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

The Chartered Accountant STUDENT

Your monthly guide to CA news, information and events

WAY TO SUCCESS

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Success in life is not about luck, it is about managed thoughts, focused attention and deliberate action.

- Trudy Vesotsky, 2013

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My Dear Students,

Heartiest best wishes for a wonderful and prosperous **New Year 2016**. I wish that New Year provides the CA students zeal, enthusiasm and luck to scale new heights of success in all endeavours. I really take pride in the fact that each passing year our Institute is growing and gaining in strength. We have great onus on our shoulders to maintain the core values of accounting profession. New Year is the most appropriate time for all of us to take pledge that we will serve our society with utmost sincerity, honesty, transparency and thereby contribute in the overall development of the nation. I also extend my best wishes on the occasion of **67th Republic Day** of our beloved motherland. The celebration of this day instills such a patriotic fervor that truly reflects our unity among diversity.

Undoubtedly, the country is marching ahead to become new economic powerhouse. Notwithstanding *Mid-Year Economic Review* recently tabled in the Parliament has lowered the growth forecast to 7-7.5 per cent from 8.1-8.5 per cent in 2015-16, India will be amongst the top growing economies of the world. The Reserve Bank of India has cut interest rates in tranches this year to lower the borrowing costs and spur revival of investment cycle. I am very hopeful that our country will grow faster to enhance standard of living, have inclusive growth and improve employment. The government is pushing ahead with economic reforms with initiatives such as *Make in India* that should drive investment and induce further growth. The country is eagerly waiting for the new regime of *Goods and Service Tax* to become a reality that should catapult the growth rate.

The growth of Chartered Accountancy profession has to be in tandem with the growth of our nation. India with its high growth rates require more number of highly skilled professionals equipped with contemporary practical knowledge. Already the skill-sets being imparted have extended from the traditional domains of accounting, finance, taxation and auditing to the emerging areas of business strategies, governance, sustainability, business consultancy and so on.

The new scheme of education and training that is in the process of implementation shall surely press forward acquisition of skills sets that will improve both employability and entrepreneuring capability. In the current business environment, the probable employers prefer hiring those who have already acquired skills, as it cuts down the training time and cost to the company. In the Institute, this is achieved through well thought mix of theoretical education and practical training. Usable practical skills constitute the integral and indispensable part of our profession.

"The mind is not a vessel to be filled, but a fire to be kindled", said Plutarch. The Institute does not encourage rote learning by the students; rather teach them to be ever interested and receptive to knowledge. This virtue is carried even after acquiring the qualification in form of well planned Continuing Education Programme. I am very pleased to share that in this issue of the students' journal, the Board of Studies is introducing a new column of *Knowledge Update* as a regular feature. It will cover recent trends and developments in different areas of accounting, auditing, taxation, and company laws, etc.

It gives me pleasure to inform that the Board of Trustees of Chartered Accountants' Students Benevolent Fund (CASBF) has decided to grant financial assistance to 800 meritorious and needy students (i.e. to 400 male and 400 female students), who are currently undergoing articled training for one year with effect from 1st April 2015 to 31st March 2016. When we help students, we actually help transform our generation next, and when we empower our generation next, we actually secure our own future.

In the month of January 2016, the results of CA examinations held in November, 2015 shall be declared. Best wishes to all the candidates. May your hard work is rewarded! We have one of the most robust evaluation processes in place in the interest of students. At the same time with the belief that improvement is always possible, we have made efforts to further improve the processes so that no harm is done to a deserving student. I look forward to your joining the profession as Chartered Accountant very soon.

With best wishes,

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

My Dear Students,

Wishing you all a Happy, Prosperous and fulfilling New Year 2016. Warm Sankranti and Pongal Greetings. We at the Board of Studies wish you all the very best for a wonderful year. May your efforts bear fruit. Never forget two people in your life - your father and your mother. The person who loses everything to make you win – your father; The person who is with you in every pain – your mother. I am happy to share with you that the column of Knowledge Update, which has been started on pilot basis will be a regular feature of the Students' Journal from this issue onwards. I sincerely hope that this effort of BOS - will bridge the gap between theory and practice. We have also subjected the Online Mentoring facility for a review at the Board of Studies. Based on the feedback of our faculty members as well as students, we have also decided to make available the online mentoring facility on the Cloud Campus on the difficult areas of the subject(s) for the three levels of the CA course including counseling.

POINTS TO PONDER

Talent wins games. But teamwork wins championships. Team building, networking and relationship building are the keys to success. Use your voice for kindness; your ears for compassion; your hands for charity; your mind for truth; and your heart for love. Don't cry over the past, it is gone; Don't stress about the future, it has not arrived; live in the present and make it beautiful. Calmness of mind is one of the rarest and beautiful jewels of wisdom. The most important time to hold your temper is when the other person has lost it. A French Proverb says ***"There is no pillow as soft as a clear conscience."*** We are born to be real and not to be perfect. Creative thinking inspires ideas, ideas inspire change. Happiness can be found even in the darkest of times, if one remembers to turn on the light.

The secret of success lies in our perception of our work. If we perceive what we are doing as a struggle, then, whatever, we do will seem difficult. If we visualise ourselves as overcoming the minor obstacles in our path, we will surely be winners. It is for us to look for and grab the opportunities. We must not be passive onlookers, but pro-active and creative. Attitude matters, self perception counts, harmony with oneself and energizing oneself is the key to get ahead. Henry David Thoreau said ***"Success usually comes to those who are too busy looking for it."*** It is said that the road to success is always under construction and it is self-motivation that will cruise you through the journey of life. A Comfort zone is a beautiful, cozy and comfortable place – but nothing ever grows there. Hence, come out of your comfort zone and enter into effort zone. When you feel low and down, remember no matter what the problem is don't nurse it, don't curse it, don't even regret it, just gladly accept it, trust God – He will reverse it! In life, never to get 'upset' about any issue or problem, it will never sort the issue rather complicate it. Getting 'Up' to 'Set' things right will help you in life.

SUCCESS MANTRA

1. Successful people are simply those with successful habits.
2. Success is not a mystery, it is a science.
3. Successful people build each other up. They motivate, inspire and push each other. Unsuccessful people just hate, blame and complain.
4. A definitive aim in life will save wasted effort and give direction in life.
5. Self confidence will help one master all fears that wrack a person – fear of ill health, fear of poverty, fear of criticism, fear of death and fear of loss of love.
6. Enthusiasm will enable one to move freely with all those one comes in contact with and is the foundation of a pleasing personality.
7. Self-control is very important to help balance oneself in a practical manner to become "the master of your fate, the captain of your soul."
8. Imagination and the habit of doing more: Creativity is a prized commodity. A person with ideas is always looked up to. So is a person who is willing to go the extra mile in pursuit of the goal.

EFFORT AND PERSEVERENCE HOLD THE KEY

As a student of the Chartered Accountancy Course, it is imperative to be diligent in study, put in regular effort and persevere steadily – relentless toil is the key to crack the examinations. Concentration is the act of focusing the mind upon a set goal and working towards it till one attains success. You have the power to turn minus into plus. Look forward, never backward. Forge your way with persistence and perseverance. You are sure to emerge successful. Never stop giving your best, just because someone does not give you your due credit. Abraham Lincoln has said ***"The best way to predict your future is to create it."*** Keep doing what you can and God will do what you can't. Good or bad, just smile. You have a lot to be thankful for. Don't lose hope. You never know what tomorrow has in store for you. Life's best moments usually happen unexplained. When you feel like quitting, think about why you joined. Dreams don't work unless you do. Never overestimate your weakness or underestimate your strength. Your struggles will lead you to your strengths. You have to fight through some bad days to earn the best days of your life.

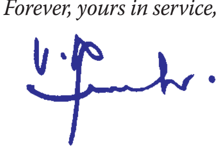
WRAP UP POINT

Take care of your thoughts when you are alone and take care of your words when you are with people. Life ends when you stop dreaming; Hope ends when you stop believing; Love ends when you stop caring. Always remember that you are much more than you know. Within you lie great reserves, the promise of a better tomorrow. It is up to you to rise over and above your circumstances, to make an indelible impression and mark in your chosen area. Most people don't achieve their dreams. They quit or give up just steps away from the finishing line. Have the tenacity and will to stick to your plan till you reach the goal. Shri Robin Sharma said ***"the only limits on your life are the ones you set yourself. When you dare to go out of your circle of comfort and explore the unknown, you start to liberate your true human potential."*** The great comedian Charlie Chaplin said ***"Life laughs at you when you are unhappy; Life smiles at you when you are happy; but Life salutes you when you make others happy." Trust before you love; know before you judge; commit before you promise; forgive before you forget; appreciate before you regret.***

May the forthcoming New Year be wonderful in every way and may there be happiness and love each step, each day.

With Warm Professional Regards,

Forever, yours in service,



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

Unlock your Potential and Shape your Destiny

Beloved Students,

In the journey of your pursuit to qualify as a Chartered Accountant, you might encounter challenges. You can overcome those challenges if you can effectively unlock your potential. Tapping your hidden capabilities brings in tremendous self confidence and gives you the determination to accomplish your goal. You must believe that what is within you is much stronger than what is thrown before you as a challenge. Passion, perseverance and potential in you should enable you to achieve whatever you wish and target in your life. Don't limit your challenges, instead challenge your limitations and breach them to tap and bring out the best in you.

A situation in life is a problem when mind is weak; a challenge when mind is balanced and an opportunity when mind is strong and confident. When an egg is broken from outside, life ends but when it is broken from inside, life begins. Handle any challenge with your inner energy than by mere undue influence of extraneous factors. Confidence doesn't come when you have all the answers but it comes when you are ready to face all the questions. The solution lies in the attitude. A happy person is always happy, not because everything is right in life but because his attitude towards everything in life is right.

If you learn to face any adverse situation in life, you don't get perturbed and you will not be robbed of your happiness all through your life. Believe me when I say that there is no human being in this world who does not encounter any problem. Equally true is the fact that there is no achiever in life who did not face any failure. My dear young friends, please also realize that there is no problem in life without a solution and there is no failure that can't be converted into a success.

Stress does not lie in the situation but in the way we deal with it. Everything you want in life is waiting for you-an inch outside your comfort zone and an inch inside your effort zone. By sheer determination and hard work you can accomplish your goals. Many of life's failures are people who did not realize how close they were to success when they gave up. Success may not come the way you want it and when you want it. But, if you have perseverance, success will definitely come your way one day and as and when it comes it would be much better than what you wanted.

All through the journey of your life, be grateful to your parents, teachers, the Institutions you grew with, the society, the nation and the universe as a while. The sense of gratitude is the silver lining of any accomplished life. When you look back and give a little bit of your affection, bondage, loyalty, affiliation in some form or the other, you have done that extra mileage to make your life more adorable. We are all mortals and don't have any eternal existence. Nevertheless, we can build Institutions which would be permanent, we can adopt principles which would last for eternity and we can practice values that hold good for generations to follow.

Strike a balance between personal life and career path. Make a sincere attempt to score the minimum pass mark in every role that you perform in life while you may excel to get distinction in some of those roles so that in aggregate you are above the benchmark like in the CA examination. There is no use in scoring centum in some roles and to remain a big zero in one or the other roles. You will not be declared as qualified or a success in life with such a performance and scoring.

I have immense faith in all of you and I am confident that you will do justice as the architects of future India. I am sure some of you would grow in stature so as to give your signature the status of an autograph. Gone are the days when only film personalities, sports persons and political leaders could be considered as celebrities. In the emerging scenario, people with creativity, innovation, opinion making, knowledge dissemination and those who make the world a better place to live would all be celebrities. Aspire to emerge out as a "Role Model" to your next generation.

Some of you, I wish and pray, would cease to be mere readers of history but would turn out to be creators of history. Many of you, even while leading an ordinary life, might be perceived by the society as extra-ordinary by the contribution you make to the society in your own way. By doing ordinary things with an extra-ordinary passion, you will manifest yourself into a legendary personality. I can visualize that your future unfolding is very bright and promising. I plead and urge every one of you to hold your head high and walk with courage of conviction that you will justify your existence in this world by crossing many milestones and touching as many lives as possible. I wish you the very best in your pursuits and hope to see you as my colleague in this noble profession. Jai Hind.

(The Contributor is Past President of ICAI and a Padma Shri Awardee)

Takeovers Are No Child's Play

The contributor is a member of ICAI.
(Mem. No. 167218)

Golden Parachute, Poison Pill, White Knight, Shark Repellant.... These may sound like board games children play on picnics or power ups on your latest video game. However, in the real world they are buzzwords for defense mechanisms used by companies to guard against hostile takeovers, often giving them a new lease of life or protective shield to survive another day in board room battles and corporate games of their own brought on by ambitious investors and competitors. The various defenses against hostile takeovers, or 'shark repellants' are –

Poison Pill

A Poison Pill is a strategy in which a hostile takeover bid is upset by way of the whole process of takeover being made more problematic. Such a strategy may include rights issue i.e. shareholders can purchase shares of the company at a substantial discount or at a two for one scheme. This rights issue will be triggered only if a particular shareholder buys a certain percentage of shares, whereby he becomes a potential takeover bidder. The potential bidder himself is prohibited from exercising these rights.

Such a Rights Issue can be introduced and revoked only by the Board of Directors and thus the potential bidder would have to negotiate directly with the Board, otherwise the hostile takeover would become very expensive and tedious as shareholding would be diluted further.In such negotiations, the bidder and the company being targeted may agree on a mutually acceptable acquisition price which is high and can maximize shareholders' wealth or the takeover bid may fail altogether if the company is keen on retaining its current ownership and management structure.

Poison Pills are unlawful without shareholder approval in some jurisdictions and lawful if done in a transparent manner but not a well-received tactic in others. Sometimes, from the point of view of a shareholder, a takeover may be financially rewarding.

Poison Pills in Action - The term 'Poison Pill' was coined by investment banker Martin Siegel and was advocated by corporate lawyer Martin Lipton and became popular when the Delaware Supreme Court in the United States of America upheld its usage in *Moran vs. Household International* in 1985. The Court upheld the intention of the poison pill as a defense mechanism, to prevent hostile acquirers from achieving control by virtue of their deep pockets, rather than ballots, which is basically democracy in the corporate world.

More recently, in 2012, Netflix Incorporations, a company involved in video-streaming and DVD-by-mail, based in the USA, adopted an anti-takeover plan to prevent investor, Carl Icahn from increasing his nearly 10% stake in the company. Under the plan, Netflix's shareholders, other than the person acquiring more than 10%, were given the right to acquire more stock if any individual investor acquired more than a 10% stake in the company.

Blank Check

In the USA, "blank check preferred stock" (preference shares) can be issued and it involves sale to a particular investor and would become redeemable upon a change of control. These may have special voting, conversion or control rights which can make a takeover more difficult.

Greenmail

The term 'greenmail' is derived from the words 'blackmail' and 'greenback' (which refers to early American dollars). It is a measure adopted by a target company to reverse a potential takeover by an entity who has purchased a substantial stake.

The target company purchases its own shares back from the purchasing entity, at a premium, which is also called a 'bon voyage bonus' or a 'goodbye kiss'. In return for the greenmail payment, the purchasing entity, who has now made a substantial profit, ideally stops pursuing the takeover and agrees to refrain from purchasing that company's shares for a specified number of years. Thus the target company is free from the threat of a hostile takeover, but at a cost, as it may lead to increased debt for the target company trying to protect itself and reduced cash reserves. Greenmails may also result in increased promoter shareholding or capital reduction as a result of repurchasing the shares. However, the company gets to retain its management and employees and other assets which otherwise would have been compromised had the hostile takeover gone through.

Regulatory requirements and heavy tax obligations in certain jurisdictions have made greenmails less common nowadays.

Pac-man Defense

In this type of defense, the target company, counter purchases the shares of the acquirer company, reminding us of the manner in which Pac-man (in the video game) chases and overpower his enemies, the ghosts, after consuming a 'Power Pellet' dot. The company would have to have enough cash to acquire the shares required to halt the advances of the acquirer or in case the target company cannot acquire shares, the company or persons affiliated to the company may adopt other means of influence such as debt etc. The acquirer company is now faced with the hard choice of pursuing the takeover bid and risking control over its own company, or buying out the target company's share in itself, at a higher price. At the end of the day, whether the defense is successful or otherwise, the target company would be exhausted of a significant amount of its cash reserves which it could have put to better alternative use.

In the case of Martin Marietta Corporation in 1982, the company (MMC) borrowed $ 1 billion to finance a retaliatory acquisition by Bendix Corporation. The company ultimately had to sell off some of its divisions to repay the heavy debt as well as buy back some of the stock that had fallen into the acquirer's hands.

Golden Parachute

A Golden Parachute would refer to agreements between employers and high level managers on with respect to hefty compensation packages on termination of employment. Termination of employment would be specified to mean termination as a result of takeover or merger. Therefore, as a result of a takeover, the company's management would leave the company and the acquirer company would have to pay this increased cost. Similarly, a tin Parachute would refer to compensations payable to mid-level managers. The increased cost and loss of talent may deter acquirers.

Staggered Board

A Staggered Board is one in which only a fraction of the members of the board are voted into office each time instead of all the directors having the same one year office. Therefore, if an acquirer wishes to capture a board in order to reverse the poison pill provision, it would have to wait for 2 cycles of directors to retire by rotation before it can gain control of the entire board. With a staggered board, an acquirer cannot win a proxy fight either (where the acquirer convinces shareholders to vote out members of the board of directors in a meeting).

India already has such a concept in place (Section 152 of the Companies Act, 2013) whereby only one-third of the directors are liable to retire every year. Also, at least two-thirds of the board should consist of directors who retire by rotation. The remaining one-third is appointed in the manner as stated in the Articles of Association. However, Section 169 of the Companies Act, 2013 allow shareholders to remove a director by an ordinary resolution. In such a case, an acquirer may be successful in its proxy fight. A staggered board combined with a poison pill provision is a potent combination against hostile takeovers.

Macaroni Defense

When adopting this defense mechanism, the company issues a large number of bonds on the condition that they must be redeemed at a higher price if the company is taken over. It is called Macaroni Defense because if the company is under threat of being taken over, the redemption price of the bond expands in the same manner as macaroni pasta does in boiling water.

White Knight

A White Knight may be a company or an individual that acquires a target company at a fair consideration in which the target company acquired is facing a hostile acquisition from another potential acquirer (Black Knight). White Knights are preferred as acquirers as they act in good faith and may not replace the management, unlike hostile bidders whose intention is to take over the management and steer the company in a different direction. They arrive to rescue the target company from the hostile bidder by offering a more lucrative bid or more agreeable terms to the management. However, very ambitious Black Knight acquirers may allow the deal between the target company and the White Knight to go ahead and then may launch a hostile takeover bid on the White Knight itself, resulting in a corporate checkmate.

A White Knight could also refer to the acquirer of a struggling firm that may not be under any threat of a hostile takeover but which is financially weak and possibly undergoing liquidation.

For instance, in 2009, Fiat took over Chrysler to save it from liquidation. In 2011, Google acquired Motorola Mobility (Motorola's cell phone division). Around 2000-2001, Gesco Corporation Limited along with Mahindra Realty & Infrastructure Developers together thwarteda takeover bid by the Dalmia Group on Gesco Corporation. Although Gesco and Mahindra were successful, Gesco eventually merged into Mahindra. Reliance Industries' acquisition of stake in EIH Limited to counter a possible bid by another major shareholder, ITC Limited is another example of White Knights in action in India in the past.

Grey Knight

A Grey Knight is an acquiring entity that enters a bid for a hostile takeover and is perceived as more favourable than the Black Knight (but less favourable than the White Knight).The position of a Grey Knight is odd in the sense that it is neither welcome nor unwelcome in the acquisition bid. It is more a question of choosing the lesser of the evils, when faced with a difficult situation such as a hostile takeover.

Also interesting to note is the term, Yellow Knight. It refers to a company that was once making a takeover attempt but results in discussing a merger with the target company, probably due to the target company's ability to fend off the takeover. The colour yellow refers to its association with cowardice, since the company has backed out of a takeover attempt and is now willing to listen to the target company's terms.

Asset Stripping or Selling off the Crown Jewels

Here, the target company sells off its most attractive and advantageous assets to a friendly third party or spins off the assets into a separate entity, thus converting itself into a sort of 'shell company' that is unattractive to the acquirer. In case of a spin off, the existing shareholders would get shares in the new entity. Alternatively, the target company could take up heavy loans that would be due after the takeover, thus increasing the acquirer's financial responsibility. In reality, it would be difficult to implement such a strategy as shareholders' resolution is required for disposal of a company's assets and they are unlikely to pass such a resolution as it would result in diluting the value of their shares.

Dual Capitalization

This involves issuing another class of shares with differential voting rights i.e. a new class of shares is issued which has superior voting rights but inferior dividends, in addition to the current regular class. Current shareholders can exchange their old shares for these new ones. For example, the differential voting rights shares may have 10 voting rights per share but the regular shares may have one voting right per share.

Adopting a defense mechanism such as the ones mentioned above seem to be Pyrrhic victories for the companies adopting them as although the company is victorious in warding off the threat of a hostile takeover, it is harming its own shareholders' rights and value in the process either by making the investment more unattractive or by diluting shareholding pattern.This was probably the reason for the term 'Poison Pill' as such a pill not only harms the bidder or the aggressor, but also the target or the victim taking the pill. Thus, most defense mechanisms are 'no-win situations'. A corporate should evaluate the takeover offer in an unbiased manner, prioritizing its shareholders, over its management's own ego and long term plans i.e. if a takeover can unlock value in a corporate, get rid of lazy or bad management, utilize its idle cash reserves, then they should consider a deal with the bidder.

Being a takeover target is inevitably beneficial for shareholders, as the stock price goes up, increasing shareholders' wealth. The target company management may try and adopt measures such as buy back or rights issue in order to ward off the takeover and these are again beneficial for the shareholders. If the takeover is successful, the new management would make changes in operations or financial management, thereby enhancing the wealth for the shareholders.

As the proverb goes, when the going gets tough the tough get going. On the other hand, some companies, particularly family businesses, would want to protect their business from uninvited acquirers at any cost and would adopt such measures even if it meant rebuilding the company from its roots, if ravaged by a takeover war.

The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 controls but does not make takeovers albeit hostile ones, difficult. The Takeover Code applies only to listed companies. Regulation 6 prescribes that only an acquirer, who together with persons acting in concert with him, holds shares or voting rights in a target company entitling them to exercise 25% or more but less than the maximum permissible non-public shareholding (currently 75%), shall be entitled to voluntarily make a public announcement of an open offer for acquiring shares. It is also provided that a voluntary offer can be made only by a person who has not acquired any shares in the target company in the preceding 52 weeks prior to the offer. Also, during the offer period, such acquirer shall not be entitled to acquire any shares otherwise than under the open offer. The acquirer is prohibited from acquiring any shares of the target company after the open offer for a period of 6 months except under another voluntary offer. Regulation 3 prescribes that an acquirer shall not acquire shares enabling him to exercise more than 25% of voting rights in a target company unless he makes a public announcement of an open offer for acquiring shares of such target company. As per Regulation 29(1), any acquirer who acquired shares in a target company aggregating to 5% or more of the target company's shares will have to disclose their aggregate shareholding to the target company. As per Regulation 7, the minimum offer size for an open offer is 26% of the total shares of the target company. This all makes silent acquisitions difficult and the target company can thus safeguard themselves against hostile takeovers as they can see the storm approaching. Thus, in India, there is scope for poison pills and other such shark repellants. Staggered Boards are compulsory by law in India and while poison pills and others are not explicitly illegal, it might be prudent to have them in place in case a corporate raider comes calling.

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Swachh Bharat Cess

Jaspreet Kaur
Reg.No. CR00515471

Shaily Singhania
Reg.No. CR00521164

Introduction

The Swachh Bharat Mission (SBM) was initiated and officially launched by the government of India on 2nd Oct, 2014 by the Hon'ble Prime Minister with an aim to accomplish the vision of 'Clean India'. The campaign covers approximately 4,041 statutory cities and towns to clean the roads, streets, localities and infrastructure of the nation. The Swachh Bharat Mission requires an investment of ₹62,009 crores (US$ 9.4 billion approx.), out of which ₹14,623 crores (i.e.; US$ 2.2 billion approx..) shall be made available by the Central government. With a view to meet the funding requirements for the said Mission, the government has planned to raise funds by imposing the Swach Bharat Cess(SBC) on Service Tax apart from the other sources.

Levy And Collection of the SBC On Service Tax

The provisions related to the levy, imposition and collection of SBC are contained in the Chapter VI (Section 119) of the Finance Act, 2015. The SBC shall be levied on all taxable services at the rate not exceeding 2% of the value of taxable services.

The Hon'ble Finance Minister, while informing the House of Parliament on the matter, stated as under:

"123.------It is also proposed to have an enabling provision to levy Swachh Bharat Cess at a rate of 2% or less on all or certain services, if need arises. This cess will be effective from a date to be notified. Resources generated from this cess will be utilized for financing and promoting initiatives towards Swachh Bharat."

Thus, the provisions of Section 119 shall come into force w.e.f. 15th Nov, 2015 as declared by the government of India vide Notification No. 21/2015 and the SBC shall be imposed from the said date at the rate of 0.5% on all taxable services.

As regards collection, the funds raised through SBC shall first be credited to The Consolidated Fund of India and thereafter, the Central Government may, utilize such funds for the purposes as specified under sub – section 2, after the Parliament makes due appropriation of the funds.

Thus, the funds raised through the imposition of SBC shall be utilized wholly and exclusively for financing and promoting the Swachh Bharat Initiatives or any matter relating thereto.

Determination Of Point Of Taxation

The Point of Taxation of SBC shall be determined in accordance with Rule – 5 of the Point of Taxation Rules, 2011.

As per Rule 5, SBC shall not be levied in the following cases if service is performed after 15th Nov, 2015:

- Where the invoice is issued as well as consideration is received before the date when SBC became effective, i.e.; before 15th Nov, 2015; and,
- Where the consideration is received before the date when SBC became effective, i.e.; before 15th Nov, 2015 and the invoice is issued on or before 29th Nov, 2015 (i.e.; within 14 days of the date when SBC became effective).

However, this is contrary to provisions of section 67A which states that rate of service tax, value of a taxable service and rate of exchange will be the one as in force or as applicable at the time when the taxable service has been provided or agreed to be provided.

Countering Some Basic Issues Involved

- **Separate indication in invoice:**
  SBC needs to be mentioned separately in the invoice as a different line item after Service Tax. It is to be noted that SBC shall be levied, imposed and collected independent of the Service Tax. Thus, it has to be levied, treated and accounted for separately. In fact, separate accounting code has been notified as under:

Swachh Bharat Cess (Minor Head)	Tax Collection	Other Receipts	Penalties	Deduct Refunds
0044-00-506	00441493	00441494	00441496	00441495

- **Class of services on which SBC is to be levied:** SBC may be levied on all or any of the services as notified by the Central Government. The Central Government vide Notification No. 21/2015 has imposed SBC on all taxable services.

- **Date of levy and the value on which it is to be levied:**
SBC is to be levied at a rate of 0.5% on the value of taxable services. Here, it is to be noted that unlike the other cess in existence, that is to say, the Education Cess and the Secondary and Higher Education Cess, SBC is not to be imposed on the amount of tax liability. Rather, it is to be imposed directly on the value of taxable services.

SBC in case of Exempt Services

As discussed earlier, the SBC is to be levied on all taxable services. Thus, the exempt services fall outside the periphery of the imposition of SBC. Thus, any service which is covered in the Mega Exemption Notification or falls under any category of the Negative List shall not be subject to SBC as these services are not taxable.

- **SBC in case of Abatement:**
Abatement implies the exemption of a certain percentage of the value of taxable services. Thus, in case of abatement, SBC shall be applicable and be levied only on that portion of the service which is taxable and no cess in the name of SBC shall be levied or imposed on that part of service which has been exempt owing to the provision of abatement made effective by the government vide Notification No. 26/2012-Service Tax, dated June 20, 2012.

- **Applicability of SBC in case of services covered under Rule 6 of Service Tax Rules, 1994:** A new sub – rule, i.e.; Sub – Rule 7D has been inserted to Rule 6 vide Notification No. 25/2012 – Service Tax, dated 12th Nov, 2015 to provide for the imposition of SBC on the services covered under Sub- Rules 7, 7A, 7B or 7C by applying the following formula:

- **Service Tax Liability (calculated as per sub – rule 7, 7A, 7B, 7C)*0.5%/14%**

- **SBC in case of restaurant services and catering services:**
SBC would be applicable on the same portion of service as the Service Tax, i.e.; 40% and 60% in case of the restaurant services and the catering services respectively.

SBC and Reverse Charge Mechanism

In certain cases, the liability to pay Service Tax has been shifted onto the recipient of service 0rather than the service provider. Such an arrangement is referred to as the Reverse Charge Mechanism. The arrangement of **Reverse Charge Mechanism** was made effective vide Notification No. 30/2012 – Service Tax dated 20th June, 2012. The Central Government, vide Notification No. 24/2015 – ST, dated 12th Nov, 2015 clarified that the Notification No.30/2012 – Service Tax dated 20th June, 2012 would be effective for the purposes of levy of SBC mutatis mutandis.

In case of Reverse Charge Mechanism, the Point of Taxation of SBC shall also be determined in accordance with Rule 7of the Point of Taxation Rules, 2011 as is applicable in case of determining the Point of Taxation of Service Tax under Reverse Charge Mechanism.

SBC and CENVAT Credit

It is noteworthy to mention that SBC has not been included in the chain of CENVAT Credit. Thus, CENVAT Credit can neither be booked nor availed in respect of SBC. In cases where any reversal is needed to be provided in respect of any amount of CENVAT Credit booked earlier, no reversal would be required to be made in respect of the amount of SBC as no credit is booked in the first instance.

CONCLUSION

Hence, in light of the above discussion, we can conclude that SBC would raise a substantial amount of funds for the Government of India (estimated at ₹10,000 crores per annum) to meet the huge funding requirements of the SBM apart from the other sources. SBC would help to foster the implementation of the Swachh Bharat Mission which would further pave way to accomplishing the objective of 'Clean India'. However, at the same time, it would also increase the tax burden. Due to the non – availability of CENVAT Credit, it will result in cascading effect of the cess. A direct enhancement of the effective rate of Service Tax would also result in hike in prices of export goods, thus not facilitating to making export goods competitive in the international markets which is contrary to the 'Make in India' initiative of the government of India. The need for separate accounting treatment would cause inconvenience and complexity. Hence, there are a few points which still need consideration. ■

(Disclaimer: The views expressed in the above article are based on FAQ issued by CBEC.)

How to Approach Questions in Interviews

Interviews are the most awaited situations for both candidates as well as employers. At the same time, these are probably the most anxious and dreaded hour for both. Candidates suffer from an anxiety on how to succeed and get selected, the employers suffer from an anxiety on how not to hire a wrong candidate and repent later. Both parties are equally worried and in their own ways. Interests of both of them are equally at stake. Read this article to understand how to approach some of the general interview questions…

As freshers, when you face an interview, you often wonder why they ask such obvious questions and thereby actually miss their point. While responding to them, you never think of the reasons behind their questions and expectations—it usually is a mystery for most of the candidates as to what exactly the interviewers pick from your responses; most of the times, to think about that realm is a waste of time.

Interviewers prepare their questions keeping in mind their organisation's goals, objectives, mission and vision, i.e. what the organisation ultimately requires from their employees, which type of employees will be the best suited to contribute to the organisation's productivity and eventually its vision, etc. Questions could be many varying in content and form. Popular general questions like, *tell us about yourself, tell us your strengths and weaknesses, why should we hire you, why do you think you are fit for the position, what are your hobbies and interests, how do you see yourself professionally 10 years from now, how will you handle a particular situation (by providing a case/ business example), who has been the most inspiring person in your life and why, tell us something about our company and what are your expectations from us,* etc., appear archaic and clichés.

Let us consider those questions here to have an understanding on the organisations' expectations and interviewers' takeaways from your responses. Let us understand that organisations are not just looking for whether you can respond correctly, what you respond, etc., but also for how you respond. You will have to learn how organisations derive their takeaways from interviews from the way you approach their questions and answer them. Interviewers often hit at your psychology and try to understand that. Mostly, they are of the view that candidates are untrained employees and they almost never expect the candidates to be know-all and understand-all in interviews. So, candidates are supposed to be inducted, trained and guided, after they join the organisation. Therefore, organisations often have a mandatory induction-cum-training programme cut out for their new employees, which is administered to them as per their profile.

Both (Employers and Candidates) are Worried

Through their HR interview processes, interviewers often shortlist the candidates that have been selected through written tests, group discussions, etc.; they examine the selected candidates and trim their list further keeping in mind the objectives behind hiring. Organisations by the time of interview are well aware of their candidates through their respective CVs, accompanying job applications, etc. As candidates, you should understand the insecurities of organisations too (don't get amused here!)—they have their own sets of anxieties and dilemmas behind hiring—what they should do to get to the right candidate for their organisation. So it is a two-way game. Neither the candidates nor the organisations in interview situations are relaxed or are supposed to take the selection process easy; both are equally anxious as interests of both of them are at stake. Imagine when an organisation discovers to its horror after a year of hiring that the candidate they have selected is not fit for them. Similarly, as candidates you also need to determine if the position you apply for suits you—if the position includes what you look for in your dream job.

Let us try to understand some of those interview questions one by one that appear general to most of you:

Interviews often start with an exchange of pleasantries like *'welcome to..', 'how are you', 'how do you do',* etc., to make the interview comfortable for employers as well as candidates. Candidates should appear cheerful and enter the interview room with a pleasant and genuine smile and they should attempt this situation positively and briefly. Always remember, —smile relaxes the candidates too, and brief responses are what employers expect here, since they are just trying to make the situation comfortable for you.

On Introduction

Tell us about yourself—candidates here get an opportunity to explain their story, i.e. their background especially with regard to why they are at the interview. You need to suitably answer and explain your educational background and training, if any, along with one or two achievements highlighting quantifiable evidences; justifications as to why you call them achievements will help the interviewers. Keep yourself brief as you will have further questions on your education, training and achievements, in due course. In fact, it will be better if you could ask back—*it will help both of us if you could tell me what exactly I should talk about in response to your question*. Interviewers will like your forthrightness and will be happy to guide you there.

Probably they would not like you to talk about your family, particularly your parents and their achievements. Please decide if you should mention your parents' achievements. Keep your response simple and brief while describing yourself. This will help you in building rapport with your interviewers.

Although this appears to be a harmless question without any challenge, your response may inspire them to ask more questions further. For example, while talking about yourself, when you say: *I am Radhika from Munnar...*, be prepared to hear: *Aha! Munnar, what a place! Recommend me 3-4 things to do if I am in Munnar.*

On Strengths and Weaknesses

What are your key strengths and weaknesses? This appears to be a very common and popular interview question across sectors. Interviewers want to understand whether you analyse your conduct and understand yourselves, besides actually wanting to know your strengths. While describing strengths, keep yourselves brief, and describe two of your strengths that interviewers could easily relate to the key responsibilities of the said job position. Substantiate your response with examples from your life. Idea is to clarify why those characteristics are your strengths.

Simply saying *you are a very positive person* won't help unless you explain how being positive has helped you in resolving your issues. You need to analyse beforehand and prepare a list of your strengths. When you say: *I learn quickly or I communicate really well...*, please consider if these could be part of the job profile you have applied for. This is another area of concerns. Great communication skills should not be mentioned as strengths unless these directly affect the job performance in the organisation; employers often find that out from the interview itself. Basically you are required to understand the company and its goals and objectives, its mission and vision, and so on, and analyse whether you and your strengths are in sync with them.

Responding to *what your weaknesses are* is a little tricky. Employers want to know if you know yourselves. Of course, all of you are aware of your weaknesses. Idea is to understand that you know which weaknesses can directly affect your job performances. Some experts advise not to give out any weakness that can affect your job or to say something very general, use humour, or, to say something that could actually be good from other perspectives. But there is nothing general or good about weaknesses. If we have weaknesses, they will directly or indirectly affect our professional matters too. It is all a matter of time and degree. Better present your assessment correctly along with your corrective measures.

Even when you say—*I am a perfectionist, I tend to take up many things at a time, or, I always say yes to people who ask for help,* you cannot say these could not negatively affect the organisations; if you think these are good for organisations, better call them your strengths. Be honest as dishonesty never pays in the long run. When you know you have a weakness, you must have worked out a plan to come out of that. And you should already be doing something methodically about them to remove that from your persona. So talk about your weakness while explaining your efforts to get rid of them. You don't need to deceive.

On Professional Vision

Where do you see yourself in 5 or 10 years from now? Responses to such questions help employers in knowing your professional aspirations and realise if their organisation will be able to retain you while dealing with those aspirations. By preparing a response to this question in the context of an organisation, you will discover how the organisation could support your aspirations in future. And, this will help you decide in accepting the offer if you get one. It is a win-win process as both you as well as the organisation will get to understand each other in terms of your aspirations and their fulfilment. When you articulate your professional vision, you in a way inspire your interviewers to explain how the organisation could help in actualisation of your aspirations.

You do not need to mention any position, i.e. *I want to be the CFO or COO of the company*, since this actually speaks about your attitude to work—what you are bothered about is a position and not learning. On the lighter side, imagine if the organization's CFO or COO is present in the interview. So, it is better to talk about your performance and learning curve—what you want to be good at, how you would contribute to the organizational goals, and so on, so that you would communicate your drive to grow on the one hand and you will not appear selfish or just a grabber on the other. Also be logical about your vision keeping in mind your present professional standing—how you would professionally grow. Whatever, you should be able to logically defend your standpoint.

On Real-Life Situations and Responses

Then there could be case-based questions—*what will you do when this happens?* Often the interviewers supply you with a professional/ business situation and ask you to respond with a plausible strategy to deal with the critical situation. You should be able to assess the problem while ignoring its symptoms. Once you know the problem, you should suggest some options to help the situation. Start by asking how much time you have to resolve. This will serve two purposes—one, you can prepare your response better and second, they will know that you are capable of planning. Be ready to defend your solution.

Or, the interviewers may also ask you to pick a challenging situation from your past and narrate how you resolved that. Experts say that this is another chance for candidates to explain their strengths, i.e. how they took on the challenge, what they did and how they fared in overcoming that situation. Basically, you can derive your response in this case from your preparations for the question—*what is your strength?*

On Hobbies and Interests

There could be questions on your *interests and hobbies* that give you an opportunity to talk about non-professional aspects of your life, i.e. what you like doing when you are free. Hobbies and interests reflect on your attitude to life. You can very well talk about your hobbies irrespective of your degree of expertise in them, e.g. this could be *I like listening to songs… to I like singing songs.* Be genuine, so that you could handle cross questions if the situation arises so. Dishonesty, if discovered here, will be fatal.

On Other Popular Questions

There could be questions relating to *the most inspiring person in life.* Be genuine. If you have not thought about it yet, it is better to think about it now. This could be a person in your family, i.e. your mother, father, or your elder sister or brother, your uncle, etc., your friend or some public personality. Once you know that, try to know your reasons behind your choice. Find out how these reasons could be helpful professionally. Anything positive in your life, socially or professionally, has a potential to transcend its energy to all domains of your life.

Then there could be some stress questions that interviewers ask in order to test your ability to judge and contain yourself in crisis. *How would you deal with a change in your role or profile in the organisation?* As a fresher, your foremost goal should be to learn and develop yourself. So, diversity offered in your role should be considered enriching. Plus, this will be a proof of your flexibility in the interests of your organisation. Of course, the organisation will acknowledge your generous conduct of keeping the organisation's interests above yours.

A similar question could be—*will you be willing to relocate?* You should note that you would not be relocated against your wishes unless there is some crisis. Organisations pop such question to understand your accommodative nature. Unless you have strong reasons for staying in a place, you should agree for relocation in principle, since this gives you an opportunity to learn, make new bonds and know new places.

The question on change of shift hours is again to ascertain your flexibility. Unless there are valid reasons, any shift should not be a problem.

Why should we hire you? Of course, you should not say that you are an expert. Talk about your strengths. Knowing the organisation and its culture can help you prepare your response here, i.e. how the organisation could benefit from your strengths. Mention your organisational qualities, i.e. flexibility, team work, ability to work in groups, etc., while referring to your internship or past experiences to argue how organisations have benefitted from your qualities.

Since so much of authentic information is available online or in print, you should try to read about the organisation in advance, especially about its objectives, goals, mission and vision, domain expertise, etc. This will help you in responding well to questions relating to the organisation (e.g. Why do you want this position? What do you like most about our organisation? What are your expectations from the organisation?), and in communicating the keenness about your application.

Usually at the end, interviewers ask: Do you have anything to ask? If you have studied the organisation in advance, you can ask your questions, which may be on your opportunities to grow, your profile, your department, your colleagues, social activities (if you are interested in social welfare) and your superiors and peers in the organisation. This will present your inclusive outlook and approach.

Normally, freshers are ready to work anywhere in any comparable profile, you must remember: your organisation as well as you both need each other to prosper. You must have a preference. If you have applied for a position, this means you must have found something good about that—you can use that information in response to the question, why you want to work for them. The same can go in your response to what you like most about the organisation.

So far your expectations from the organisation are concerned, your response should always hint at strengthening your professional knowledge and expanding your profile. If you really think about your expectations from your organisation, you will end up thinking about your knowledge and profile, at this stage of your career.

On Other Important Concerns

Your approach to your dress and your overall appearance reflects on your approach to the interview time if you are casual or careful about the interview.

Your appearance will communicate that. Your punctuality also communicates. Wear a dress that doesn't take the organisation's attention away from you. It is better to avoid a perfume since in most of the cases, people have very strong tastes, either they love the perfume or they hate that.

Communicate what you also believe to be true. Do not tell a lie. You are before experts and your lies if discovered could be very embarrassing, besides being fatal for you. Do not get into arguments with interviewers; if you feel strongly for something, convey that once and drop the topic from your side. There has to be more than one side of a story. ou may not be aware of that. This will reflect on your flexibility.

Just because compensations and positions appear lucrative, and you can perform, you should not apply for them. Check your life examples to understand what actually suits and interests you, as these will help you in sustaining yourself in job with passion.

Finally, before you apply for a job—analyse the profile and draft that on the basis of job description given in the job advertisement. This will enable you to identify the personal characteristics and qualities that would be required to carry out the duties and responsibilities at that position. Once you identify the characteristics and qualities, tally them with your own and see if they describe you. If not, the job probably is not meant for you. This will never be your dream job. Do a little homework to understand your dream job. Jodi Glickman recommends—*start by identifying your strengths and the things you enjoy*.[1]

So if you want to be a successful candidate who responds effectively, you should first listen to the interviewers' question (and do not avoid if that appears difficult; just accept the reality), and answer what has been asked in brief without giving out unnecessary details (and keep your answers relevant and brief). Experts say that among many other things in a candidate, not listening to questions irritates interviewers the most.

Suggested Reading

HBR Guide to Getting the Right Job, 2012; Harvard Business Review Press. ■

(The contributor is an Assistant Secretary and Curator of Accountancy Museum of ICAI.)

[1]Aim High—but Don't Lose Sight of Earth (p.39) (from HBR Guide to Getting the Right Job; 2012)

Anatomy of Learning: Learning how to learn

Learning is inherent to the process of acquiring knowledge for qualifying an examination or developing certain life skills that help you evolve as a student, a professional or as a good human being. Learning is a continuous process. We could learn every moment of our lives only if we pay attention and are alive to our immediate environment. The human mind is like a sponge that keeps absorbing voluminous amounts of information subconsciously and involuntarily leading to learning through observation and experience. But learning voluntarily in a structured manner, requires conscious efforts. It is pertinent to envisage the process threadbare, to ascertain the effort required. The process can best be described in a phased manner as:

Read->Interpret and Comprehend->Retain and Reinforce->Recall->Reproduce

A student can face problems or hazards in any of the phases in the learning process. So it is critical for every student to identify his / her shortcomings, overcome the same and achieve success. Most common learning hazards faced by students are:

- Procrastination
- Lack of concentration/focus due to wavering mind and distractions
- Irregularity (intentional or un-intentional)
- Disinterest due to non-comprehensibility of the subject
- Anxiety issues due to forgetfulness
- Lack of expression

The following write-up presents a pragmatic approach on each one of these problems and their solutions from the standpoint of a student.

Developing the right mindset

Learning requires a self-conscious, peaceful, receptive and open mind, free from all distractions, preoccupations and fears. You first will have to inculcate a **'Can Do' attitude** no matter how arduous the task may seem. You should constantly remind yourself that you may only need to try a trifle bit harder than your peers to learn anything. It is equally important to remind yourself that deferring something, will only make things worse as you will lose time, the most precious non-replenish able resource. You should rather take the challenge head on. To begin with, you may acquaint yourself with the relevance of the subject, how is the subject connected with other disciplines and how is it going to help you further in your professional career. You can start with reading the preface of the book, most often than not it declares whom is it meant for and what is its purpose. This helps you to break free from the inertia and finally get started.

De-clutter your mind

When your mind is preoccupied with myriad thoughts streaming through with lightning speed , you can neither be at peace nor concentrate. You need to calm yourself down. This can be best achieved by connecting yourself with the natural environment by spending some time observing the birds, insects and squirrels dancing around in the warm embrace of the sun, watching flowers bloom, listening to the birds chirping as if singing in the glory of mother nature. All of this rejuvenates you and prompts you to work towards your goal as every other living being does. You may now close your eyes and try to concentrate on your breath as you inhale and exhale. This is the first stage of meditation. Once you practice it for a few days, you will realize that your concentration has improved considerably.

Learning happens when your mind is engaged actively, even for a short period of time. You must keep your mind engaged in activities that stimulate your mental faculties for small time periods initially and gradually increasing the duration. You can start with a simple activity of finding words in a dictionary, which requires a few minutes of focus. Subsequently, you can upgrade it to reading an article in a newspaper and marking new words or reading a paragraph of a chapter in a textbook and marking important terms and finding their definitions. You can gradually upgrade to a few paragraphs, then a page to a full chapter. This exercise may initially require a lot of time and patience but practicing it religiously will certainly help you to develop high levels of concentration over long periods of time. You may also hone your mental skills by playing scrabble, solving the daily crossword, Sudoku OR Rubik's cube regularly.

Developing the right skills to 'Comprehend'

Students generally have aversion to one or more subjects. The basic reason is, that they are not able to comprehend OR do not pay attention to, the fundamental concepts of the subject. Many a times, while reading from a textbook, you may encounter a few terms which you are unable to comprehend; therefore, you are not able to make out the context. This makes you doubt your capabilities, your choice of subjects, further destroying your mood and your confidence.

To get around this hazard, you must obtain **dictionary/glossary** for all the subjects, so that you can find the accurate connotation of the term in the given context. Flag the term or place a stick-on with the definition/meaning beside the term to highlight it. After you are done with the cursory reading, **mark** all **nouns, verbs** and other important **terms** and **flag** them similarly. This exercise not only engages your mind actively (during an otherwise passive activity like reading), but it also helps you to instantly recall the terms even if you revisit it after a few days. Prepare a **lexicon** of all these terms, this comes handy during revision.

Summarize all the vital points of the topic/concept in a small paragraph. If it is a detailed procedure, delineate the process/mechanism into sequential points. This helps you to link the present topic with the previous one and puts the current topic in the right perspective signifying its relevance in the larger schema of the chapter. After you complete a topic, formulate basic questions on the topic like What, Why, How and attempt to write the answers in a stipulated time. You should also try to attempt questions on the topic at the back of the chapter. Reiterate the entire process for the rest of the topics in the chapter.

Depict all the topics in the chapter through **illustrations**. List down all the topics as **entities** and entailing sub topics as **sub-entities**, how they are related as **relationships, processes** (comprising of one or more entities or sub-entities) and try to illustrate them into a **model**. You can depict entities as ovals, relationships as arrows, processes as rectangles. This provides a

bird's eye view of the chapter. You can prepare placards of such models/illustrations for all the chapters to understand how they fit in the wider schema of the subject.

For a Practical Paper

Verbalize the problem solving process every time you solve a complex problem. You can follow the generic procedure enumerated below: (You may intercede one or more steps before customizing the generic process according to a subject/topic)

1. **What is given**: Note down all the parameters/values given in the problem. These can be perceived as entities.
2. **What is to be determined**: As per problem description the parameters or values to be calculated.
3. **What is known about the entities and how they are logically connected**: Explore background knowledge about each of these parameters **(entities)** and the logical connection that they have with other parameters /**entities** perceived as **relationships**. List down all that you know about the parameters **(entities)**, analyze their **relationships** and try to determine the hidden information in the question. This step can be the most challenging and critical as it requires you to have exhaustive knowledge about all the parameters and how they relate with each other.
4. **State assumptions if any**: List down all assumptions that you are making and the underlying reasons.
5. **Is there a direct formula/procedure**: Apply the same correctly upon the parameters given, considering the given assumptions.
6. **No Direct formula**: Analyze the information derived in the step 3 in view of the assumptions in step 4 and calculate the interceding values on the basis of which the final answer can be arrived at.

Whenever you solve a complex problem, place a flag indicating the steps in brief to arrive at the final answer, this will help you to instantly recall the problem solving process.

Retain

After you have successfully comprehended the concept/topic/chapter, you must identify parts of the topic that are required to be stated verbatim for accuracy. These can be: Definitions, Enumerated Procedures/systems, illustrations, case laws, and formulae. All these need to be memorized, to retain or register into your memory so that you can instantly recall everything without much effort. Memorizing also reduces latency between your mind and your hand while writing during the exam. You are required to determine how **many times you need to read in order to reproduce it verbatim**. Once you know, you can **calibrate** your effort as well as **allocate time** optimally for preparation of the concept/topic. This is one aspect of preparation which is largely ignored by most students. They would just read a concept a few times, till they think they have memorized, but are not able to put it down on paper. If you know that you need to read **'n'** number of times to memorize something verbatim, it means you should have the time, the willingness and the patience to read it as many times. Any less effort amounts to **effort deficit. Greater the deficit, lesser the output.** In an ideal scenario, effort deficit has to be nil. Frequent revision to reinforce is crucial for instant recall. The lexicon that you prepared earlier can be of much help. Contrary to this, if you try to write the answer in your own words, you will first recall then formalize, and then write, wasting a lot of your precious time during the exam.

Recall

During the examination you have to utilize your time optimally else you may not be able to complete the paper. So recalling everything in the least possible time is crucial to your performance. It becomes easier for you to recall if you learn through activities that engage your mind and stimulate your mental faculties. If you have **memorized** something, just **repeat the lines** in your mind over and over again. You may also try to recall through **visuals such as illustrations, notes** prepared earlier, a similar **question** that you attempted during the revision exercise. You may attempt to recall through your **experiences** such as **lectures or classes** that you attended earlier and **discussions** that you have had with your peers.

Reproduce

Examiner can easily distinguish between a good answer and a bad one. It is needless to state that writing a good answer is crucial to scoring. Let us now discuss few characteristics of a good answer.

Clarity: the answers should be written legibly with a consistent hand-writing throughout the paper, clearly **highlighting the important terms**. Try to attempt all parts of a question together. Do not repeat or beat around the bush. Be brief and to the point. Do not write more than you know. Remember the examiner is not going to collect garbage.

Completeness: The answer should comprise of all major aspects of the concept replete with case studies, examples, illustrations and assumptions if any.

Quality: The answer should be **structured** in a **logical sequence**. Enumerate the points with sub headings, describing each point briefly.

The answer should be as **accurate** as possible. For eg. Specific parts in the answer required to be presented accurately like definitions, case laws etc. (already described above) should be stated verbatim. Their explanations can be stated in your own words. If you are not confident about your expression, you can memorize everything (from the text book/reference book / suggested answers).

The examiner expects certain **keywords, terms** (duly highlighted) in your answer, only if he finds those in your answer then only he will award you marks generously.

Sometimes a certain question has more than one solution. In such a case, you can explain your standpoint and the underlying assumptions (if any). You have to capture the imagination of the examiner and project your knowledge in the best possible manner.

Conclusion: Learning is basic to problem solving. It is a sequential process, to be followed with persistence and perseverance to achieve desired results. Most of you may have your own way of doing things, which may be augmented with some or all of these techniques to maximize learning. Tips and techniques discussed above are not exhaustive; they merely suggest how to kick start the process. As you progress on the path of learning, you may discover/devise your own novel ways that work best with your strengths. So go ahead, **Explore new pathways to learning**. ■

(The contributor is Assistant Secretary, ICAI)

Accounting

Report of the Working Group on Implementation of Ind AS by Banks in India has been released by RBI for Public Comments

The Union Budget for 2014-15 emphasised the urgent need for convergence of the current Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA), Government of India notified the rules for IFRS converged Indian accounting standards (Ind AS) along with its implementation road map for corporates in a phased manner from 2016-17 onwards. The roadmap for convergence of insurance companies, banking companies and non-banking financial companies (NBFCs) is expected to be announced by MCA in due course. The Reserve Bank recommended to the MCA a roadmap for implementation of Ind AS by banks from 2018-19 onwards and NBFCs in a phased manner (2018-19 and 2019-20).

Considering these developments, a Working Group on Implementation of Ind AS by Banks in India was constituted to look into the issues in implementation of Ind AS by banks. This Working Group is chaired by Shri Sudarshan Sen, Principal Chief General Manager, Department of Banking Regulation.

On October 20, 2015, the RBI via press release 2015-2016/958 has come out with a Report of the Working Group on Implementation of Ind AS by Banks in India which is placed on its website. The Reserve Bank of India had invited comments/feedback on the report.

The Working Group, in its report, has structured its recommendations into the following key areas with focus on financial instruments:

i. Classification and Measurement of Financial Assets
ii. Classification and Measurement of Financial Liabilities
iii. Hedge Accounting and Derivatives
iv. Fair Value Measurement
v. Impairment of Financial Assets
vi. Presentation of Financial Statements and Disclosure
vii. Derecognition, Consolidation and Other Residuary Issues.

The report of the Working Group also comprises of the following significant annexures:

Annex I: Proposed Third Schedule to Banking Regulation Act, 1949

Annex II: Suggested formats for Notes to Financial Statements

Annex III: Application Guidance for Preparation of Financial Statements

Annex IV: Instrument wise comparison of valuation requirements

Annex V: List of RBI instructions that need review

Annex VI: Educational Material by ICAI

Annex VII: Legislative Amendments

Annex VIII: Survey of International Practices for Presentation of Financial Statements.

(Source: www.rbi.org.in)

SEBI amends formats for publishing financial results under new listing regulations (including compliance with Ind-AS)

The Securities and Exchange Board of India ('SEBI') had recently notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') on 2 September 2015, which are effective from 1 December 2015.

Regulation 33 of the Listing Regulations, 2015 deals with Financial Results and prescribes various disclosures in specified formats to be submitted by the listed entities to the stock exchanges. SEBI has prescribed the revised formats to be used by the listed entities vide circular no. CIR/CFD/CMD/15/2015 dated 30 November 2015 which is effective from 1 December 2015.

Highlight of the key amendments made in formats prescribed under listing regulations are:

Revised formats have been prescribed under clause 41 of the erstwhile Listing Agreement, with additional disclosure of *reconciliation in case of financial results prepared in accordance with Ind AS.* Consequently, the revised formats prescribe inclusion of following reconciliations in accordance with paragraph 32 of Ind AS 101, First time adoption of Indian Accounting Standards -

- Reconciliation of equity in accordance with previous GAAP to Ind AS, at the:
  - date of transition to Ind AS
  - end of comparable interim period
  - end of latest period presented as per previous GAAP
- Reconciliation of comprehensive income in accordance with previous GAAP to Ind AS, for the:
  - Comparable interim period
  - latest period presented as per previous GAAP

Notably, there are few matters, which need clarification from Ind AS perspective:

1. Manufacturing, trading and service companies are permitted to follow functional classification of expenditure in its annual profit and loss account in an alternative format. However, it is relevant to note that the presentation of expenditure by function is not permitted by Ind AS 1, Presentation of Financial Statements.
2. The statement of financial results includes terms such as exceptional items, which are not defined in Ind AS.
3. Separate disclosure of financial and non-financial assets and liabilities have not been provided in the Statement of Assets and Liabilities in Annexure IX; and

4. Minority interest is included under 'Equity and Liabilities' as a separate heading; Schedule III to the Companies Act, 2013 requires that minority interests be presented within equity separately from the equity of the owners of the parent.

Para 5 of the circular, consistent with the existing formats, requires the comparative financial information, to be in accordance with Ind AS, which includes the last audited financial year.

Further, the auditor's report and review report formats have been amended to include references to Ind AS and the listing regulations. However, these have not been amended to align it with the reporting standards, viz., Standard on Auditing (SA) 700, 705 and 706 issued by the Institute of Chartered Accountants of India.

(Source: www.sebi.gov.in)

Non Banking Financial Company - Micro Finance Institutions (NBFC-MFIs) – Directions – Modifications

The National Scheduled Castes Finance & Development Corporation (NSFDC) under the Ministry of Social Justice & Empowerment, Government of India, has proposed to expand its outreach by channelizing funds through select NBFC-MFIs at lower rate of interest. The objective of NSFDC is to work for the economic empowerment of persons belonging to Scheduled Castes living below the Double Poverty Line.

In order to enable NBFC-MFIs to act as channelizing agents of NSFDC, RBI vide Notification No. RBI/2015-16/196 DNBR.CC.PD.No.069/03.10.01/2015-16 dated October 01, 2015 has decided that the condition relating to the maximum variance permitted shall not be applicable to loans extended by NBFC-MFIs against funding by NSFDC. The on-lending to individuals by NBFC-MFIs out of funds of NSFDC shall only be through direct credit to their accounts with banks. Further, NBFC-MFIs shall exclude borrowing from NSFDC in arriving at the average cost of funds of the company for the purpose of pricing of credit, other than to the beneficiaries targeted by NSFDC. For this, NBFC-MFIs shall maintain proper record of funds received from NSFDC and the lending out of those funds.

In terms of extant instructions on pricing of credit by MFIs, the maximum variance between the minimum and maximum interest rate on loans cannot exceed 4 per cent.

Appropriate disclosures in this regard shall be made in the balance sheet of such NBFC-MFIs. The minimum disclosures should include quantum of funds received from NSFDC, cost of such funds, loans disbursed therefrom, rate of interest on such loans and the number of beneficiaries. ■

(Source: www.rbi.org.in)

(Board of Studies)

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 batch of ICAI Four Weeks Residential Programme as below:

Venue	Participant	Fees	Date	Links for Registration
Centre of Excellence (CoE), Hyderabad	Men	₹ 40,000/-	28th January 2016 to 24th February, 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.

Only men 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 men 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

Swachh Bharat Cess (SBC)

Frequently Asked Questions (FAQ)

Background

Chapter VI (Section 119) of the Finance Act 2015 contains provisions for levy and collection of Swachh Bharat Cess (SBC). Now the Government has announced 15th November, 2015 as the date from which the provisions of Section 119 would come into effect *(Notification No. 21/2015 ST dated 06.11.2015).* Section 119 provided that SBC will be levied as service tax on all or any of the taxable services @ 2%. However, the Government has exempted all taxable services from payment of such amount of SBC, which is in excess of SBC calculated at the rate of 0.5% of the value of taxable services *(Notification No. 22/2015 ST dated 06.11.2015).* Thus, effectively, the rate of SBC would be 0.5% and new rate of service tax plus SBC would be 14.5%. As such SBC translates into a tax of 50 paisa only on every one hundred rupees worth of taxable services. The proceeds from this cess will be exclusively used for Swachh Bharat initiatives.

In this context, the relevant Chapter of the Finance Act, 2015 is reproduced below:-

"CHAPTER VI

SWACHH BHARAT CESS

119.

(1) This Chapter shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

(2) There shall be levied and collected in accordance with the provisions of this Chapter, a cess to be called the Swachh Bharat Cess, as service tax on all or any of the taxable services at the rate of two per cent. on the value of such services for the purposes of financing and promoting Swachh Bharat initiatives or for any other purpose relating thereto.

(3) The Swachh Bharat Cess leviable under sub-section (2) shall be in addition to any cess or service tax leviable on such taxable services under Chapter V of the Finance Act, 1994, or under any other law for the time being in force.

(4) The proceeds of the Swachh Bharat Cess levied under sub-section (2) shall first be credited to the Consolidated Fund of India and the Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the Swachh Bharat Cess for such purposes specified in sub-section (2), as it may consider necessary.

(5) The provisions of Chapter V of the Finance Act, 1994 and the rules made thereunder, including those relating to refunds and exemptions from tax, interest and imposition of penalty shall, as far as may be, apply in relation to the levy and collection of the Swachh Bharat Cess on taxable services, as they apply in relation to the levy and collection of tax on such taxable services under Chapter V of the Finance Act, 1994 or the rules made thereunder, as the case may be."

On this issue, Hon'ble FM in his speech for Budget 2015-16 has stated as under:-

"10. The third is 'Swachh Bharat' which we have been able to transform into a movement to regenerate India. I can speak of, for example, the 50 lakh toilets already constructed in 2014-15, and I can also assure the Members of this august House that we will indeed attain the target of building six crore toilets. But, Madam, Swachh Bharat is not only a programme of hygiene and cleanliness but, at a deeper level, a programme for preventive health care, and building awareness."

"123. ----It is also proposed to have an enabling provision to levy Swachh Bharat Cess at a rate of 2% or less on all or certain services if need arises. This Cess will be effective from a date to be notified. Resources generated from this cess will be utilised for financing and promoting initiatives towards Swachh Bharat."

Q.1 What is Swachh Bharat Cess (SBC)?

Ans. It is a Cess which shall be levied and collected in accordance with the provisions of Chapter VI of the Finance Act, 2015, called Swachh Bharat Cess, as service tax on all the taxable services at the rate of 0.5% of the value of taxable service.

Q.2 What is the date of implementation of SBC?

Ans. The Central Government has appointed 15th day of November, 2015 as the date from which provisions of Swachh Bharat Cess will come into effect (Notification No. 21/2015 ST dated 06.11.2015).

Q.3 Whether SBC would be leviable on exempted services and services in the negative list?

Ans. Swachh Bharat Cess is not leviable on services which are fully exempt from service tax or those covered under the negative list of services.

Q.4 Why has SBC been imposed?
Ans. SBC has been imposed for the purposes of financing and promoting Swachh Bharat initiatives or for any other purpose relating thereto.

Q. 5 Where will the money collected under SBC go?
Ans. Proceeds of the SBC will be credited to the Consolidated Fund of India, and the Central Government may, after due appropriation made by Parliament, utilise such sums of money of the SBC for the purposes of financing and promoting Swachh Bharat initiatives or for any other purpose relating thereto.

Q.6 How will the SBC be calculated?
Ans. SBC would be calculated in the same way as service tax is calculated. Therefore, SBC would be levied on the same taxable value as service tax.

Q. 7 Whether SBC would be required to be mentioned separately in invoice?
Ans. SBC would be levied, charged, collected and paid to Government independent of service tax. This needs to be charged separately on the invoice, accounted for separately in the books of account and paid separately under separate accounting code which would be notified shortly. SBC may be charged separately after service tax as a different line item in invoice. It can be accounted and treated similarly to Education cesses.

Q. 8 Whether separate accounting code will be there for Swachh Bharat Cess?
Ans. Yes, for payment of Swachh Bharat Cess, a separate accounting code would be notified shortly in consultation with the Principal Chief Controller of Accounts. These are as follows:-

Swachh Bharat Cess (Minor Head)	Tax Collection	Other Receipts	Penalties	Deduct Refunds
0044-00-506	00441493	00441494	00441496	00441495

Q. 9 What would be effective rate of service tax and SBC post introduction of SBC?
Ans. Effective rate of service tax plus SBC, post introduction of SBC, would be [14% + 0.5%].

Q.10 Whether SBC is a 'Cess' on tax' and we need to calculate SBC @ 0.50% on the amount of service tax like we were earlier doing for calculating Education Cess and SHE Cess?
Ans. No, SBC is not a cess on service tax. SBC shall be levied @ 0.5% on the value of taxable services.

Q. 11 Whether SBC is levied on all or selected services?
Ans. The Central Government was empowered to impose SBC either on all or some of the taxable services. Vide *Notification No. 22/2015 ST dated 06.11.2015,* Government has notified that SBC shall be applicable on ALL taxable services except services which are either fully exempt from service tax under any notification issued under section 93(1) of the Finance Act, 1994 or are otherwise not leviable to service tax under section 66B of the Finance Act, 1994.

Q.12 How will the SBC be calculated for services under reverse charge mechanism?
Ans. In case of reverse charge under section 68(2) of the Finance Act, 1994, the liability has been shifted from service provider to the service recipient. As per section 119(5) of the Finance Act, 2015, the provisions of Chapter V of the Finance Act, 1994, and the rules made thereunder are applicable to SBC also. Thus, the reverse charge under section 68(2) of the Finance Act, 1994, is made applicable to SBC.

In this context, to clarify, Government has issued *Notification No. 24/2015 ST dated 12.06.2015* to provide that reverse charge under *Notification No. 30/2012 ST dated 20.06.2012* shall be applicable for the purpose of levy of Swachh Bharat Cess mutatis mutandis.

Q.13 How will SBC be calculated for services where abatement is allowed?
Ans. Taxable services, on which service tax is leviable on a certain percentage of value of taxable service, will attract SBC on the same percentage of value as provided in the *Notification No. 26/2012 ST dated 20.06.2012.* So, this notification would apply for SBC also in the same manner as it applies for service tax.

For example, in the case of GTA, [Service Tax + SBC]% would be (14% Service Tax + 0.5% SBC) X 30% = 4.35% (4.20%+0.15%).

Q.14 Whether CENVAT credit of the SBC is available?
Ans. SBC is not integrated in the CENVAT credit chain. Therefore, **credit of SBC cannot be availed.** Further, SBC cannot be paid by utilizing credit of any other duty or tax.

Q.15 What would be the point of taxation for Swachh Bharat Cess?
Ans. As regards Point of Taxation, since this levy has come for the first time, all services (except those services which are in the Negative List or are wholly exempt from service tax) are being subjected

to SBC for the first time. SBC, therefore, is a new levy, which was not in existence earlier. Hence, rule 5 of the Point of Taxation Rules would be applicable in this case. Therefore, in cases where payment has been received and invoice is raised before the service becomes taxable, i.e. prior to 15th November, 2015, there is no lability of Swachh Bharat Cess.

In cases where payment has been received before the service became taxable and invoice is raised within 14 days, i.e. upto 29th November, 2015, even then the service tax liability does not arise. Swachh Bharat Cess will be payable on services which are provided on or after 15th Nov., 2015, invoice in respect of which is issued on or after that date and payment is also received on or after that date. Swachh Bharat Cess will also be payable where service is provided on or after 15th Nov., 2015 but payment is received prior to that date and invoice in respect of such service is not issued by 29th Nov., 2015.

Q.16 How would the tax (Service Tax and SBC) be calculated on services covered under Rule 2A, 2B or 2C of Service Tax (Determination of Value) Rules, 2006?

Ans. The tax (Service Tax and SBC) on services covered by Rule 2A, 2B or 2C of Service Tax (Determination of Value) Rules, 2006, would be computed by multiplying the value determined in accordance with these respective rules with [14% + 0.5%].

Therefore, effective rate of Service Tax plus SBC in case of original works and other than original works under the works contract service would be 5.8% [(14% + 0.5%)×40%] and 10.15% [(14% + 0.5%)×70%] respectively. Similar, would be the tax treatment for restaurant and outdoor catering services.

Q.17 How would the tax be calculated on restaurant services covered under Service Tax (Determination of Value) Rules, 2006.?

Ans. Swachh Bharat Cess would be calculated on the value arrived at in accordance with the Service Tax (Determination of Value) Rules, 2006. For example, the effective Swachh Bharat Cess in respect of services provided in relation to serving of food or beverages by a restaurant, eating joint or a mess, having the facility of air–conditioning or central air-heating in any part of the establishment, would be 0.5% of 40% of the total amount, i.e, 0.2% of the total amount. The cumulative service tax and Swachh Bharat Cess liability would be [14% ST + 0.5% SBC] of 40% of the total amount, i.e., 5.8% of the total amount charged.

Q.18 Whether SBC would be applicable on services covered by Rule 6 of Service Tax Rules (i.e. air travel agent, life insurance premium, purchase and sale of foreign currency and services by lottery distributors/selling agents)

Ans. Sub-rule (7D) to rule 6 has been inserted vide *Notification No. 25/2015-Service Tax, dated 12th November, 2015* so as to provide that the person liable for paying the service tax under sub-rule (7), (7A), (7B) or (7C) of rule 6 of Service Tax Rules, shall have the option to pay SBC as determined as per the following formula:-

Service Tax liability [calculated as per sub-rule (7), (7A), (7B) or (7C)] × 0.5%/14%.

The option under this sub-rule once exercised, shall apply uniformly in respect of such services and shall not be changed during a financial year under any circumstances.

Q. 19 How would liability be determined in case of reverse charge services where services have been received prior to 15.11.2015 but consideration paid post 15.11.2015?

Ans. In respect of reverse charge mechanism, SBC liability is determined in accordance with Rule 7 of Point of Taxation Rules, as per which, point of taxation is the date on which consideration is paid to the service provider. Thus, SBC liability in such case will be 0.5% × Value of taxable service.

Q.20 Does a person providing both exempted and taxable service and reversing credit @ 7% of value of exempted service under Rule 6 of CENVAT Credit Rules, does he need to reverse the SBC also?

Ans. As **SBC is not integrated in the CENVAT Credit chain** and reversal under Rule 6 is payment of amount equal to 7% of the value of exempted services, hence, reversal of SBC is not required under Rule 6 of CENVAT Credit Rules, 2004. ■

Source: www.cbec.gov.in

IMPORTANT NOTE

Swachh Bharat Cess has become effective from 15.11.2015 vide Notification *No. 21/11/2015 ST dated 06.11.2015.* Therefore the same will not be applicable for May, 2016 examination [Part II: Indirect Taxes of Paper 4: Taxation (IIPC Course) and Paper 8: Indirect Tax Laws (Final Course)] as the cut off date for the applicability of the amendments made vide notifications/ circulars for the said examination is 31.10.2015. However, the same will apply from November, 2016 examination onwards.

(Board of Studies)

Auditor's Qualified Report on Consolidated Financial Statements under the Companies Act, 2013

To provide guidance on how an auditors' report on Consolidated Financial Statements (herein after referred as CFS) may be prepared, the Auditing and Assurance Standard Board of ICAI has issued some illustrative formats on the same covering some of the clauses of section 143(3) of the Companies Act, 2013. These formats may be applied for the Financial Year 2014-15 and onwards until further announcement. It is hereby mentioned again that the auditors of CFS may suitably amend these formats to suit the circumstances of their audit engagement. In the previous edition of this Journal, we had given illustrative format - Unmodified Opinion on CFS, herein this edition we are giving illustrative format - Qualified Opinion on CFS.

Illustration: Qualified Opinion on CFS

The following illustrative format is based on the assumptions that:

The Group has-

- Certain components which have been audited by auditor/s other than the Principal Auditor and such component/s is/ are material to the consolidated financial statements of the Group. The auditors of such components which are Indian companies, there is no requirement to report on section 143(3)(i) of the Companies Act, 2013.
- Certain components which are unaudited and such component/s is/ are not material to the consolidated financial statements of the Group.

The independent auditor of Consolidated Financial Statements:

- Has issued a **Qualified Opinion** with respect to the true and fair view of the financial statements on account of misstatement of inventories and unaudited financial statements of a branch of a subsidiary. The misstatement is deemed to be material but not pervasive to the financial statements.
- Disclosed the aforementioned facts about the Components in the "Other Matters" Paragraph in accordance with the Announcement issued by the Auditing and Assurance Standards Board under the authority of the Council of ICAI in February 2014.
- Does not have the responsibility to report on internal financial controls pursuant to section 143(3)(i) of the Companies Act 2013.

llustrative Format of Independent Auditor's Report on The Consolidated Financial Statements of a group under The Companies Act, 2013 and the rules thereunder

Independent Auditor's Report

To the members of ABC Company Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ABC COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities , comprising of the Consolidated Balance Sheet as at 31st March, 20XX, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

(a) The inventories are carried in the Consolidated Balance Sheet at ₹ XXX (As at 31st March 20YY: ₹ YYY). In one of the subsidiaries of the Holding Company, the other auditor who audited the financial statements/financial information of the subsidiary has reported that the Management has not stated the inventories at the lower of cost and net realisable value but has stated them solely at cost, which constitutes a departure from the Accounting Standard - 2 "Valuation of Inventories". The report of the other auditor states that had the Management stated the inventories at the lower of cost and net realisable value, an amount of ₹ XXX (As at 31st March 20YY: ₹ YYY) would have been required to write the inventories down to their net realisable value. Accordingly, cost of sales would have been increased by ₹ XXX (Previous year ended 31st March, 20YY: ₹ YYY), and income tax, profit for the year, minority interest and shareholders' funds would have been reduced by ₹ X, ₹ XX, ₹ AA and ₹ XXX, respectively (Previous year ended 31st March, 20YY: ₹ Y, ₹ YY, ₹ ZZ and ₹ YYY, respectively). This matter was also qualified in our report/ the report of the predecessor auditors on the consolidated financial statements for the year ended 31st March 20YY.[1]

(b) In case of one of the subsidiaries of the Holding Company not audited by us, the other auditor who audited the subsidiary has reported that they did not audit the financial statements/information of ________(number) branches of the subsidiary whose financial statements / financial information reflect total assets of ₹______ as at 31st March, 20XX and total revenues of ₹_______ for the year ended on that date, as considered in these consolidated financial statements. The financial statements/ information of these branches is pending audit by their branch auditors whose reports have not yet been furnished to the auditors of the subsidiary, and their opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the unaudited information provided by the Management of the subsidiary.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in

[1]Where applicable and only in such case, disclosure of previous year figures is required - Attention of the readers is drawn to the provisions of Standard on Auditing (SA) 710, Comparative Information—Corresponding Figures And Comparative Financial Statements.

India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 20XX, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/ financial information of ______ subsidiaries, and ______ jointly controlled entities, whose financial statements/financial information reflect total assets of ₹______ as at 31st March, 20XX, total revenues of ₹_______ and net cash flows amounting to ₹______ for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of ₹ _____for the year ended 31st March, 20XX, as considered in the consolidated financial statements, in respect of ____associates, whose financial statements/financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of ______ subsidiaries, and ______ jointly controlled entities, whose financial statements / financial information reflect total assets of ₹______ as at 31st March, 20XX, total revenues of ₹_______ and net cash flows amounting to ₹______ for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of ₹ _____ for the year ended 31st March, 20XX, as considered in the consolidated financial statements, in respect of ____associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements /financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements /financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and, except for the possible effect of the matter described in sub-paragraph (b) of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) Except for the matter described in sub-paragraph (b) of the Basis for Qualified Opinion paragraph above, the reports on the accounts of the branch offices of the Holding Company, and its subsidiaries, associate companies and jointly controlled companies incorporated in India, audited under Section 143 (8) of the Act by branch auditors have been sent to us / the other auditors, as applicable, and have been properly dealt with in preparing this report.

(d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(e) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

(g) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 20XX taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, except for __ (number) director/s of ___(number) of the Group's subsidiary company /ies /, associate company/ies and jointly controlled company/ies incorporated in India who are disqualified from being appointed as a director in terms of Section 164(2) of the Act, none of the other directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 20XX from being appointed as a director in terms of Section 164 (2) of the Act. The list of subsidiary company/ ies, associate company/ies, jointly controlled companies incorporated in India where the disqualification arose and the respective directors are stated below:

XXXXXXXX

(h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Except for the possible effect of the matter described in sub-paragraph (b) of the Basis of Qualified Opinion above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note XX to the consolidated financial statements.

Or

Except for the possible effect of the matter described in sub-paragraph (b) of the Basis of Qualified Opinion above, there were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities.[2]

ii. Except for the possible effect of the matter described in sub-paragraph (b) of the Basis of Qualified Opinion above, provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note XX to the consolidated financial statements in respect of such items as it relates to the Group and (b) the Group's share of net profit/loss in respect of its associates.

Or

Except for the possible effect of the matter described in sub-paragraph (b) of the Basis of Qualified Opinion above, the Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.[3]

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

Or

Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

Or

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India. ■

Place of Signature:
Date:

For XYZ & Co
Chartered Accountants
(Firm's Registration No.)

Signature
(Name of the Member Signing the Audit Report)
(Designation[4])
(Membership No. XXXXX)

[2]Where applicable.
[3]Where applicable.
[4]Partner or Proprietor, as the case may be.

E-mail and Telephonic Queries: An Advisory for Students

It has always been the endeavour of Board of Studies to facilitate the students, in every possible manner, in their studies as also the preparation for examination. Answering queries of the students is one among the many services being provided by the Board of Studies to its students. Students can seek the answers of their academic queries from the BoS Faculty through emails and other general queries on preparation for examination, applicability of Finance Acts/Pronouncements/ Legislative Amendments etc. either by sending an e-mail or by making a telephone call.

It is being observed that many a time it becomes very difficult to give satisfactory replies to the queries for reasons like incomplete information, lack of required clarity, generic nature of the query, queries beyond the scope of Board of Studies etc. In order to ensure that queries raised by the students receive an appropriate response within a reasonable time period, it has been decided to streamline the process and bring out a standardised format for raising queries. In this context, students are advised to note the following:

(i) Students should necessarily provide the following details in their mail:
Registration Number
Residential Address
Name and Address of the Principal and the firm (if undergoing practical training)
Level of CA Course (CPT/IIPCC/Final)
Attempt Due

(ii) The query should be clearly worded and all the relevant information should be provided therein.

(iii) **BoS Faculty answer academic queries requiring simple explanation of content contained in the latest edition of any of its publications as well as queries relating to any specific question solved in the latest editions of its Study Material, Practice Manual or any other publication of BoS. Accordingly, the students are advised to confine their academic queries within the scope defined above.**

(iv) Apart from academic queries, the Faculty also answer general queries like applicability of Accounting Standards, Standards on Auditing, legislative amendments, Finance Act, Assessment Year etc. for any particular examination, the manner of preparation for examination and presentation of answers etc.

(v) Mail should be marked to the Faculty of the respective subject. Where there are more than one Faculty in the subject, mail should be marked to all of them.

(vi) The queries will generally be answered within three - five working days.

(vii) Queries can also be asked over telephone on all working days preferably, from 10.30 am to 11.30 am in the morning and from 4 pm to 5 pm in the evening. While on the call, students may be asked to provide the details given in point (i) above at any point in time.

(viii) Queries of general nature relating to applicability of Accounting Standards, Standards on Auditing, legislative amendments, Finance Act, Assessment Year etc. for any particular examination, the manner of preparation for examination etc. may be raised over telephone or through e-mail. However, academic queries should be raised only through e-mail.

(ix) Care should be taken to use an appropriate salutation while addressing the Faculty both in the mail and over telephone.

Please note that only the mails raising questions within the scope of points (iii) and (iv) above and containing the details specified in (i) above will be duly answered by the Faculty.

Students are also welcome to meet the Faculty, in person, to seek their guidance. Personal meeting with the Faculty can be scheduled on any working day at the Noida Office of the Board of Studies. In order to derive the optimum benefit out of such meeting, students are advised to fix a prior appointment with the concerned Faculty.

The e-mail ids and telephone numbers of the Faculty of various subjects are given below for the reference of the students:

Sl. No.	Subject	Faculty	e-mail id	Landline no.
1.	**Accounting (CPT, IIPCC and Final)**	CA. Seema Gupta, Deputy Director	seema@icai.in	0120-3045916
		CA. Shilpa Agrawal, Assistant Secretary	shilpa@icai.in	
		CA. Asha Verma, Executive Officer	asha.verma@icai.in	
2.	**Auditing (IIPCC and Final)**	CA. Karuna Bhansali, Assistant Director	karuna.bhansali@icai.in	0120-3045925
		CA. Rajeev Sachdeva, Assistant Director	rajeev.sachdeva@icai.in	
3.	**Law (CPT, IIPCC and Final)**	Dr. P. T. Giridharan, Joint Director	giridharan@icai.in	0120-3786881
		Ms. Nisha Gupta, Sr. Executive Officer	nisha.gupta@icai.in	0120-3045939
		CA. Shraddha, Executive Officer	shraddha.saxena@icai.in	
4.	**Financial Management (IIPCC)**	Dr. N. N. Sengupta, Deputy Director	nnsengupta@icai.in	0120-3045919
		CA. Ashish Gupta, Senior Assistant Director	ashish.gupta@icai.in	0120-3045956
		CA. Deepak Kumar Gupta, Assistant Director	deepak.gupta@icai.in	0120-3045937
		CA. Sanjit Lal Sharma, Executive Officer	sanjit.sharma@icai.in	
	Strategic Financial Management (Final)	CA. Ashish Gupta, Senior Assistant Director	ashish.gupta@icai.in	0120-3045956
5.	**Management Accounting /Cost Accounting (IIPCC and Final)**	Dr. N. N. Sengupta, Deputy Director	nnsengupta@icai.in	0120-3045919
		CA. Deepak Kumar Gupta, Assistant Director	deepak.gupta@icai.in	0120-3045937
		CA. Sanjit Lal Sharma, Executive Officer	sanjit.sharma@icai.in	
6.	**Information Technology (IIPCC and Final)**	Ms. Sukriti Arora, Assistant Secretary	sukriti.arora@icai.in	0120-3045939
7.	**Direct Taxes (IIPCC and Final)**	CA. Priya Subramanian, Deputy Director	priya@icai.in	0120-3045913
8.	**Indirect Taxes (IIPCC and Final)**	CA. Smita Mishra, Deputy Secretary	smita@icai.in	0120-3045906
		CA. Shefali Jain, Assistant Secretary	shefali.jain@icai.in	
		CA. Swati Aggarwal, Executive Officer	swati.bos@icai.in	
9.	**Strategic Management: (IPCC)**	Dr. T. Paramasivan, Joint Director	tparamasivan@icai.in	0120-3045917
		Mr. Shaleen Suneja, Deputy Director	ssuneja@icai.in	011-30110490
		Dr. Ruchi Gupta, Sr. Executive Officer	ruchi.gupta@icai.in	0120-3045907
10.	**Economics (CPT)**	Ms. Prem Bhutani, Joint Director	prem@icai.in	0120-3045911
11.	**Quantitative Aptitude (CPT)**	Dr. N. V. Ravi, Sr. Executive Officer	nvravi@icai.in	0120-3045949

National Convention for CA Students - Mumbai

22nd & 23rd JANUARY, 2016

YOGI SABHAGRUHA, NR. DADAR STATION, DADAR EAST, MUMBAI

Organized by: Board of Studies, ICAI
Hosted by: WIRC of ICAI & WICASA
THEME: EMPOWERING EXCELLENCE

DAY-1

10:00 am to 11:00 am	**Inaugural Session** **Guest of Honour- CA. V. Murali, Chairman, Board of Studies, ICAI**
11:00 am to 12:00 pm	**Interaction and Open House with CA. V. Murali, Chairman, Board of Studies, ICAI**
12:00 pm to 1:30 pm	**Technical Session- I: Accounts & Taxes** Session Chairman: Eminent Expert (i) Scrapping Wealth Tax & Increasing Service Tax to 14% - Revenue Impact (ii) IND AS or AS given by ICAI
2:30 pm to 3:30 pm	**Special Session - I: Cloud Computing& Emerging Technologies by an Eminent Expert**
3:45 pm to 5:30 pm	**Special Session – II: Debate Discussion: Worth of 3 years Articleship Training.**

DAY-2

10:00 am to 11:30 am	**Technical Session - II: Law, Audit & IT** Session Chairman: Eminent Expert (i) Money Laundering Act (ii) Taxation on Permanent Establishments
11:30 am to 1:00 pm	**Technical Session - III: Finance** Session Chairman: Eminent Expert (i) Social Media as an Emerging Financial Opportunity (ii) How to win a better deal for your company?
2:00 pm to 3:00 pm	**Special Session – III: Untapped Opportunities for Chartered Accountants by an Eminent Expert**
3:00 pm to 4:30 pm	**Technical Session - IV: Indian Economy** Session Chairman: Eminent Expert (i) Indian Infrastructure & its comparison with the world (ii) Swacch Bharat Abhiyan: One Year Later (Current Scenario)
4:30 pm - 5:30 pm	Special Session – IV: Panel Discussion: CAs as Entrepreneurs

The Valedictory Session will be held on Day – 2

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

Registration fees	₹350/- per student
Payment Mode	DD/ Cheque to be drawn in favour of WIRC of ICAI, payable at Mumbai.

For registration queries contact:

WIRC Office, 8th floor, ICAI Tower, Plot no C-40, G Block, Opp. MCA Academy, Besides Standard Chartered Bank, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Ph : 022-33671421 / 24

For more details/Online Registration visit https://www.wirc-icai.org/students-events-registration.aspx
Outstation students shall confirm their participation by 25/12/2015 for making accommodation arrangements accordingly by sending email to wicasa@icai.in and they should send their payment in DD/at par Cheque along with duly filled in delegate registration form to above mention registration address.

Students are invited to contribute papers for presentation (1500 to 2000 words in MS Word) on topics of Technical sessions and submit for approval a soft copy of the Paper at Email ID - wicasa@icai.in by 15/12/2015 along with students scanned photograph, Registration number, Course Pursuing, Complete Postal Address, Mobile/Landline Numbers and Email ID. Selected outstation Paper Writers shall be reimbursed actual travelling Expenses equivalent to 2-tier AC and DA @ ₹1500/- per day for lodging and 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.*

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

CA. Sanjeev Maheshwari
Convention Convener & Chairman,
Accounting Standards Board, ICAI

CA. Sunil Patodia
Convention Coordinator &
Chairman, WIRC

National Conclave for CA Students - Amritsar

23rd & 24th JANUARY, 2016
SHREE RAM ASHRAM SCHOOL, MAJITHA ROAD, AMRITSAR-143001

Organized by: Board of Studies, ICAI
Hosted by: Amritsar Branch of NIRC of ICAI
THEME: "SPARK THE LIGHT IGNITE THE DREAM"

DAY-1	
10:00 am- 11:00 am	**Inaugural Session** **Chief Guest: Shri Kunwar Vijay Pratap Singh, IPS-DIG Border Range, Amritsar*** **Guests of Honour: CA. Manoj Fadnis, Hon'ble President, ICAI** **CA. V. Murali, Chairman, Board of Studies, ICAI**
11:00 am- 11:30 am	**Special Session-I:- Interaction and Open House with CA. V. Murali, Chairman, Board of Studies, ICAI**
11:30 am- 12:00 noon	**Special Session-II: Opportunities for CAs in Public Administration** CA. Sanjeev Arora-IPS-DSP-Cuttack
12:00 noon- 01:30 pm	**Technical Session-I: Direct Taxes** **Session Chairman: CA. (Dr.) Girish Ahuja** 1. MAT & Allied Issues 2. Taxability of Gifts 3. Tax Issues relating to Business Restructuring
02:30 pm- 03:30 pm	**Technical Session-II: Banking & Finance** **Session Chairman: CA. Ajay Kumar Jain** 1. Risk Based Internal Audit under CBS 2. Credit Analysis & Credit Management
03:30 pm- 04:00 pm	**Motivational Cum Theme Session- SPARK THE LIGHT IGNITE THE DREAM**
04:00 pm - 05:00 pm	**Technical Session-III: Indirect Taxes** **Session Chairman: CA. Bimal Jain*** 1. Reforms of Indirect Tax System under GST 2. Reverse Charge Mechanism in Service Tax
05:00 pm - 06:00 pm	**Special Session-III: Mock Income Tax Tribunal**
DAY-2	
10:00 am - 11:30 am	**Technical Session-IV: Corporate Laws** **Session Chairman: Eminent Expert** 1. New Companies Act, 2013-Burden or Opportunities for CA's 2. Related Party Transactions-Procedures & Compliances 3. Roles & Responsibilities of BOD
11:30 am- 12:30 pm	**Special Session IV: Use of Finacle under CBS Environment by CA. Kuntal P. Shah* (Confirmation Awaited)**
12:30 pm- 02:00 pm	**Technical Session-V: Accounts & Audit** **Session Chairman: Eminent Expert** 1. Shift Towards IND-AS 2. Forensic Accounting & Auditing -Tools of Investigation 3. Due Diligence
03:00 pm-04:30 pm	**Special Session V: DREAM BIG, THINK BIG & ACT BIG**

The Valedictory Session will be held on Day – 2. *Confirmation Awaited

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

Registration fees	₹500/- per student till 5th January 2016 and thereafter ₹600/- per Student	Accommodation (if Required) ₹1000/- per student additional on Triple Sharing Basis
Payment Mode	Cash/DD/Cheque to be drawn in favor of "NIRC Amritsar Branch ", payable at Amritsar	

For registration queries contact:
AMRITSAR BRANCH of NIRC of ICAI, ICAI BHAWAN, BHAI GURDASS JI NAGAR (NEW AMRITSAR),
G.T. ROAD, AMRITSAR -143001, PHONE NO. (0183) 2506361,9115003864/65/66/67, Email: amritsar@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 amritsar.icai@gmail.com by 05th January, 2016, 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 Amritsar Branch at the aforesaid address. *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.*

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

CA. C S Nanda
Conclave Convener & Chairman, Internal Audit Standards Board & Committee for Members in Industry, ICAI

CA. Gaurav Gupta
Conclave Coordinator & Chairman, Amritsar Branch of NIRC
09216990010, 07837330391

CA. Bhavesh Mahajan
Conclave Coordinator & Secretary, Amritsar Branch of NIRC
09815856186, 09780649824

National Conclave for CA Students - Tirupur

25th and 26th January, 2016

ICAI BHAWAN, NO. 46, PETHICHETTIPURAM, 1ST STREET, RAYAPURAM, TIRUPUR

Organized by: Board of Studies, ICAI
Hosted by: TIRUPUR and ERODE Branch of SIRC of ICAI and TIRUPUR and ERODE Branch SICASA

THEME: STAND UP! STAND OUT!

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: Current Issues in Accounting** Session Chairman**:** Eminent Expert 1. Schedule III of the Companies Act, 2013 2. Financial Reporting and Financial Frauds 3. Towards Greener Accounting World
2:00 pm – 3:30 pm	**Special Session I** - Motivational Talk By Eminent speaker
3:30 pm – 5:00 pm	**Technical Session II: Developments in Financial Management** **Session Chairman: CA. B. Saravana Prasad, Chennai** 1. Raising money for your new startup 2. Inflation - Influence a nation's economy 3. Capital Budgeting – Planning it long

DAY-2

10:00 am - 11:30 am	**Technical Session III: Taxation** Session Chairman: Eminent Expert 1. Taxation of Capital Gains 2. Survey, Search and Seizure under Income Tax Act 3. GST – a "Game Changer"
11:30 am - 1:00 pm	**Special Session II** – Winning Strategies for CA Examinations By Eminent speaker
2:00 pm - 4:00 pm	**Technical Session IV: Corporate and Other Laws** Session Chairman: Eminent Expert 1. MCA 21 : Service Transformation 2. Directors under Companies Act, 2013 3. Right to Information Act, 2005

The Valedictory Session will be held on Day – 2

Students are hereby requested to register for the Conclave 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 Tirupur Branch of SIRC of ICAI, payable at Tirupur.	

For registration queries contact:

Tirupur Branch of the ICAI, No. 46, Pethichettipuram, Ist Street, Rayapuram, TIRUPUR-641 601. Ph: 9894082482
Email: tirupur@icai.org, Website: www.tirupur-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 **tirupur@icai.org** by 31st December, 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 TIRUPUR Branch. *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.*

CA. V. Murali
Conclave Chairman & Convener &
Chairman, Board of Studies, ICAI

CA. S. Rajesh Kannan
Conclave Coordinator &
Chairman, Tirupur Branch of SIRC

CA. Sonia Kumari Gupta
Conclave Coordinator &
Chairperson, Tirupur Branch of SICASA

Sub Regional CA Students Conference - Trichur

26th & 27th JANUARY, 2016

HOTEL MERLIN INTERNATIONAL, NEAR RAILWAY STATION, TRICHUR

Organized by: Board of Studies, ICAI

Hosted by: Trichur Branch of SIRC of ICAI and Trichur Branch of SICASA

THEME: "BODHI 2015"

DAY-1

10:00 am - 10:45 am	**Inaugural Session** **Guest of Honour: CA. V. Murali, Chairman, Board of Studies, ICAI**
10:45 am – 11:30 am	**Special Session - I: Interaction and Open House with CA. V. Murali, Chairman, Board of Studies, ICAI**
11:30 am – 1:15 pm	**Technical Session - I: Goods and Services Tax** Session Chairman: Eminent Expert 1.Impact on Indian Economy 2.GST - International Experiences
2:00 pm - 3:00 pm	**Special Session – II: Motivational Session by Eminent Speaker**
3:00 pm - 4:30 pm	**Technical Session – II: Income Computation and Disclosure Standards (ICDS)** Session Chairman : Eminent Expert 1. Analysis of ICDS II- Valuation of Inventory & ICDS III – Construction Contracts 2. Analysis of ICDS IV- Revenue Recognition & ICDS IX- Borrowing Cost
4:30 pm - 5:30 pm	**Technical Session III - Companies Act, 2013** Session Chairman : Eminent Expert 1. Exemptions to Private Company, Small Company and One Person Company 2. Provisions of Companies Act relating to Auditors

DAY-2

9:00 am - 10:30 am	**Technical Session – IV: Limited Liability Partnership** Session Chairman: Eminent Expert 1. LLP vs. Private Company Accounting and Tax implications on Conversion of Companies in to LLP
10:30 am - 12:15 pm	**Technical Session – V: International Taxation** Session Chairman : Eminent Speaker 1. Basics of International Taxation 2. Concept of Arms length price in International Transfer Pricing
12:15 pm - 1:30 pm	**Technical Session – VI: Foreign Exchange Management Act (FEMA)** Session Chairman: Eminent Expert 1. Analysis of FDI Policy in the back drop of MAKE IN INDIA 2. Capital and Current Account Transactions
2:30 pm - 3:30 pm	**Success Strategies for CA Examinations – A Winner's Perspective**

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 @ ₹200/- per Student on twin sharing basis
Payment Mode	Cash/DD/Cheque to be drawn in favour of Trichur Branch of SIRC of ICAI, payable at Trichur	

For registration queries contact:

TRICHUR BRANCH of SIRC of ICAI, ICAI BHAWAN, Alum Vettu Vazhi, Chiyyaram, Thrissur – 680 026

Phone: 0487-2253400, 2253800 Email: trichur@icai.org, Website: www.icaitrichur.org

Students (pursuing Practical Training/Industrial Training) are invited to contribute papers for presentation (1500 to 2000words) for topics in Technical-Sessions and submit for approval a softcopy of the Paper at **sicasa.trichur@gmail.com** by **05th January 2016** 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 **Trichur Branch of ICAI** so as to reach on or before **05th January 2016**. The selection process of Paper Presenters shall be completed upto 5:00 PM of **10th January 2016** and Selected Paper Presenters shall be intimated through Email as well as phone on the same date. Students who are interested to participate in the cultural programme are requested to register before **15th January 2016** at Trichur Branch of the ICAI. *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.*

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

CA. Joseph TI
Conference Coordinator &
Chairman, Trichur Branch of SIRC of ICAI

CA. Vipin K K
Conference Coordinator &
Chairman, Trichur Branch of SICASA

National Convention for CA Students - Faridabad

29th & 30th JANUARY, 2016

ICAI BHAWAN, 43, SECTOR-20A, FARIDABAD

Organized by: Board of Studies, ICAI
Hosted by: Faridabad Branch of NIRC of ICAI
THEME: UNLOCK HORIZONS INCREASE OPPORTUNITIES

DAY-1

10:00 am to 10:45 am	**Inaugural Session** **Guest of Honour –CA. V. Murali, Chairman, Board of Studies, ICAI**
10:45 am to 11:30 am	**Interaction and Open House with CA. V. Murali, Chairman Board of Studies, ICAI**
11:30 am to 1:00 pm	**Technical Session I: Indirect Tax** Session Chairman: Eminent Expert
	(i) GST a broad overview
	(ii) Service tax – Reverse Charge Mechanism (iii) Returns under Central Excise Act & Rules
2:00 pm to 2:45 pm	**Special Session I: Winning Strategies for CA Examinations by Eminent Speaker**
2:45 pm to 4:15 pm	**Technical Session II: Direct Taxes** Session Chairman: Eminent Expert (i) Scrutiny Assessment under Income Tax Act – emphasis on possible disallowances. (ii) Effective Direct tax Planning for salaried person including emphasis on increase of net worth. (iii) Search and Survey under Income Tax Act, introductory view.
4:15 pm to 5:45 pm	**Technical Session III: Self Development** Session Chairman: Eminent Expert (i) CA as a complete business service provider (ii) Unlock your potential, create value, face challenges (iii) Path for a newly qualified CA – Attaining heights step by step

DAY-2

10:00 am to 11:30 am	**Technical Session IV: Information Technology/Economics** Session Chairman : Eminent Expert (i) ERP Implementation – Role of CA (ii) Cloud Computing (iii) Competition Act, 2002 – Opportunities for CAs
11:30 am to 1:00 pm	**Technical Session V: Corporate Law** Session Chairman : Eminent Expert (i) Companies Act, 2013 – emphasis on financial reporting aspects. (ii) Appointment, Removal and Resignation of Auditors under Companies Act, 2013. (iii) NFRA – Critical Analysis.
2:00 pm to 3:30 pm	**Technical Session VI: Self Motivation to Succeed** Session Chairman : Eminent Expert (i) "Get-Set-Go" – A Journey towards achievement of goal. (ii) "Secret of Success" – learn from others – Improve yourself (iii) 3 D (Dream, Desire, Do) – "Win"

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) @ ₹1000/- per student
Payment Mode	Cash/DD/Cheque to be drawn in favour of Faridabad Branch of NIRC of ICAI, payable at Faridabad.	

For registration queries contact:
Faridabad Branch of NIRC of ICAI, Plot No. 43, Sector - 20A, Opp. Magpie Tourist Complex, Faridabad -121002
Phone 0129-2223343, 2264343 & Email: faridabad@icai.org.Website: fbdicai.org, Mobile: 8826296456/8447080816

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 faridabad@icai.org by **14th January 2016** 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 Faridabad Branch. Outstation students shall be reimbursed actual travelling expenses equivalent to 2 tier AC and DA @ 1500/- per day for lodging and incidental expenses etc. Students who are interested to participate in the cultural programme are requested to register before **14th January 2016** at Faridabad Branch of the ICAI. *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.*

CA. V. Murali Convention Chairman & Chairman, Board of Studies, ICAI	**CA. C. S. Nanda** Convention Convener & Chairman, Internal Audit Standards Board & Committee for Members in Industry, ICAI	**CA. Santosh Kumar Agrawal** Convention Coordinator & Chairman, Faridabad Branch of NIRC 9891071122	**CA. Pradeep Kaushik** Convention Coordinator & Secretary, Faridabad Branch of NIRC of ICAI 9811323940

Revolutionising CA Education

ICAI Cloud Campus

Topic-wise LIVE Online Mentoring

Focused Mentoring at your Doorstep

The BoS has taken initiative to provide focused Online Mentoring support to students on specific topics of each subject of the CA Course, wherein the students are finding difficulty.

Students are advised to ask their topic-specific doubts/ queries before and during the session in order to overcome the common mistakes committed by the students in those topics.

Separate video lectures on how to prepare for the respective subjects would be made available on the Cloud Campus shortly. General queries would get answered through that only.

LIVE Interaction with Institute Faculty Members

Mobile Enabled

Board of Studies

The Institute of Chartered Accountants of India

Further Details: e-Mail: boscourses@icai.in. Tel.: 0120-3876859

ANNOUNCEMENT

Online Mentoring on ICAI Cloud Campus - http://cloudcampus.icai.org

The ICAI Cloud Campus enables Students to learn anytime and from anywhere using e-Learning, Audio Lectures, Video Lectures and Online Mentoring. Students can even learn through Mobile Enabled e-Learning facility on the Students Learning Management System (LMS) on their Mobile Phones/Smart Phones/ Tablets. Online Mentoring is one of the major value added features on the Cloud Campus. The schedule of online mentoring sessions for January, 2016 from 3.00 p.m. to 4.00 p.m. is as follows:

	Online Mentoring Schedule			
Date	**Course**	**Paper**	**Topic**	**Faculty**
January 6	IIPC	Paper-6 Auditing and Assurance	Company Audit	CA. Karuna Bhansali and CA. Rajeev Sachdeva
January 7	Final	Paper-5 Advanced Management Accounting	Linear Programming – Simplex Method	Dr. N. N. Sengupta and CA. Deepak Gupta
January 8	Final	Paper-1 Financial Reporting	Accounting and Reporting of Financial Instruments	CA. Seema Gupta and CA. Shilpa Agrawal
January 20	Final	Paper-6 Information Systems Control and Audit	Information Systems Development Life Cycle, Controls and Audit	Ms. Sukriti Arora
January 22	IIPC	Paper-2 Business Laws, Ethics and Communication	Preliminary Introduction to Company Law	Ms. Nisha Gupta and Ms. Megha Goel
January 27	IIPC	Paper-7B Strategic Management	Business Environment, Business Policy and Strategic Management	Dr. T. Paramasivan and Dr. Ruchi Gupta
January 29	IIPC	Paper-3 Part-I Cost Accounting	Marginal Costing	Dr. N. N. Sengupta and CA. Sanjit Sharma

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

Additional Secretary
Board of Studies

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

RESOLUTIONS FOR THE NEW YEAR

This New Year it's time to make fresh resolutions!

It's time to resolve to do the very best you can;
To work diligently according to your set plan.

Resolve to help those in need;
To be a loving friend regardless of caste or creed.

Resolve to strive to be a loving and respectful child;
To your beloved parents and elder ones around.

Resolve to face every challenge with tenacity;
To dream big and turn it into reality.

Resolve to go beyond the call of duty;
And be of succour to humanity.

Resolve to be optimist, dynamic and positive;
And to be empathetic, value adding and sensitive.

Resolve to take all tasks with sincerity;
And to be a ultimate winner in the society.

Resolve to thank the Lord who paves your way;
Be happy and cherish each day.

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