

Section 92A(2)(l) deals with a case where one enterprise is a partnership firm, an Association of Persons ('AOP') or a Body of Individuals ('BOI').

In the case above, where one enterprise is a partnership firm, AOP or BOI, and the other enterprise holds at least 10% interest in such partnership firm, AOP or BOI (as the case may be), they are deemed to be 'Associated Enterprises'.

Section 92A(2)(m):
"there exists between the two enterprises, any relationship of mutual interest, as may be prescribed."

Clause (m) of Section 92A(2) is a residuary clause, which enables the CBDT to widen the scope of enterprises that may be deemed to be 'Associated Enterprises' by adding any relationship of mutual interest.

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[2]One may refer to Section 2(41) of the Income-tax Act, 1961 for the definition of 'relative', which covers, in relation to an individual, husband, wife, brother, sister or any lineal ascendant or descendant of such individual.

Income-tax law: Key changes by the Finance Act, 2015

The Finance Act, 2015 has effected significant changes in the income-tax law, particularly relating to determination of residential status and scope of total income, definition of "charitable purpose", computation of business income and deductions from gross total income. It has also introduced a new taxation regime for Investment Funds. Further, the definition of "accountant" has been amended to specifically exclude related persons from its scope. Apart from these amendments, the income computation and disclosure standards to be effective from A.Y.2016-17 have been notified, which would have the effect of advancing the recognition of income/gains and postponing the recognition of expenditure/ losses under tax laws and consequently, impact the computation of tax liability under the Income-tax Act, 1961.

Some of the significant amendments by the Finance Act, 2015 have been discussed hereunder:

(1) Residential status of a company to be determined on the basis of "Place of Effective Management"

'Place of effective management' (POEM) is a globally recognized concept for determination of residence of a company incorporated in a foreign jurisdiction. The concept of 'place of effective management' for determination of residence of a company as a tie-breaker rule for avoidance of double taxation is recognised by many of the tax treaties entered into by India. The Organisation of Economic Cooperation and Development (OECD) also recognises the principle of POEM.

Incorporation of the concept of POEM in the Income-tax Act, 1961 to determine the residence of a company is in line with international standards. It also helps in aligning the provisions of the Act with the Double Taxation Avoidance Agreements (DTAAs) entered into by India with other countries. This requirement would also discourage the creation of shell companies outside India but being controlled and managed from India.

Accordingly, a company would be resident in India in any previous year, if-

(i) it is an Indian company; or

(ii) its place of effective management, in that year, is in India .

"Place of effective management" has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made. This definition is in line with the definition in the OECD commentary on model convention.

(2) Presence of eligible fund manager in India not to constitute business connection in India of such eligible investment fund on behalf of which he undertakes fund management activity

With a view to facilitate location of fund managers of off-shore funds in India, section 9A has been inserted to provide for a specific regime in the Income-tax Act, 1961, in line with global best practices with the aim that, subject to fulfillment of certain conditions by the fund and the fund manager,-

(a) the tax liability in respect of income arising to the Fund from investment in India would be neutral to the fact as to whether the investment is made directly by the fund or through engagement of Fund manager located in India; and

(b) that income of the fund from the investments outside India would not be taxable in India solely on the basis that the Fund management activity in respect of such investments have been undertaken through a fund manager located in India.

In effect, an eligible investment fund shall not be said to be resident in India merely because the eligible fund manager undertaking fund management activities on its behalf is located in India. Further, in the case of an eligible investment fund, the fund management activity carried out through an eligible fund manager acting on behalf of such fund shall not constitute business connection in India of the said fund, subject to fulfillment of certain conditions.

(3) Conditions to be satisfied for "advancement of any other object of general public utility" to constitute a "charitable purpose"

The definition of "charitable purpose" under section 2(15) has been amended to provide that the advancement of any other object of general public utility shall not be a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention, of the income from such activity, unless,-

(1) **such activity is undertaken in the course of actual carrying out of such advancement of any other object of general public utility;** and
(2) the aggregate receipts from such activity or activities, during the previous year, **does not exceed 20% of the total receipts,** of the trust or institution undertaking such activity or activities, for the previous year .

In effect, an additional condition has been inserted that such activity has to be undertaken in the course of actual carrying out of such advancement of any other object of general public utility. Further, in the place of an absolute limit of ` 25 lakhs, a limit based on percentage of total receipts has been specified upto which receipts from an activity in the nature of trade, commerce or business is permissible without affecting the "charitable status" of the trust or institution.

(4) "Yoga" included as a specific category in the definition of "charitable purpose"

Institutions, which, as part of genuine charitable activities, undertake activities like publishing books or holding program on yoga or other programs as part of actual carrying out of the objects which are of charitable nature were being put to hardship, since they fell under the residual clause "advancement of object of general public utility" which are subject to restrictions [mentioned in (3) above].

Since the activity of yoga is one of the present focus areas, which has been granted international recognition by the United Nations, 'yoga' has now been included as a specific category in the definition of charitable purpose. Hence, institutions having "yoga" as its main object would not be subject to the specific restrictions applicable to institutions having the object of "advancement of any other object of general public utility".

(5) Balance 50% of additional depreciation to be allowed in the subsequent year, where the plant and machinery is put to use for less than 180 days during the previous year of acquisition and installation

In order to encourage investment in new plant or machinery by the manufacturing and power sector, section 32(1)(iia) provides for deduction of additional depreciation @20% of the cost of new plant or machinery acquired and installed in addition to the normal depreciation allowable under section 32(1)(ii).

As in the case of normal depreciation, the additional depreciation would be restricted to 50% if the new plant or machinery acquired and installed by the assessee, is put to use for the purposes of business or profession for a period of less than 180 days in the previous year of acquisition and installation. N o n - availability of 100% of additional depreciation for new plant or machinery acquired and installed in the second half of the year may have the effect of deferral of such investment to the next year for availing full 100% of additional depreciation in the next year.

To remove the discrimination in the matter of allowing additional depreciation on plant or machinery used for less than 180 days *vis-a-vis* used for 180 days or more, it has now been provided that the balance 50% of the additional depreciation on new plant or machinery acquired and used for less than 180 days which has not been allowed in the year of acquisition and installation of such plant or machinery, shall be allowed in the immediately succeeding previous year.

(6) Manufacturing industries set up in the notified backward areas of specified States to be eligible for a deduction @15% of the actual cost of new plant & machinery acquired and installed during the previous year

In order to encourage the setting up of industrial undertakings in the backward areas of the States of Andhra Pradesh, Bihar, Telangana and West Bengal, a deduction of an amount equal to 15% of the actual cost of new plant and machinery acquired and installed in the assessment year relevant to the previous year in which such plant and machinery is installed would be allowable under new section 32AD, if the following conditions are satisfied by the assessee -

(a) The assessee sets up an undertaking or enterprise for manufacture or production of any article or thing on or after 1st April, 2015 in any backward area notified by the Central Government in the State of Andhra

Pradesh or Bihar or Telangana or West Bengal; and

(b) the assessee acquires and installs new plant and machinery for the purposes of the said undertaking or enterprise during the period between 1st April, 2015 and 31st March, 2020 in the said backward areas.

Further, a higher additional depreciation at the rate of 35% (instead of 20%) is allowable in respect of the actual cost of new machinery or plant (other than a ship and aircraft) acquired and installed during the period between 1st April, 2015 and 31st March, 2020 by a manufacturing undertaking or enterprise which is set up in the notified backward areas of these specified States on or after 1st April, 2015.

It may be noted that where the assessee is a company, deduction under section 32AD would be available over and above the existing deduction available under section 32AC, subject to the satisfaction of conditions thereunder. Accordingly, if an undertaking is set up in the notified backward areas in the States of Andhra Pradesh or Bihar or Telangana or West Bengal **by a company**, it shall be eligible to claim deduction under section 32AC as well as under section 32AD, if it fulfills the conditions specified in section 32AC and the conditions specified under section 32AD.

(7) Deduction under section 80C to be available in respect of deposit in Sukanya Samriddhi Account Scheme for the welfare of girl child

A special small savings instrument for the welfare of the girl child was announced in the Union Budget in July 2014. To give effect to this announcement, Sukanya Samriddhi Account Rules, 2014 have been introduced. The following are the tax benefits envisaged in the Sukanya Samriddhi Account scheme:-

(a) The investments made in the Scheme will be eligible for deduction under section 80C.

(b) The interest accruing on deposits in such account will be exempt from income tax.

(c) The withdrawal from the said scheme in accordance with the rules of the said scheme will be exempt from tax.

(8) Enhancement of the limit of deduction for mediclaim premium paid and allowability of deduction for incurring medical expenditure in respect of very senior citizen

On account of the continuous rise in the cost of medical expenditure, the limit of deduction under section 80D in respect of mediclaim premium paid has now been increased **from `15,000 to `25,000**. Further, the limit of deduction in respect of amount paid to effect or keep in force an insurance of a person who is a senior citizen, being a resident individual of the age of 60 years or more, has alsobeen raised **from `20,000 to `30,000.**

As a welfare measure towards very senior citizens i.e., person of the age of 80 years or more and resident in India, who are unable to get health insurance coverage, a deduction of upto `30,000 would be allowed in respect of any payment made on account of medical expenditure in respect of a very senior citizen, provided no payment has been made to keep in force an insurance on the health of such person.

(9) Increase in the limit of deduction under section 80DD and 80U in respect of persons with disability and severe disability

Taking into account the increasing cost of medical care and special needs of disabled persons, sections 80DD and 80U have been amended so as to increase the amount of deduction thereunder in respect of a person with disability **from `50,000 to `75,000.**

Correspondingly, the limit of deduction in respect of a person with **severe disability has also been increased from `1 lakh to `1.25 lakh.**

(10) Donation to Swachh Bharat Kosh, Clean Ganga Fund and National Fund for Control of Drug Abuse to qualify for 100% deduction from gross total income

Under section 80G, an assessee is allowed a deduction in respect of donations made by him to certain funds and charitable institutions from the gross total income. The deduction is allowed at 100% of the amount of donations made to certain funds and institutions formed for a social purpose of national importance, like the Prime Ministers' National Relief Fund, National Foundation for Communal Harmony, National Children Fund etc.

The Finance Act, 2015 has extended the benefit of deduction under section 80G, at the rate of 100% in respect of donations made to the National Fund for Control of Drug Abuse, Swachh Bharat Kosh and Clean Ganga Fund.

(11) Special Taxation Regime for Investment Funds

New Chapter XII-FB has been inserted to provide for a special taxation regime for income of investment funds and also income received from such funds. As per this scheme, any income accruing or arising to, or received by, a person, being a unit holder of an investment fund, out of investments made in the investment fund shall be chargeable to income-tax in the same manner as if it were the income accruing or arising to, or received by, such person had the investments, made by the investment fund, been made directly by him.

The Scheme provides for exemption of income, other than income from profits and gains of business, in the hands of investment fund. The income in the nature of profits and gains of business or profession shall be taxable in the hands of the investment fund.

Income accruing or arising to, or received by, a unit holder of an investment fund, being that proportion of income which is of the same nature as income chargeable under the head "Profits and gains of business and profession" at investment fund level, shall be exempt in his hands.

(12) Decrease in rate of tax on royalty income and fees for technical services in case of non-residents and foreign companies

To reduce such hardship faced by small entities on account of the high rate of tax, the rate of tax on royalty and fees for technical services received by non-residents and foreign companies from the Government or an Indian concern, in pursuance of an agreement approved by the Central Government or an agreement in accordance with the industrial policy for the time being in force, has been reduced from 25% to 10% with effect from A.Y.2016-17.

(13) Increase in threshold for "specified domestic transaction"

A "specified domestic transaction" in case of an assessee has been defined to mean any of the transactions specified thereunder, not being an international transaction, where the aggregate of such transactions entered into by the assessee in the previous year exceeds a sum of `5 crore. Since the low threshold of `5 crore has unduly increased the compliance cost in case of small businesses, the threshold has now been increased from `5 crore to `20 crore.

Accordingly, the aggregate of specified transactions entered into by the assessee in the previous year should exceed a sum of `20 crore, for any such transaction mentioned in section 92BA to be treated as 'specified domestic transaction'.

(14) Definition of "accountant" amended to exclude specified related persons

The purpose of audit/certification under the Income-tax Act, 1961 is to protect the interests of revenue. Meaningful discharge of an auditor's function of protecting the interests of revenue would not be possible if the auditor is not independent. In this regard, it may be noted that in order to ensure the independence of auditor, section 141(3) of the Companies Act, 2013 contains a list of certain persons who are not eligible for appointment as auditor.

Therefore, in order to incorporate similar disqualification under the Income-tax Act, 1961, Explanation below section 288(2) has been substituted to provide that an accountant means a chartered accountant as defined in section 2(1)(b) of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under section 6(1) of that Act but excluding specified related persons listed thereunder. However, the exclusion of related persons from the definition of "accountant" is not applicable for the purposes of representing the assessee before any income-tax authority or the Appellate Tribunal.

(15) Notification of income computation and disclosure standards [Notification No. 32/2015, dated 31-03-2015]

Under section 145(1), income chargeable under the heads "Profits and gains of business or profession" or "Income from other sources" shall be computed in accordance with either the cash or mercantile system of accounting regularly employed by the assessee. Section 145(2) empowers the Central Government to notify in the Official Gazette from time to time, **income computation and disclosure standards** to be followed by any class of assessees or in respect of any class of income. Accordingly, the Central Government has, in exercise of the powers conferred under section 145(2), notified ten income computation and disclosure standards (ICDSs) to be followed by **all assessees, following the mercantile system of accounting, for the purposes of computation of income chargeable to income-tax under the head "Profit and gains of business or profession" or " Income from other sources".** This notification shall come into force with effect from 1st April, 2015, and shall accordingly apply to the A.Y. 2016-17 and subsequent assessment years.

All the notified ICDSs are applicable for computation of income chargeable under the head "Profits and gains of business or profession" or "Income from other sources" and not for the purpose of maintenance of books of accounts. In the case of conflict between the provisions of the Income-tax Act, 1961 and the notified ICDSs, the provisions of the Act shall prevail to that extent.

There are significant deviations between the notified ICDSs and Accounting Standards which are likely to have the effect of advancing the recognition of income or gains or postponing the recognition of expenditure or losses under tax laws and consequently, impacting the computation of tax liability under the Income-tax Act, 1961. These deviations would also increase the timing differences between taxable income and accounting income. Further, the ICDSs, at many places, differ significantly from decisions pronounced by the Supreme Court and High Courts. For instance, ICDS II on Valuation of Inventories requires the inventory on the date of dissolution of partnership firm to be valued at the **net realisable value, notwithstanding whether business is discontinued or not.** This requirement in ICDS II is in deviation from the Supreme Court ruling ***Shakti Trading Co. vs. CIT (2001) 250 ITR 871,*** where it was held that if the firm is dissolved due to death of a partner and the surviving partners reconstitute **the firm and continue the business as before, the firm is entitled to adopt cost or market price, whichever is lower.** Since the firm has not discontinued the business, the question of adopting market value does not arise.

Another example is the treatment of government grants as per ICDS VII. It may be noted that AS 12 permit government grants in the nature of promoters' contribution, i.e., grants given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay (for example, central investment subsidy scheme) to be treated as capital reserve which can be neither distributed as dividend nor considered as deferred income. ICDS VII, however, does not contain specific requirement to capitalize government grants in the nature of promoter's contribution. Except in case of government grant relating to a depreciable fixed asset, which has to be reduced from written down value or actual cost, all other grants have to be recognized as upfront income or as income over the periods necessary to match them with the related costs which they are intended to compensate. Further, in line with the requirement in ICDS VII, sub-clause (xviii) has been included in the definition of income under section 2(24). Accordingly, assistance in the form of a subsidy or grant or cash incentive or duty drawback or waiver or concession or reimbursement, by whatever name called, by the Central Government or a State Government or any authority or body or agency in cash or kind to the assessee is included in the definition of income. The only exclusion is the subsidy or grant or reimbursement which has been taken into account for determination of the actual cost of the asset in accordance with *Explanation 10* to section 43(1).

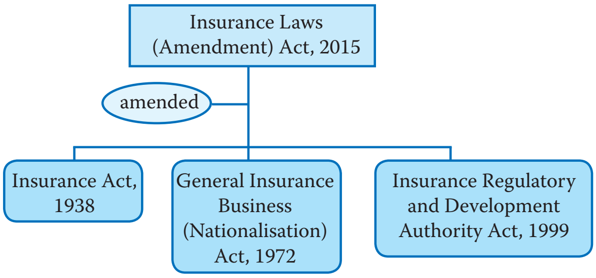
It is noteworthy that the Supreme Court in, ***CIT vs. Ponni Sugar Mills (2008) 306 ITR 392,*** had observed that it is the object for which the subsidy/assistance is given which determines the nature of the incentive subsidy. If the object of the subsidy scheme was to enable the assessee to run the business more profitably then the receipt is on revenue account. On the other hand, if the object of the assistance under the subsidy scheme was to enable the assessee to set up a new unit or to expand the existing unit then the receipt of the subsidy was on capital account. The rationale of the Supreme Court ruling has been applied in many cases and accordingly, grants given with a view to develop backward area or to enable industries to trade over financial crisis or to generation of employment in a State have been regarded as being capital in nature.

The inclusion of sub-clause (xviii) in section 2(24) simultaneously with the requirement in ICDS VII to recognize such grants as upfront or deferred income is not in line with the rationale of the Supreme Court that the purpose of the grant would ultimately determine its nature.

(Board of Studies)

Advanced Auditing and Professional Ethics

The Insurance Laws (Amendment) Act, 2015 (hereinafter referred as the amendment Act) notified dated 20th March, 2015 has amended the Insurance Act, 1938, General Insurance Business (Nationalisation) Act, 1972 and Insurance Regulatory and Development Authority Act, 1999. However, the amendment Act is deemed to come into force on 26th December, 2014.



The amendment Act replaced the wordings "the Indian Companies Act, 1913" and "the Companies Act, 1956", wherever they appear, with "the Companies Act, 2013" in the Insurance Act, 1938.

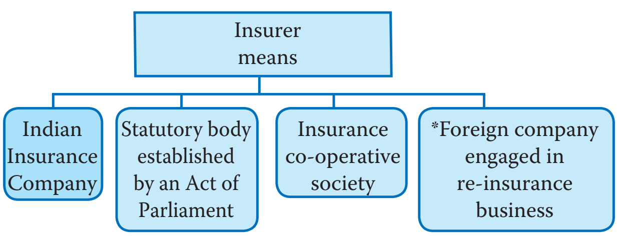
The definition of 'insurer' has been substituted vide this amendment Act. Now, the meaning of 'insurer' as defined under section 2(9) of the Insurance Act, 1938 is as follows:

(a) an Indian Insurance Company, or

(b) a statutory body established by an Act of Parliament to carry on insurance business, or

(c) an insurance co-operative society, or

(d) a foreign company engaged in re-insurance business through a branch established in India.



*It may be noted that a "foreign company" shall mean a company or body established or incorporated under a law of any country outside India and includes Lloyd's established under the Lloyd's Act, 1871 (United Kingdom) or any of its Members.

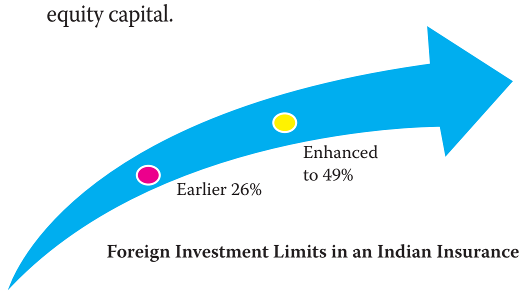
Further, the amendment Act also substituted the meaning of "Indian insurance company" as given under section 2(7A) of the Insurance Act, 1938. The section states that the "Indian insurance company" means any insurer, being a company which is limited by shares, and,-

(a) which is formed and registered under the Companies Act, 2013 as a public company or is converted into such a company within one year of the commencement of the Insurance Laws (Amendment) Act, 2015.

(b) in which the aggregate holdings of equity shares by foreign investors, including portfolio investors, does not exceed 49% of the paid-up equity capital of such Indian Insurance company, which is Indian owned and controlled, in such manner as may be prescribed.

Here, the expression 'control' shall include the right to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.

(c) whose sole purpose is to carry on life insurance business or general insurance business or re-insurance business or health insurance business.Here, it is pertinent to note that the amendment Act has enhanced the foreign investment limit in an Indian Insurance Company from 26% to 49% of the paid-up equity capital.



Foreign Investment Limits in an Indian Insurance Company

The amendment Act has abandoned the prescribed level of reserve for unexpired risk on liability, as provided under section 64V of the Insurance Act, 1938, to be created for the purpose of compliance with the provisions of maintaining control level of solvency margin. The said section has been replaced which states that the proper value of every item of liability of the insurer shall be placed in the manner as may be specified by the regulations made in this behalf.

Similarly, the provisions of section 64VA of the Insurance Act, 1938 have also been amended vide the amendment Act. Now, the section requires every insurer and re-insurer to maintain an excess of the value of assets over the amount of liabilities at all times which shall not be less than 50% of the amount of minimum capital as stated under section 6 (i.e. requirement as to capital) of the said Act and arrived at in the manner specified by the regulations.

The Authority, by way of regulation, shall specify a level of solvency margin known as 'control level of solvency'. However, in certain special circumstances, the authority may direct application of this provision with some modifications provided this shall not result in the control level of solvency being less than what is stipulated in above Para.

Sub-section (2) of section 64VA states that if an insurer or re-insurer fails to comply with the prescribed requirement of maintaining excess of value of assets over amount of liabilities, it shall deemed to be insolvent and may be wound up by the Court on an application made by the authority.

The minimum paid-up equity share capital of an Indian insurance company carrying on general insurance business should be ₹ 100 crores excluding preliminary expenses incurred in the formation and registration of company. However, the insurer may enhance the same in accordance with the provisions of the Companies Act, 2013, SEBI Act, 1992 and the rules, regulations or directions issued thereunder or any other law for the time being in force.

It is important to note that the additional reporting requirement provided under Companies (Auditor's Report) Order, 2015 [CARO, 2015] is exempted for an insurance company as defined under the Insurance Act, 1938. ■

Note: *For more details, refer www.irda.gov.in*

(Board of Studies)

Regional Conference for CA Students - Bhubaneswar

21st & 22nd NOVEMBER, 2015

HOTEL MAYFAIR CONVENTION, BHUBANESWAR

Organized by: Board of Studies, ICAI
Hosted by: Bhubaneswar Branch of EIRC & Bhubaneswar Branch of EICASA
THEME: **"TODAY'S VISION –TOMORROW'S REALITY"**

DAY-1

9.45 am - 10.45 am	**Inaugural Session** **Guests of Honour: CA. Manoj Fadnis, Hon'ble President, ICAI** **CA. V. Murali, Chairman, Board of Studies, ICAI**
10.45 am - 11.45 am	**Special Session I - Interaction and Open House with Board of Studies, ICAI** **CA. V. Murali, Chairman, Board of Studies, ICAI**
11.45 am - 1.30 pm	**Technical Session – I: Indirect Tax** Session Chairman: Eminent Expert 1. How GST will change taxation in India 2. Point of Taxation Rules & Service Tax
2.15 pm - 4.00 pm	**Technical Session - II: Companies Act, 2013** **Session Chairman- CA. Mohit Bhuteria, Kolkata** 1. Issues relating to Loans to Directors 2. Related Party Transactions
4.00 pm - 5.45 pm	**Technical Session – III: Panel Discussion** **CAs - Opportunities Ahead** Panelists: Eminent Experts

DAY-2

10.00 am - 11:30 am	**Technical Session – IV: Direct Taxes** Session Chairman: Eminent Expert 1. Case Study on Sec 54 and Sec 54F 2. TDS-Conceptual Framework
11.30 am - 1.30 pm	**Special Session – II: Motivational Speech** Unleash the Power Within: Be an efficient Communicator
2.30 pm - 4.15 pm	**Technical Session – IV: Accounts & Audit** Session Chairman: Eminent Expert 1. Audit Reports & CARO 2015 under Companies Act, 2013 2. Forensic Audit-Present & Future Trends
4.15 pm - 5.45 pm	**Special Session – III: Winning Strategies for CA Examinations**

Students are hereby requested to register for the Connference at the earliest as per the following details:

Registration fees	`400/- per student
Payment Mode	Cash/DD/Cheque to be drawn in favour of "Bhubaneswar Branch of EIRC of ICAI", payable at Bhubaneswar.

For registration queries contact:
Bhubaneswar Branch of EIRC of ICAI
Phone. 0674-2392391 & Email- eicasabhubaneswar@gmail.com
Website. http://www.bhubaneswar-icai.org
Mobile. 9861154954, 9938014630

Students are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical -Sessions and submit for approval a soft copy of the Paper at eicasabhubaneswar@gmail.com by 5th November, 2015 and a hard copy of the same along with Student's Photograph (with his/her name on the back of the photograph), Registration Number, Course pursuing, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Bhubaneswar Branch of ICAI at ICAI Bhawan, Plot No- A/122/1, Nayapalli, Bhubaneswar-751012. Students who are interested to participate in the cultural programme are requested to register before 5th November, 2015 at Bhubaneswar Branch of EIRC of ICAI.

CA. V. Murali Conference Chairman & Chairman, Board of Studies, ICAI	**CA. Abhijit Bandyopadhyay** Conference Convener & Chairman, Auditing & Assurance Standards Board, ICAI	**CA. Sanjay Kumar Agrawalla** Conference Coordinator Chairman of Bhubaneswar Branch of EIRC of ICAI	**CA. Amit Kumar Agarwalla** Conference Coordinator & Vice Chairman & Chairman, EICASA of Bhubaneswar Branch of EIRC of ICAI

National Convention for CA Students - Meerut

28th & 29th NOVEMBER 2015

MANGALAYA CONVENTION CENTRE, SUBHARTI UNIVERSITY, NH-58, MEERUT - 5

Organized by: Board of Studies, ICAI
Hosted by: Meerut Branch of CIRC of ICAI & Meerut Branch of CICASA
THEME: DESIRE, ACT, ACHIEVE!!!

DAY-1

9:00 am - 10:30 am	**Inaugural Session** **Chief Guest: Hon'ble Dr. Subramanian Swamy, Member of Parliament** (Confirmation awaited) **Guests of Honour: CA. Manoj Fadnis, Hon'ble President, ICAI** **CA. V.Murali, Chairman, Board of Studies, ICAI**
10:30 am - 11:00 am	**Special Session I – Open House with CA. V. Murali, Chairman, Board of Studies, ICAI**
11:00 am - 1:00 pm	**Technical Session I- Corporate Laws** **Session Chairman- CA. Amarjit Chopra,** Past President, ICAI 1. Fraud Reporting, 2.Corporate Governance Provisions and Women Independent Directors under the Companies Act, 2013
2:30 pm - 4:30 pm	**Technical Session II- Direct Taxes** **Session Chairman- CA. Vinod Kumar Gupta, New Delhi** 1. Capital Gains Including Tax Planning for Capital Gains 2. Issue in Assessment and re-assessment

DAY - 2

9:30 am - 11:00 am	**Special Session II- Unleash The Power Within : Be An Efficient Communication** **Speaker- CA. Charanjot Singh Nanda**, Chairman, Internal Audit Standards Board & Committee for Members in Industry, ICAI
11 am - 1:30 pm	**Technical Session III- Accounting** **Session Chairman- CA. Praveen Sharma, New Delhi** 1. Ind AS, 2.Companies Act, 2013 Accounting policies, disclosures and other implementation issues.
2:30 pm - 4:30 pm	**Technical Session IV- Indirect Taxes** **Session Chairman-CA. Ravi Holani, Gwalior** 1. Reverse Charge Mechanism in Service Tax 2. Glimpse of Goods & Service Tax

The Valedictory Session will be held on Day – 2

Students are hereby requested to register for the Convention at the earliest as per the following details:

Registration fees	` 400/- per student on or before 15 Nov., 2015 ` 500/- per student after 15 Nov., 2015	Accommodation @ ` 600/- per student per day excluding taxes on sharing basis.
Payment Mode	Cash/DD/Cheque to be drawn in favour of "CICASA Meerut Branch of CIRC of ICAI" payable at Meerut.	

For registration queries contact:
Meerut Branch of CIRC of ICAI, ICAI Bhawan, 375/1, Mangal Pandey Nagar, Meerut.
Phone: 0121-4059984 & Email: meerut@icai.org

Students (pursuing Practical Training/Industrial Training) are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical Sessions and submit for approval a soft copy of the Paper at meerut@icai.org by -18th Nov 2015- and a hard copy of the same along with Student's Photograph (with his/her name on the back of the photograph), ICAI Students' Regn No, Course pursuing, complete postal address, Mobile, Landline no and e-mail ID be also sent to the Meerut Branch. Selected Outstation student speakers shall be reimbursed actual travelling expenses subject to a maximum of 2 tier AC Train fare and Daily Allowance @ ` 1,500/- per day for lodging and incidental expenses etc. *It is suggested that the students submitting the papers may tentatively book train tickets pending intimation of selection of their papers. This may enable them to have confirmed train tickets.*

CA. V. Murali
Convention Chairman &
Chairman, Board of Studies, ICAI

CA. Anuj Goyal
Convention Convener &
Chairman, Professional Development Committee, ICAI

CA. Rajeev Gupta
Convention Coordinator &
Chairman, Meerut Branch of CIRC

CA. Anupam Sharma
Convention Coordinator &
Chairman, Meerut Branch of CICASA

Regional CA Students Conference - Salem

1st & 2nd DECEMBER, 2015.

SONA COLLEGE OF TECHNOLOGY, SALEM

Organized by: Board of Studies, ICAI
Hosted by: Salem and Tiruchirapalli Branches of SIRC and Salem and Tiruchirapalli Branches of SICASA
THEME: TOSS-UP... OUTWIT, OUTPLAY, OUTLAST

DAY-1

9:30 am - 11:00 am	**Inaugural Session** **Guest of Honour: CA. V. Murali, Chairman, Board of Studies, ICAI**
11:00 am - 11:45 am	**Special Session I – Interaction and Open House with Board of Studies, ICAI** **CA. V. Murali, Chairman, Board of Studies, ICAI**
11.45 am - 01:15 pm	**Technical Session I- Taxation** Session Chairman: Eminent Expert 1. Income Computation and Disclosure Standards, 2. Domestic Transfer Pricing, 3. Analysis of Form 15CA & 15CB
01.15 pm - 02.15 pm	**Special Session II: Motivational Talk**
03:15 pm - 5.15 pm	**Technical Session II- Information Technology** Session Chairman: Eminent Expert 1. Green Computing, 2. E Commerce – Risk & Control Issues, 3. Artificial Intelligence in Auditing

DAY-2

9:30 am - 11:00 am	**Technical Session III – Corporate Law** Session Chairman: Eminent Expert 1. SEBI Regulations for Listed Companies, 2. Amalgamation, Merger and Acquisition, 3. Challenges faced in Corporate Social Responsibility – Companies Act, 2013
11.00 am - 12:30 pm	**Special Session III: Opportunities for CAs**
12.30 pm - 01.00 pm	**Special Session IV: Success Strategies for CA Examinations**
02:00 pm - 3:30 pm	**Technical Session - IV – Indian Economy** Session Chairman: Eminent Expert 1. Role of CA in 'Make in India,' 2. Digital India 3. Impact of Interest Rate on economic growth
3.30 pm - 4.30 pm	**Special Session V: Session on Stress Management**

The Valedictory Session will be held on Day – 2

Students are hereby requested to register for the Conference at the earliest as per the following details:

Registration fees	`300/- per student	Accommodation (if required) `300/- per student
Payment Mode	Cash/DD/Cheque to be drawn in favour of "Salem Branch of SIRC of ICAI", payable at Salem.	

For registration queries contact:

Salem Branch of the ICAI, "ICAI Bhawan", No.65, ICAI Street, Ramakrishna Road, Salem - 636 007.
Phone: 0427-2318813& Email: salem@icai.org Website: www.icaisalem.org

Students (pursuing Practical Training/Industrial Training) are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical -Sessions and submit for approval a soft copy of the Paper at salem@icai.org with a copy to salemsicasa@gmail.com by November 5th 2015 and a hard copy of the same along with Student's Photograph (with his/her name on the back of the photograph), ICAI Students' Registration Number, Course pursuing, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Salem Branch of ICAI at Salem. Students who are interested to participate in the cultural programme are requested to register before November 15th 2015 at Salem Branch of the ICAI.

CA. V. Murali
Conference Chairman &
Chairman, Board of Studies, ICAI

Conference Coordinators

CA. A. Sowkath Ali Chairman of Salem Branch of SIRC of ICAI	**CA. V. Madhukar** Chairman, Salem Branch of SICASA	**CA. V. Jayaraman** Chairman, Tiruchirapalli Branch of SIRC of ICAI	**CA. M. Parthiban** Chairman of Tiruchirapalli Branch of SICASA

National Conclave for CA Students - Rajkot

13th & 14th DECEMBER, 2015

SHRI ATAL BIHARI VAJPAYEE HALL, PEDAK ROAD, RAJKOT

Organized by: Board of Studies of the ICAI

Hosted by: Rajkot Branch of WIRC of ICAI and Rajkot Branch of WICASA

THEME: तेजस्विनावधीतमस्तु ।

DAY-1

9.30 am - 11.00 am	**Inaugural Session** **Guests of Honour: CA. V. Murali, Chairman, Board of Studies, ICAI**
11.00 am - 12.00 noon	**Interaction and Open House with CA. V. Murali, Chairman, Board of Studies, ICAI**
12.00 noon - 2.00 pm	**Technical Session – 1 : Direct Tax** **Session Chairman: CA Mahesh. P. Sarda, Mumbai, Former Council Member, ICAI** 1. ICDS – An Overview 2. Tax Issues of HUF 3. Penalty Provisions under The Income Tax Act, 1961
3.00 pm - 4.15 pm	**Special Session – 1 : Unleash the Power within – Be an Efficient Communicator** **Speaker : CA. C. S. Nanda, Chairman, Committee for Members in Industry and Internal Audit Standards Board of ICAI**
4.15 pm - 6.10 pm	**Technical Session – 2 : Companies Act, 2013** Session Chairman: Eminent Expert 1. LLP – An Evolving Option 2. Companies Act 2013 : Auditor & Accounts 3. Roles and Responsibilities of an Independent Director under the Companies Act, 2013.

DAY-2

10.00 am - 11.40 am	**Technical Session – 3 : Indirect Tax** Session Chairman: Eminent Expert 1. Impact of GST on Indian Tax System & Economy 2. Service Tax on Works Contracts 3. Export Incentives Under Current Foreign Trade Policy
11.40 am - 1.30 pm	Special Session – 2: Discussion on Opportunities for CAs in Future By Eminent Speaker
2.30 pm - 4.10 pm	**Technical Session – 4 : General Awareness** **Session Chairman: Prof. Falguni Vasavada Oza, Ahmedabad, MICA** 1. Social Media – A Time Killer or an Useful Tool 2. Gender Issues in India 3. Make in India – A Dream or A Reality
04:10 pm - 05:30 pm	**Special Session – 3 : Power within the Youth** Speaker : Eminent Personality

The Valedictory Session will be held on Day – 2

Students are hereby requested to register for the Conclave at the earliest. The details for registration are as follows:-

Registration fees	`550/- for first 200 Students Registrations `650/- per student upto 25th November, 2015 `800/- per student after 25th November, 2015
Accommodation (if required)	`800/- per student on Twin Sharing Basis
Payment Mode	Cash/DD/Cheque to be drawn in favour of "Rajkot Branch of WICASA", payable at Rajkot.

For registration queries contact:

Rajkot Branch of the ICAI, Phone – 0281 3053462, Email : rajkot.wicasa@gmail.com,
Website : Rajkot-icai.org, Mobile : + 91 9898037757 or +91 9898464348

Students (pursuing Practical Training/Industrial Training) are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical -Sessions and submit for approval a soft copy of the Paper at national.rajkotwicasa@gmail.com with a cc to kpparekh@ymail.com by 25th November, 2015 and a hard copy of the same along with Student's Photograph (with his/her name on the back of the photograph), ICAI Students' Registration Number, Course pursuing, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Rajkot Branch of ICAI at 4th Floor, Yogi Anand, Kasturba Road, Opp. Chaudhary High School, Rajkot. There shall be auditions for paper presenters before final selection on 28th November, 2015. (Students from other states may send their video CD of any previous paper presented or experience details if they are not able to be present for the auditions.). Students who are interested to participate in the MOC are requested to register before by 25th November, 2015 at Rajkot Branch of the ICAI.

		Conclave Coordinators	
CA. V. Murali Conclave Chairman & Chairman, Board of Studies, ICAI	**CA. Sanjeev Maheshwari** Conclave Convener & Chairman, Accounting Standards Board of ICAI	**CA. Niketa Mody** Chairperson, Rajkot Branch of WIRC of ICAI	**CA. Kalpesh Parekh** Chairman, Rajkot Branch of WICASA of ICAI

National Conclave for CA Students - Mangalore

15th & 16th DECEMBER, 2015

TMA PAI CONVENTION CENTER, MANGALORE

Organized by: Board of Studies, ICAI
Hosted by: Mangalore Branch of SIRC of ICAI and Mangalore Branch SICASA
THEME: JNANA SATHRA – IGNITE INTELLECTUAL INTENT

DAY-1	
10.00 am - 11.00 am	**Inaugural Session** **Guest of Honour: CA. V. Murali, Chairman, Board of Studies, ICAI**
11.00 am - 11.30 am	**Interaction and Open House with Board of Studies, ICAI** **CA. V. Murali, Chairman, Board of Studies, ICAI**
11.30 am - 1.00 pm	**Technical Session I: Business & Corporate Laws** Session Chairman: Eminent Expert 1.Corporate Social Responsibility under The Companies Act, 2013 2.Companies Act- Paradigm shift from 1956 to 2013 3.Provisions of Companies Act 2013 relating to Auditors
2.00 pm - 3.30 pm	**Technical Session II: Direct Taxes** Session Chairman: Eminent Expert 1.Taxation of E-Commerce Startups 2.Survey, Search and Seizure under the Income-tax Act, 1961 3.Transfer Pricing: Domestic Transfer Pricing
3.30 pm - 5.00 pm	**Technical Session III: Accounting and Auditing** Session Chairman: Eminent Expert 1.Income Computation and Disclosure Standards 2.Shift towards Ind-AS 3.Human resource accounting
DAY-2	
9.30 am - 10.30 am	**Special Session: "Roadmap to Success" by CA. V. Pattabi Ram, Chartered Accountant, Chennai.**
10.30 am - 12.00 pm	**Technical Session IV: Indirect Taxes** Session Chairman: Eminent Expert 1.Concept & Impact of GST 2.Service Tax - Negative list based Regime; Point of Taxation Rule; Reverse Charge Mechanism; 3.Joint Charge & Reverse Charge Mechanism
12.00 pm – 1.30 pm	**Technical Session V: Economy & Finance** Session Chairman: Eminent Expert 1.Impact of Economic Slowdown & Financial Crisis 2.Inflation in Emerging Economies
2.30 pm – 3.30 pm	**Special Session: "Exploring new horizons – Scope for a CAs" by Eminent Speaker**
3.30 pm – 5.00 pm	**Technical Session VI: Economic Environment** Session Chairman: Eminent Expert 1.Make in India 2.Role of CA in wealth management 3.E-Commerce: Next Frontier in Global Expansion

The Valedictory Session will be held on Day – 2

Students are hereby requested to register for the Convention at the earliest as per the following details:

Registration fees	`300/- per student	Accommodation (if required) `250/- per student
Payment Mode	Cash/DD/Cheque To be drawn in favour of "Mangalore Branch of SIRC of ICAI", payable at Mangalore.	

For registration queries contact:

Mangalore Branch of the ICAI, ICAI Bhawan, Padil, Next to Kanchana Hyundai showroom, Mangalore - 575007
Email : mangalore@icai.org or sicasa@mangalore-icai.org • Website: mangalore-icai.org

Students (pursuing Practical Training/Industrial Training) are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical -Sessions and submit for approval a soft copy of the Paper at sicasa@mangalore-icai.org by 20th November, 2015 and a hard copy of the same along with Student's Photograph (with his/her name on the back of the photograph), ICAI Students' Registration Number, Course pursuing, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Mangalore Branch of ICAI at Mangalore.

	Conclave Coordinators	
CA. V. Murali Conclave Chairman & Chairman, Board of Studies, ICAI	**CA. Shivakumar K.** Conclave Coordinator & Chairman, Mangalore Branch of SIRC of ICAI	**CA. Shivananda Pai B.** Conclave Coordinator & Chairman, Mangalore Branch of SICASA

National Convention for CA Students - Siliguri

17th & 18th DECEMBER, 2015

SAVIN KINGDOM, DAGAPUR, SILIGURI

Organized by: Board of Studies, ICAI

Hosted by: Siliguri Branch of EIRC of ICAI & Siliguri Branch of EICASA

THEME: MINDSPARK – IGNITE THE LIGHT

DAY-1

9.30 am - 10.30 am	**Inaugural Session** **Guests of Honour: CA. V. Murali, Chairman, Board of Studies, ICAI** **CA. Abhijit Bandyopadhyay, Chairman, Auditing & Assurance Standards Board, ICAI**
10.30 am - 11.30 am	**Special Session I – Interaction with Board of Studies, ICAI** **CA. V. Murali, Chairman, Board of Studies, ICAI**
11.30 am - 1.30 pm	**Technical Session I- Audit & Accounts** Session Chairman: Eminent Expert 1. IFRS vs IND AS - Impact on AS Convergence, 2. Forensic Audit - Present & Future Trends
2.30 pm - 4.30 pm	**Technical Session II- Companies Act, 2013** Session Chairman : Eminent Expert 1. Depreciation Accounting under Companies Act, 2013 2. LLP vs Private Limited Companies
4.30 pm - 5.30 pm	**Special Session -II - Motivational Talk**

DAY-2

9.30 am - 11.30 am	**Technical Session III- Direct Taxes** Session Chairman: Eminent Expert 1. Taxation in Real Estate 2. Taxation & Procedures in Trust & Societies
11.30 am - 1.00 pm	**Special Session-III- Motivational Speaker**
2.00 pm - 4.00 pm	**Technical Session IV- Indirect Taxes** Session Chairman: Eminent Expert 1. Impact of GST in India 2. Joint Charge & Reverse Charge Mechanism in Service Tax

The Valedictory Session will be held on Day – 2

Students are hereby requested to register for the Convention at the earliest as per the following details:

Registration fees	`600/- per student	Accommodation @ ` 1,500 /- per student on twin sharing basis
Payment Mode	Cash/DD/Cheque to be drawn in favour of "The Institute of Chartered Accountants of India" payable at Siliguri.	

For registration queries contact:

Siliguri Branch of the EIRC of ICAI Email - conventionsiliguri@gmail.com
Website - www.siliguri-icai.org
Phone - 0353-2562984 / 2560445. Mobile: 9434046471

Students (pursuing Practical Training/Industrial Training) are invited to contribute papersfor presentation (1500 to 2000 words) for topics in Technical Sessions and submit for approval a soft copy of the Paper at conventionsiliguri@gmail.com by 23rd Nov. 2015 and a hard copy of the same along with Student's Photograph (with his / her name on the back of the photograph), ICAI Students' Registration Number, Course pursuing, Complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Siliguri Branch of ICAI at ICAI Bhawan, Teenbatti More (Near overbridge) Siliguri-734001 (W.B.). Selected Outstation student speakers shall be reimbursed actual travelling expenses subject to a maximum of 2 tier AC Train fare and Daily Allowance @ `1,500/- per day for lodging and incidental expenses etc. *It is suggested that the students submitting the papers may tentatively book train tickets pending intimation of selection of their papers. This may enable them to have confirmed train tickets.* Students who are interested to participate in the **cultural programme** are requested to register before 23rd Nov.2015 at Siliguri Branch of the ICAI.

CA. V. Murali Convention Chairman & Chairman, Board of Studies, ICAI	**CA. Abhijit Bandyopadhyay** Convention Convener & Chairman, Auditing & Assurance Standards Board, ICAI	**CA. Shyam Kr. Agarwal** Convention Coordinator Chairman, Siliguri Branch of EIRC of ICAI	**CA. Pankaj Kr. Maskara** Convention Coordinator Chairman, Siliguri Branch of EICASA & Vice Chairman Siliguri Branch of EIRC of ICAI

National Convention for CA Students - Ahmedabad

24th and 25th DECEMBER, 2015

GUJARAT UNIVERSITY CONVENTION CENTRE, NEAR HELMET CIRCLE, NAVRANGPURA, AHMEDABAD-380009

Organized by: Board of Studies, ICAI
Hosted by: Ahmedabad Branch of WIRC of ICAI & Ahmedabad Branch of WICASA
THEME: Catalyst 2K15: Accelerating the Excellence

DAY-1	
08:45 am - 10:00 am	**Inaugural Session** **Guest of Honour: CA. V. Murali, Chairman, Board of Studies, ICAI**
10:00 am - 10:45 am	**Interaction and Open House with Board of Studies, ICAI** **CA. V. Murali, Chairman, Board of Studies, ICAI**
10: 45 am - 12:15 pm	**Technical Session-I: The Root of Indian Revenue- Taxation- Direct and Indirect** Session Chairman: Eminent Expert 1. Arm's Length Pricing under Various Statutes 2. Income Computation and Disclosure Standards-Critical Analysis 3. Reverse Charge Mechanism under Service Tax
01:00 pm - 02:00 pm	**Motivational Cum Theme Session- "Be a Catalyst and Boost Your Life"**
02:00 pm - 03:30 pm	**Technical Session-II: Economic Crisis and Economic Reforms** Session Chairman: Eminent Expert 1. Impact of Foreign Currency Devaluation on Indian Economy 2. Digital India- A Real Game Changer 3. Impact on Economy due to Ethical Behaviour By Corporates and Professionals
03:30 pm - 04:30 pm	**Special Session-I: Role of CA In Beating Crisis and Welcoming Reforms**
04.30 pm - 06:30 pm	**Panel Discussion on E Tailoring and E Retailing Vs. Business Disruptions**
DAY-2	
09:00 am - 10:45 am	**Technical Session-III: Indian Financial System** Session Chairman: Eminent Expert 1. Arbitration - A New Area of Opportunity 2. Use of Liquidity Coverage Ratio and Net Stable Funding Ratio 3. Raising of Funds - Different Options
10:45 am - 12:15 pm	**Technical Session-IV: Accounts and Audit** Session Chairman: Eminent Expert 1.Accounting for Shares, Forward Contracts and F&O Transactions 2.Fair Value Accounting as Per Indian Accounting Standards 3. Systems Audit- Need in today's Era
1.15 pm - 2.30 pm	**Special Session II: Practical Issues on Board Meetings (With Mock Board Meeting)**
2.30 pm - 4.00 pm	**Technical Session-V: Legal and Regulatory Framework** Session Chairman: Eminent Expert 1. The Trend of Today- To Merge and To Amalgamate- Case Study of Financial Technologies and NSEL 2. Challenges for IT and The Need of Stringent Cyber Law 3. Companies Act 2013- Auditors Responsibility and Reporting Requirements
4.00 pm - 6.00 pm	**Special Motivational Session III: DREAM BIG, THINK BIG & ACT BIG**

Students are hereby requested to register for the Convention at the earliest as per the following details:

Registration fees	`500 per student till 5th December 2015 and thereafter `600 Per Student	Accommodation (if required) `800/- per student additional on Triple Sharing Basis
Payment Mode	Cash/DD/Cheque to be drawn in favour of **"Ahmedabad Branch of WIRC of ICAI"**, Payable at Ahmedabad or Pay Online at www.icaiahmedabad.com	

For registration queries contact:
Ahmedabad Branch of WIRC of ICAI "ICAI BHAWAN", 123, SARDAR PATEL COLONY,
Nr. USMANPURA UNDER BRIDGE, NARANPURA, AHMEDABAD – 380 014.
PHONE NO. (079) 3989 3989, 2768 0537, 2768 0946
EMAIL: wicasaahmedabad@icai.org & ahmedabad@icai.org • WEBSITE: www.icaiahmedabad.org & www.icaiahmedabad.com

Students (pursuing Practical Training/Industrial Training) are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical -Sessions and submit for approval a soft copy of the Paper at paperpresentationahmwicasa@gmail.com by 05th December, 2015, a hard copy and an Audio CD of the same along with Student's Photograph (with his/her name on the back of the photograph), ICAI Students' Registration Number, Course pursuing, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Ahmedabad Branch of ICAI at the aforesaid address. Outstation student speakers shall be reimbursed actual travelling expenses subject to a maximum of 2 tier AC train fare and Daily Allowance @ `1,500/- per day for lodging and all incidental expenses etc. *It is suggested that the students submitting the papers may tentatively book train tickets pending selection of their papers. This may enable them to have confirmed train tickets.*

Students who are interested to participate in the cultural programme are requested to register before 25th November 2015 at Branch of the ICAI.

CA. V. Murali Convention Chairman & Chairman, Board of Studies, ICAI	**CA. Sanjeev Maheswari** Convention Convener and Chairman, Accounting Standards Board of ICAI	**CA. Amrish Jashvantlal Patel** Convention Coordinator & Chairman, Ahmedabad Branch of WIRC	**CA. Satyendra Kumar Krishandeo Jha** Convention Coordinator & Chairman, Ahmedabad Branch of WICASA

In addition to the announcements published elsewhere in this as well earlier issue(s), the following Conventions/Conclaves for CA students have also been planned as of October, 2015. For further details, please contact the respective Branches.

S.N	Branch	Name of the Programme	Dates	Contact Details
1.	Gwalior	National Conclave	29th & 30th November, 2015	Ph: (0751) 2348168, 4049902, Email: gwalior@icai.org
2	Nashik	Two-Days Programme	19th & 20th Dec., 2015	Ph: (0253) 2236 012/107, Email: nashik@icai.org
3	Dehradun	National Conclave	26rd & 27th Dec., 2015	Ph: (0135) 2714 232, Email: dehradun@icai.org
4	Pali	Sub-Regional Students Conference (Central Region)	3rd & 4th Jan., 2016	Ph: (02932) 232 220, Email: pali@icai.org
5	Calicut	National Conclave	9th & 10th Jan., 2016	Ph: (0495) 2770 124, Email: calicut@icai.org
6	Mumbai	Two-Days Programme	22nd & 23rd Jan., 2016	Ph: (022) 3367 1400 / 500, Email: wirc@icai.in
7	Amritsar	National Conclave	23rd & 24th Jan., 2016	Ph: (0183) 2506 361, Email: mritsar@icai.org
8	Faridabad	National Conclave	29th & 30th Jan., 2016	Ph: (0129)2264343, 2223343, Email: faridabad@icai.org

ANNOUNCEMENT

Four Weeks Residential Programme on Professional Skills Development organised by Board of Studies at Centre of Excellence, (CoE), Hyderabad

The Board of Studies is pleased to announce the next two batchesof ICAI Four Weeks Residential Programme as below:

Venue	**Participant**	**Fees**	**Date**	**Links for Registration**
Centre of Excellence (CoE), Hyderabad	Women	`40,000/-	26thNovember 2015 to 23rd December, 2015	http://icai.org/new_category.html?c_id=345
Centre of Excellence (CoE), Hyderabad	Men	`40,000/-	28thDecember 2015 to 23rd January, 2016	http://icai.org/new_category.html?c_id=345

The programme aims to help the Chartered Accountancy students and newly qualified Chartered Accountants in imbibing the professional skills required for effective functioning in business organisations and the profession. The Programme environment focuses on development of communication skills, personal qualities, interpersonal and teamwork skills, problem solving skills and leadership skills.

Salient Features of the Programme:

- Emphasis on Soft Skills, Communication Skills and Personality Development.
- Exemption from payment of Fees to Top 10 Rank holders.
- Part of Articleship Training.
- No need for Separate GMCS/GMCS II
- Special Session on Group Discussion & Interview.
- Preparation of Project and Presentation Skills.
- Building Team Spirit.

Students who have passed Chartered Accountancy IPCC/ PCC/ PE- II examination and pursuing last year of article training or completed Articleship training are invited to join the course for this batch. Recently qualified Chartered Accountants are also welcome to join the course.

For online registration, further details visit the Board of Studies Announcements under the Students Icon on the Home Page of ICAI website www.icai.org.

Additional Secretary,
Board of Studies

ANNOUNCEMENT

For attention of students and candidates for Institute's examinations

Submission of fictitious/forged documents by students and candidates for Institute's examinations – attestation by members thereof

The Institute has observed certain instances where students and candidates for Institute's examinations have submitted fictitious/ forged documents to the Institute duly attested by members. While the Executive Committee of the Institute has decided that a general advisory be issued to the members cautioning them to be careful while attesting the documents, lest they might attract the provisions of disciplinary mechanism. It has also been decided that such students/ candidates be debarred from pursuing the Chartered Accountancy course permanently and be not registered in any stream of the Course and further that the course fee deposited by such students/ candidates be forfeited.

All Students and candidates for Institute's examinations are, therefore, cautioned to be careful while submitting documents to the Institute in order to avoid any unpleasant situation thereafter.

V. Sagar
Secretary

Date: 14th October, 2015

ANNOUNCEMENT

Release of Intermediate (IPC) Course Study Material and Practice Manual of Paper 4: Taxation - Relevant for May, 2016 & November, 2016 Examinations

The September, 2015 Edition of the Intermediate (IPC) Course Study Material of Paper 4: Taxation is based on the provisions of income-tax and indirect tax laws as amended by Finance Act, 2015. This edition contains the provisions of income-tax law applicable for Assessment Year 2016-17. The said edition is, therefore, relevant for May, 2016 and November, 2016 Examinations.

In the October, 2015 (Part I: Income-tax) and September, 2015 (Part II: Indirect Taxes) Editions of Intermediate (IPC) Course Practice Manual of Paper 4: Taxation, questions have been adapted, modified and solved on the basis of the provisions of tax laws as amended by the Finance Act, 2015. The relevant assessment year for Income-tax is A.Y.2016-17.

The Study Material of Part I: Income-tax (divided in three modules) and Part II: Indirect Taxes as well as the Practice Manuals of both the parts have been web-hosted at the BoS Knowledge Portal. The same would also be available at various sale counters of ICAI shortly.

Additional Secretary
Board of Studies

ANNOUNCEMENT

THE CHARTERED ACCOUNTANTS' STUDENTS BENEVOLENT FUND (CASBF)

The Board of Trustees of The Chartered Accountants' Students Benevolent Fund has decided to grant financial assistance to 800 students, out of which 400 male and 400 female students, who are currently undergoing articled training in accordance with The Chartered Accountants Regulations, 1988 and are poor, needy but meritorious to pursue the Chartered Accountancy Course, @ `1,000/- p.m. for one year with effect from 1st April, 2015 to 31st March, 2016 to be paid in lump sum, subject to filing of required application.

The eligibility criteria for obtaining financial assistance from CASBF are as under:

- Passed 10 + 2 examination with a minimum of 70 percent marks and Common Proficiency Test of ICAI in the first attempt or
- Passed B. Com Examination from a recognized University with a minimum of 60% marks.
- Currently undergoing articled training as per CA Regulations, 1988.
- Annual income of parents from all sources must be less than `1.50 lakh.

Students both male and female who are fulfilling the above criteria may apply for financial assistance from the Chartered Accountants' Students Benevolent Fund. Students may send their request in the prescribed Application form duly filled in to the Member Secretary, Chartered Accountants' Students Benevolent Fund at the following address so as to reach on or before **15th November, 2015**. The form can be downloaded from website of the Institute www.icai.org.

The Board of Trustees will consider each of such cases on merit basis and decide at their discretion on the amount to be granted from Chartered Accountants Students Benevolent Fund.

Those students, who have applied for financial assistance from Chartered Accountants' Students Benevolent Fund which was announced on 3rd September, 2015 through the Institute's website and published in Students News letter for the month of October, 2015, need not apply again

Member Secretary
Chartered Accountants' Students Benevolent Fund
C/o The Institute of Chartered Accountants of India,
"ICAI Bhawan",
A-29, Sector-62, Noida-201309,
Dist. Gautam Budh Nagar (U.P.)
Website: www.icai.org; email: cabf@icai.in

ANNOUNCEMENT

Sub: Release of Supplementary Study Material of Paper 1: Financial Reporting of Final Course relevant for students appearing in May, 2016 examinations or thereafter

As the students are aware that w.e.f. May, 2016 Examination, the topic namely *"Introduction of Indian Accounting Standards (Ind AS); Comparative study of ASs vis-a-vis Ind ASs; Carve outs/ins in Ind ASs vis- à-vis International Financial Reporting Standards (IFRSs)"* has been included in the syllabus of Paper 1: Financial Reporting of Final Course (Ref. to Announcement dated 30.5.2015 at link http://resource.cdn.icai.org/37808bos27416.pdf on our website www.icai.org).

The Board of Studies has already released supplementary Study Material on the above topic which is relevant from May, 2016 examination onwards. The same is available on the Institute's website at the link http://resource.cdn.icai.org/39331bos28801.pdf and are also available in physical form at our Sale Counters.

The students are advised to take benefit of the same.

Additional Secretary
Board of Studies

ANNOUNCEMENT

Relaxation in the eligibility criteria of completion of nine months of Practical Training to appear in Intermediate (IPC) Examination for students registered for Intermediate (IPC) under CPT Route and converted to Direct Entry Scheme

In order to mitigate the hardships being faced by the students who have originally registered for Intermediate (IPC) Course under CPT Route and shifted to Direct Entry Scheme, the Council on consideration decided to relax the criteria of completion of nine months of Practical Training for appearing in the Intermediate (IPC) Examinations and passed the resolution under Regulation 205 of the Chartered Accountants Regulations, 1988 as under:

"Resolved that by virtue of powers vested under Regulation 205 of the Chartered Accountants Regulations, 1988, the Council of the Institute hereby orders that such students who originally registered for Intermediate (IPC) Course through CPT Route and appeared in Intermediate (IPC) Examination (s) but unable to pass the said examination (s) and later on after graduation shifted to direct entry scheme, be exempt for the eligibility criteria of completion of 9 months of Practical Training (which include study course for a period of eight months concurrently commences from the date of registration to the Course) for appearing in Intermediate (IPC) Examinations.

Further, such students having secured exemption in any of the paper(s) of Intermediate (IPC), be given the benefit of availing the exemption by appearing in immediately next three following examinations excluding the examination which he could not avail of due to shifting to direct entry scheme."

Additional Secretary
Board of Studies

ANNOUNCEMENT

FAQs on the applicability of above Announcement

Ques. To which set of students, the above announcement would be applicable?

Ans.: The above announcement is released for CPT route students who have registered and appeared in the Intermediate (IPC) Exam but did not qualify both the Groups or either of the Group and later on converted into Direct Entry Scheme (DES) after fulfilling the criteria, will be relaxed from completion of nine months of Practical Training for appearing in the Intermediate (IPC) Examination.

Ques. Whether a CPT Route student after passing Group-II of Intermediate (IPC) Examination is eligible for relaxation in completion of nine months of Practical Training for appearing in Group-I of Intermediate (IPC) Examination after converting into Direct Entry Scheme?

Ans.: Yes, he can also avail the benefit of the announcement. It may be mentioned that such students have to start their practical training for availing the relaxation in completion of nine months of Practical Training before appearing in Intermediate (IPC) Examination.

Ques. What is the procedure for availing the benefit arising out of the Announcement?

Ans.: (i) An eligible student with valid registration needs to convert into Direct Entry Scheme. At the time of conversion, a self declaration is to be enclosed stating that the student has already appeared in Intermediate (IPC) Examination(s) through CPT Route but could not qualify the same.

(ii) Such student, after completion of ITT and Orientation Programme, should commence their Practical Training on or before 31st Oct. / 30th Apr. for being eligible to appear in the Nov. / May Intermediate (IPC) Examinations respectively.

Ques. How to fill the Intermediate (IPC) Examination Form for availing the above relaxation?

Ans.: For the time being the eligible students are advised to tick at the option available at Point No. 10 of the Examination form to avail the benefit.

Additional Secretary
Board of Studies

ANNOUNCEMENT

On Line Articles Placement Portal for selection of Articled Assistants by CA Firms

The Board of Studies of the ICAI has been providing Online Articles Placement facility for selection of Articled Assistants by CA Firms through its Articles Placement Portal on pan India basis. It provides a platform to the firms of Chartered Accountants 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 and students and they can register themselves online through the Portal at http://bosapp.icai.org.**

The services on the Portal would be available for two months, twice a year, from the date of registration by the firms. Similarly, the bio data of a student will also be available on the portal for a maximum period of 2 months from student's registration. The candidates shortlisted by CA Firms 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. 0120-3045930/931/988; eMail: bosapp@icai.in.

Additional Secretary
Board of Studies

ANNOUNCEMENT

Release of Final Course Supplementary Study Paper – 2015 and Select Cases in Direct and Indirect Tax Laws - 2015 - Relevant for May, 2016 & November, 2016 Examinations

Final Course Supplementary Study Paper-2015 [July, 2015 edition] and Select Cases in Direct and Indirect Tax Laws – 2015 [August, 2015 edition], containing the statutory and judicial update, respectively, relevant for May, 2016 and November, 2016 examinations, have been web-hosted at the BoS Knowledge Portal on the Institute's website www.icai.org. The same are also available at the various sale counters of ICAI.

The Supplementary Study Paper-2015 contains a discussion on amendments made in direct and indirect tax laws by the Finance Act, 2015 and notifications and circulars issued during the period between 01.05.2014 to 30.04.2015. The amendments have been grouped chapter-wise to facilitate co-relation with the Study Material. The related sections, however, have been grouped together and explained in the same chapter in the Supplementary Study Paper to facilitate interlinking and reading of interconnected provisions. Illustrations and diagrams have been given, wherever possible, to aid in better understanding of the amendments.

The Select Cases in Direct and Indirect Tax Laws – 2015 is a judicial update containing the recent significant decisions in direct and indirect tax laws pronounced by the Supreme Court, High Court and Authority for Advance Rulings. The case laws have also been grouped chapter-wise to facilitate co-relation with the Study Material.

Additional Secretary
Board of Studies

A poem written by CA. V. MURALI, Chairman, BOS of ICAI
Dedicated to the CA Students

NOW IS THE TIME

The festive season of lights is here;
Bringing with it joy, happiness and cheer;
It's time for the sparkle and blitz of firecrackers u hear;
It's time to renew ties with friends and relatives – near and dear;
It's time of bonding and belonging, no time for fears;
It's time to reach out to the less privileged and wipe away tears;
It's time for sheer bliss unadulterated and fervent prayer;
For Good wishes all through the year.

Have faith in yourself, and face life without trepidation;
Strive to be a winner, it's all in your perception;
Overcome your mental blocks and confusion;
From your earnest effort, derive satisfaction;
Resolve to make a mark for yourself in the profession;
Try to achieve the success equation;
Follow the above u will be a great sensation;
And u will make a mark for the nation!

For u dear students its crunch time now;
It's time to radiate your hard work and diligent study;
It's time to put words to paper, your pen to work;
It's time to stay away from negativity;
It's time to brace yourself, and do it;
Hope can be your anchor; Keep it alive;
Never give up your dreams;
It's time for u to ACHIEVE!

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