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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

SPIRITUALITY MAY BE EXPOUNDED IN SEVERAL WAYS, BUT THEY ALL ULTIMATELY LEAD TO ONE GOD

ICAI President, CA. M. Devaraja Reddy along with the students of Ongole branch during a Seminar at Ongole. CA. RLN. Rama Prasad, Chairman, Ongole branch, CA. B. Jagan Mohan Rao, Secretary, Ongole branch, CA. T. Vijay and CA. Naresh Chandra Gelli also seen.

ICAI Vice President, CA. Nilesh Vikamsey inaugurating the Reading Room Facility at Vikhroli, Mumbai. Vice Chairman, BoS, CA. Dhiraj Khandelwal, Central Council Member, CA. Mangesh Kinare, WIRC Chairperson, CA. Shruti Shah and Chairman, Agrawal Group of Industries, Dr. Pawan Agarwal also seen.

Dr. K. N. Raghavan, Commissioner of Customs, Cochin inaugurating the One Day Seminar on GST at Ernakulam in the presence of ICAI Vice President, CA. Nilesh Vikamsey, Chairman, Board of Studies, CA. Babu Abraham Kallivayalil, Chairman Ernakulam Branch, CA. T. N. Suresh and other Managing Committee Members of the branch and SICASA.

CA. Babu Abraham Kallivayalil, Chairman Board of Studies with SIRC Members, CA. A. Venkateswara Rao, CA. China Masthan T. and Members and students at the 1st meeting in connection with the International Conference for CA Students at CoE, Hyderabad. Hyderabad branch office bearers are also seen.

National Conclave for CA Students, Bhubaneswar: CA. Babu Abraham Kallivayalil, Chairman, Board of Studies, Central Council Member, CA. (Dr) Debashis Mitra, Chairman, Bhubaneswar Branch, CA. Amit Kumar Agarwalla, Vice Chairman, EIRC and Chairman, EICASA, CA. Manish Goyal, Chairman, Branch EICASA, CA. Rashmi Ranjan Mishra and branch office bearers at the inaugural function.

CA. Babu Abraham Kallivayalil, Chairman, BoS with the participants of the 48th and 49th batches of the Residential Programme on Professional Skills Development at CoE, Hyderabad.

My Dear Students,

It is pleasant to communicate with you once again as you have just finished off your November 2016 examinations and are in a mood to relax a bit. I am sure that you must have given your best in the examinations. It is also time for you to review your performance and identify the areas where you can further improve upon. This period also provides an opportunity to fully enjoy festivals with renewed energy. In December, we all celebrate Christmas, the festival of peace and jollity. I extend my best wishes to you all for a wonderful Christmas.

Demonetisation – Be a part of Transformation

Very recently, our Hon'ble Prime Minister Shri Narendra Modi Ji announced demonetisation scheme for old ₹ 500 and ₹ 1000 currency notes. We fully support this decision that will have long lasting effect in rooting out black money, corruption, terror financing and fake currency. National economic transformation is taking place and as a student of this coveted profession, it is your earnest and national responsibility to come forward and provide necessary support towards its effective implementation. Volunteer yourself and help the needy, uneducated and other strata of society in filling up of forms, deposit or exchange of money. Let all the positive aspects of scheme be also clearly communicated to avoid any panic situation. We played a crucial role in making the recent Income Declaration Scheme 2016 a grand success and now this is a much bigger responsibility on all of us.

Enrich through Participation

I am happy to inform you that the Board of Studies is organizing a two day All India Conference for CA Students on the theme *"Vedanta- The Complete Knowledge"* on 16th and 17th December 2016 at Ernakulam. Theme of the convention is very relevant in the context of today's national and global scenario. We should keep the momentum of continuous exploration of different areas of knowledge and meeting the challenges ahead on a triumphant note. As Chanakya said ***"Education is the best friend. An educated person is respected everywhere. Education beats the beauty and the youth".*** I sincerely advise each one of you to actively participate in this knowledge-sharing event and the other conventions scheduled in December and thereafter. All these conventions will provide avenues for learning, self-expression and self-development for all of you. Active participation in these conventions would prove to be fruitful and memorable experience for each one of you.

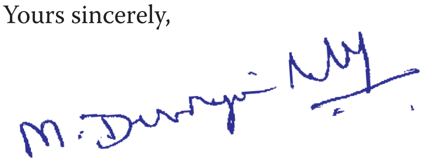
Equip yourself – Sharpen Skills

The popularity of the accounting profession is growing day by day. The challenges that you would have to face while you grow in your profession are also manifold. You all should equip yourself to face these new and diverse challenges. For that you must sharpen your skills in the emerging areas and mould your personality in a holistic manner. It is the endeavour of the Institute to provide you an edge over other professionals for scaling new heights of excellence and success. As you all are aware, the chartered accountancy profession has created very high standards of service and proved to be very effective in helping business. For bringing further glory to our profession, you all should uphold the rich values that the accounting professionals are standing for.

The students of today are going to be the members of tomorrow and you would certainly like to enjoy the goodwill and the reputation of being a good Chartered Accountant. Such goodwill and reputation has to be not just maintained but improved further by all of you by shouldering tremendous responsibilities in terms of undergoing the actual practical training and inculcating good habits which would prove useful in the long run. One should never be tempted by the short-term advantages by ignoring the long-term interest in a professional career. Have faith in yourselves, and stand up on that faith and be strong; that is what we need.

Wishing you all the best for a wonderful time ahead.

Yours sincerely,



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

VICE PRESIDENT'S COMMUNICATION

My Dear Students,

As the year 2016 draws towards an end, it is time to introspect, to take stock of your achievements as well as what still remains to be achieved in your ***to do*** list. Make a list of your achievements, the events contributing to them and the outcomes. As you reflect upon your activities/ events in the last 11 months, you would realize that positive outcomes are triggered by meticulous planning well ahead of time, seeking information from reliable sources, and finally impeccable execution of the action plan. Any activity, big or small, important or mundane, if executed with sincere effort, passion and good intent always yields desirable results.

As students, you must strive to learn new skills and improve the existing skills to gradually inch towards your goal. It is pertinent to remind you that in the process, you need to accept challenges coming your way as they help you to become wiser, smarter and more mature. Challenges are stepping-stones that exhort you to devise your own mechanism to tackle problems/difficult situations, harnessing your strengths thus unleashing your hidden potential and helping you to explore new pathways to learning. In words of Emerson, ***"Every wall is a door".*** Every challenge is a hidden opportunity beckoning you. Never underrate/ underestimate yourself. Remember- you are unique, endowed with unmatched inherent potential. You just need to discover this hidden potential and put it to good use to attain success in all spheres of life. As Zig Ziglar puts it, ***"It's not what you've got; it's what you use that makes a difference".*** The concept of success is highly subjective. It cannot be measured in monetary terms. In reality, wealth and status can only be indicators but not determinants of success. The real test of success is whether you have achieved the goal that you had set for yourself. These could include academic and professional goals or simply learning something new or inculcating a habit. Remember- ***"Persistence and perseverance hold the key to success."***

For all those who have just written their November 2016 exams, I extend my heartiest good wishes. I sincerely hope that you shall come out with flying colours. Amidst relaxation, delayed celebrations and festivities, you must make time to self assess your performance in the recent examination. Identify your shortcomings and analyze your problem areas. The self-assessment exercise gives you critical insight about your shortcomings, helping you to **re-calibrate** your effort and **re-align** your preparation for the next level of examination. It helps you to **re-design** your preparation strategy for the next level based on your performance in the recent exam to ensure that you do not repeat the mistakes.

The Board of Studies, ICAI with the support of regional branches is organizing several events in the current month to engage and integrate the students' community across the nation. National Conclaves, Conferences and Conventions are being organized in Goa, Ahmedabad, Ernakulam and Bengaluru. I exhort you to actively participate in these events. Such events provide a rare opportunity to interact with industry experts and veteran practitioners who share their experiences, challenges, success stories and also network with fellow students. These events apart from being highly educative, provide a huge platform to exhibit your talents and help you hone your communication skills. This would boost your confidence, helping you to face group discussions and crack interviews with ease.

With a slew of economic reforms underway viz. GST, Ind AS, Insolvency and Bankruptcy Code 2016 and economy warming up to young entrepreneurs, revving up the startup ecosystem and the government's clear intention to curb the menace of black money and counterfeit currency, horizons are wide open for the CA profession. There are opportunities galore across the spectrum, especially in the E-Payment, Digital space, expecting a surge in demand for plastic money due to demonetisation of 500 and 1000-rupee notes. You must therefore be proficient in the latest and emerging technologies to leverage the opportunities. I am hopeful that the next generation Chartered Accountants will usher in a new era of technologically proficient accountants guiding the nation towards a near cashless economy.

I extend my heartiest best wishes for a peaceful, warm and wonderful Christmas!

N. S. Vikamsey

CA. NILESH S. VIKAMSEY
VICE PRESIDENT
ICAI, NEW DELHI

If you want to shine like a sun, first burn like a sun — APJ Abdul Kalam

My Dear Students,

Another year is coming to an end to give way to the new one.

I WISH YOU HAPPY NEW YEAR FROM THE BOTTOM OF MY HEART. MAY GOD GIVE YOU THE HAPPINESS AND STRENGTH TO OVERCOME YOUR PAST YEAR FAILURES.

Students who have taken the chartered accountancy examinations in the month of November 2016 must have been so engrossed with the studies that they might not have enjoyed festivities for long. We wish that the exam results are so good that they wash away any hard feelings of not celebrating Deepawali, the way you might have desired. May the results of the examinations bring Deepawali in your life.

Examinations

Next examinations are due in the month of May 2017. Those of you who have appeared in the November examinations may like to wait for the results in a relaxed manner. However, it is not advisable to lose too much of the precious time. You all should understand the value of time until it is too late. After all, being a free gift, it is always your choice to use your time wisely or waste it anyway.

"The key is in not spending time, but in investing it." - Stephen R. Covey

Continuous studies

Some students tend to study in a knee-jerk manner. They may put lot of efforts for a few days and then relax for some days. Such interruptions in the course of your study are not at all advisable. Remember, you need to study continuously. Make daily, weekly and monthly plans. It should never be that you are not able to study on a particular day because of flimsy reasons. No reason or justification is sufficient for not studying.

Broaden your horizon

You are not preparing to pass the examinations but to acquire knowledge worthy of being a professional chartered accountant. Do not limit yourselves to study BoS materials or text books. Reading at least one financial newspaper should form part of your daily routine. Watching business and economy related programmes or channels will also help you. Do make it a part of your daily agenda to surf through the Institute's website and be abreast with the latest on accounting standards, standards on auditing, guidance notes etc. The BoS hosts its latest publications, including study materials, practice manuals, revision test papers and suggested answers, on its knowledge portal – Cloud Campus. The developments and amendments in the subjects of the CA curriculum, by way of Supplementary Study Paper, Select Cases in Direct and Indirect Tax Laws, Circulars and Notifications issued by the CBDT/CBEC etc. are also hosted therein.

Learn while you work

You have a major advantage of learning practical aspects of theoretical concepts in your articleship training. Do not ignore training. Rather mix training with your theoretical education to make education comprehensive and professionally rewarding. Articleship training is a very important part of the CA course which helps you understand the practical application of the concepts imbibed by you as part of your study. The learning process under the CA course is, therefore, an ideal blend of concepts assimilated through theoretical education and application of the same via practical training.

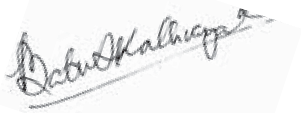
Be Receptive

Some students tend to have over confidence. With partial or superficial learning, they feel that they know the complete topic. Even if you know, you need to revise. Studying receptively will help in deeper knowledge and retaining the concept in memory. To quote Epictetus- a Greek philosopher of ancient times ***"It is impossible for a man to learn what he thinks he already knows".***

Practice

Swami Vivekananda said ***"We must overcome difficulty by constant practice. We must learn that nothing can happen to us unless we make ourselves susceptible to it".*** Do not merely read. You need to write regularly. Attempt question papers from previous examinations and compare yourself with the suggested answers published by the Board of Studies. Mock tests are a unique opportunity in this regard. How do you express your ideals while you write is most important. The true professional within yourself will come out when you are able to express the ideas in which you have faith and belief with courage and conviction.

Wish you all the best



CA. BABU ABRAHAM KALLIVAYALIL
CHAIRMAN, BOARD OF STUDIES, ICAI

The roots of education are bitter, but the fruit is sweet — Aristotle

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Office
Board of Studies
The Institute of Chartered
Accountants of India, ICAI Bhawan, A-29,
Sector-62, Noida-201 309.
Phone : 0120-3045938

HEAD OFFICE
The Institute of Chartered Accountants
of India, ICAI Bhawan, Indraprastha
Marg, New Delhi-110 104.

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INSIDE

SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

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How to prepare for winning CA Examination

CA. R. Bupathy
Past President, ICAI

It is generally observed that the students who opt for the Chartered Accountancy course are above average and with a determination to work hard and complete the course at an early date. However, the current environment in which the students have to prepare for their exams is very challenging. Current challenges and possible solutions are highlighted in this article.

Introduction

The students of the Chartered Accountancy course have taken a good decision in their career path. It is possibly the best time to enter into the profession with the current economic development in our country coupled with the importance given to compliance under different laws, corporate governance and incentives given by the Government to attract foreign investments. The Government is taking steps to improve the ease of doing business in India, without compromising the safety requirements to prevent the anti-national activities.

Selection of the course

The students opting for this course or the parents/well-wishers counselling them to join the course, should have in mind that the student must take the decision voluntarily with a very positive approach. It is proved that the right attitude is very important and any initiative executed with passion will always be successful. Any sort of compulsion or forcing the student to take a decision in this regard will tend to be ineffective.

Expectation Gap

The students who perform well in academics in School and College enter the profession with an assumption that with the same level of preparation and understanding their performance would be good in the CA course. But they should understand the expectation level for the Chartered Accountancy course is much higher and be conscious of the fact that additional efforts are required to succeed in the exams. It is here that the parents and other members at home have a crucial role to play by guiding their children to put in the extra effort required.

Choose a job you love, and you will never have to work a day in your life — Anonymous

Emphasis on Self Study and Evaluation

Up to School and College education there is a system of monitoring the performance of students by way of periodical test and interaction with parents / guardians. From this situation of controlled regime, once the student registers for the CA course there is no such monitoring system. It depends on the self-discipline and preparation of the student. It is important that the student should evaluate his progress in execution of the office work as well as preparation for the exams either by himself or by friends and take effective steps to increase the focus and concentration to the extent required. It is in this context, taking a model exam will be helpful. The observations and comments of the examiners in the model exam should be taken seriously so that the mistakes committed in the model exams are corrected.

Challenges of present day student

It is generally observed that the students who opt for the Chartered Accountancy course are above average and with a determination to work hard and complete the course at an early date. However, the current environment in which the students have to prepare for their exams is very challenging. Current challenges and possible solutions are highlighted in this article.

Reading Habit

If one conducts a survey of the reading habits at the School or College level, it will be noticed that the time allotted for reading of general books and also the success stories of great persons is very less. The student who has been successful up to the College level is unable to accept and deal with the set-back in life. Any negative result, invariably creates an adverse impact on the preparation for the exams. Developing a reading habit of success stories will strengthen the student to deal appropriately with failures / set-backs and bounce back with increased energy levels to handle the situation.

“During the pre-mobile days, students who attend lectures would recall the points discussed in the class either while returning home or immediately after reaching home and naturally they remember the important points.”

Writing Skills

It is also noticed that when students work in an office, they invariably use the computers and key in the word document or financial statements and in the process, their writing skills are not developed to the required extent. It is important to note that during the professional exams, we have to write for 3 hours and there is no system of using computers in the exams. The students should be conscious of this fact and make it a practice to write at least 3 to 4 pages everyday and they could select something on the subject to write, so that in the process they could remember the contents of the subject.

Communication skills

In the current competitive environment it is not sufficient if the students know the subject, they should also develop the ability to explain the various aspects of a particular topic to a group of students / members. A special effort is required to make use of any opportunity to make presentations in various forums and in the process develop their ability to communicate to a larger audience.

Commuting Time

The Chartered Accountancy course extends the facility of undergoing practical training simultaneously with preparation for the exams. Many students decide on the firm to do articles with the objective of getting a good exposure on different aspects of our profession. While deciding on the firm, the commuting time from residence has to be kept in mind. Assuming the commuting time is long, then efforts must be taken to make effective use of the travelling time by taking small books on the subject or a mobile with good connectivity, where we have subject oriented lectures downloaded.

Distractions

The present day student has to battle with many distractions viz; Mobile, Net, Social Media and messages on Whatsapp, which keep coming on a regular basis. A very genuine effort must be taken as an exercise, to stay away from these gadgets during the preparation time. While the student is seriously preparing for the exams, an SMS about certain happenings in the country would definitely distract him/her, thereby the concentration and continuity will be lost. During the pre-mobile days, students who attend lectures would recall the points discussed in the class either while returning home or immediately after reaching home. They will also share such important points and events in the class with family members and naturally they remember the important points. Today, we observe that the moment the students leave their classes, they look at the mobile phones, where so many messages are received. The time which they allot for re-capitulation of the series of points discussed in the class is very limited and consequently the retention of those points are not to the desired level.

Information Overload

The present day students have the facility of obtaining information from various sources. It is true that some of the information will add value to the knowledge base of the students. But at the time of preparation for the exams, information from unverified sources and the manner of presenting the same may affect the understanding capabilities of the students. Hence during the time of preparation for exams, it is advisable that the students refer only to reading material approved by the ICAI. Reference to many books and trying to obtain the current developments from the internet may have an adverse impact on the preparation for the exams.

Systematic Study

There is a tendency to postpone the commencement of preparation for the exam till the date of commencement of study leave. This is not a desirable practice. Considering the volume of the subjects and level of expectation the student has to start preparation immediately after joining for articles. Perhaps the student could start preparing subjects viz., Accounting, Cost Accounting in the initial year and thereafter start the other subjects because of the volatile nature of the subjects. Each student has to do a self-evaluation to understand the subjects which requires additional attention and accordingly allot more time for such subjects. Normally students would like to read subjects in which they are strong and concentrate less on other subjects which require more attention which should be avoided.

Work Experience

Working as an article trainee in a good office having an effective blend of work will definitely contribute for the success of the student. In order to maximize the benefits of such practical training, capturing the experience in the form of work diary at regular intervals will enable the student to remember the crucial points of completing a particular assignment. This experience will definitely help the student in answering questions in the examination on related issues associated with such type of transactions.

Preparation for theory subjects

Students spend considerable time in reading a particular topic of a subject. Students must adopt a method to evaluate the understanding of the topic and ability to recapitulate the entire topic without omitting any of the crucial points.The student should take notes in his own

“Each student has to do a self-evaluation to understand the subjects which requires additional attention and accordingly allot more time for such subjects.”

hand writing and with the help of these notes narrate the contents of the topic. The notes prepared in such a manner will also be useful for revising the subject the day before the exams.

Preparation for Accounting / Costing

In subjects like Accounting and Costing, students have to work out many problems to understand the concepts and also to increase their speed of identifying and writing the solutions in order to enable them to complete the paper within the time allotted. Invariably, the student will not have time to work out solutions for a problem more than once and at the same time he/she should remember the crucial aspects of the problem which was tested in the question. There will be many common features in problems and at the same time there will be a unique or exceptional point tested in each problem. These special points have to be captured in a box after the solution for the problem. The student should refer to the points in the box to remember such intricate issues which may be tested in the exam.

Preparedness for the exam

Once the student is eligible to take the exam he/she submits an application. Closer to the date of the exams the student realizes that the preparation is not adequate and opts to appear only for one group as against the original plan of appearing for both groups. Before proceeding on study leave the student must have completed reading all the subjects at least once and the leave period should be utilized for consolidating the knowledge on the subjects and also understanding intricate issues. The student should not decide to take the exams merely on the eligibility criteria. The exam should not be taken as a trial ground. One should evaluate the state of preparedness before submitting the application.

Conclusion

The above suggestions if implemented effectively in a sustained manner will definitely help the student not only to complete the course but will also enable him /her to deal with practical challenges in professional career more effectively. Enjoy your preparations for the exams and you will be crowned with success. Good Luck and welcome to join the profession at the earliest. ■

Tax Treatment of Share Issue Expenses and Bonus Payments through Trust

CA. Sanjiv Kumar Chaudhary
Central Council Member, ICAI

In this article, two significant issues on which the Supreme Court has recently pronounced its judgment have been taken up. An attempt has been made to delve into the depth of these issues to bring out the rationale of the Court ruling in a student friendly manner.

Recently, the Apex Court in the case of ***'M/s. Shasun Chemicals and Drugs Ltd. Vs Commissioner of Income-tax' - (TS-529-SC-2016)*** dealt with the allowability of share issue expenses and payment of bonus to employees through trust.

The Apex Court examined the provisions of section 35D of the Act with respect to the share issue expenses. It also examined the interplay between section 36(1)(ii) read with section 40A(9) and section 43B of the Act with respect to payment of bonus to the employees.

Understanding any judgment pronounced by the Apex Court is of paramount importance as it not only settles the surrounding issues on a particular matter but also becomes the law of the land. This article seeks to provide an insight into the issues examined by the Apex Court in this judgment.

(a) *Where an assessee incurs certain expenditure in the nature of share issue expense, whether they will be covered under the definition of 'preliminary expenditure' for the purpose of deduction u/s 35D? Or, the same should be disallowed construing the same as a capital expenditure?*

(b) *Where the amount of bonus payable is credited to the account of a 'trust' in view of labour unrest, whether the subsequent payment of amount through trust:*

- *Will get hit by the provisions of Section 40A(9) and therefore, not allowable as deduction? Or;*
- *Will not be allowed to the assessee in view of the provisions of Section 43B, as the amount is not 'actually paid by the assessee'?*

Key issues

Applicability of Section 35D	Interplay of Section 36(1)(ii), 40A(9)and 43B
Whether the share issue expenses incurred by the assessee are allowable as expenditure u/s 35D?	Whether amount of bonus paid through trust is an allowable expenditure to the assessee?

The Apex Court of India has addressed the aforementioned two issues in its recent judgment 'M/s. Shasun Chemicals and Drugs Ltd. Vs Commissioner of Income-tax' - (TS-529-SC-2016).

Applicability of Section 35D

Let us first quickly understand the issue in respect of the share issue expenses:

Share issue expenses, as the term denotes, are basically expenses incurred by a company in raising its share capital. These may include expenses such as professional consultation, underwriting commission, legal expenses, printing expenses, listing expenses etc. Since these are in relation to raising of capital, these are generally considered as **capital** in nature.

The Apex Court in case of *Brooke Bond India Ltd. Vs CIT (225 ITR 798) [1997]* held that where an assessee has incurred an expenditure in connection with the issue of share capital during AY 1969-70 for the purpose of expansion of capital base of the company, the same could not amount to revenue expenditure but would be regarded as capital expenditure and hence not allowable as a deduction under the Act.

Subsequently, **Section 35D** was introduced by the Taxation Laws (Amendment) Act, 1970 with effect from 01-04-1971 which states that an assessee, being an Indian company or a person, resident in India, shall be allowed a deduction of the amount equal to one-tenth[1] of the expenditure incurredas a 'preliminary expense', before the commencement of business; or after the commencement of business, in connection with the extension of undertaking.The term 'preliminary expense' for the purpose of this section shall mean to include, amongst others, any of the following:

- Preparation of project report
- Market and other survey cost
- Drafting of MOA and AOA
- Printing of MOA, AOA and prospectus
- **Share issue expenditure**
- Registration fee under any Act; etc.

Hence, in view of the provisions contained in Section 35D, certain specified expenditure which also includes share issue expense will qualify as 'preliminary expenses' for the purpose of deduction.

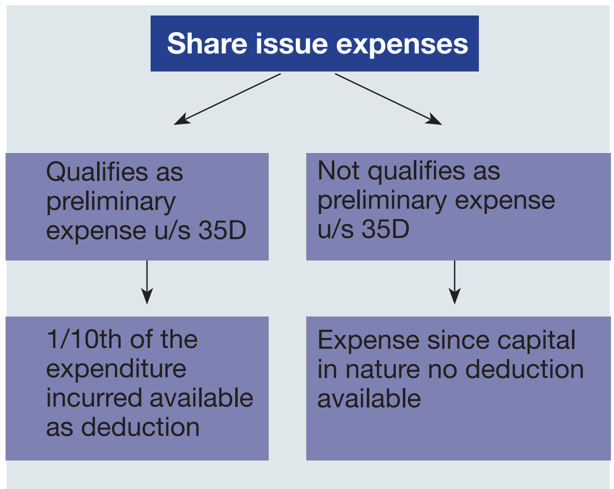
With the above backdrop, let us now peek into the factual matrix of the case of Shasun Chemicals:

- The assessee raised funds through public issue of shares, during AY 1995-96, to meet the capital expenditure and other expenditure relating to expansion of its existing units and for expansion of its Research & Development Activity.
- A certain sum was incurred in respect of the same as share issue expenses.
- A claim for deduction of 1/10th of the expense was made by the assessee as per the provisions contained u/s 35D starting from AY 1995-96.
- The assessing officer allowed the expenditure for AY 1995-96, however disallowed it from AY 1996-97 placing reliance on the Apex Court ruling in Brooke Bond India Ltd.

The Apex Court on the said issue, held that the judgment relied upon by the revenue in case of Brooke Bond India Ltd. was concerned with the AY before Section 35D came into force. The introduction of section 35D had altered the legal position earlier laid down in case of Brooke Bond India Ltd. Hence, the current case on hand had to be decided, keeping in view the provisions of section 35D.

Since the AO had not disallowed the deduction for the first two AY's, it could not deny the benefit of the provision in the subsequent years of the block period. It was noted that once a position is accepted and the clock has started running in favour of the assessee, it had to complete the entire period of 10 years and the benefit granted in the initial two years could not be denied in the subsequent years.

With the above conclusion, the SC brings up an important aspect with respect to allowability of share issue expenses. The key take away is that the claim of deduction of share issue expenses cannot be brushed aside by simply citing it as a capital expenditure. If the same befittingly falls under section 35D of the Act, a deduction of the same may be claimed as per the provisions of section 35D of the Act.



Allowability of bonus paid through trust

In respect of the payment of bonus by an employer to the employee, the relevant provisions of the Act which warrant attention are:

Section 36(1)(ii): The section states that an assessee shall be provided the deduction of an expenditure incurred towards any sum paid by him to the employee as bonus or commission for the services rendered, where such sum would not have been payable to him as profits or dividend, had it not been paid as bonus or commission.

Section 43B: The section states that an assessee shall not be allowed deduction in respect of certain specified expenditure, otherwise allowable under the Act, except where the same has been actually paid by him. However, the provisions of the section shall not apply in relation to any sum actually paid by the assessee, on or before the due date of furnishing of return specified u/s 139(1) of the Act.

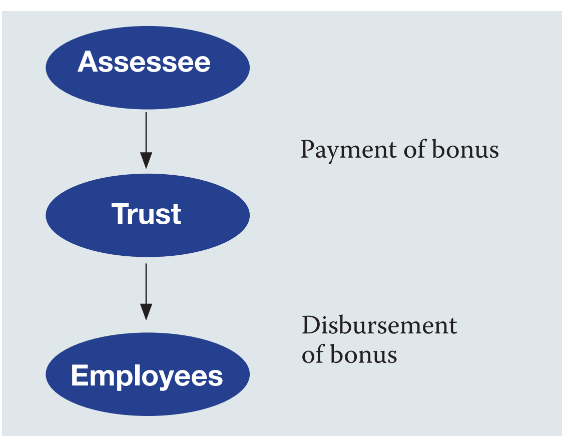
[1]*Currently an amount equal to one-fifth of the specified expenditure incurred after March 31, 1998*

It may be noted that the specified expenditure in the section includes the following payments made by the employer:

- Any sum payable by way of tax, duty, cess or fees
- Any sum payable by an employer by way of contribution to any provident fund or superannuation fund or gratuity fund
- Any sum payable to employee as bonus or commission
- Any sum payable as interest on loan or borrowing from any public financial institution
- Any sum payable as interest on any advances from a scheduled bank
- Any sum payable by an employer in lieu of any leaves.

Now, the facts of the judgment under consideration are as below:

- In the AY 2001-02, assessee deposited the amount of bonus payable to its employees to a trust in view of dispute raised by workers on the quantum of bonus.
- Since the workers had refused to accept the bonus offered to them, assessee deposited the amount to the credit of trust before expiry of the due date by which such payment is supposed to be made as per the provisions of the Act, in order to comply with the requirement u/s 43B.
- Nonetheless, since, the assessee's dispute with the workers got settled, the payment was made on the very next day of deposit of the said amount to the trust by assesse. In a nutshell, the said amount was paid to the employees before the due date of filing the Return of Income
- However, the revenue disallowed the expenditure invoking the provisions of Section 40A(9), on the ground that it was not paid to the concerned employees directly by the assessee.



At this juncture, let us peek into the provisions contained in Section 40A(9) to understand its relevance in the current context.

"Share issue expenses, as the term denotes, are basically expenses incurred by a company in raising its share capital, and may include expenses such as professional consultation, underwriting commission, legal expenses, printing expenses, listing expenses etc."

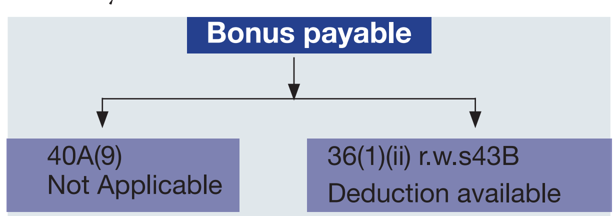
Section 40A(9): The section states that an assessee shall not be allowed any deduction in respect of **any sum paid as an employer towards** setting up/ formation of/ as **contribution to, any** fund/**trust**/ company/AOP/ BOI **for any purpose.** However, the same shall not apply when such sum is paid as a contribution towards:

- Recognized provident fund or approved superannuation fund under sub clause (iv) of clause (1) of section 36; or
- A pension scheme under sub clause (iva) of clause (1) of section 36; or
- An approved gratuity fund under sub clause (v) of clause (1) of section 36.

On this argument, the Apex Court observed that the payment of bonus is not covered by the exceptions provided u/s 40A(9), but is allowable as deduction u/s 36(1)(ii). **Therefore, Section 40A(9) has no application in the instant case.**

It further examined the provisions of section 43B of the Act and noted that the said section was not applicable in the current case stating that clause (b) of Section 43B does not mention about the bonus payable.

It was held that the impugned bonus was allowable as deduction under section 36(1)(ii) and there is no dispute that the said amount was paid by the assessee to its employees within the time limit stipulated under section 43B of the Act. Therefore, the embargo specified under section 43B and 40A(9) of the Act does not come in the way of the assessee.

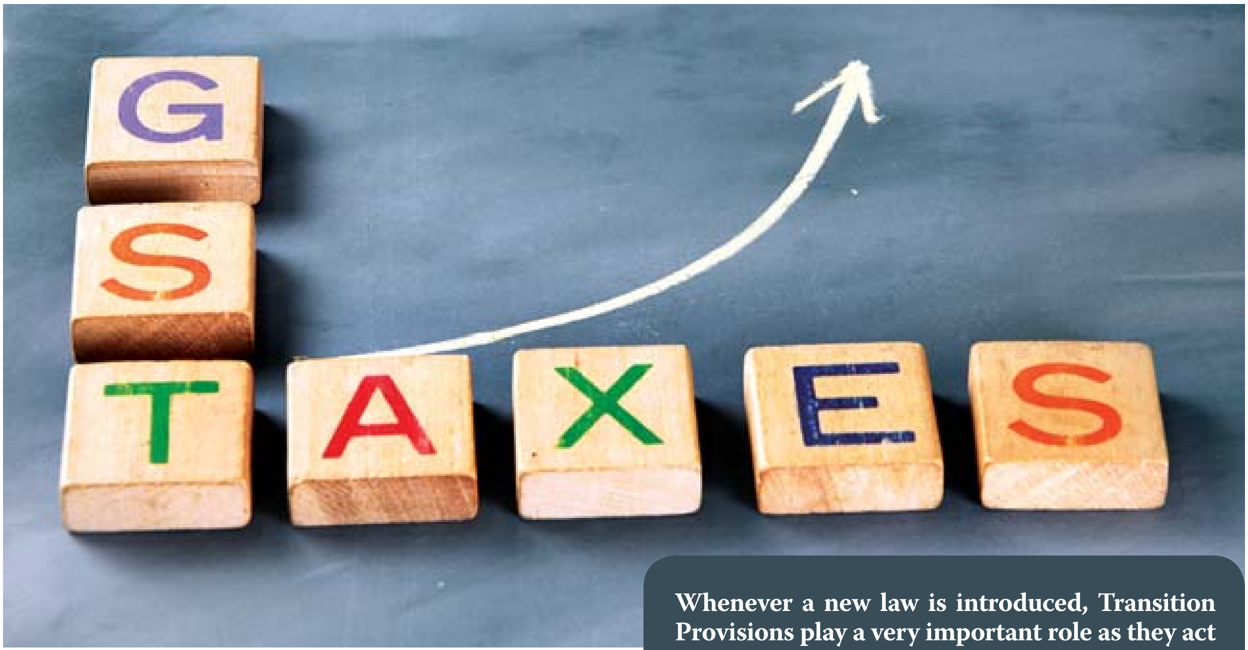


Thus, the Apex Court judgment clarifies that section 40A(9) does not apply to the contributions made to the trust for the purpose of payment of bonus to employees.

Further, Section 43B is not a deterrent as the amount was ultimately paid by the assessee to its employees, within the specified time period. ■

Carry Forward of CENVAT Credit / Input Tax Credit: Transition Provisions

CA. G. Sekar
Central Council Member, ICAI



Whenever a new law is introduced, Transition Provisions play a very important role as they act as a bridge between the old law and the new law. In this article, a sincere attempt has been made to understand the important points in Transition Provisions relating to carry forward of available CENVAT Credit / Input Tax Credit available to an assessee under the NEW GST Regime.

These transition provisions enable carry forward of unutilized input credit under the CENVAT Credit Rules, 2004 and the State level VAT Acts into the GST regime. These provisions also deal with the methodology of carry forward as per the Return filed under the earlier law including matters pending under any proceedings. This article is designed in FAQ format which will act as a Check–list for users and effective understanding of the Transition Provisions.

What do you mean by the term CENVAT CREDIT?

Eligible Credits: Manufacturer / Service Provider can take Credit for the following duties and taxes paid by him –

- Basic Excise Duty (BED) levied on Excisable Goods, and Additional Duty equivalent to BED levied on imported goods.
- Special Excise Duty (SED) levied on Excisable Goods and Additional Duty equal to SED levied on imported goods.
- Additional Duty of Excise levied on goods of special importance like Sugar and Tobacco. Duty in respect of imported goods is also eligible for credit.
- National Calamity Contingent Duty (NCCD) on certain excisable goods and imported goods.
- Additional Duty of Excise on Pan Masala & certain tobacco products.
- Service Tax leviable on Taxable Services,
- Additional Duty Leviable on specified goods
- EC & SHEC on Excisable Goods & Taxable Services are **not applicable** w.e.f. 01.03.2015.

Time Limit for availment: CENVAT Credit shall be availed **within 1 year** from date of Invoice**.** [**Notfn. 6/2015 CE(NT)**]

He who has never learned to obey cannot be a good commander — Aristotle

Is there any Restriction in availing CENVAT Credit in the existing Rules?

Ineligible Credits–Restrictions:

(a) CENVAT Credit of Basic Excise Duty shall **not** be utilized for payment of any Duty / Tax on –
- (i) Goods in respect of which Exemption is availed under –
  - Notfn.1/2011–CE dt. 01.03.2011, or Notfn.12/2012 dt. 17.03.2012 or
- (ii) Provision of Service whose part value is exempted on the condition that no credit of Capital Goods, Inputs and Input Services is taken. (**Circular No.943/04/2011–CX dt. 29.04.2011**)

(b) **CENVAT** Credit of duty will not be available in respect of **Additional Duty u/s 3(5)** of Customs Tariff Act, 1975 to a Provider of Output Service.

(c) **Clean Energy Cess:** CENVAT Credit shall not be utilized for payment of Clean Energy Cess payable in respect of clearances of specified goods. **(Notfn.26 /2010 dt. 29.06.2010)**

(d) A**CD u/s 3 on Imports of Ships, etc.:** Maximum CENVAT Credit in respect of ACD u/s 3(1) paid on import of Ships, Boats and Other Floating structures for breaking up **shall be 85%**.

What is meant by eligible duties and taxes as per Sec. 145(1) of NEW GST Act 2016?

As per the New GST Act, **"eligible duties and taxes"** means–

(i) Duty of Excise specified in the First Schedule to the Central Excise Tariff Act, 1985,

(ii) Duty of Excise specified in the Second Schedule to the Central Excise Tariff Act, 1985,

(iii) Additional Duty of Excise leviable u/s 3 of the Additional Duties of Excise (Textile and Textile Articles) Act, 1978,

(iv) Additional Duty of Excise leviable u/s 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957,

(v) The National Calamity Contingent Duty leviable u/s 136 of the Finance Act, 2001,

(vi) Additional Duty leviable u/s 3(1) and 3(5)of the Customs Tariff Act, 1975,

(vii) Service Tax leviable u/s 66B of the Finance Act, 1994 — in respect of inputs held in stock and inputs contained in semi–finished or finished goods held in stock on the appointed day.

> "The amount of any input credit carried forward in a return, which is unutilized under the current tax regime may be carried forward into the GST regime. It is important to note that such credit carried forward under the earlier law is also ADMISSIBLE AS INPUT CREDIT UNDER GST LAW."

What will happen to CENVAT CREDIT available under the old law when GST is notified?

A registered taxable person shall be entitled to take credit of the amount of **CENVAT credit carried forward in a return,** furnished under the earlier law by him, in respect of the period ending with the day immediately preceding the **appointed day** (i.e effective date of New Law) in the prescribed manner.

The amount of any input credit carried forward in a return, which is unutilized under the current tax regime may be carried forward into the GST regime. It is important to note that such credit carried forward under the earlier law is also **ADMISSIBLE AS INPUT CREDIT UNDER GST LAW.**

What are the conditions for Carry Forward of CENVAT Credit?

Taxable person shall be allowed to take credit only in case of the said amount was **admissible as CENVAT credit** under the earlier law and is **also admissible as input tax credit under GST Act.**

What is meant by unavailed CENVAT Credit?

Unavailed Cenvat credit on Capital Goods means the amount that remains after subtracting the amount of cenvat credit already availed in respect of capital goods by the taxable person under the earlier law from the aggregate amount of cenvat credit to which the said person was entitled in respect of the said capital goods under the earlier law.

What is meant by Capital Goods?

Capital goods means the goods as defined u/r 2(a) of CENVAT Credit Rules, 2004.

What is the condition for allowable of c/f CENVAT credit in Capital Goods?

The taxable person shall be allowed to take credit on Capital Goods only on the said credit that was admissible as Cenvat Credit under the earlier law and is also admissible as Input Tax Credit under GST Act.

What is the treatment for unavailed CENVAT credit on Capital Goods on appointed day?

A registered taxable person shall be entitled to take, in his electronic credit ledger, credit of the **unavailed cenvat credit in respect of capital goods, not carried forward in a return**, furnished under the earlier law by him, for the period ending with the day immediately preceding the appointed day in the prescribed manner.

Is a person who was not liable or engaged in exempted goods under earlier law but liable under GST, eligible for CENVAT credit on stock held on appointed day?

A registered taxable person, who was not liable to be registered under the earlier law or who was engaged in the **manufacture of exempted goods under the earlier law but which are liable to tax under GST Act,** shall be entitled to take **credit of eligible duties and taxes** in respect of inputs held in stock and inputs contained in semi–finished or finished goods held in stock on the appointed day subject to specified conditions.

How to calculate CENVAT credit on Inputs held in Stock /Semi–Finished Goods/ Finished Goods?

The amount of credit shall be calculated in accordance with generally accepted accounting principles.

What happens to proceedings initiated under the earlier Law for recovery of CENVAT credit wrongly taken / utilized?

The amount of CENVAT credit Carry Forward shall be **recovered as an arrear of tax under this new law** from the taxable person, if the said amount is found to be recoverable as a result of any proceeding instituted, whether before or after the GST Notified day, against such person under the earlier law.

Applicable interest and penalties will apply under GST laws. It must be clearly understood that CENVAT Credit can only be availed as CGST credit in the Electronic Credit Ledger and VAT credit as SGST credit in the very same Electronic Credit Ledger. Under no circumstances this credit can be interchanged.

Is a person who was paying tax under Composition Scheme under earlier law but liable under GST, eligible for CENVAT credit on stock held on appointed day?

A registered taxable person, who was either paying tax under Composition Scheme, shall be entitled to take credit of eligible duties and taxes in respect of inputs held in Stock and Inputs contained in semi–finished or finished goods held in stock on the appointed date subject to specified conditions.

What is the treatment of credit on stock for a taxable person under earlier law switching over to composition scheme under GST?

Where a taxable person who has carried forward the amount of eligible credit in a return, furnished under the earlier law, in respect of the period ending with the day immediately preceding the appointed day, switches over to the composition scheme, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi–finished or finished goods held in stock on the day immediately preceding the date of such switch over. After payment of such amount, the balance of input tax credit, if any lying in his electronic credit ledger shall lapse. ■

CROSSWORD SOLUTION - NOVEMBER 2016

1 R	2 E	A	3 P		4 A	5 L	6 L	O	7 W	8 E	9 D
10 I	X		11 A	N		I	U		12 A	G	E
13 L	E	14 V	Y		15 I	A	D		16 R	A	M
	17 M	A	E	18 S	T	R	O			19 D	A
20 A	P	P	E	A	L				21 W	I	N
22 I	T	O		L		23 I	24 N	25 C	H		D
M		26 U	27 S	E	28 D		29 O	H	O		
		30 R	I	S	E		31 M	I		32 B	33 C
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E		37 T	H	38 U	M	39 B	N	A	I	L	
40 R	H	O		N		41 I	E		42 L	O	43 N
44 O	I	N	T		45 O	N	E		46 T	W	O

Impact of GST on E-commerce Industry

Shashank Sah
ICAI Student Reg.No. WRO0465539

Over the past few years it is noticed that the e-commerce industry is continuously expanding its business activities across India. According to a report from the Associate Chambers of Commerce and Industry of India (ASSOCHAM), India's e-commerce industry is likely to touch the US $ 38 billion in 2016.

From the view point of the government, it is very much significant that this continuously growing industry is properly brought in the purview of direct and indirect taxation.

However, due to several complications in the business model adopted in this industry, there are certain difficulties faced to impose taxes under current legislation. Special consideration has been provided for the taxation of e-commerce transactions under Model GST Law.

The provisions for taxation of e-commerce transactions under Model GST Law are as follows

Meaning of Major Terms

E-commerce

As per section 43B(d) of Model GST Law, Electronic Commerce means

- The supply or receipt of Goods and/ or Services; or
- Transmitting of Funds or Data, over an electronic network, primarily the internet;
- By using any of the applications that rely on the internet, like but not limited to e-mail, instant messaging, shopping carts, web services, universal description Discovery and integration (UDDI), File Transfer Protocol (FTP) and Electronic Data Interchange (EDI)
- Whether or not the payment is conducted online and

Whether or not the ultimate delivery of the goods and/ or services is done by the operator.

Thus it can be interpreted that any transaction of Goods, Services, Funds or Data over an electronic network by using any application that rely on internet irrespective of the mode of payment and delivery by the operator shall be classified as electronic commerce.

E-Commerce Operator

As per section 43B (e) of Model GST Law, Electronic Commerce Operator (Operator) shall include:

- Every person who directly or indirectly, owns, operates or manages,
- An electronic platform which is engaged in
- Facilitating the supply of any goods and/or services; or
- Providing any information; or
- Any services incidental to or in connection with supply of goods and services
- Would be considered as an Operator

However, a person supplying goods/ services on his own account, would not be considered as an Operator.

For e.g. Titan Supplying watches through its own website would not be considered as e-commerce operator.

The same shall also be applicable for products sold by e-commerce under his own account.

For e.g., Amazon (an e-commerce operator) selling its product "Kindle" through its website. Thus, Amazon would not be treated as e-commerce operator for its product "Kindle" under Model GST Law.

Aggregator

As per section 43B (a) of Model GST Law, aggregator means,

- A person, who owns and manages an electronic platform, and
- By means of the application and communication device,

That's what careless words do. They make people love you a little less — Arundhati Roy

- Enables a potential customer to connect
- With the persons providing service of particular kind
- Under the brand name or trade name of the said aggregator

For e.g. Ola cabs would be an aggregator.

Registration of E-commerce operators/ aggregators under Model GST Law

As per section 19, read with Schedule III of Model GST Law,

- The registration of e-commerce operators and aggregators are mandatory under MGL
- The threshold exemption limit is not applicable to the e-commerce operator and aggregator.

Thus, the e-commerce operators and aggregators are required to be registered irrespective of the value of supply made by them.

Registration of supplier of Goods/Services supplying through e-commerce operator under Model GST Law (MGL)

As per section 19, read with Schedule III of Model GST Law,

- The registration of supplier of Goods/Services supplying through e-commerce operator are mandatory under MGL
- The threshold exemption limit is not applicable to the supplier of Goods/ Services supplying through e-commerce operator.

Thus, the supplier of Goods/Services supplying through e-commerce operator is required to be registered irrespective of the value of supply made by them.

Tax Collection at Source

As per section 43C (1) of Model GST Law,

- The e-commerce operator is required to collect (i.e. deduct) an amount
- Out of the consideration paid or payable
- To the actual supplier of goods or services
- In respect of supplies of goods or services made through such operator.

The amount so deducted/collected is called as Tax Collection at Source.

Point of tax collection/deduction

The timings for such collection/deductions shall be earlier of the following:

i. The time of credit of any amount to the account of actual supplier of goods and / or services;
ii. The time of payment of any amount in cash or by any other mode to such supplier.

Due date for payment of tax and filing of returns

As per section 43C (3) of Model GST Law, the due date for making credit of tax in account of appropriate government and filing of returns are as follows

"It is very much significant that this continuously growing industry is properly brought in the purview of direct and indirect taxation."

Payment of Tax	Filing of returns
10th of next month	10th of next month

The return shall consist of

- Name of the actual supplier(s)
- Details of respective supplies made by them; and
- Amount collected on their behalf.

Utilization of claim on TCS by actual supplier

The TCS which is deposited by the operator in the government account shall be reflected in the cash ledger of the actual registered supplier on the basis of return filed by the operator.

This balance can be used at the time of discharge of tax liability in respect of supplies by the actual supplier.

The Concept of Matching

As per section 43C (6) of Model GST Law,

- The details of supplies and amount collected by an operator
- Furnished by every operator in his statement
- Will be matched with the corresponding details of outward supplies furnished by the concerned supplier under section 27.

In case of any discrepancy noticed, the discrepancy shall be communicated to both persons.

Provisions if the details remained mismatched

As per section 43C (8), in case

- Where any discrepancy communicated and not rectified by the supplier in his valid return,
- For the month in which discrepancy is communicated,
- The value of a supply resulting in such discrepancy,
- Shall be added to the output liability of the said supplier,
- For the calendar month succeeding the calendar month in which discrepancy is communicated.

The concerned supplier shall be liable to pay tax payable on such supply together with interest at specified rate from the date such tax was due till the date of payment.

Conclusion

It can be concluded that the provisions of the Model GST law has considered the unique business model of the e-commerce industry and has incorporated the provisions for proper deduction and payment of taxation. The concept of Matching will bring a check on tax evasion by the operators.

Professional Opportunities under Insolvency & Bankruptcy Code, 2016

Meenu Gupta
New Delhi

India does not have any specific law that deals with insolvency and bankruptcy. The present insolvency framework is inadequate and ineffective, leading to undue delays in resolution. A multiplicity of laws and adjudicating authorities for insolvency and bankruptcy and of various entities were a hindrance towards resolution of recovery problems of creditors and declaration of insolvency, their revival plan and liquidation of corporate entities.

It seems the present Government has realized that ease of doing business is not only about convenient entry into the market but also providing easy exit and restricting debt. The reforms in bankruptcy and insolvency regime are critical for improving the business environment and alleviating distressed credit markets thereby, passing the Insolvency Code in Parliament on 28th May'2016 to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, LLPs and individuals in a time-bound manner. This landmark reform in the history of corporate litigation will certainly improve the World Bank ranking of India from the present 136 out of 189. The law provides enormous professional opportunities.

No single law exists in India that deals with insolvency and bankruptcy and the existing insolvency framework is inadequate, ineffective, and results in undue delays in resolution. Multiplicity of laws and adjudicating authorities for Insolvency and bankruptcy and of various entities were a hindrance towards resolution of recovery problems of creditors and declaration of insolvency, their revival plan and liquidation of corporate entities.

In India, there were various legal forums such as civil court, High Court, BIFR which used to function under different statutes and disputes often arose as to who exercises jurisdiction in the matter. Thus, in winding up proceedings, the priority may be given to workers dues but the dues may be a subject matter of dispute before Industrial/Labour Court. The assets of entity under winding up/insolvency may be already attached by secured creditor. Inter se among secured creditors, there may be disputes about priority between statutory dues and dues of secured creditors. Once the matter gets entangled in this web of laws, the pursuit of justice not only becomes endless but at times even meaningless.

Till recently, individual Insolvency proceedings in India were heard and decided by ordinary civil courts which deal with all types of civil suits including money disputes, property, family disputes and so on. The civil court has huge backlog of pending cases being 7550430 till August'2016 and per judge pendency comes to 1372. Also, it takes 4.3 to 6 years to resolve insolvency disputes in India compared to Singapore be 8 months, Malaysia & UK be 1 year, USA be 1.5 years. India, at present, ranks 130th in World Bank's ease of Doing Business index out of total 189 countries. The data is same for population, the litigation explosion, the judge strength and various factors but India has to be concerned that capital is precious for establishing and running any business and it should not be wasted away on weak, unviable or fraudulent businesses.

The new Insolvency & Bankruptcy Code, 2016 will offer a unique, comprehensive insolvency legislation encompassing all companies, partnership firms, Limited Liability Partnership firms and individuals.

Objectives of the Code

To consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.

To create a new institutional framework, consisting of Insolvency & Bankruptcy Board, Insolvency Professional Agencies, Insolvency Professionals, Information Utilities and Adjudicating Authorities thus offering a uniform and comprehensive legislation.

To facilitate time bound insolvency resolution process and liquidation.

To improve ease of doing business in India and also to set up a better and faster debt recovery mechanism in India.

Professional Opportunities under the Code

As per the Act, where any company or LLP commits a default in paying its financial debt or operational debt, a financial creditor/operational creditor/Company & LLP itself may file an application for initiating corporate insolvency resolution process with the Adjudicating Authority. The National Company Law Tribunal will be the adjudicating authority to deal with insolvency matters of Company & LLP and the Debt Recovery Tribunal will be adjudicating authority to deal with insolvency matters of individual and partnership firm.

A false friend and a shadow attend only while the sun shines — Benjamin Franklin

- Under Insolvency and Bankruptcy Code, the insolvency resolution process starts from the date of admission of application called 'insolvency commencement date' and the process must be completed within 18 days of its commencement. The Adjudicating Authority shall, within 14 days from admission of application, appoint an insolvency professional as an Interim Resolution Professional.

A Chartered Accountant, a Company Secretary or a Cost Accountant can act as an interim resolution professional as they have been recognized as experts by Companies Act, 2013 in dealing with insolvency matters of CLB that now have been dealt with by NCLT/NCLAT. He is expected to convene and attend all meetings, prepare an information memorandum for formulating a resolution plan and represent and act on behalf of Company/LLP with third parties.

- Vide notification No. 1936 (E) dated 01.06.2016, the Central Govt. appointed 1st June, 2016 on which all matters or proceedings or cases pending before Company Law Board (CLB) shall stand transferred to NCLT.

With this Section 432 of Chapter XXVII of Companies Act, 2013 provided that a party to any proceedings or appeal before the Tribunal or Appellate Tribunal may either appear in person, or authorize one or more Chartered Accountants, Company Secretaries, Cost Accountants, Legal Practitioners and any other person to represent his case before Tribunal or Appellate Tribunal.

Earlier, under old Companies Act, 1956, only Advocates could appear or practice before the Company Court for the purposes of Mergers and Acquisitions and winding up proceedings. Therefore, practicing professionals for the first time have been made eligible to file appeal or petition and to appear and represent their case before Tribunal.

- Practicing professionals can be appointed as liquidator or represent the winding up cases before NCLT.
- A PCS, PCA, PCWA can be appointed as Technical Members in Tribunal having 15 years of working experience in whole-time practice.
- As per Section 247(2), Company Secretary, Chartered Accountant or Cost Accountants who are in whole-time practice having the mandatory five years of post-membership experience can act as a registered valuer.

They can make an appeal, true and fair valuation of any assets which may be required to be valued, exercise due diligence while performing functions as valuer.

- Winding up of Companies has for long been a matter of concern. The Companies Act 1956 governs the provisions of winding up of companies but as experience would reiterate, it is a long and cumbersome process with little expertise available on the subject. But the time has come when more specifically the practicing professionals will now get manifold opportunities under this Insolvency Code and they can act as Insolvency Professionals for all types of winding up, insolvency, bankruptcy-be it for corporates, individuals, or firms. But the codedoes not specify which persons can act as insolvency professionals, however, it does say that the Board may specify the categories of professionals or persons possessing such qualifications and experience in the field of finance, law, management, insolvency or such other field, as it deems fit and since Chartered Accountants, Company Secretaries, having experience in the field of law and management who currently act as liquidators in voluntary winding up, are apt for the role.
- The Code will open up new avenues of practice for professionals who would like to work with financial institutions on debt restructuring projects, one time settlements and the like. It will also give a chance to work for the society by helping the poor and marginalized sections.
- Some of the practice areas could be that of advising and assisting to various corporates/companies on issues of mergers and acquisitions, demerger, reverse merger, compromise work relating to reduction of capital and other arrangements of restructuring, making reference to NCLT about sick industrial companies and revival arrangement associated with sick industrial companies, to act as administrators and receivers, act as an arbitrator, conciliator, mediator, etc.

Expected Benefits to the Indian Economy

i. Due to the weak insolvency law in India, there has been a bad recovery rate. Introduction of IBC would enable higher recovery rates for corporate bondholders which would catalyse the development of bond market in India. This would enable availability of cheaper finance to businesses and especially the infrastructure sector.

ii. Due to prominence of secured credit in India, any default in payment leads to taking up the control of assets and their sale by lenders by invoking the provisions of SARFAESI Act, 2002. The same destroys the value in viable businesses which could have been saved as a going concern. Also, with the improvement in credit availability in market and especially unsecured credit and with improvement in creditor's rights under the IBC, it will be possible to save more number of units on going concern basis by following the time bound insolvency resolution process.

iii. Due to prominence of secured credit in India, a number of good business opportunities, which do not have much tangible assets, do not get finance. However, with improvement in creditor's rights, the said businesses will also be able to raise finance.

iv. Under the IBC Code, any foreign lender or investor can cause a quick liquidation of the investee/borrower company in case of default in the terms of Shareholders Agreement/loan Agreement and can pull back his investment/loan, which will be a huge confidence booster while making the investment/lending. This will result in higher foreign investment/loans in the economy.

Conclusion

Indian Economy is in the process of revolution in legal system and to bring ease of doing business-a reality at ground level. Enactment and implementation of Code will not only improve the Indian ranking on world map but also will improve credit market, GDP growth, FDI and business environment as a whole. The specialized Insolvency Professionals will help a long way in guiding through the process. In view of the vast and enormous opportunities emerged by passing of Insolvency and Bankruptcy Code and setting up of NCLT/NCLAT, practicing professionals will be required to give extra efforts and invest substantial time to update themselves with knowledge of relevant case laws, developing art of advocacy and soft skills, thorough study and analysis of provisions of Companies Act, 2013 so as to compete with legal practitioners. ■

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Concept of Permanent Establishment: An Overview

Vijaykumar Rajesh Puri
ICAI Student Reg.No. WRO0466776

With the onset of globalization and substantial increase in cross-border transactions, the concept of PE has gained worldwide recognition. Of late, India has witnessed a plethora of judicial verdicts on the applicability of the concept of Permanent Establishment and attribution of profits to the PE in India. This has given rise to the need of comprehensive understanding of the attraction and applicability of the concept in India.

Basis of Taxation

Globally, two principles of taxation are generally followed:

1. Residence-based taxation: Global income of Residents is taxed [In India, *Global income of Indian Residents is taxable as per section 5(1) of the Income-tax Act, 1961 ('the Act')].*
2. Source-based taxation: Non-Residents are taxed on their income earned in the country [In India, *Income arising, accruing, received or deemed to arise, accrue or received in India by a Non-Resident is taxable as per Section 5(2) of the Act].*

So, when Mr. A, a resident of one country (assume India) earns income from a source in another country (assume US), there is a possibility of double taxation because India may levy tax on the income of Mr. A on Residence basis, whereas US may levy tax on the income of Mr. A on Source basis.

To mitigate and to provide relief from double taxation of income both in home country and in source country, Double Taxation Avoidance Agreements (DTAA's) come into play.

There are model conventions based on which DTAAs are drafted and negotiated between two nations. The three prominent model conventions are:

1. UN (United Nations) Model,
2. OECD (Organisation for Economic Co-operation and Development) Model, and,
3. US (United States of America) Model.

Primarily, DTAAs entered into by India are based on the UN Model.

Why is the concept of Permanent Establishment ('PE') relevant?

- The concept of Permanent Establishment forms the crux of Treaty-based International Fiscal Law as PE is used as the base to determine the jurisdiction of taxation over a non-resident's business activities.
- The expression has assumed considerable significance with globalization since economic / trading activities are spread over several tax jurisdictions.

PE under UN Model Convention *vis-à-vis* the Income-tax Act, 1961

- Article 5(1) of the UN model convention states "For the purposes of this Convention, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on."
- Under the Act, Permanent Establishment is defined only under section 92F(iiia) [in context of transfer pricing provisions] as "permanent establishment, includes a fixed place of business through which the business of the enterprise is wholly or partly carried on."
- The definitions under the Act as well as the UN Model convention are in sync as they focus on the 'fixed place of business' concept. However, the definition under the Act is an inclusive definition thereby making it wider than the exhaustive definition given under the UN model convention.

I. PE under the Income-tax Act

- There are no provisions under the Act which further expand on the definition under section 92F(iiia).

Section 44DA, which deals with special provisions for computing income by way of royalties etc. of non-residents relies upon the definition of PE under section 92F(iiia).

- The comparable term to PE under the Indian tax law is "business connection" [Section 9(1)(i) of the Act]. There exists a distinction between 'business connection' and 'PE'. Generally speaking, the term 'business connection' is wider than PE and hence, a 'business connection' may exist without a PE and absence of business connection may indicate absence of PE.

II. Concept of Permanent Establishment (PE): UN Model Convention

Since most of India's DTAAs are based upon UN Model Convention, let us examine the concept of Permanent Establishment based on the UN Model Convention.
Article 5 of the UN model convention expands on PE. Its structure is as follows:

Article No.	Contents
Article 5(1)	Basic Rule for a PE
Article 5(2)	List of Specific inclusion considered as PE
Article 5(3)	Construction related activities within the scope of PE
Article 5(4)	List of Exceptions of fixed places of business from the ambit of PE
Article 5(5)	Agency PE
Article 5(6)	Special rule for agents of insurance companies
Article 5(7)	Independent Agent
Article 5(8)	Rule for Associated enterprises

Key concepts of PE

1. Fixed Place PE

As per Article 5(1), a PE exists if all the following conditions are cumulatively satisfied:

- There is an "enterprise";
- It is carrying on a "business";
- There is a "place of business" ("place of business" test);
- This place of business is at the disposal of the enterprise ("power of disposition" test)
- This place of business is "fixed" ("location" test and "permanence" test); and
- The business of the enterprise is carried on ("business activity" test) wholly or partly through this fixed place of business ("business connection" test).

Exclusions

Article 5(4) lists specific exclusions for constituting a Fixed Place PE. It further asserts that various activities which are *preparatory* or *auxiliary* in nature do not form a PE. E.g.: Market survey, interface with clients (not including authority to conclude contracts) et cetera.

2. Installation PE

Article 5(3)(a) states that a PE exists if the following conditions are satisfied:

- There is a building site, construction, assembly or installation project or supervisory activities in connection therewith; AND
- Such site / project / activities last for more than 6 months.

3. Service PE

Article 5(3)(b) states that a PE exists if the following conditions are satisfied:

- Services, including consultancy services are furnished by enterprise;
- Services are rendered through employees or personnel engaged by the enterprise for such purpose;
- Activities continue within Source state;
- Activities continue for a period / periods aggregating more than 6 months within any 12-month period.

4. Agency PE

As per Article 5(5), a PE is constituted for another person if the following conditions are satisfied:

- There is a 'person';
- He is acting on behalf of an enterprise;
- He is acting in Source state;
- He is not an "independent agent" to whom Article 5(7) applies;
- The conditions in either sub-paragraph (a) **or** (b) of Article 5(5) are satisfied i.e.
  - The person has authority to conclude contracts in name of the enterprise;
  - Such authority is habitually exercised;
  - The person's activities are not limited to those mentioned in Article 5(4)

OR

- There is no authority in Article 5(5)(a) but
- The person habitually maintains stock of goods / merchandise in Source state; and
- Delivers goods / merchandise on behalf of principle from such stock.

5. Independent Agent

As per Article 5(7), a person will **not** constitute a PE of another person ("principal") if:

- Such person is a broker, general commission agent or any other agent;
- He acts in the ordinary course of business;
- He is independent of his principal.

But an agent will **not** be independent if he satisfies both the following conditions:

- His activities are devoted entirely or almost entirely on behalf of his principal; AND

- Conditions made between him and the principal in their commercial and financial relations differ from those which would have been made between independent enterprises.

Article 5(5) [Agency PE] versus 5(7) [Independent Agent]

- Articles 5(5) and 5(7) are complementary to each other and should be read together.
- On such combined reading, the following two principles emerge:
    1. Article 5(5) applies only to a case where a person, who acts on behalf of a non-resident, is not an agent of independent status within the meaning of Article 5(7). In other words, if the agent is independent, there cannot be an "Agency PE" even when the requirements of Article 5(5)(a) or 5(5)(b) are satisfied.
    2. A dependent agent does not automatically constitute an "Agency PE" of its principal unless the agent satisfies the requirements of Article 5(5)(a) or 5(5)(b).

Attribution of Profits to PE

- The Indian tax laws do not contain any detailed guidelines or regulations on the issue of profit attribution to PEs. However, as part of domestic law, certain commentaries on section 9(1) of the Act prescribe situations in which income would be deemed to accrue or arise in India only to the extent of operations carried out in India.
- There is a surfeit of judgments which address the ongoing and controversial issue of profits attributable to PEs in India. The general rule in the judgments is that where a PE exists, irrespective of the type or nature of the PE, profits must be determined at arm's length, and the judgments have confirmed the need for transfer pricing analysis.

To sum it up, the concept of PE has not yet been given due recognition under the Indian Tax laws. This, coupled with the amount of subjectivity involved in the subject has led to PE becoming a regular ground of litigation in various Indian Courts; not only for the existence of PE but also on the quantum of attribution of profits to the PE. Needless to say, more clarity is needed under the Indian Income Tax Law to reduce unnecessary litigation and promote ease of doing business in the country. ■

Disclaimer: The views expressed or implied in the article reflects the views of the author and not necessarily the views of the institute.

Revised Monetary Limits for adjudication of Show Cause Notice in Central Excise and Service Tax

Central Government vide *Circular No. 1049/37/2016-CX, dated 29.09.2016* has supressed specified circulars and revised the existing monetary limits for adjudication so as to allow a greater flexibility in allocation of cases amongst adjudicating authorities.

Henceforth, powers of adjudication both in Central Excise and Service Tax will be exercised, based on the following monetary limits of the duty/ tax/ credit involved in a case:

Sl. No.	Central Excise Officer	Monetary Limits of duty/ tax/ credit demand for Central Excise and Service Tax
1.	Superintendent	Not exceeding ₹10 lakh
2.	Deputy/ Assistant Commissioner	Above 10 lakh but not exceeding ₹ 50 lakh
3.	Additional/ Joint Commissioner	Above ₹ 50 lakhs but not exceeding Rs. 2 Crores
4.	Commissioner	Without limit i.e. cases exceeding ₹ 2 Crores

However, cases involving taxability, classification, valuation and extended period of limitation will be kept out of the purview of adjudication by Superintendents. Such cases, upto ₹ 10 lakhs, will also be adjudicated by the Deputy Commissioner/ Assistant Commissioner in addition to the cases exceeding ₹ 10 lakhs but not exceeding ₹ 50 lakhs.

For special category cases following monetary limits have been prescribed:

a) Cases of refund (including rebate) will be adjudicated by the Deputy Commissioner/ Assistant Commissioner without any monetary limit.

b) Cases relating to issues as specified in clause (a) and (d) under the first proviso to section 35B(1) of the Central Excise Act, 194 will be adjudicated in the following manner:-

SI. No.	Central Excise Officer	Monetary Limits for Central Excise
1.	Additional/Joint Commissioner	Exceeding ₹ 50 lakh.
2.	Deputy/Assistant Commissioner	Above ₹ 10 lakh but not exceeding Rs. 50 lakh
3.	Superintendent	Not exceeding ₹ 10 lakh

c) In case different show cause notices have been issued on the same issue answerable to different adjudicating authorities, show cause notices involving the same issue shall be adjudicated by the adjudicating authority competent to decide the case involving the highest amount of duty.

d) Further, in view of huge pendency of adjudication of Service Tax cases at the level of Commissioner, the Service Tax cases will be earmarked to Commissioners of Central Excise and Commissioners (Audit) of Central Excise also, depending upon the pendency level in the Zone

e) Cases which have been remanded back for de novo adjudication will be decided by an authority of the rank which passed the said remanded order. ■

Complete GMCS-I before 31st December, 2016

The students who were registered for practical training on or after 1st May, 2012 uptill 31st December, 2014 and completed one year of their practical training but not completed the GMCS-I course, are required to complete GMCS-I Course latest by 31st December, 2016.

The above students are advised to register at the online portal www.icaionlineregistration.org or contact the nearest Regional Council/Branch for registration in GMCS-I Course and complete the same at the earliest but not later than 31st December, 2016.

Director, Board of Studies

Give us the ANSWERS

1. For the purpose of computing diluted earnings per share, advance share application money (not statutorily required to be kept separately) will
   (a) Not be considered.
   (b) Be considered as dilutive potential shares.
   (c) Be included in the net profits.
   (d) Be part of net profits attributable to equity shareholders.

2. The measure of the quality of audit evidence about its relevance and reliability in providing support for the conclusions on which the auditor's opinion is based is:
   (a) Sufficiency of audit evidence
   (b) Appropriateness of audit evidence
   (c) Accounting estimates
   (d) Reasonableness of audit evidence

3. What is the amount of tax required to be deducted at source on maturity proceeds of ₹2,50,000 payable by Life Insurance Corporation to Mr. X, a resident, on 31.3.2017,in respect of a policy taken on 1.4.2013, if the sum assured is ₹ 2,00,000 and annual premium is ₹ 40,000 -
   (a) ₹ 2,500
   (b) ₹ 5,000
   (c) ₹ 12,500
   (d) ₹ 25,000

4. The rate of TDS and threshold limit for deduction of tax from commission or brokerage under section 194H with effect from 1.6.2016 are -
   (a) 10% and ₹ 5,000, respectively.
   (b) 5% and ₹ 5,000, respectively.
   (c) 10% and ₹ 15,000, respectively.
   (d) 5% and ₹ 15,000, respectively.

5. The output quality of a printer is measured by ___________.
   (a) Dot per cm
   (b) Dots per inch
   (c) Dots printed per unit
   (d) All of the above

6. Which types of errors are detected by assemblers?
   (a) Logical Error
   (b) Run time Error
   (c) Syntax Error
   (d) Analytical Error

7. If the time saved is less than 50% of the standard time, then the wages under Rowan and Halsey premium plan on comparison gives
   (a) More wages to workers under Rowan plan than Halsey plan
   (b) More wages to workers under Halsey plan than Rowan plan
   (c) Equal wages under two plans
   (d) None of the above

8. When premises are owned, a charge in lieu of rent is
   (a) A sunk cost
   (b) An opportunity cost
   (c) An imputed cost
   (d) None of the above

9. Which of the following trigger points is not normally adopted in back flush costing?
   (a) When the finished units are produced.
   (b) When the raw materials are purchased and finished units are produced.
   (c) When the raw materials are purchased and finished units are sold.
   (d) When the finished units are sold.

10. State which of the following are characteristics of service costing:
    (a) High levels of indirect costs as a portion of total costs.
    (b) High levels of indirect costs as a portion of total costs and use of composite units.
    (c) Use of composite units and use of equivalent units.
    (d) High levels of indirect costs and use of composite and equivalent units.

11. Multiple IRRs are obtained when,
    (a) Cash flows in the early stages of the project exceed cash flow during the later stages
    (b) Cash flows reverse their signs during the project
    (c) Cash flows are uneven
    (d) None of the above

12. Suppose portfolio X, composed of risky assets only is having an expected rate of return of 15% and variance of 64%. You are interested in investing Rs. 1,00,000 in this portfolio as well as risk free portfolio. If rate of return of risk-free portfolio is 5% and you want a return of 11% then you should invest in portfolio X?
    (a) ₹ 30,000
    (b) ₹ 40,000
    (c) ₹ 50,000
    (d) ₹ 60,000

13. On 1 October, a call option on Nifty with strike price of 8,348 is available for trading with expiration date of 22nd October. The value of 't' used in Black Scholes Model should be
    (a) 0.03 approx.
    (b) 0.06 approx.
    (c) 0.09 approx.
    (d) 0.12 approx.
14. An interest rate cap is a series of –
    (a) Call options
    (b) Put options
    (c) Interest rate swaps
    (d) Differential payments
15. Technology no longer protected by copyright, available to everyone, is considered to be:
    A. proprietary.
    B. open.
    C. experimental.
    D. in the public domain.
16. The CPU and memory are located on the:
    A. expansion board.
    B. motherboard.
    C. storage device.
    D. output device.
17. Servers are computers that provide resources to other computers connected to a:
    A. network.
    B. mainframe.
    C. supercomputer.
    D. client.
18. Which of the following is not an eligible capital goods under CENVAT Credit Rules, 2004?
    (a) All goods falling under Chapter 83
    (b) Moulds
    (c) Storage tank
    (d) Tubes and pipes
19. Clearances made for export to _____ to be treated as clearances for home consumption under SSI exemption notification
    (a) Nepal
    (b) Bhutan
    (a) Both (a) and (b)
    (d) Sri Lanka
20. _________services provided by Government is exempt under service tax
    (a) issuance of visa
    (b) issuance of birth certificate
    (c) issuance of driving license
    (d) all of the above
21. During this phase of product life cycle, sales continue to increase but at a decreasing rate.
    (a) Introduction phase
    (b) Growth phase
    (c) Maturity phase
    (d) Declining phase
22. Uncontrollable variances are best disposed-off by transferring to-
    (a) Cost of goods sold.
    (b) Inventories of work-in-progress and finished goods.
    (c) Cost of goods sold and inventories.
    (d) Costing profit and Loss A/c.
23. Degree of financial leverage becomes zero when:
    (a) Firm does not have to pay any tax.
    (b) EBIT is just equal to the sum of interest and dividend components.
    (c) The firm does not earn any operating profit.
    (d) The interest components equal the preference dividend.
24. An EBIT-EPS indifference analysis chart is used for
    (a) Evaluating the effects of business risk on EPS
    (b) Examining EPS results for alternative financial plans at varying EBIT levels
    (c) Determining the impact of a change in sales on EBIT
    (d) Showing the changes in EPS quality over time

QUIZ ANSWERS NOVEMBER, 2016	1: C, 2: B, 3: D, 4: D, 5:B, 6: C, 7: D, 8: A, 9: A, 10: 1, 11: D, 12: C

Please send your answers to E-mail address writesj@icai.in along with student Registration Number and complete contact details. 1st ten students giving all the correct answers will be awarded with BoS publications worth ₹ 1000/-

Struggles of our Life

Once upon a time a daughter complained to her father that her life was miserable and that she didn't know how she was going to make it. She was tired of fighting and struggling all the time. It seemed just as one problem was solved, another one soon followed.

Her father, a chef, took her to the kitchen. He filled three pots with water and placed each on a high fire.

Once the three pots began to boil, he placed potatoes in one pot, eggs in the second pot and ground coffee beans in the third pot. He then let them sit and boil, without saying a word to his daughter. The daughter moaned and impatiently waited, wondering what he was doing. After twenty minutes he turned off the burners. He took the potatoes out of the pot and placed them in a bowl. He pulled the eggs out and placed them in a bowl. He then ladled the coffee out and placed it in a cup.

Turning to her, he asked. "Daughter, what do you see?" "Potatoes, eggs and coffee," she hastily replied.

"Look closer", he said, "and touch the potatoes." She did and noted that they were soft.

He then asked her to take an egg and break it. After pulling off the shell, she observed the hard-boiled egg.

Finally, he asked her to sip the coffee. Its rich aroma brought a smile to her face.

"Father, what does this mean?" she asked.

He then explained that the potatoes, the eggs and coffee beans had each faced the same adversity- the boiling water. However, each one reacted differently. The potato went in strong, hard and unrelenting, but in boiling water, it became soft and weak. The egg was fragile, with the thin outer shell protecting its liquid interior until it was put in the boiling water. Then the inside of the egg became hard. However, the ground coffee beans were unique. After they were exposed to the boiling water, they changed the water and created something new.

"Which one are you?" he asked his daughter. "When adversity knocks on your door, how do you respond? Are you a potato, an egg, or a coffee bean?"

Moral: *In life, things happen around us, things happen to us, but the only thing that truly matters is how you choose to react to it and what you make out of it. Life is all about learning, adopting and converting all the struggles that we experience into something positive.*

(Source: Internet)

WRITE N' WIN PRIZES

Want to take your writings to a higher level? Here's an opportunity to write for your peers, and the chance to get your works published in the well circulated Students' Journal.

The Board of Studies is pleased to announce the following competitions for the students pursuing Chartered Accountancy Course.

- **Theme based article writing**
- **Moral Story based Cartoon drawing**
- **Poetry writing**
- **Short Story/Life Experience Story writing**

The topic for article writing competition is **"Demonetization: Make or Break".** The word limit is 1600- 2200. Other submission categories are Short stories/Life Experience Stories with a word limit of 750 words, and poetry no longer than one page.

The winners of 1st best and 2nd best articles will be published in any of the issues of the Students' Journal and awarded **with Certificate of Merit and admissible honorarium. The best Cartoon with Moral Story and the best selected one Poem will be published in the Students' Journal and Appreciation Letters will be awarded to another three.**

The winner of the best selected Short Story/Life Experience Story will get the BoS Publications worth ₹ 1500/- . The Story will also be published in the Students' Journal. The 2nd best will be awarded with BoS Publications worth ₹ 750/-

Students are requested to send a soft copy of their work with complete communication and E- mail address, declaration of originality, soft copy of their colour passport size photograph to E-mail address writesj@icai.in.

Director, Board of Studies

Attend CA Students Conventions/Conferences across the country

The Board of Studies has planned the following Conventions/ Conferences for CA students as on date for the year 2016-2017

S. N.	Branch/RC	Name of the Programme	Region	Approved Dates
1	Rajkot	National Conclave	West	11th-12th December, 2016
2	Jalgaon	Sub Regional Conference	West	11th -12th December,2016
3	Thane	National Convention	West	22nd - 23rd December,2016
4	Jamnagar	National Conclave	West	24th - 25th December, 2016
5	Mumbai	National Convention	West	30th - 31st December, 2016
6	Pune	National Convention	West	21st - 22nd January, 2017
7	Bangalore	National Convention	South	10th - 11th December, 2016
8	Ernakulam	All India Conference	South	16th-17th December, 2016
9	Chennai	National Convention	South	4th - 5th January, 2017
10	Hyderabad	International Conference	South	7th - 8th January, 2017
11	Udupi	National Convention	South	13th -14th January, 2017
12	Calicut	Sub Regional conference	South	10th - 11th January,2017
13	Trivandrum	National Convention	South	27th - 28th January, 2017
14	Bhopal	National Conclave	Central	20th - 21st December, 2016
15	Ghaziabad	National Convention	Central	30th - 31st December, 2016
16	Agra	National Convention	Central	14th - 15th January, 2017
17	Bhilai	National conclave	Central	21st - 22nd January, 2017
18	Gurgaon	National Convention	North	10th -11th December, 2016
19	Karnal	National Convention	North	28th - 29th January, 2017

Residential Programme on Professional Skills Development: Centre of Excellence, Hyderabad

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

Venue	Participant	Fees	Date	Links for Registration
Centre of Excellence (CoE), Hyderabad	Men	₹ 40,000/-	27th December, 2016 to 23rd January, 2017	http://resource.cdn.icai.org/43271bos32977main.pdf
CoE, Hyderabad	Women	₹ 40,000/-	28th January, 2017 to 24th February, 2017	http://www.icai.org/new_category.html?c_id=345

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.

For online registration, upcoming batches and eligibility criteria for joining the programme etc., visit www.icai.org. For any query, you can also call Mr. Ashok Kumar Dua at 0120-3045935.

E mail-ashokdua@icai.in

Director, Board of Studies

Errata

In the Moral Story "Advantage of the Next Opportunity" published in page number 18 of the November 2016 issue of the Students' Journal, there was a factual error in the history of the establishment of the Stanford University. The error occurred inadvertently and is highly regretted.

National Convention for CA Students - BENGALURU

10th & 11th DECEMBER, 2016

SOPHIA SCHOOL AUDITORIUM, BASAVESHWARA CIRCLE, BENGALURU

Organized by: Board of Studies, ICAI
Hosted by: Bangalore Branch of SIRC of ICAI & Bangalore Branch of SICASA
THEME: "UTKARSH, ELEVATION TO EXCELLENCE..."

DAY-1

09:30 am – 11:00 am	**Inaugural Session** **Chief Guests : Shri Basavaraj Rayareddi,** Higher Education Minister, Karnataka **CA. M. Devaraja Reddy,** President, ICAI **Guests of Honour: Shri A. S. Kiran Kumar,** Chairman, ISRO & **CA. Nilesh Shivji Vikamsey,** Vice President, ICAI
11:00 am – 12:00 pm	**Interaction and Open House with Board of Studies** **CA. Babu Abraham Kallivayalil,** Chairman, Board of Studies, ICAI **CA. Dhiraj Kumar Khandelwal,** Vice-Chairman, Board of Studies, ICAI
12:15 pm – 01:30 pm	**Technical Session I: Session Chairman: CA. M. P. Vijay Kumar,** CCM, ICAI **Topic:** Ind AS – IFRS – How is India meeting Global Reporting Standards?
02:30 pm – 03:30 pm	**Technical Session II: Session Chairman: CA. Gururaj Acharya K.** Bengaluru **Topic:** Companies Act, 2013 – 16. What a Drastic Change! Role of CAs
03:45 pm – 04:45 pm	**Technical Session III: Session Chairman: CA. S. Ganapathy,** Chennai **Topics:** Risk Based Auditing in Information Technologies Environment.
04:45 pm – 06:00 pm	**Special Session: Quiz Master: CA. Cotha S. Srinivas,** Vice-Chairman, SIRC

DAY-2

08:00 am – 08:45 am	**Walkathon- Swachh Bharat:** Be the change you want to see in the world
09:30 am – 10:00 am	**Spiritual Session / Motivational Session**
10:00 am – 10:30 am	**Special Session: Session Chairman: CA. Amarjit Chopra,** Past President ICAI **Topic:** Profession as it stands today.
10:30 am – 11:45 am	**Technical Session IV: Session Chairman: CA. K. K. Chythanya,** Bengaluru **Topic:** International Taxation in the present Global Business Scenario & Domestic Transfer pricing.
12:00 Noon – 01:15 pm	**Technical Session V: Session Chairman: CA. Madhukar N. Hiregange,** Central Council Member, ICAI **Topics:** GST - A radical revolution of Indian Indirect Taxes – Turn these challenges into opportunities.
02:15 pm – 03:30 pm	**Technical Session VI: Session Chairman: CA. Anand P. Jangid,** Bengaluru **Topics:** "DEBATE"-CA Student's responsibility in technology actually a boon or a bane?
03:45 pm – 05:00 pm	**Motivational Session:** "Dream, Design and Decode the Alchemist within" **Session Chairman: Padma Shri. CA. T. N. Manoharan,** Past President of ICAI

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

Registration fees	₹ 600/- per student	Accommodation (if required) @ ₹ 500/- per student
Payment Mode	Cash/DD/Cheque to be drawn in favour of Bangalore Branch of SICASA, payable at Bengaluru. For Online Registration: http://bangaloreicai.org/index.php/our-events. | Ph.: 080-30563511 / 513	

CA. Babu Abraham Kallivayalil, Chairman, BoS & **CA. Dhiraj Kumar Khandelwal,** Vice-Chairman, BoS, **CA. Madhukar N. Hiregange,** CCM, Convention Convener; **CA. Pampanna B. E.,** Chairman, Bangalore Branch & **CA. Raveendra S. Kore,** Chairman, SICASA, Convention Coordinators.

National Convention for CA Students - GURGAON

10th & 11th DECEMBER, 2016

GOVT. GIRLS COLLEGE, SECTOR-14, MG ROAD, GURGAON

Organized by: Board of Studies, ICAI
Hosted by: Gurgaon Branch of NIRC of ICAI
THEME: Chanakya-Strategy to Success

DAY-1

9:30 am - 11:00 am	**Technical Session I: International Taxation: Chairman: CA. Sanjiv Kumar Chaudhary,** CCM, ICAI **Topic: 1.** Transfer Pricing **2.** International Taxation and DTAA **3.** TDS on Non Resident Payments.
11:00 am - 12:00 noon	**Inaugural Session: Chief Guests: Shri Manohar Lal Khattar,** Chief Minister, Haryana **CA. M. Devaraja Reddy,** President, ICAI **Guests of Honor: Shri Umesh Aggarwal,** MLA, Haryana **CA. Nilesh S.Vikamsey,** Vice-President, ICAI
12:00 noon - 1:30 pm	**Technical Session II: Accounts and Audit : Chairman: CA. Amarjit Chopra,** Past President, ICAI **Topic:1.** ICFR . **2.** Ind AS. **3.** Forensic Audit **4.** Auditors' Responsibility under Companies Act, 2013
2:30 pm - 3:30 pm	**Interaction and Open House with Board of Studies** **CA. Babu Abraham Kallivayalil,** Chairman, BoS & **CA. Dhiraj Kumar Khandelwal,** Vice Chairman; BoS
3:30 pm - 4:15 pm	**Motivational Session**
4:15 pm - 5:30 pm	**Technical Session III: Indirect Taxation: Chairman: CA. Atul Kumar Gupta,** CCM, ICAI **Topic: 1.** GST LawModel 2.Place of Provision of Service Rules, 20123.CENVAT Credit Rules, 2004

Day - 2

9.30 am - 11:00 am	**Technical Session IV: Indian Economy, Technology and Current Affair** **Topics:1.** Yoga-Science of Success **2.** Swachh Bharat- A abode of Happiness **3.** Make in India
11:00 am - 12:00 noon	**Special Address by HR Executives/CFOs/Faculties of IIMs and IITs**
12:00 noon - 1:30 pm	**Technical Session V : Direct Taxation: Chairman: CA. (Dr.) Girish Ahuja, New Delhi** **Topic: 1.** ICDS **2.** Undisclosed Income **3.** Taxation of NGOs, Charitable Trust/Societies
2:30 pm - 4:00 pm	Special Session VI: **Panel discussion on** 'Success Strategies for CA Examinations'

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

Registration fees	₹ 300 per student	Accommodation (if required) @ ₹ 700 per student
Payment Mode	Cash/DD/Cheque to be drawn in favour of **Gurgaon Branch of NIRC of ICAI**, payable at Gurgaon, Online Registration www.icaigurgaon.org, Contact: 0124-4268867, 8901081798, e-mail: caconventionggn@gmail.com	

CA. Babu Abraham Kallivayalil, Chairman, BoS & **CA. Dhiraj Kumar Khandelwal,** Vice-Chairman, BoS; **CA. Atul Kumar Gupta,** CCM & Convention Convener; **CA. Naveen Garg,** Chairman, Gurgaon Branch & Convention Coordinator.

National Conclave for CA Students - BHOPAL

20th & 21st DECEMBER, 2016

SAMANWAY BHAVAN, BHOPAL

Organized by: Board of Studies, ICAI
Hosted by: Bhopal Branch of ICAI and CICASA Bhopal Branch
THEME: "NAKSHATRA"- SHINE FROM WITHIN

DAY-1

11:00 am – 12:30 pm	**Technical Session I: Auditing Standards: Speaker: CA. Amarjit Chopra,** Past President ICAI **Topics: 1.** SA 230 Audit Documentation **2.**SA 250 Consideration of Laws & Regulations in audit of Financial Statements 3. SA 700 Auditor's Report on Financial Statements
12:30 pm – 02:00 pm	**Technical Session II :Topics:** Mergers & Acquisitions
03:00 pm – 03:45 pm	**Motivational Session: Keynote Speaker: CA. Manu Agrawal,** Central Council Member, ICAI
03:45 pm – 05:00 pm	**Technical Session III : Topics:** Translation of present IDT System to GST vis a vis Impact
05:00 pm – 05:45 pm	**Interaction and Open House with Board of Studies:** **CA. Babu Abraham Kallivayalil,** Chairman, BoS & **CA. Dhiraj Kumar Khandelwal,** Vice-Chairman, BoS

Day 2

10:00 am – 12:00 Noon	**Technical Session IV : Speaker: CA. (Dr.)Girish Ahuja, New Delhi** **Topics:** Section 50C read with Section 43CA of Income Tax Act, 1961
12: 00 Noon – 01:30 pm	**Technical Session V: Speaker: Mr. Hemraj Singh Chouhan** on Ransomware & Ethical Hacking
02:30 pm – 04:00 pm	**Technical Session VI:** Corporate Law **Topics:1**.Directors- Powers, Managerial Remuneration **2.**Corporate Winding up and Dissolution
04:00 pm – 04:30 pm	**Special Address by HR Executives/CFOs/Faculties of IIMs and IITs** **Speaker: Mr. Vinay Mishra**

Registration fees	₹ 500/- per student	Accommodation (if required) @ ₹ 1800.00 per student twin sharing basis one Day.
Payment Mode	Cash/DD/Cheque to be drawn in favour of **ICAI Bhopal Branch,** payable at Bhopal, Phone 0755-2558066,7415723862 & 90 0918 0610, Email – bhopal@icai.org: Website - www.bhopal-icai.org	

CA. Babu Abraham Kallivayalil, Chairman, BoS & **CA. Dhiraj Kumar Khandelwal,** Vice-Chairman, BoS, ; **CA. Manu Agrawal ,** CCM & **CA. Kemisha Soni,** CCM, Convention Conveners; **CA. Abhay Chhajed,** Convention Co-Convener; **CA. Saurabh Shrivastava** & **CA. Zuber Ullah Khan,** Convention Coordinators.

National Conclave for CA Students - JAMNAGAR

24th & 25th DECEMBER, 2016

DHANVANTARI MANDIR AUDITORIUM, JAMNAGAR

Organized by: Board of Studies, ICAI
Hosted by: Jamnagar Branch of WIRC of ICAI & Jamnagar Branch of WICASA
THEME: शिष्योपनयन - DAWN OF A PUPIL

DAY-1

10:00 am - 11:45 am	**Technical Session I :** Forensic Audit & Fraud Detection: Chairman: **CA. Chetan Dalal,** Mumbai **Topics:** Watch dog vs. Blood hound – a Paradigm Shift, Forensic Audit & IT tools available
12:00 pm - 13:45 pm	**Motivational Session : Mr. Jay Vasavada**
14:30 pm - 15:30 pm	**Interaction and Open House with Board of Studies** **CA. Babu Abraham Kallivayalil,** Chairman, BoS & **CA. Dhiraj Kumar Khandelwal,** Vice Chairman; BoS
15:30 pm - 17:15 pm	**Technical Session II** : Is Indian Economy Striding towards a better future?: **Chairman: CA. Ameet Patel,** **Topics: 1.** Being *Swadeshi* – Make in India **2.** Digitalizing Indian Economy – Power to Empower

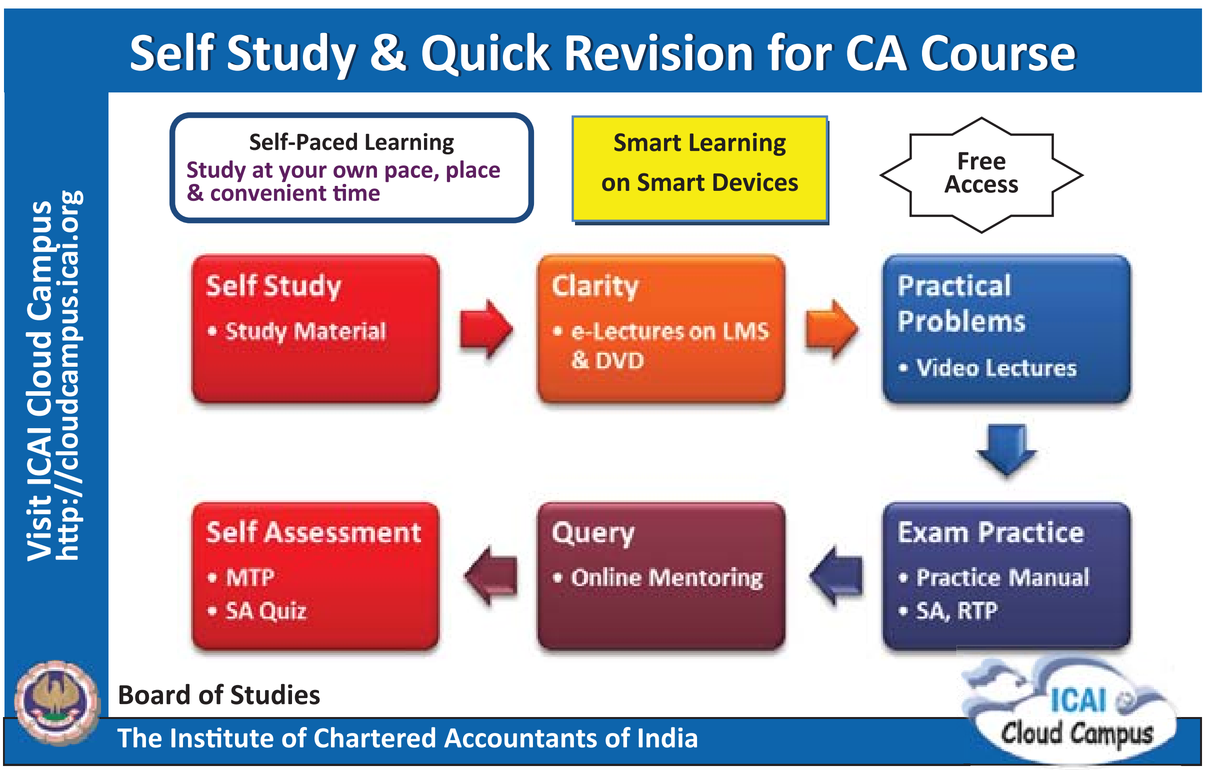
Day - 2

9:00 am - 11:00 am	**Technical Session III** : Facets Of Financial Markets: **Chairman: CA. Anand Sakle,** Mumbai **Topics: 1.**Usefulness of Foreign Exchange in Import & Export **2.** Stock Index – Trading Strategies **3.** Overview of Commodity Derivatives.
11:15 am - 12:45 pm	Panel Discussion on Demonetization Drive
13:30 pm - 15:30 pm	**Technical Session IV :** The Game Changer Tax Reform – GST: **Chairman: CA. Jigar Shah,** Ahmedabad, **Topics: 1.** Concept of Supply **2.** Input Tax Credit **3.** Are we geared up for the GST Transition?

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

Registration fees	₹ 600/- per student	Accommodation (if required) @ ₹ 300 – ₹ 1,000/- per student
Payment Mode	Cash/DD/Cheque to be drawn in favour of **Jamnagar Branch of WIRC of ICAI,** payable at **Jamnagar** Or Details for Direct Deposit / Transfer into Bank Account: Name of Bank Account: **Jamnagar Branch of WIRC of ICAI**, Account no.: **18940100007110,** IFSC Code of the bank.: **BARB0KHODIY** (zero '0' & the letter 'O'), Name of the bank: **Bank of Baroda** Complete Address of the Bank: **Khodiyar Colony, Jamnagar**, Nature of Account: **Savings** Phone :- 0288-2713333 , 91 94299 77233 & Email :- jamwicasa@gmail.com / jamnagar@icai.org	

CA. Babu Abraham Kallivayalil, Chairman, BoS & **CA. Dhiraj Kumar Khandelwal,** Vice-Chairman; BoS; **CA. Dhinal Ashvinbhai Shah,** CCM & Conclave Convener; **CA. Pradeep K. Agrawal,** WICASA Chairman & Conclave Co Convener; **CA. Bhavik Dholakia** & **CA. Shraddha Mehta,** Conclave Coordinators.



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

National Convention for CA Students at - MUMBAI

30th and 31st December, 2016

BHAIDAS HALL, VILE PARLE EAST, MUMBAI

Organized by: Board of Studies, ICAI
Hosted by: Western India Regional Council of ICAI
THEME: TOGETHER.......... WE CAN

DAY-1

10:00 am - 11:00 am	**Inaugural Session** **Chief Guests: CA. Niranjan Hiranandani**, Founder, Hiranandani Group, Mumbai **CA. M. Devaraja Reddy**, President, ICAI **Guests of Honor: CA. Nilesh Shivji Vikamsey**, Vice-President, ICAI **CA. Babu Abraham Kallivayalil**, Chairman, BoS **CA. Dhiraj Kumar Khandelwal**, Vice-Chairman, BoS
11:00 am - 12:30 pm	**Technical Session I: Societal Dimension:** **Chairman: Padma Shri CA. T. N. Manoharan**, Past President, ICAI
12:30 pm - 1:00 pm	**Special Session I** - Professional Brotherhood Dimension **Chairman: CA. Babu Abraham Kallivayalil**, Chairman, BoS **CA. Dhiraj Kumar Khandelwal**, Vice-Chairman, BoS **CA. Pradeep Agrawal**, Chairman, WICASA, WIRC
2:00 pm - 3:00 pm	**Special Session II-** Motivational Dimension: Exploring Possibilities: **Chairman : CA. Mangesh Pandurang Kinare,** CCM & **Key Note Speaker: Prof. Himanshu Rai,** Dean MISB, Bocconi, Italy
3:00 pm - 5:30 pm	**Technical Session II** - Taxation Dimension: **Chairman: CA. N. C. Hegde,** CCM **&** **Key Note Speaker: CA. Harish Motiwala**, Past CCM, ICAI

DAY-2

10:00 am - 10:30 am	**Special Session III**- Global Dimension: Global Opportunities for an Indian Chartered Accountant **Chairman: CA. Prafulla P. Chhajed,** CCM & **Key Note Speaker: CA. Kamlesh Vikamsey**, Past President, ICAI
10:30 am - 12:15 pm	**Technical Session III** : Foresighted cum Techno-Savvy Dimension: **Chairman: CA. Anil Bhandari,** CCM
12:15 pm - 1:00 pm	**Special Session IV** : Self Introspection Dimension: Being Human: **Chairman : CA. Tarun Ghia,** CCM **& Key Note Speaker: Dr. Pawan Agrawal**, International Motivational Speaker & Management Guru, Mumbai
2.00 pm - 4.00 pm	**Technical Session IV**: Traditional Dimension: **Chairman: CA. Nihar Jambusaria,** CCM **Topics: 1**. Internal Financial Controls- Issues & Challenges **2.** Indian Accounting Standards (IND AS)-Challenges **3.** Case Studies in Business Re-Structuring Techniques
4:00 pm - 5:30 pm	**Special Session V: Panel Discussion - What after CA?: Moderator – CA. Jay Chhaira**, CCM, **CA. Monika Gupta**, Sr. Manager, Business Strategy, MIS & Internal Control, at B4U Television Network, **CA. Sandhya Upadhyay** – AVP, Birla Sunlife Insurance Co. Ltd., **CA. Rohit Agrawal**, Vice President, HDFC Bank -Risk & Operation, **CA. Abhijit Sanzagiri** – Practicing CA , **CA. Rahul Singhania,** Deputy Commissioner of Income Tax, **CA. Surojit Ray,** CEO Pristine Corporate Training Solutions -Management Trainer, **CA. Santosh Sharma,** CFO, DHFL.

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

Registration fees	₹ 600/- per student	Outstation Students, accommodation is available on extra payments, students are requested to inform by sending email to wicasa@icai.in& register in advance
Payment Mode	Cash/DD/Cheque to be drawn in favour of WIRC of ICAI , payable at Mumbai Or for Online Registration visit Website www.wirc-icai.org, Phone 022-33671424/17 & Email-wircevents@icai.in	

CA. Babu Abraham Kallivayalil, Chairman, BoS & **CA. Dhiraj Kumar Khandelwal,** Vice-Chairman, BoS; **CA. Shruti Shah,** Chairperson**,** WIRC Convention Convener & **CA. Pradeep K. Agrawal,** WICASA Chairman & Convention Coordinator.

The Institute of Chartered Accountants of India (ICAI)

ICAI Commerce Wizard-2016: A Talent Search Test

Organised By: **Career Counseling Committee, ICAI**

For Details and Registration please visit the Exclusive Website for ICAI Commerce Wizard, 2016: ***icaicommercewizard.com***

The Commerce Talent Search Test called as Commerce Wizard -2016 is a diagnostic test that measures the concept understanding ability of a student. Unlike regular tests which try only to find out how much a child knows, this test measures how well a student has understood the concepts.

Eligibility: Students appearing in class IX/X/XI/XII examination

Online Registration

Registration Fees : ₹100/- upto 31.12. 2016
There After : ₹150/- upto 05.01. 2017

The Commerce Wizard will be conducted in English language at two levels for Students studying in Class IX & X and XI & XII separately:

Class	Test Level	No. of Questions	Duration	Subjects	Mode	Negative Marking	Max. Marks	Pattern
IX & X	Level-1	100	1 Hr 15 Min	Business Studies, Mathematics, Current Economic affair & Aptitude	Online	0.25	100	Objective - type (Multiple Choice) questions
	Level-2	100	1 ½ hour		Pen & Pencil	0.25	100	
XI & XII	Level-1	100	1 Hr 15 Min	Business Mathematics, Economics, Fundamentals of Accounting & Aptitude	online	0.25	100	
	Level-2	100	1 ½ hour		Pen & Pencil	0.25	100	

Important Dates & Timing for the aforesaid test:

First Level	**Date: 08th Janury, 2017 (Sunday)** **Timing:** I. 10.45 a.m. to 12.00 Noon for Class IX & X Students II. 4.15 p.m. to 5.30 p.m. for Class XI & XII Students
Second Level	**Date: 15th January, 2017 (Sunday)** **Timing:** 2.30 p.m. to 4.00 p.m.

Date Extended

Please visit Website :
icaicommercewizard.com

Prizes for Participants

Level 1 Test

- Every candidate appeared for the First level test will get a participation certificate

Level 2 Test- for Class IX & X and Class XI & XII students separately

- **1st Rank holder will be awarded with ₹ 1, 00,000/-** , if multiple winners are there, the prize amount will be shared by them. If more than 20 joint rank holders for the same, the awardee will at least awarded with the cash prize of ₹ 5,000/- along with a certificate.
- **2nd Rank will be awarded with ₹ 50,000/-,** if multiple winners are there, the prize amount will be shared by them. If more than 20 joint rank holders for the same, the awardee will at least awarded with the cash prize of ₹ 2,500/- along with a certificate.
- Next Top 1000 will be awarded with consolation Award will be awarded worth ₹500/- along with a certificate.
- Participation Certificate will be given to each participant appeared for the second level test.

Other Important Dates:

Award Ceremony: Award Ceremony will be held at Delhi NCR tentatively in the month of January/ February, 2017

ICAI/Test Management Committee reserves the right to change in any of the modalities cited above.

Chairman
Career Counseling Committee, ICAI

For any Query please contact:
Secretary, Career Counselling Committee, The Institute of Chartered Accountants of India
ICAI Bhawan, A-29, Sector 62, Noida (U.P.) - 201309, Mobile No. 09312085025, Telephone (O): 0120-3876871
Email: ccc.events@icai.in, ccc.secretary@icai.in

Secret of Success

World is moving very fast
Make use of this feast
Try to learn everyday
You will see miracle one day

When you are in difficulty,
And life encounters your works,
Remember! You are already a winner
Now don't behave like a quitter.

Definitely, you will face black days,
But use the black to see the remaining colours
Then only life becomes bright
That's what the meaning of life is. Right?

There are no secrets
There are only facts
Make use of your brains
Soon your life becomes Prosperous.

Kondru Ramadasu
ICAI Student Reg.No. SRO0473065

Zindagi sona nahi hai

Swati Kureel
ICAI Student Reg.No. CRO0462323

Zindagi sona nahi hai,
Jo soya hai wo khoya hai,
Jo jaga hai wo paya hai.

Sone ki khwahish hai dil mei,
To sone ko nikalo toh ankho se,
Sona hi sone ka dushman dikhega,
Chodkar sona, tum dekho toh khuli ankho se.
Kyuki,
Zindagi sona nahi hai,
Jo soya hai wo khoya hai,
Jo jaga hai wo paya hai.

So so kar sone walo ne,
Kiya samay ka naash jo,
Aaj manate shok usi ka,
Jispar karte the khushi ka ehsas wo.

Jaago, dekho, sapne hote hai saakar tabhi,
Jo chodkar apni priyatam nidra,
Karte hai kashto ka upbhog kabhi.

Meri mano,jaago kholo ankho ko,
Jo band thi, ab tak, aaj, abhi.
Kyuki mere dost,
"Zindagi sona nahi hai,
Jo soya hai wo khoya hai,
Jo jaga hai wahi paya hai."

All India Conference for CA Students - ERNAKULAM

16th & 17th DECEMBER, 2016
FINE ARTS HALL, ERNAKULAM

Organized by: Board of Studies, ICAI
Hosted by: Ernakulam Branch of SIRC of ICAI and Ernakulam Branch of SICASA of ICAI
THEME: VEDANTA- THE ULTIMATE KNOWLEDGE

DAY-1

09:30 am – 10:30 am	**Technical Session – I** **Session Chairman : CA. Jay Chhaira,** Central Council Member, ICAI **Special Motivational Session: "India calling-Are you Ready?"**
10:30 am – 12:15 pm	**Inaugural Session:** **Chief Guest: Shri Justice P. Sathasivam,** Hon'ble Governor of Kerala. **Guest of Honor: CA. M Devaraja Reddy,** President, ICAI **Key Note Address: CA. Nilesh S. Vikamsey,** Vice President, ICAI
12:15 pm – 01:30 pm	**Interaction and Open House with** **CA. M. Devaraja Reddy,** President, ICAI **CA. Nilesh S. Vikamsey,** Vice President, ICAI **CA. Babu Abraham Kallivayalil,** Chairman, Board of Studies, ICAI **CA. Dhiraj Kumar Khandelwal,** Vice Chairman, Board of Studies, ICAI
02:30 pm – 03:30 pm	**Technical Session – II : NRI Taxation Laws** **Session Chairman: CA. G. Sekar,** Central Council Member, ICAI **Topics:** Loans and Investments, Taxation & Outward remittances for NRIs
03:30 pm – 04:30 pm	**Special Motivational Session**
04.30 p.m to 05:45 p.m.	**Technical Session – III : Indirect Taxes** **Session Chairman: CA. Madhukar N. Hiregange,** Central Council Member, ICAI **Topics:** a) Evolution, Emergence and Impact of GST on Indian Tax System & Economy b) Credit under GST reforms

DAY-2

9:00 am – 10:15 am	**Technical Session – IV : Audit & Financial Reporting** **Session Chairman: CA. M.P. Vijay Kumar,** Central Council Member, ICAI **Topics:** a) Ind AS vs. AS- "Relevance, Applicability & Critical Issues" b) Reporting on Internal Financial Controls of Companies.
10:15 am – 11:30 am	**Technical Session - V** **Session Chairman: Padma Shri CA. T. N. Manoharan,** Past President, ICAI **Topic:** Dream, Design and Decode the Alchemist within
11:30 am – 01:00 pm	**Technical Session – VI : Capital Market** **Session Chairman: CA. Rajesh Sharma,** Central Council Member, ICAI **Topic:** Analysis of risks, Challenges involving in Capital Market
02:00 pm – 03:15 pm	**Technical Session – VII : Direct Taxes** **Session Chairman: CA. R. Bupathy,** Past President, ICAI **Topics:** a) Income Computation and Disclosure Standards (ICDS) b) Taxation of Shares & Securities.
03:15 p.m. to 04.15 p.m.	**Technical Session – VIII : Corporate Law** **Session Chairman: CA. Sripriya Kumar,** Central Council Member,ICAI **Topic:** Role of Auditor in corporate world – Appointment, Retirement and Responsibility.

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

Registration fees	₹ 300/- per Student, upto 10-12-2016 ₹ 400/- per student after 10-12-2016 ₹ 700/- for Others	Accommodation (if required) Standard : ₹ 500/- per person Premium : ₹ 1000/- per person
Payment Mode	Cash/Demand Draft/Cheque to be drawn in favour of **Ernakulam Branch of SIRC of ICAI payable at Ernakulam**	

For Registration Queries Contact:
Ernakulam Branch of SIRC of ICAI, ICAI Bhawan, Diwans Road Cochin- 682016, Kerala
Phone No-:+91-484-2369258/38, 2372953; Email :ernakulam@icai.org **Website: www. kochiicai.org**

CA. Babu Abraham Kallivayalil Chairman, Board of Studies, ICAI	**CA. Dhiraj Kumar Khandelwal** Vice-Chairman, Board of Studies, ICAI	**CA. Jomon K. George** Secretary, SIRC of ICAI
CA. T. N. Suresh Chairman, Ernakulam Branch	**CA. M. P. Ittyrah** Member, Board of Studies	**CA. Renjith R. Warrier** Chairman Branch SICASA

RNI NO. 66180/1997

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Posting Date: Last three days of advance month & first 04 days of current month, Date of publication: 26th of previous month

CROSSWORD - DECEMBER 2016

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ACROSS

1. According to section 128 of the Companies Act, 2013, the books of account of every company shall be kept in order for a minimum period of _______ financial years.
5. A means of raising money by selling numbered tickets, one or some of which are subsequently drawn at random, the holder or holders of such tickets winning a prize.
10. One of business schools in India.
11. Expressed
14. Dividends declared after the balance sheet date but before the approval of financial statements, are disclosed in the _______(s).
15. Stage
18. A partnership in which some or all partners (depending on the jurisdiction) have limited liabilities.
20. Grip
21. The rate of .... in respect of a company, being a unit located in IFSC and deriving its income solely in convertible foreign exchange, would be 9%.
23. Latin phrase meaning that is.
24. _______ selection is one of the sample selection methods in which the auditor selects the sample without following a structured technique.
26. A solar power generating company.
27. CRISIL is India's leading ______ agency.
29. Miss out.
31. One of India's export items since Independence.
32. The ratio of a company's share price to its per-share earnings is called _____ ratio.
33. If someone looks at something through rose-____(ed) glasses, they see only the pleasant parts of it.
34. Informally termed as web address.
35. Target
36. Hem
38. _____ curve is a macroeconomic tool that shows the relationship between interest rates and assets market.
40. ____ is a recording and playing standard for video cassette recorders.
41. A psychometric employment test consisting of questionnaire designed to measure four personality factors or vectors: aggressiveness, sociability, emotional control and social adaptability
42. An investment vehicle offered by mutual funds to investors, allowing them to invest using small periodically amounts instead of lump sums.
43. "Relationship Matters" is the slogan of ------- (in) social networking site.

DOWN

1. A fixed payment amount made by a borrower to a lender at a specified date each calendar month.
2. The part of the mind in which innate instinctive impulses and primary processes are manifest.
3. A noun used to describe the United States Army, Air Forces and Marines soldiers.
4. A telecommunication medium used for transmitting moving in two or three dimensions and sound.
5. The 2016 Summer Olympics was held in ____, Brazil.
6. According to AS 15, ________ assumptions are required to measure the obligation under Defined benefit plan.
7. Charge for service
8. A financial instrument provided by banks which provides investors with a higher rate of interest than a regular savings account, until the given maturity date.
9. Abscond
12. An individual auditor may be appointed by the company for _______ term of five consecutive years.
13. Reckless
15. Frolicsome
16. Bhutan uses the unique concept of Gross National _______ to measure the country's development.
17. Fight
19. Cover
20. Spoof
21. Item will be considered as a ________ item if it affects decisions made by users of financial statements.
22. One of the trigonometric identities.
25. _____ is the highest summit in Shimla region of Himachal Pradesh, India
28. As the price of a product increases, its quantity demanded decreases; given all other things constant, is the famous Law of _____.
30. A formal organization composed of parents, teachers and staff that is intended to facilitate parental participation in a school.
32. A mathematical constant, the ratio of a circle's circumference to its diameter, commonly approximated as 3.14159.
35. Behave uncontrollably and disruptively.
37. Chart of geographic area.
39. A group of computers and associated devices that share a common communications line or wireless link to a server.
40. Roman numeral for 6.

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