



Gurugram Branch of ICAI

The Institute of Chartered Accountants of India

(Set up by an act of parliament)

CA STUDENTS CONFERENCE 2017

**Theme: Nurturing Values and Integrity-
Attaining Excellence in Professional Pursuits**

15th & 16th December 2017

Govt. Girls College, MG Road, Gurugram



Organized By : Board of Studies, ICAI

Hosted By : Gurugram Branch of NIRC of ICAI



CA STUDENTS CONFERENCE 2017

Theme: Nurturing Values and Integrity-Attaining Excellence in Professional Pursuits

Dates: 15th & 16th December, 2017 | Venue: Govt. Girls College, Sector-14, MG Road, Gurugram

Time	Particulars
Day 1, 15th December 2017	
09.00 am to 10.00 am	Registration
10.00 am to 10.30 am	Inaugural Session
10.30 am to 12.00 pm	Technical Session 1 Session Chairperson : CA. Rohini Aggarwal Topic: GST Time, Value and Supply Under GST, Input Tax Credit and Transitional Provisions, Post GST Regime
12.00 pm to 13.00 pm	Special Session: 1 - BOS Presentation and Interaction with Board of Studies. CA. Atul Kumar Gupta, Chairman, BOS 1. How to crack CA Examination, 2. Activities of BoS
13.00 pm to 14.00 pm	Special Session: 2 Guest Speaker : Mr. Subhash Jagota Motivational Session and "How CA Profession help them to reach on Self-Actualization Stage"
14.00 pm to 14.30 pm	Networking Lunch
14.30 pm to 16.00 pm	Technical session 2 Session Chairman : CA. Anil Gupta Topic: Auditing Rotation of Auditors, Special Audit, Reporting on Frauds and Disclosure requirements for demonetization transactions, Types of Audits
16.00 pm to 17.15 pm	Special Session 3 Guest Speaker : CA. Anant Marwah Importance of Article Training
17.15 pm to 17.30 pm	Followed By High Tea
Day 2, 16th December 2017	
09.30 am to 10.00 am	Registration
10.00 am to 11.30 am	Technical Session 3 Session Chairman : CA Sanjiv K. Chaudhary (CCM) Topic: Direct Tax Ways of Tax Planning, Recent Changes in Income Tax law & Tax Audit
11.30 am to 12.30 pm	Special Session 4 Guest Speaker : CS. Govind Mishra Success Stories and New Opportunities
12.30 pm to 14.00 pm	Technical Session 4 - CA. Naveen N. D. Gupta, Vice-President, ICAI (Session Chief Guest) Session Chairman : Mr. Sanjeeva Shivesh Topic: Start Up and Make In India
14.00 pm to 14.30 pm	Networking Lunch
14.30 pm to 16.00 pm	Technical Session 5 Guest Speaker : CA. Ravinder Agarwal Topic: Insolvency and Bankruptcy Code Overview, Process of Resolutions of cases, Regulation of Constituents
16.00 pm to 16.30 pm	Special Session 5 Guest Speaker : CA. Charanjot Singh Nanda Ethical Values in Profession
16.30 pm to 17.30 pm	Valedictory Session Chief Guest : Shri Krishan Pal Gurjar (Member of Parliament) Hon'ble Minister of State for Social Justice and Empowerment
17.30 pm to 18.00 pm	Followed By High Tea



SNo	Content	Page No
1	President's Message	04
2	Vice-President's Message	06
3	Joint message, Chairman, BOS and Vice Chairman, BOS	07
4	Composition of Board of Studies for the Term 2017-18	08
5	Gurugram Branch at a Glance	24
Technical Session 1		
6	ITC UNDER GST	62
7	GST- Input Tax Credit	66
8	Time, Place & Value of Supply under GST	70
Technical Session 2		
9	Auditing	74
10	Rotation of Auditors	81
11	Special Audit Techniques	85
12	Reporting on Frauds and Disclosure Requirements for Demonitisation Transactions	88
Technical Session 3		
13	Ways of Tax Planning	93
14	Ways of Tax Planning	97
15	Manual on Tax Planning	101
Technical Session 4		
16	Start Up And Make In India	106
17	Start Up And Make In India	109
18	Start Up In India	114
19	Start-up India & Make in India – Future of New generation	117
Technical Session 5		
20	Insolvency And Bankruptcy Code 2016	124
21	Insolvency And Bankruptcy Code 2016	130
22	Insolvency And Bankruptcy Code	134
23	Insolvency And Bankruptcy Code 2016	137



CA. Nilesh Shivji Vikamsey

President, ICAI (2017-2018)



Dear Students,

Chartered Accountancy has always been regarded as one of the most respectable and sacrosanct professions. With a progressive shift in economy in the last two decades, the role of Chartered Accountants has significantly enhanced in all spheres of economy, be it business, industry, financial services, banking, insurance, Government, NGOs, and especially in the corporate sector.

Today, Chartered Accountants are perceived as consultants/advisors to the management in the areas like Mergers and Acquisitions, Business Diversification, Risk Assessment, Costing, Valuation and International Taxation. Being students of a dynamic and challenging profession, you have to be consistent and sincere in your efforts, pragmatic in your approach to achieve academic excellence and professional integrity.

ICAI your alma mater: your mentor

ICAI is committed to guide you to become outstanding and well-rounded professionals. Apart from bringing out academic inputs like Study Material, Revision Test Papers, Practice Manuals, e-lectures, webcasts and conducting Mock Tests, the Board of Studies (BoS) of ICAI also conducts various other programs for your holistic development including National Conferences and contests like the National Talent Hunt besides various other activities for students.

In this direction, I am pleased to know that the Board of Studies of ICAI along with Gurugram Branch of Northern India Regional Council is organizing CA Students' Conference during December 15 -16, 2017 at Gurgaon. The theme for the conference is aptly titled "Nurturing Values & Integrity - Attaining Excellence in

Professional Pursuits". My compliments to the Chairman, Managing committee members of the branch and all the organizers for hosting this Conference.

Practical Training: Hallmark of the Profession

The article-ship training which is an integral part of the Chartered Accountancy curriculum gives you extensive practical exposure that helps in to cultivate a professional acumen to apply theoretical concepts prudently in real situations. The exposure helps you to comprehend technical concepts and hone your communication skills leading to improved performance in the examinations. Practical training provides hands on experience giving you the winning edge and confidence that helps you to evolve as a confident student and prepares you for the transition from being a student to a competent and technically proficient professional. Remember what Swami Vivekananda said, "We may read books, hear lectures, and talk miles, but experience is the one teacher, the one eye-opener." Practical training is your learning ground where you learn the practical aspects of the profession from your Principal. Thus, you should learn and follow the valuable guidance you receive during practical training.

Revised Scheme of Education and Training: The future beckons....

With an objective to meet current and future industry requirements and to synchronize the syllabus as prescribed by International Accounting Education Standards Board (IAESB), the institute has revamped



the syllabus and scheme of the Chartered Accountancy course to introduce **“Revised Scheme of Education and Training”**. This revised scheme has been launched by the Hon'ble Prime Minister of India Shri Narendra Modi ji on 1st July, 2017. This would help to position our Indian Chartered Accountants at par with global accounting professionals opening new vistas globally.

I am quite hopeful that the “Revised Scheme of Education and Training” shall meet the society and industry expectations and prepare the students to confront future challenges.

Strive for Excellence

Excellence is about setting a high standard for yourself in whatever you attempt and focusing on getting better by the day. It is about realizing your maximum potential i.e. what you are and what you can become. As students, you have your strengths and weaknesses both but most often your degree of success depends on how you are utilizing your strengths for the given tasks. Possessing the necessary talent and capability will not suffice, these are mere prerequisites; you will have to work hard towards excelling in your talent to prove that you truly deserve what you desire. To achieve your dreams, you will have to train yourself to excel, pushing yourself inch by inch, and improving your performance by the day.

Excellence is becoming the centre of your own universe, shining your light into the world using your unique talents.

I am sure that the sessions/activities at the Conference would give you comprehensive exposure and help to understand and appreciate the diverse points of view. Active participation in this Conference would prove invaluable in honing and fine-tuning your

communication skills besides providing a wonderful platform for expressing your views and building camaraderie with fellow CA students.

All the best for your future pursuits,

CA. Nilesh S. Vikamsey

President, ICAI



CA. Naveen N. D. Gupta
Vice President, ICAI (2017-18)



I am delighted to know that the Board of Studies of the Institute, in association with the Gurugram Branch of Northern India Regional Council is organizing a two day CA Students' Conference at Gurugram on 15th & 16th December, 2017. The theme **“Nurturing Values & Integrity - Attaining Excellence in Professional Pursuits”** of the Conference is very pertinent & inspirational, encouraging the students to imbibe ethics with professional knowledge, to excel in every sphere of life. Conferences of this nature are forums for students to supplement their base knowledge, develop holistic personality and learn essential life skills, through interaction with senior faculty and fellow peers to shine in professional world.

Our Institute has always taken great steps to sow the seeds of awakening in all the students for their bright future. This Conference is a perfect forum for students to showcase their talent and sharpen their skills. The topics of the Conference are very relevant and helpful to the students, so as to synergize their skills and knowledge for shaping up as a better Chartered Accountant. The programme structure is an ideal combination of technical and special motivational sessions, and will immensely benefit the participating students to listen to some of the esteemed faculties and experts on various topics of contemporary and professional relevance.

I wish the Conference all the success.

Message



CA. Atul Kumar Gupta
Chairman, Board of Studies

JOINT MESSAGE, CHAIRMAN,
BOARD OF STUDIES AND VICE
CHAIRMAN, BOARD OF STUDIES
FOR CA STUDENTS' CONFERENCE



CA. Mangesh P. Kinare
Vice-Chairman, Board of Studies

Once Nelson Mandel said, **“Education is the most powerful weapon you can use to change the world”**. Course of Chartered Accountancy is a right direction step you have taken to see your empowerment simultaneous with feeling of self-actualisation of serving the society.

Being Chartered Accountant, a conscious keeper of society to see the integrated and prudent reporting, usually called as watchdog of economy. It is always endeavour of ICAI to shape and support its students in their chase of visionaries and successful professionals. Our advice will be to concentrate on your article training which is backbone of our profession and your success.

The Board of Studies (BoS), being academic wing of the ICAI, always been a trend-setter in Innovating and implementing various programmes for the knowledge enhancement of its students. It has its multifarious activities to keep the students always abreast of the developments around the world in the field of Accountancy Profession. The initiatives it takes for the cause are release of well researched study materials, revision test papers, practice manuals, e-Lectures, webcasts, conduct of mock tests. Besides providing various academic inputs, the BoS also aims at making its students outstanding & well rounded professionals. Towards the achievement of this goal, it organizes various programs, conferences, National Talent Hunt and Quiz contests.

We are happy that the BoS is organizing a two-day Conference for CA Students. Theme of conference **“Nurturing Values & Integrity- Attaining Excellence in Professional Pursuits”** is aptly chosen. Attending the Conference will definitely help the students in grooming their personality and get motivated with rich experience will be shared by blend of experienced speakers from Industry and profession.

Being the future of accountancy profession, you should understand **“Desire is the key to motivation, but its determination and commitment to an unrelenting pursuit of your goal- a commitment of excellence – that will enable you to the success you seek”**.

We wish the Conference all the success.



Name & Address



CA. Nilesh Shivji Vikamsey
President (Ex-Officio)
M/s. Khimji Kunverji & Co.
Sunshine Tower, Level 19
Senapati Bapat Marg (Tulsi Pipe Road)
Elphinstone Road,
Mumbai - 400 013.

Contact Details

Ph.	+91 (22) 6143 7333
Mobile	+91 9323332552
Fax	+91 (22) 6143 7300
E-Mail	nilesh@kkc.in
Resi. Ph.	+91 (22) 2410 5521, 2410 5523



CA. Naveen N. D. Gupta,
Vice President (Ex-Officio)
B -4 , Gulmohar Park,
New Delhi - 110049

Ph.	+91 (11) 4611 1000
Mobile	+91 9810689998
Fax	+91 (11) 46111099
E-Mail	naveen@dassgupta.com;
Resi. Ph.	+91 (11) 46111099



CA. Atul Kumar Gupta, FCA
Chairman, Board of Studies
7th Floor, Income Tax Building,
Udyog Minar, Near Shankar Chowk,
Udyog Vihar, Phase-5, NH-8,
Gurugram-122 016.

Ph.	+91 (0124) 4477824-25
Mobile	+91 9810103611
E-Mail	atul@servicetax.net



CA. Mangesh Pandurang Kinare, FCA
Vice-Chairman, Board of Studies
102, Yashwant Tower CHS,
1st Floor, Opp. Gurukul Rickshaw Stand,
Panch Pakhadi, Thane (West),
Mumbai – 400 602.

Ph.	+91 (22) 25412102
Mobile	+91 98690 70539
Fax	+91 (22) 24327101
E-Mail	kinareca@rediffmail.com, mangesh.kinare@icai.in, mangesh@icai.org, mangesh.kinare@gmail.com



CA. Jay Chhaira, FCA
3rd Floor, Platinum Plaza
Opp. V.T. Choksi Law Collage
Athwalines
Surat – 395 007

Ph.	+91 (261) 2210532
Mobile	+91 9825196241
E-Mail	jaychhaira@yahoo.com



CA. Prafulla Premsukh Chhajed, FCA
Off. No.3, Vimal Udyog Bhavan,
"B" Wing, 2nd Floor, Opp. Star City
Matunga (West)
Mumbai – 400 016.

Ph.	+91 (22) 24361274
Mobile	+91 9821090612, 9320350007
Fax	+91 (22) 24361274
E-Mail	pchhajed@yahoo.com, praful.fca@gmail.com



Name & Address

Contact Details



CA. Tarun Jamnadas Ghia, FCA
101, Amrapali Building
Near GPM College, Opp. Masjid
Telli Galli, Andheri (East)
MUMBAI - 400 069

Ph.	+91 (22) 2684 6993
Mobile	+91 9821345687
Fax	+91 (22) 2684 6993
E-Mail	tarunghiaca@yahoo.co.in



CA. Nandkishore Chidamber Hegde, FCA
Indiabulls Finance Centre,
Tower 3, 28th Floor,
Senapati Bapat Marg,
Elphinstone Road West,
Mumbai - 400 013

Ph.	+91 (22) 62451040
Mobile	+91 98204 23420
E-Mail	nhegde@deloitte.com



CA. Dhiraj Kumar Khandelwal, FCA
Lotus Corporate Park,
1st Floor, Wing A-G,
CST No. 185/A, Jay Coach
Off. Western Express Highway
Goregaon - East
Mumbai - 400 063.

Ph.	+91 (22) 2927 7196/97
Mobile	+91 98676 42684
E-Mail	kdhiraj123@yahoo.co.in, info@cadhiraj.com, dk@cadhiraj.com



CA. Babu Abraham Kallivayalil, FCA
M/s. Babu A. Kallivayalil & Co.
2nd Floor, Manchu Complex
P. T. Usha Road
Kochi - 682 011

Ph.	+91 (484) 2363 119, 2380 868
Mobile	+91 9846035333, 9446066600
Fax	+91 (484) 2380 868
E-Mail	babucentralcouncil@gmail.com; babu.kallivayalil@gmail.com



CA. M. Devaraja Reddy, FCA
Flat No. 303, Siddhu Residency
5-9-42/2, Bank of India Lane, Hillfort,
Street No. 2, Basheerbagh
Hyderabad - 500 063

Ph.	+91 (40) 2321 2135/0336
Mobile	+91 9849001289, 9399935799
E-Mail	devarajareddy@icai.in



CA. Madhukar Narayan Hiregange, FCA
1010, II Floor,
(Above Corporation Bank)
26th Main, 4th "T" Block, Jayanagar
Bengaluru - 560 041.

Ph.	+91 (80) 41210703, 2653 6404, 2653 6405
Mobile	+91 98450 11210
E-Mail	madhukar@hiregange.com mhiregange@gmail.com



CA. K. Sripriya, FCA
B 6, Gems Court,
14, Khader Nawazkhan Road
Nungambakkam,
Chennai - 600 006

Ph.	+91 (44) 42636892
Mobile	+91 98410 26973
E-Mail	sripriya@spka.in, casripriyak@gmail.com



Name & Address

Contact Details



CA. M. P. Vijay Kumar, FCA
G-2, Shree Vishnu Apartments,
12, 12th Cross Street,
Dhandeeswaram Nagar, Velachery,
Chennai – 600 042

Ph.	+91 (44) 42184334
Mobile	+91 98402 51223
E-Mail	mpv@icai.in



CA. Ranjeet Kumar Agarwal, FCA
Metro Tower, 4th Floor,
170, Central Avenue,
Near M G Road Metro Station,
Kolkata – 700 007.

Ph.	+91 (33) 22730164
Mobile	+91 98301 40211
E-Mail	ranjeet.airan@gmail.com rka.icai@gmail.com;



CA. Sushil Kumar Goyal, FCA
4 B, B D Bagh East
4th Floor, Room No. 64
Stephen House
Kolkata – 700 071

Ph.	+91 (33) 22624632
Mobile	+91 98300 88400, 9903403821
E-Mail	skgoyal@icai.org



CA. (Dr.) Debashis Mitra, FCA
Harabala Road,
Ulubari, Guwahati – 781 007
Kolkata Office:
Nichtpur House, 6, Andul Raj Road,
Opp. Basusree Cinema,
2nd Floor, Kolkata-700026.

Ph.	+91(33)65416310, (361)2603 098
Mobile	+91 98640 94551, 9831890318
E-Mail	smitra101@gmail.com;



CA. Shyam Lal Agarwal, FCA
438 & 439, Mahima Trinity,
Swey-Farm, New Sanganer Road,
JAIPUR – 302 019

Ph.	+91 (141) 2293 116
Mobile	+91 9414053163
Fax	+91 (141) 2293 116
E-Mail	shyamjpr@gmail.com



CA. Mukesh Singh Kushwah, FCA
III RD – J-50, Nehru Nagar
Behind Pawan Cinema Hall
Ghaziabad – 201 001

Ph.	+91 (120) 2366 942
Mobile	+91 98104 70274, 93104 70274
Fax	+91 (120) 2366 942
E-Mail	cakushwah@gmail.com



CA. Manu Agrawal, FCA
27, Naveen Market
Above Baluja Footwear,
Kanpur – 208 001.

Ph.	+91 (512) 2304 058
Mobile	+91 94150 44675
E-Mail	manufca@gmail.com



Name & Address



CA. Prakash Sharma, FCA
323 & 324, Ganpati Plaza
M. I. Road
Jaipur – 302 001

Contact Details

Ph.	+91 (141) 2389 180, 2389 181/82/8
Mobile	+91 99290 97300; 96495 11111
E-Mail	sharmaprakashca@yahoo.com



CA. Sanjiv Kumar Chaudhary, FCA
Partner, International Tax and Regulatory
M/s. B.S.R. & Company
Building No.10, Tower B
8th Floor, DLF Cyber City, Phase-II
Gurugram – 122 002
Haryana

Ph.	+91(124) 7191004
Mobile	+91 9810127362
Fax	+91 (124) 2549101
E-Mail	schaudhary@bsraffiliates.com



CA. Vijay Kumar Gupta, FCA
Kumar Vijay Gupta & Co.
304, SSR Corporate Park
13/6, Mathura Road
Near NHPC Chowk
Faridabad- 121 003

Ph.	+91 (11) 23314525, +91 (129) 2254007-11
Mobile	+91 9810050029
Fax	+91 (11) 2331 4525
E-Mail	vkgupta2004@yahoo.co.in caguptavijay@gmail.com;



CA. Rajesh Sharma, FCA
325, Dhruva Apartments
4, Patparganj
Delhi – 110 092.

Ph.	+91 (11) 26522099
Mobile	+91 98102 77394, 93102 77394
E-Mail	rajeshsharmaca@rediffmail.com; rajeshsharmaca14@gmail.com;



Dr. P. C. Jain,
House No. 82 B, Pocket No. 4,
Mayur Vihar, Phase 1,
Delhi – 110 091

Ph.	+91 (11) 22716570
Mobile	+91 9873245000
E-Mail	pcjain1049@gmail.com;



Dr. Ravi Gupta,
E-6 A (LGF), Kailash Colony
New Delhi 110 048

Ph.	+91 (11) 2924 2413
Mobile	+91 98100 60708
E-Mail	ravirrg@gmail.com

Coopted Members



CA. Ashwani Kumar Jindal
498-LA Model Town
Near Geeta Mandir,
Jalandhar-144003

Mobile	+91 9876063350
E-Mail	cajindal@gmail.com



Name & Address

Contact Details



CA. Deepak R. Shah
603, Arun Chambers, 6th Floor, P
andit Madan Mohan Malviya Marg, Tardeo,
Mumbai-400034

Mobile	+91 9820148356
E-Mail	cadeepakshah@gmail.com;



CA. Viral Kiran Mehta
Office No: 11,12 & 13, 2nd Floor, Meadows
House, Meadows Street,
Tamarind lane, Flora Fountain, Fort,
Above Ankur Restaurant,
Mumbai -400 001.

Ph.	+91 (22) 67495271
Mobile	+91 9819619296
E-Mail	viral@kiranmehtaca.com



CA. Ajay Kumar Alipuria
Ajay Alipuria & Co.,
Chartered Accountants,
SCO-31-32A, Budhadal Shopping Complex,
Lower Mall, Patiala-147 001.
Punjab

Mobile	+91 9814107842
E-Mail	ajayalipuria@gmail.com



CA. Rajiv Dagar
SCO No. 61, 4th Floor,
Old Judicial Complex,
Sector 15,
Gurgaon-122001.

Mobile	+91 9818280137
E-Mail	carajivdagar@gmail.com



CA. S. Dhananjayan
MSS and Co.,
Chartered Accountants,
RG Chambers First Floor,
5, Valipalayam 2nd Street,
Tiruppur – 641601, Tamil Nadu

Mobile	+91 9894770920
E-Mail	mssandco@gmail.com



CA. Deendayal Agrawal
B-1202, Ground Floor, Shastri Nagar,
Delhi - 110052

Mobile	+91 9810028042
E-Mail	cadeendayalagrawal@gmail.com



CA. J. P. Sharma,
2nd Floor, Vypar Lalji Hirji Road, Ranchi,
Jharkhand - 8340001

Mobile	+91 9334460555
E-Mail	jpsharmaca@gmail.com;
Phone	+91 (651) 2201322



Name & Address

Contact Details

Special Invitees



CA. Shiwaji Bhikaji Zaware, FCA
Zaware's Professional Academy (India) LLP,
Office No. 38, Indulal Complex
Lal Bahadur Shastri Road
Navi Peth, Pune – 411 030.

Ph	+91 (20) 2453 6105, 2453 0586
Mobile	+91 9822047131
E-Mail	sbzaware@icai.org, casbzaware@gmail.com;



CA. G. Sekar, FCA
G. Sekar Associates,
No.27, "Shri Guru Padhuka"
Akbarabad Second Street
Kodambakkam,
Chennai – 600 024.

Ph	+91 (44) 2483 7667, 2484 7667
Mobile	+91 9940177776, 9282104800
E-Mail	sekarg.gurukripa@gmail.com



CA. (Dr.) Sanjeev Singhal
C-2/164, West Enclave, Pitampura, Delhi
– 110034.

Mobile	+91 9811565606
E-Mail	Sanjeev.singhal@in.ey.com



CA. Ashok Sharma
311, Deepshikha,
8, Rajendra Place,
New Delhi-110 008.

Mobile	+91 9811078559
E-Mail	As5a82@yahoo.com



CA. Charanjot Singh Nanda
7/24, South Patel Nagar,
New Delhi-110 008.

Mobile	+91 9811130985, 9311130986
E-Mail	csnanda@gmail.com;
Phone	+91 (11) 64644450-51-53



CA. Kapil Kumar Bhagirath
Batra Deepak & Associates
Chartered Accountants
1-B, 1/17, Lalita Park,
Laxmi Nagar, Vikas Marg,
Delhi-110092.

Mobile	+91 9811445455
E-Mail	kkbhagirath@yahoo.com;
Phone	+91 (11) 22425771, 42487292



CA. Nilesh Shivji Vikamsey

President, ICAI (2017-2018)



A person of professional vigour, high integrity and technical expertise, CA. Nilesh Shivji Vikamsey has been elected as new President of The Institute of Chartered Accountants of India (ICAI) by its 23rd Council for the term 2017-18 on 12th February 2017. While serving the ICAI Council as a member since 2010 and then as Vice-President of the Institute in 2016-17, he has proven his strength as a formidable professional. Having gained deep insights into the profession as a fellow member of the ICAI with more than 30 years of impeccable professional standing, he is widely commended and credited for his key role in student uplift activities and conceptualization and devising of a new futuristic CA Curriculum.

A selfless hard-worker and down-to-earth personality bestowed with exceptional professional prudence, organisational, administrative and leadership skills, he has been elected to the Central Council for three consecutive terms (i.e. 2010-13, 2013-16 and 2016-19). As a Council Member, he has exceptionally served the ICAI and the accountancy profession as Chairman of Board of Studies, Financial Reporting Review Board, Research Committee and Expert Advisory committee. He has also been noted for his distinguished contribution in the capacity of Vice Chairman of Corporate Laws and Corporate Governance Committee, Committee on Accounting Standards for Local Bodies, Committee on Banking Insurance and pension, Committee on Information Technology and Board of Studies in the past.

Besides, CA. Vikamsey has also effectively served the cause of accountancy profession as a member of 27 ICAI committees during his tenure as Council Member so far. These committees include the Executive Committee, Finance Committee, Accounting Standards Board, Auditing and Assurance Standards Board, Committee for Cooperatives and NPO sectors, Corporate Laws and

Corporate Governance Committee, Committee on Economic, Commercial Laws and WTO, Expert Advisory Committee, Financial Reporting Review Board, Committee on International Taxation, Committee for Members in Industry, Professional Development Committee and Management Committee. Other such committees have been Disciplinary Committee (under Section 21B), Examination Committee, Audit Committee, Internal Audit Standards Board, Public Interest Advisory Committee, Peer Review Board, Continuing Professional Education Committee, Technology Development Committee, Committee on Vision and Restructuring, Ind-AS (IFRS) Implementation Committee, Research Committee, International Affairs committee, Indirect Taxes Committee, Editorial Board, Committee on Government Accounting and Committee on Management Accounting.

CA. Vikamsey has always dazzled his fellow members with his humble down-to-earth approach to connect with people, and brilliant and uninterrupted service to the profession. A resident of Mumbai, he has actively partnered in the growth of the nation and the profession as member and first Chairman of the Qualified Audit Report Committee (QARC) of SEBI, and as a member of Committee on Disclosures and Accounting Standards (SCODA) of SEBI, LLP Committee of Ministry of Corporate Affairs (MCA), Committee Constituted by Ministry of Corporate Affairs pertaining to certain issues raised regarding applicability of foreign investment in the LLPs, Committee for Digitization of Balance Sheet & Annual Reports filed with MCA through MCA-21, Working Group for developing Indian Specific ACORD Standards for the Indian Insurance Market of IRDA, Committee on Road Map for Risk Based Solvency



Approach in Insurance of IRDA, First Chairman of the then newly formed Corporate Members Committee of The Chamber of Tax Consultants (CTC) and also on the Managing Council of CTC in 2007-08, Project Implementation Committee to pursue the implementation of 'Accrual Accounting' in the Ministry of Road Transport & Highways constituted by Ministry of Road Transport & Highways and Ministry of Shipping, Merger & Acquisition (M&A) Council constituted by ASSOCHAM. He is also appointed as Director in XBRL India, Accounting Research Foundation(ARF) and Indian Institute of Insolvency Professionals (IIPI). He is ICAI's representative on Government Accounting Standards Advisory Board (GASAB) for Union and the States constituted by C & AG of India and also representing ICAI on XBRL Technical Advisory Committee (XTAC) of SEBI. He is a member of Insurance Regulatory & Development Authority (IRDA). He is also a member of Audit Advisory Board of C&AG.

A proponent of putting Indian accountancy profession on global map, CA. Vikamsey has passionately represented the profession on the international front at several global meetings and conferences. With a global outlook and vision, he has been appreciated for his work as Chairman of Education & CPD Committee of South Asian Federation of Accountants (SAFA) and as Representative of ICAI on the Committee for Improvement in Transparency, Accountability and Governance (ITAG) of SAFA. In addition to serving as member of AOSSG (Asian-Oceanian Standard-Setters Group), he has also been serving as Technical Advisor of the ICAI nominee to the IFAC's SMP Committee.

As President of ICAI, CA. Vikamsey is now the Chairman of all Standing Committees of the ICAI including Executive, Finance and Examination Committees and the Presiding Officer of Board of Discipline (under Section 21-A), Disciplinary Committee (under Section 21-B) and Chairman of Disciplinary Committee (under Section 21D). He is also an ex-officio Member of all Non-Standing Committees of the ICAI

and Editor of The Chartered Accountant journal. He is also the new Chairman of Board of Directors of ICAI-ARF (Accounting Research Foundation) as well as of XBRL India.

A propagator of harnessing professional skills for the growth of the nation and society, CA. Vikamsey has also been closely associated with Indian Merchants Chamber, WIRC of ICAI, The Chamber of Tax Consultants, Bombay Chartered Accountants Society, and Bombay Chamber of Commerce & Industry, as a key contributor in many ways. He has also been a Member/Convenor of more than 15 Study Groups formed by the ICAI including the Group for suggesting Uniform Accounting Policies to RBI for Asset Reconstruction Companies, Group for Suggestions on Companies Act 2013 and Electoral Reforms Group and Group for Review of Examination Process.

A thorough professional, CA. Vikamsey holds a Diploma in Information System Audit (DISA) of the ICAI besides having done Business Consultancy Studies course of the Bombay Chartered Accountants Society jointly with Jamnalal Bajaj Institute of Management Studies (JBIMS), Mumbai.

As an avid academic, CA. Vikamsey has addressed and contributed to numerous national and international seminars and conferences on the issues of professional interest. He has been a Founder Member and Core Committee Member of Chembur Chartered Accountants Study Circle of WIRC, which had won the Best Study Circle Award consistently for over a decade. He is a Trustee at Sayagyi-U-Ba-Khin Memorial Trust (Vipassana International Academy) and at few other educational trusts in Mumbai.



CA. Naveen N. D. Gupta

Vice President, ICAI (2017-18)



A man of professional wisdom, vision and strong organisational skills with a firm belief in all-inclusive growth of Indian accountancy profession, CA. Naveen N. D. Gupta is the new Vice-President of The Institute of Chartered Accountants of India (ICAI) for the term of 2017-18. He has been elected Vice-President of ICAI by the 23rd Council of the Institute on 12th February 2017.

An all India Rank Holder and a member of the ICAI since 1996, CA. Naveen N. D. Gupta is widely commended and credited for his facilitating role in making the Income Disclosure Scheme, 2016 a success, in close coordination with the Government of India which was acknowledged by the Finance Minister through tweet.

CA. Naveen N. D. Gupta has always amazed his fellow members with his youthful and down-to-earth approach towards profession. A resident of New Delhi, CA. Gupta has been elected by for a straight third term of the Central Council of ICAI (2016-2019), the earlier terms being 2010-13 and 2013-16. As a Council Member, he has served the ICAI as Chairman of various committees including Direct Taxes Committee, Public Relations Committee; Committee on Economic, Commercial Laws & WTO, Peer Review

Board; and Committee for Capacity Building of CA Firms and Small & Medium Practitioners. He has also been appreciated for his distinguished contribution as Vice-Chairman of Audit & Assurance Standard Board, Professional Development Committee, Internal Audit Standards Board, Continuing Professional Education Committee, and Board of Studies.

An articulate professional and contributor, he has effectively served the cause of accountancy profession as member of several ICAI committees during his tenure as Council Member so far, which include Disciplinary Committee (under Section 21B), Accounting Standards Board, Examination Committee, Committee on International Taxation, Expert Advisory Committee, and Committee on Public Finance & Government Accounting.

Known for his technical contribution in many subjects, he steered the drafting of IFRS compliant Schedule III to the Companies Act, 2013, Ind-AS compliant Schedule III for NBFC, Ind-AS -114 on Regulatory Deferral Accounts and Guidance Note on Accounting for Rate Regulated Activities as Convener. He was also Convener of ICAI Group to assess Impact on business of moving to New Finance Year for submitting suggestions to Acharya Panel of Government



of India. He is also credited for initiating and starting two Certificate Courses on “Intellectual Property Rights” and “Anti Money Laundering Laws” for ICAI.

He represented ICAI in many important committees constituted by the Government Ministers/ Regulators and contributed important suggestions for the overall benefit of the economy. He represented ICAI on Committee for Preparation of Manual for the guidance of Official Liquidators of Ministry of Corporate Affairs (MCA), BimalJalan Report Implementation Technical Committee of MCA to advise Government of India on ownership and governance of Market Infrastructure Institutions (MII), Standing Committee on TDS, Central Board of Direct Taxes to advise Government of India on improving compliance of TDS provisions and also Member of high powered Group under Chairpersonship of Additional Secretary (Revenue) to make the legislative and administrative framework of the country more effective and capable of handling the new evolving threats to prevent money laundering including black money and shell companies and countering financing of terrorism.

Having multifarious skills, CA. Naveen ND Gupta has been widely commended for exhibiting professional brilliance at all assigned tasks and responsibilities at national as well as international levels. Towards enhancing branding and recognition at global arena he is instrumental in organising India – African Partnership: Conclave with Ambassadors / High Commissioners of African Continent Nations wherein represent-

atives of various African countries have participated, and also organized Global Exhibition on Services which provided an effective platform to showcase Indian Accounting Profession. A proponent of putting Indian accountancy profession on global map, he has passionately represented the profession on international circuit at a number of global platforms including Committee on Harmonization of Fiscal & Tariff Regimes at South Asian Federation of Accountants, IFAC’s International Accounting Education Standards Board as an observer, International Congress of International Institute of Administrative Sciences, Mexico, Annual Congress of European Federation of Accountants & Auditors in Amsterdam, and Annual congress of Global Reporting Initiative in Amsterdam, WTO Public Forum at WTO Headquarters at Vienna.

Widely known for his professional acumen and technical expertise, CA. Gupta has addressed and contributed to numerous national and international seminars and conferences on the issues of professional interest.

As the Vice President of the ICAI, CA. Naveen N. D. Gupta is now the Vice-Chairman of all Standing Committees of the ICAI including Executive, Finance and Examination Committees, and the ex-officio Member of all Non-Standing Committees of the ICAI and Joint Editor of The Chartered Accountant journal. He is also Director on ICAI-Accounting Research Foundation and XBRL India.



CA. Atul Kumar Gupta

Chairman, Board of Studies, ICAI (2017-18)

Mr. Atul Kumar Gupta is a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India, besides a Law Graduate. He is also member of various other professional bodies and Institutions. A thorough scholar, Mr. Gupta secured All India Rank at the CA Intermediate level. He has addressed more than 900 Seminars, workshops & conferences, organized by Various Professional Bodies, Institutions and Trade & Professional Associations & Chambers across India. He has been awarded many times for his contribution to the profession. He is also the founder of a weekly updates – “Do You Know Series” (DYKS) relating to Indirect Taxes.

Mr. Gupta has authored several books, few of prominent are:

1. Comprehensive Guide on Service Tax (14th Edition).
2. GST- Concept and Road Map (2nd Edition) forwarded by Finance Minister of India. with Lexis Nexis Publisher

His articles have also been published in leading newspapers and various professional magazines across the country.

Presently, Mr. Gupta is a Central Council Member of the Institute of Chartered Accountants of India and Chairman of the Board of Studies and IT Committee of ICAI besides member of more than 15 Committees of the Institute. **He is also a member of the Advisory Committee for GST in GSTN Board (Government of India IT Initiative for implementation of GST in India) besides, Member of the Finance Committee of Delhi Management Association.**

He has served as Chairman of the NIRC of two prestigious institutes, Institute of Chartered

Accountants of India (2010-11) and Institute of Cost Accountants of India (2004-05). Mr. Gupta is also the Director of Accounting Research Foundation (ARF) of ICAI for promoting research in the fields of Accounting and XBRL India.

Mr. Gupta represented ICAI in SAFA, The Institute of Chartered Accountants of England and Wales, CIOT and FRC (UK), CPA (Ireland), XBRL International, American Accounting Association for various Professional development initiative.

Special Achievements

- As Director of Accounting Research Foundation of ICAI acted as Project Leader for first ever project of conversion from Cash basis to Accrual based Financial Statement of Indian Railway. Financial Statement for NWR Zone of Indian Railway released by Hon'ble Minister of Railways.
- As Director of XBRL India, represented India at XBRL International at various forums.
- As Consultant to Ministry of Power, conducted a “comprehensive study on Impact of GST on power Sector” and represented before GST Council, Government of India.
- Served as Chairman of Indirect Taxes Committee of ICAI for two consecutive year i.e. 2014-15 and 2015-16.
- Presently chairing a special task force in ICAI named “Cost Optimization” to bring in Concept of “Outcome Budgeting”.
- Special Research conducted on a very important topic; “How to augment revenue in local bodies” to strengthen the back-bone of financing and community living in the Country.
- Special Research conducted on “early signal of fraud in banking Sector” to handle the menace of NPAs.
- Special Research conducted as Chairman, Indirect Taxes Committee on “Impact of GST on Jammu & Kashmir” and showcased the benefit for the State on implementation of GST there.



CA. MANGESH PANDURANG KINARE

Vice-Chairman, Board of Studies, ICAI (2017-18)



Mangesh Pandurang Kinare is a Bachelor of Commerce and a Law Graduate. He is a Fellow Member of the Institute of Chartered Accountants of India. He also possesses the qualification of DISA (ICAI). He has been in practice for more than 25 years and the core area of his practice is on Service Tax, Audit and Consultancy.

A thorough academician, he had been a Lecturer of Accountancy in a leading Commerce College in Mumbai for nearly a decade and also a visiting faculty of Accountancy in reputed management colleges in Mumbai for two years. He had also delivered Lectures and Presented Papers at seminars organized by various Branches and study circles of WIRC of ICAI on Service Tax, Accounting Standards, Bank Audit and Co-operative Audit. He has delivered Lectures and is Panel Speaker at Refresher Courses of Mumbai University Staff Training.

He had also been appointed by Education Ministry of Govt. of Maharashtra, as a member of 'Fee Regulation Committee' for regulation of fees in Schools in Maharashtra.

He was elected to the Central Council of ICAI for the term 2016-19. He served as a member of Executive Committee of ICAI (2016-17) and as member of a Bench of Disciplinary Committee of the Institute. He has also served as Vice Chairman of Committee of Co-operatives & NPO in addition to serving as member of various other Committees such as Board of Studies, Direct and Indirect Tax and Auditing and Assurance Standard Board and Internal Audit Standards Board and this year as Vice Chairman, Board of Studies. He has also been nominated as member of 16 other Committees and

as Deputy Convener of Women Members Empowerment (Sub-Group under CCBMP).

Before his election to the Central Council, he has served as Chairman of Western India Regional Council during 2013-14 and as Secretary of WIRC during 2010-11. He had also served as Member of WIRC for three consecutive terms.

He had also served as Chairman of various important Committees of WIRC of ICAI.

He was instrumental for the introduction of CPT Mock Test on OMR Sheets first time in ICAI in 2010. He was the Pioneer in starting GMCS Course on in house basis in WIRC. As Chairman of Research & Publication Committee, he gave a new look to WIRC Reference Manual.

A person with a journalistic bend of mind, he has contributed several articles on Service Tax in Marathi Dailies and has been an expert speaker on Service Tax and Budget in Panel Discussions of various TV channels.



Dear Students,

Chartered Accountancy is one of the most revered professions over the world and the Institute of Chartered Accountants of India has achieved recognition as premier accounting body globally. You are the beauty of our profession. The more you groom, more our profession will shine. Your thoughts, attitude, feelings and awareness will matter a lot for the growth of our profession and its presence over the world.

I welcome all of you to Guru Gram (village of Guru Dronacharya, royal guru of Pandavas and Kauravas) to learn and share. It is a great moment for the Gurugram Branch to host this event of CA students in Gurugram and we are very excited to host it in a grand manner. This event will surely benefit to overall personality development of the students.

I am very grateful for our respected Shri Krishan Pal Gurjar (Member of Parliament), Hon'ble Minister of State for Social Justice and Empowerment for his precious time and presence in the CA Students Conference 2017.

I am very thankful to Board of Studies for giving us the opportunity to host this prestigious conference. I feel highly obliged to Hon'ble President CA. Nilesh Shivji Vikamsey, Vice President CA. Naveen N. D. Gupta, Chairman BOS CA Atul Kumar Gupta, and Vice Chairman CA MANGESH PANDURANG KINARE for their guidance and help in hosting the CA Students Conference 2017.

I appreciate the timeless efforts of all students who are working day and night for success of this event. I also admire the time and hard work of the branch staff. I also congratulate and thank all the participants, paper presenters and students team. It is really a big event for us and our entire team has been working for success of this CA Students Conference 2017.

I hope you will enjoy the CA Students Conference 2017 to the fullest and wish you best of fun, food, knowledge and memories to be cherished.



CA. Sandeep Garg

(Chairman)

Gurugram Branch of NIRC of ICAI

Managing Committee

CA. Sandeep Garg - Chairman
CA. Rakesh K. Agarwal - Vice Chairman
CA. Manish Goyal - Secretary
CA. Arun Aggarwal - Treasurer
CA. Naveen Garg - Executive Member
CA. Vipul Jain - Executive Member
CA. Amit Gupta - Executive Member
CA. Lalit Aggarwal - Executive Member

Ex-Officio Members

CA. Sanjeev Chaudhary
- Central Council Member
CA. Nitin Kanwar
- NIRC Member
CA. Yogita Anand
- NIRC Member
CA. Alok Jain
- NIRC Member



Dear Students,

A very warm welcome to all

It's a matter of great pride for all us that the Gurugram Branch of ICAI is hosting the CA Students Conference 2017 for the CA students being organized by Board of Studies with the theme **"Nurturing Values and Integrity-Attaining Excellence in Professional Pursuits"** on 15th and 16th December 2017.

This Convention will definitely prove to be immense benefit for the students and will also explore the inherent abilities of every student participating in the convention as it gives them a forum and a platform to showcase their viewpoints, knowledge and experience.

The theme of the convention **"Nurturing Values and Integrity-Attaining Excellence in Professional Pursuits"** is said to be the most appropriate wordings for our young achievers who want to excel in their field. Today, the Chartered Accountants are not only the backbone of Indian financial system but are also an 'Institution of Public Trust' besides being 'conscience keepers of economy'.

I am thankful to BOS, all the members, branch bearers, branch staff and student volunteers who have helped us in hosting this convention and hopeful that with proper co-operation and coordinated efforts of all, this convention will be a great success.

I hope that the deliberation at convention will help in overall development of all the participants to become true professionals.



CA. Rakesh K. Agarwal

(Vice-Chairman)

Gurugram Branch of NIRC of ICAI

Managing Committee

CA. Sandeep Garg - Chairman
CA. Rakesh K. Agarwal - Vice Chairman
CA. Manish Goyal - Secretary
CA. Arun Aggarwal - Treasurer
CA. Naveen Garg - Executive Member
CA. Vipul Jain - Executive Member
CA. Amit Gupta - Executive Member
CA. Lalit Aggarwal - Executive Member

Ex-Officio Members

CA. Sanjeev Chaudhary
- Central Council Member
CA. Nitin Kanwar
- NIRC Member
CA. Yogita Anand
- NIRC Member
CA. Alok Jain
- NIRC Member

Dear Students,

Finally the most awaited moment i.e. the most memorable day CA Students Conference 2017 for CA Students has come with its inspiring theme **“Nurturing Values and Integrity-Attaining Excellence in Professional Pursuits”**

“I believe the students are our future, teach them well and let them lead the way.” CA Students Conference will help the students to grow into tomorrow’s leaders and hence the entire team has been focusing on the students activities which will prove to be of immense benefits for the students. Our main aim in hosting this event is to encourage the students to emerge with a greater comprehension and knowledge. The students in this **Conference** would derive maximum possible benefits, learn new insights and clear their doubts. It is important for the upcoming Chartered Accountants to come with new creative ideas and to grab new opportunities for achieving their goals set for their future. This Conference will help them in achieving all these to the fullest.

I thank Hon’ble President CA. Nilesh Shivji Vikamsey, Vice President CA. Naveen N. D. Gupta, Chairman BOS CA Atul Kumar Gupta, and Vice Chairman CA MANGESH PANDURANG KINARE and all other Central Council members and NIRC members for their guidance and help in hosting the conference. I thank all the chairman of technical sessions, all proud personalities of our profession and judges for sharing their knowledge and acumen with the students.

I appreciate the everlasting efforts of all Gurugram Branch Managing Committee members and all the students who have put their restless efforts in making this Conference a great success in grand manner. I also thank and congratulate all the participants, paper presenters and students team who have put their all efforts in making this conference a success. I hope that students will remember this convention in the time to come.

I extend my best wishes for the success of the convention and wish everyone a life filled with prosperity, growth and a wonderful career ahead.



Manish Goyal

CA. Manish Goyal

(Secretary)

Gurugram Branch of ICAI

Managing Committee

CA. Sandeep Garg - Chairman
CA. Rakesh K. Agarwal - Vice Chairman
CA. Manish Goyal- Secretary
CA. Arun Aggarwal - Treasurer
CA. Naveen Garg - Executive Member
CA. Vipul Jain - Executive Member
CA. Amit Gupta - Executive Member
CA. Lalit Aggarwal - Executive Member

Ex-Officio Members

CA. Sanjeev Chaudhary
- Central Council Member
CA. Nitin Kanwar
- NIRC Member
CA. Yogita Anand
- NIRC Member
CA. Alok Jain
- NIRC Member



Dear Students,

I welcome you all to the two days CA Students Conference 2017. It indeed will be a great experience and exposure for us to be part of this mega event in Gurugram.

I have strong belief that we are living in an era which shall be known in the history of this country as a inflection point in its economic well being. Times like these also throw great opportunities to the profession like ours. Presently, this fraternity of 2,70,000+ Chartered Accountants and 10,50,000+ CA students is best placed to be the “Partners in Nation building” along our visionary Prime Minister Sh Narendra Modi.

Our branch has been pretty active in the student related activities and this Conference is fourth in the annual series. These events help provide varied exposure to our students in both technical skills as well as soft skills in the professional life. These skills are extremely important to achieve success in the global environment where changes are imminent and quick. Events like these help provide a unique platform to students where they can exchange ideas and interact with each other.

I thank Hon’ble President CA. Nilesh Shivji Vikamsey, Vice President CA. Naveen N. D. Gupta, Chairman BOS CA Atul Kumar Gupta, Vice Chairman CA MANGESH PANDURANG KINARE and Central Council Members, NIRC members for their capable guidance and worthy support extended in hosting this convention in Gurgaon.

I thank all the chairman of technical sessions, all proud personalities of our profession and judges for sharing their knowledge and acumen with the students.

Team Gurugram Branch has put great efforts in making this conference a gala event.

This event wouldn’t have been possible without our energetic student volunteers who burnt their mid-night oil for more than a fortnight to make this event a reality. I salute you!



CA. Arun Agarwal

(Treasurer)

Gurugram Branch of NIRC of ICAI

Managing Committee

CA. Sandeep Garg - Chairman
CA. Rakesh K. Agarwal - Vice Chairman
CA. Manish Goyal- Secretary
CA. Arun Aggarwal - Treasurer
CA. Naveen Garg - Executive Member
CA. Vipul Jain - Executive Member
CA. Amit Gupta - Executive Member
CA. Lalit Aggarwal - Executive Member

Ex-Officio Members

CA. Sanjeev Chaudhary
- Central Council Member
CA. Nitin Kanwar
- NIRC Member
CA. Yogita Anand
- NIRC Member
CA. Alok Jain
- NIRC Member



Gurugram Branch Managing Committee 2017-2018



Standing from Left to Right:

CA. AMIT GUPTA– Executive Member, **CA. LALIT AGGARWAL**- Executive Member, **CA. VIPUL JAIN**– Executive Member, **CA. MANISH GOYAL**– Secretary, **CA. ARUN AGGARWAL**- Treasurer, **CA. NAVEEN GARG**– Executive Member, **CA. SANDEEP GARG**-Chairman, **CA. RAKESH K. AGARWAL**– Vice-Chairman

Gurugram Branch Student Team (2017-18)





Seminar on Bank Audit



Topic : "Seminar on Bank Audit"

Audience : Members

Led By : CA. Ajay Kumar Jain , CA. Amarjit Chopra

Date & Day : 14th March 2017, Tuesday



CA Students Seminar on Bank Audit



Topic : "CA Students Seminar on Bank Audit"

Audience : Students

Led By : CA. Ajay Kumar Jain

Date & Day : 19th March 2017, Sunday



Seminar on “Forensic Audit and Prevention of Frauds and Code of Conduct”



Topic : Seminar on “Forensic Audit and Prevention of Frauds and Code of Conduct”

Audience : Members

Led By : Mr. Alok Gupta, CA. Charanjot Singh Nanda, CA. Kanwaljeet Khurana

Date & Day : 25th March 2017, Saturday

Multispecialty Health Checkup Camp for Chartered Accountants



Topic : "Multispecialty Health Checkup Camp for Chartered Accountants"

Audience : Chartered Accountants & their family members

Date & Day : 08th April 2017, Saturday

National Conference on GST



Topic : National Conference on GST

Audience : Members

Led By : CA. Keshav Garg, CA. Atul Kumar Gupta, CA. Puneet Obrai

Date & Day : 21st April 2017, Friday



National Conference on GST



Topic : National Conference on GST

Audience : Members

Led By : CA. Ashok Batra, CA. Naveen Garg, CA. Rajesh K. TR

Date & Day : 22nd April 2017, Saturday





Sub Regional Conference of Haryana State on "Crusade Against Black Money"



Topic : "Sub Regional Conference of Haryana State on "Crusade Against Black Money"

Audience : Members

**Led By : CA. (Dr.) Girish Ahuja, CA. Amarjit Chopra (Past President ICAI) ,
CA. Ved Jain (Past President ICAI)**

Date & Day : 29th April 2017, Saturday



Residential programme on “Work Without Stress”



Topic : “Residential programme on “Work Without Stress”

Audience : CA Members & their families.

Led By : BK Madhu, BK Husain, BK Yesu, BK Khyati, BK Vidhatri, BK Lalit, BK Brij Mohan Bhaisahab

Date & Day : 13th & 14th May 2017, Saturday-Sunday

Certification Course on GST for CA Members



Topic : "Certification Course on GST for CA Members"

Audience : Chartered Accountants

Date : 03rd May 2017 - 27th May 2017



Refresher course on Goods and Services Tax for CA Students



Topic : Refresher course on Goods and Services Tax for CA Students

Audience : CA Students

Date & Day : 25th May 2017 - 27th May 2017



Seminar on "Income Computation and Disclosure Standards"



Topic : Seminar on "Income Computation and Disclosure Standards"

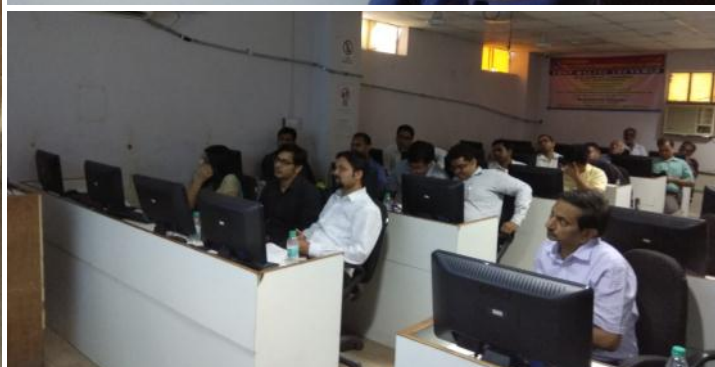
Audience : Members

Led By : CA. Sanjay Kumar Agarwal, CA. Pramod Jain

Date & Day : 26th May 2017, Friday



Group Discussion on “GST”



Topic : Group Discussion on “GST”

Audience : Members

Led By : CA. Sanjay Agarwal

Date & Day : 09th June 2017, Friday

Seminar on "Awareness Programme on Ind AS"



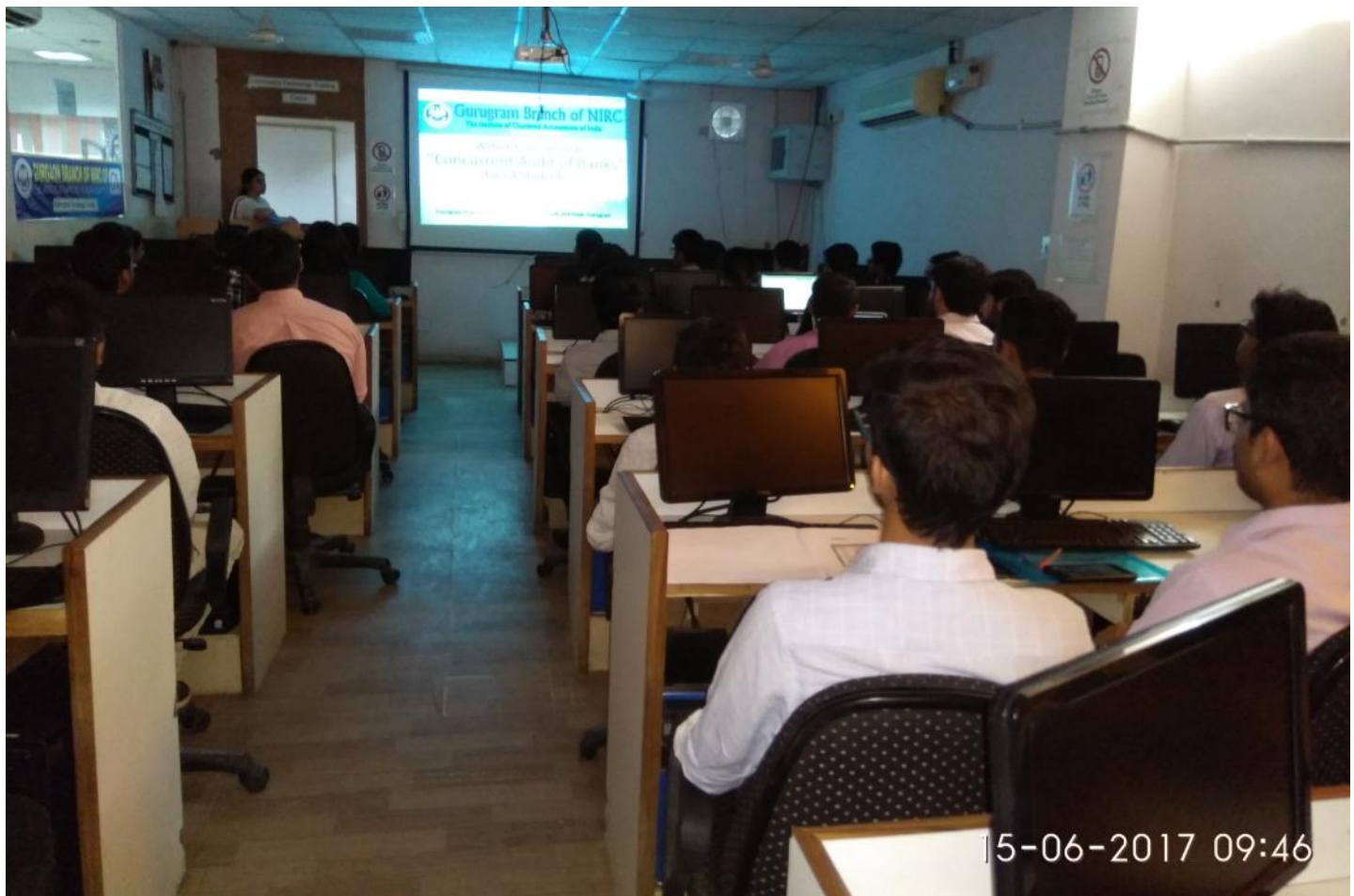
Topic : Seminar on "Awareness Programme on Ind AS"

Audience : Members

Led By : CA. Parveen Kumar & CA. Sanjeev Singhal

Date & Day : 10th June 2017, Saturday

Concurrent Audit of Banks in Present Scenario



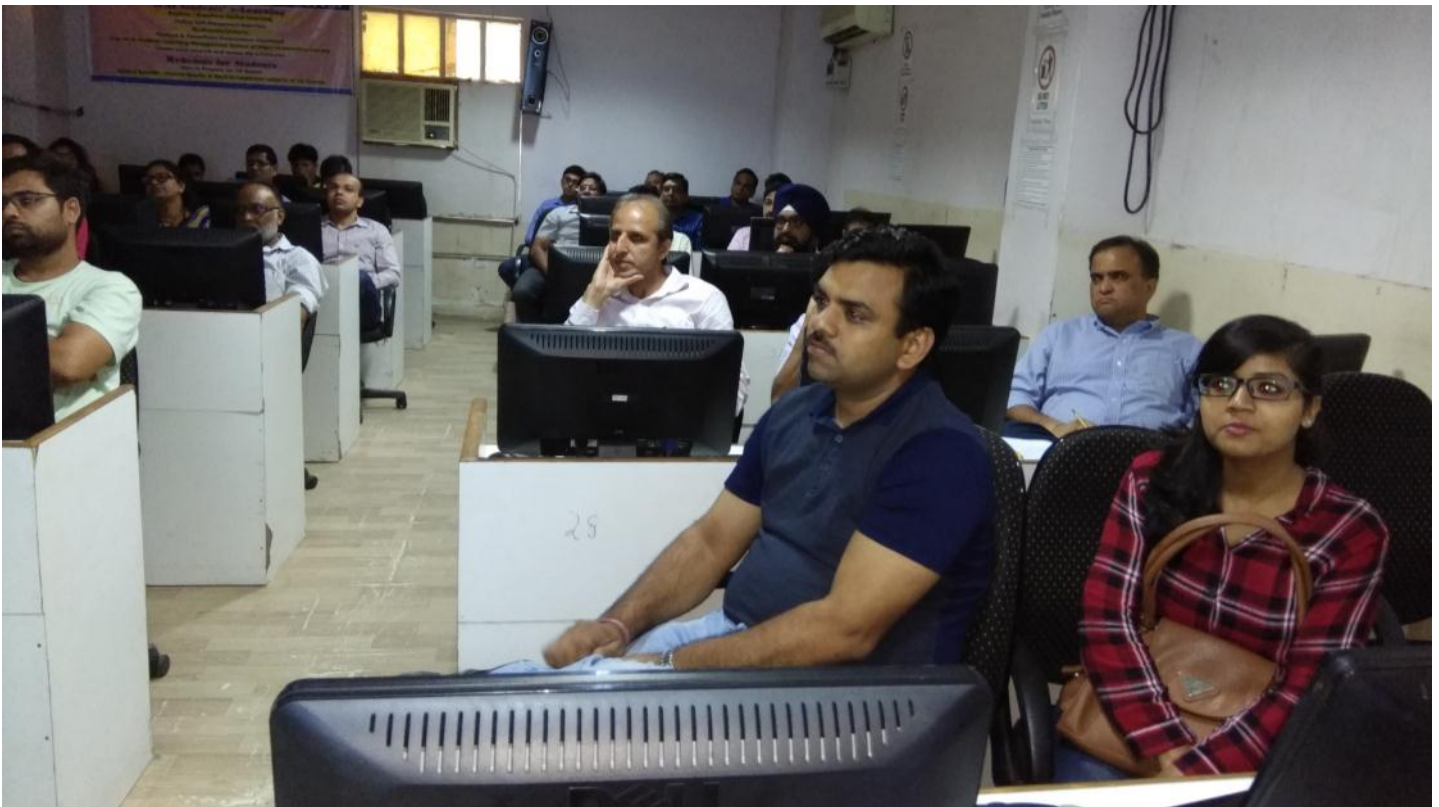
Topic : Concurrent Audit of Banks in Present Scenario

Audience : CA Students

Led By : Webcast (BOS, Faculty)

Date & Day : 15th June 2017, Thursday

Group Discussion on Transition Provisions Under GST-Practical Aspects



Topic : Group Discussion on Transition Provisions Under GST-Practical Aspects

Audience : Members

Led By : CA. Sanjay Agarwal

Date & Day : 16th June 2017, Friday



3rd International Yoga Day, 21st June 2017



Residential programme for Students on “Work Without Stress”, 21st June 2017



Seminar on "Awareness Programme on Ind AS"



Topic : Seminar on "Awareness Programme on Ind AS"

Audience : Members

Led By : CA. Sandip Khetan & CA. Archana Bhutani

Date & Day : 24th June 2017, Saturday

New Syllabus of ICAI – for Foundation, Intermediate and Final levels



Topic : New Syllabus of ICAI – for Foundation, Intermediate and Final levels

Audience : CA Students

Led By : Webcast (BOS, Faculty)

Date & Day : 27th June 2017, Tuesday

Cleanliness Drive - Swachh Bharat Abhiyan, 1st July 2017, 68th CA Day 2017



Distribution of old clothes to under privileged, 1st July 2017, 68th CA Day 2017



68th Chartered Accountants Day, 1st July 2017, Flag Hosting



68th Chartered Accountants Day, Flag Hosting



Audience : Members & CA Students

Day & Date : Saturday, 1st July 2017

Tree Plantation & Cleanliness Drive, 1st July 2017, 68th CA Day 2017





Seminar on “Income Tax Returns, Tax Audit & Assessment Proceeding”



Topic : Seminar on “Income Tax Returns, Tax Audit & Assessment Proceeding”

Audience : Members

Led By : CA. Kapil Goel & CA. Sachin Jain

Date & Day : 15th July 2017, Saturday

Workshop on "Goods & Service Tax "



Topic : Workshop on "Goods & Service Tax"

Audience : Members

Led By : CA. PUNEET AGARWAL & CA. SHASHANAK AGRAWAL

Date & Day : 22nd July 2017, Saturday

Group Discussion on “GST impact and implications for Real Estate Sector” & “Returns under GST”



Topic : Group Discussion on “GST impact and implications for Real Estate Sector”
& “Returns under GST”

Audience : Members

Led By : CA. Vishal Tayal & CA. Mohit Singhal

Date & Day : 04th & 08th August 2017, Friday

Seminar on "Insolvency and Bankruptcy Code and Real Estate (Regulation & Development) Act"



Topic : Seminar on "Insolvency and Bankruptcy Code and Real Estate (Regulation & Development) Act"

Audience : Members

Led By : CA. Ravinder Agarwal & CA. Gaurav Agrawal

Date & Day : 05th August 2017, Saturday

Annual General meeting of the Members (for year 2016-17)



Topic : Annual General meeting of the Members (for year 2016-17)

Audience : Members

Date & Day : 12th August 2017, Saturday



Led By : CA. Vishal Tayal | Date & Day : 12th August 2017, Saturday



Independence Day 2017



Audience : Members

Date & Day : 15th August 2017, Tuesday



Topic : Seminar on "Analysis and Regulatory issues under GST"

Audience : Members

Led By : CA. Sanjay Agrawal & CA. Ashish Chaudhary

Date & Day : 25th August 2017, Friday



Seminar on “CARO, Audit & Auditors under Companies Act 2013”



Topic : Seminar on “CARO, Audit & Auditors under Companies Act 2013”

Audience : Members

Led By : CA. Shashi Swahney & CS. Manoj Bisht

Day & Date : 02nd September 2017

Seminar on "Practical Aspects in ICDS & Tax Audit and Benami Transactions"



Topic : Seminar on "Practical Aspects in ICDS & Tax Audit and Benami Transactions"

Audience : Members

Led By : Sh. Suraj Bhan Nain & CA. Siddharth Jain

Date & Day : 23rd September 2017, Saturday

Three Days Residential Workshop on “Goods and Services Tax”



Three Days Residential Workshop on “Goods and Services Tax”

Audience : Members

Led By : CA. Atul Kumar Gupta, CA. Naveen Garg & CA. Puneet Oberoi

Date : 01st to 03rd October 2017

Seminar on "GST and Related Practical Aspects"



Topic : Seminar on "GST and Related Practical Aspects"

Audience : Members

Led By : CA. Charanjot Singh Nanda, CA. Alok Jain & CA. Kuldeep Sharma

Date & Day : 13th October 2017, Friday





MS. ARUSHI AGARWAL

CRO0577547

Input Tax Credit (ITC) is the backbone of the GST regime. GST is nothing but a value added tax on goods & services combined. It is these provisions of Input Tax Credit that make GST a value added tax i.e., collection of tax at all points after allowing credit for the inputs.

** WHAT EXACTLY DOES "ITC" MEANS ???

Input tax credit means at the time of paying tax on output, i.e. final product, you can reduce the tax you have already paid on inputs.

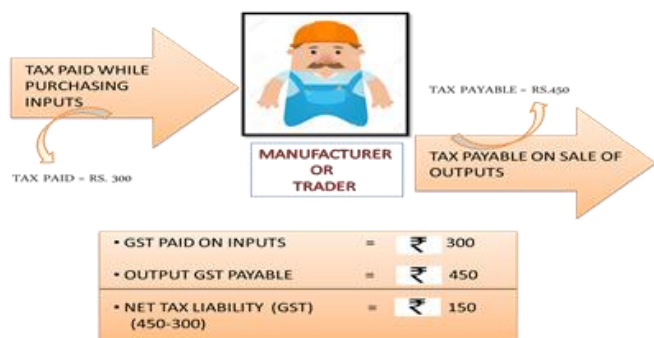
Eg:-

Say, you are a manufacturer –

tax payable on output (FINAL PRODUCT) is Rs 450

Already tax paid on input (PURCHASES) is Rs 300

You can claim INPUT CREDIT of Rs 300 and you only need to deposit Rs 150 in taxes.



Chapter V of the model law deals with ITC mechanism provisions where ITC has been defined as credit of IGST/CGST/SGST charged on any supply of goods and or services used or intended to be used in the course or furtherance of business and includes the tax payable under reverse charge.

Registered taxable person shall be eligible to avail ITC credited to the "e-credit ledger" subject to conditions prescribed without restrictions of availment (such as 50% of capital goods) as earlier in Cenvat credit rules.

The procedures and restrictions laid down in these provisions are important to make sure that there is seamless flow of credit in the whole scheme of transition without any misuse. Thus, the clarity of rules of availment and utilization will have significant impact on making GST a taxpayer-friendly tax. One of the biggest advantages expected from the implementation of GST Act is that it would remove cascading effect by facilitating seamless flow of credit. This would be given effect by providing for the availment of ITC to the purchasing dealer in respect of the GST paid by the supplying dealer and thus by removing the restrictions placed in the present Cenvat credit rules on availment of credit which lead to break in the credit chain and consequent cascading effect which further leads to increase in cost of goods and services.

Thus linking of invoice to invoice would eliminate any ambit for revenue leakage.

Existing Cenvat Credit Scheme – Shortcomings

⇒ Non-fungibility of input tax credit:

- Manufacturers / Traders are not eligible for input CST credit
- Service provider are not eligible for input VAT credit
- Service provider are not eligible for credit of SAD paid on imports
- Traders are not eligible for credit of input excise duty and service tax
- Traders are not eligible for credit of CVD paid on imports

⇒ Restrictive tax credits – non admissible tax credits

⇒ Cascading effect of taxes

⇒ High prices of goods/services for end consumers



Thus has lead to following changes in GST Regime -

Origin based tax : changed to Destination based tax

Loss of credit changed to Seamless credit

Tax cascading changed to Reduced cascading effect

PERSON ELIGIBLE FOR ITC

Person Eligible to take ITC:

- Registered Taxable person [Section 16 of CGST/ SGST Act]
- Person making zero rated supplies [Section 16(3) of IGST Act]

Person Not Eligible to take ITC:

- Non-registered taxable person
- Person having aggregate turnover below threshold limit
- Supplier under Composition Scheme
- Supplier exclusively engaged in making exempt or non-taxable supplies
- Agriculturist
- Government or any local authority making supplies specified in Schedule IV to MGL

Conditions for availing of ITC :

As specified in section 49,

- The dealer should be in the possession of taxpaying documents such as tax invoice, debit note ,etc., issued by supplier.
- Goods / service should have been received/ deemed to be received by the taxable person
- Tax charged on the invoice and should have been paid to the credit of government.
- Return should have been furnished by the tax payer as per section 39 in the FORM GSTR -2.
- Supplier has uploaded the relevant invoice on GSTN.
- The timelines for entitlement of credit against a particular invoice shall lapse on the expiry of one year from date of issue of invoice.

In case the recipient fails to pay to supplier of goods and services or both , other than that supply on which tax is payable based on reverse charge basis

then the supply and tax payable thereon ,within a period of 180 days from the date of invoice, shall be added to his output tax liability ,along with the interest thereon.

CONDITIONS TO AVAIL ITC



APPORTIONMENT OF CREDIT AND BLOCKED CREDITS :

If inputs/ capital goods are used partly for business and partly for other purpose ,then credit is available only to the extent as is attributable to the purpose of business

If inputs/ capital goods are used partly for effecting taxable supplies (incl. Zero rated supplies) & partly for exempt supplies ,then credit will be available only to the extent as is attributable to the said taxable supplies (incl. zero rated supplies)

BLOCKED CREDITS

Various exclusions to the definition of Input, Input service and Capital goods as per the CENVAT Rules introduced as blocked credits

List of blocked credits include :-

- Motor vehicles and conveyances except where used for supply of specified services
- Services such as beauty treatment, club membership, rent-a-cab
- Works contract services used for provision of services other than the said service



- Goods and services used for construction of an immovable property on own account
- Supplies on which tax is paid under composition scheme
- Goods and services received by non-resident person except imports
- Goods lost, stolen, destroyed, free samples
- Goods and services used for personal consumption

How is Input Tax Credit Used?

- If ITC has been received on account of CGST
- It should first be used to pay CGST.
- Then, any remaining amount should be used to pay IGST.
- Note that you cannot use ITC of CGST to pay SGST.

If ITC is received on account of SGST

- It should be used to pay SGST first.
- Then, any remaining amount should be used to pay IGST.
- Note that you cannot use ITC of SGST to pay CGST.

If ITC is received on account of IGST

- It should be used to pay IGST first.
- Then, any remaining amount should be used to pay CGST.
- The last priority should be given to payment of SGST.

Claiming Input Tax Credit Against Inputs Sent for Job Work

(A) . Goods purchased may be send to job worker in the following manner:

- From principal's place of business

- Directly from the place of supply of the supplier of such goods

ITC will be allowed in both the cases.

(B) . Effective date for goods set depends on place of business:

send from principal's place of business- Date of goods send out

send Directly from the place of supply of the supplier of such good- Date of receipt by job worker

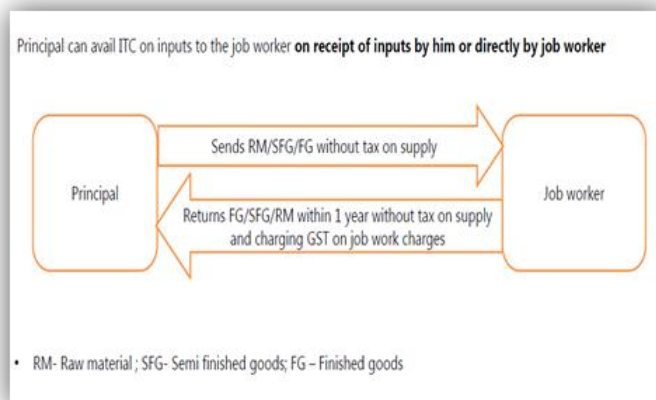
(C) . The goods sent must be received back by the principal manufacture within the following period ,in case of :-

Capital Goods- 3 years

Input Goods- 1 year

from date of being send out or receipt by job worker depending on place of business from where goods are send- Refer point- A & B

D. In case goods are not received within the period as mentioned in point-C above, such goods will be treated as deemed supply from effective date and tax will be payable on such deemed supply and the challan issued will be treated as an invoice for such supply



Conditions and restrictions for claiming Input Credit on Job work

(A) . Inputs, semi-finished goods or capital goods send on job work

From principal's place of business

Directly from the place of supply of the supplier of such goods must be dispatched along with a challan



(B) . The challan issued must include the following particulars:

date and number of the delivery challan
name, address and GSTIN of the consigner and consignee

HSN code, description and quantity of goods

Taxable value, tax rate, tax amount- CGST, SGST, IGST, UTT separately

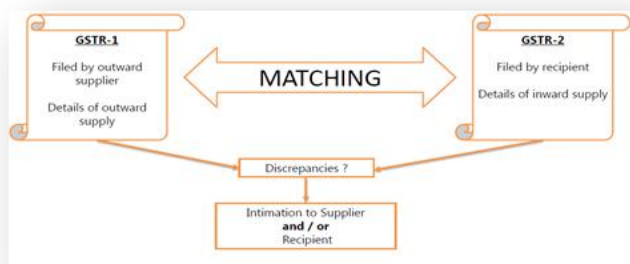
Place of supply and signature

(C) . The details of challan must be shown in FORM GSTR-1

(D) . Details of goods/capital goods sent to job worker and received back must be filed through Form GST ITC -4

Matching Mechanism for ITC Monitoring

- A matching mechanism has been developed to make sure there is no duplication in claiming ITC.
- It ensures that inward supplies returns filed by receiver matches outward supplies returns filed by supplier.
- Matching mechanism also helps in matching ITC claims with customs paid where goods are imported by registered taxable person.
- Any discrepancy which arises post verification is intimated to both parties so that they can make necessary corrections within the prescribed time frame.



Conditions Necessary to Carry Forward your Credit
Your CENVAT should satisfy the following two conditions before you can claim it:

It should qualify as acceptable ITC under both indirect tax as well as GST regime.

Such credit should appear as input credit carried forward in the return filed for the last period of existing law.

REFUND OF GST CREDIT

Timely refund mechanism is essential in tax administration, as it facilitates trade through the release of blocked funds for working capital, expansion and modernisation of existing business.

As per section 54 of CGST Act ,2017and the provisions of section 77 of CGST Act ,2017,

a claim of refund may arise on account of:--

- 1.Export of goods or services
2. Supplies to SEZs units and developers
3. Deemed exports
4. Refund of accumulated ITC
on account of inverted duty structure
5. Finalisation of provisional assessment
6. Refund of pre-deposit
7. Excess payment due to mistake
- 8.International tourists of GST paid on Indian goods carried abroad at the time of their departure from India.

The GST law requires that every claim for refund is to be filed within 2 years from the relevant date.

Conclusions:

Under the present structure, the way the CENVAT credit provisions are drafted has led to a lot of litigation concerning availability of CENVAT credit. The provisions related to denial of CENVAT credit for exempted goods and or services have also contributed to many litigation. It is hoped that the proposed GST regime would simplify the provisions regarding availability of input tax credit.



Mr. Himanshu Kansal

CRO0483073



WHAT IS INPUT TAX CREDIT

In a layman's language input tax credit are the taxes you have paid on your purchases.

But how law defines it;

SEC 2(63) "INPUT TAX CREDIT" MEANS CREDIT OF INPUT TAX.

Actually this definition is based on input tax u/s 2 (62)

WHAT IS INPUT TAX

"Input tax" in relation to a registered person, means the central tax, state tax, integrated tax or union territory tax charged on any supply of goods or services or both made to him and includes-

- (a) The integrated goods and services tax charged on import of goods;
- (b) The tax payable under the provisions of sub-sections (3) and (4) of section 9;
- (c) The tax payable under the provisions of sub-sections (3) and (4) of section 5 of the integrated goods and services tax act;
- (d) The tax payable under the provisions of sub-sections (3) and (4) of section 9 of the respective state goods and services tax act; or
- (e) The tax payable under the provisions of sub-sections (3) and (4) of section 7 of the union territory goods and services tax act,

But does not include the tax paid under the composition levy.

SEC. 16 CONDITIONS AND ELIGIBILITY OF ITC

(TO BE PRESENT WITH A STORY MADE IN PPT)

1. Goods should be used or intended to be used for the purpose of business.
2. Recipient should be in possession of Tax Invoice.
3. He has also received goods or services or both.
4. Supplier has paid G.S.T. on goods supplied by him.
5. Recipient has filed the periodic return u/s 39 i.e., GSTR-3.
6. Recipient should have paid to supplier amount of goods within 180 days.
7. Goods should be used for supply of non-exempted goods.

ITC IN CASE OF BANKS, FINANCIAL INSTITUTIONS & NBFCs

In case of banks etc. Law has given two options for taking ITC

Let's take a look how

In case of banks etc. There are exempt and taxable both services included, so to simplify the procedure of taking ITC law has provide an additional option to them

They can book simply 50% of ITC available as deemed used against taxable supply and 50% lapse as deemed against exempt.

This is the additional option provided to them.

However they can use the option provided in sec. 17(2) and avail actual credit used against taxable supplies and actual credit used against exempt will lapse.

ITC IN CASE OF MOTOR VEHICLES



Let's suppose MR. X purchased a car for ₹512000 including GST ₹112000, now can he take credit of GST against output tax of his business well the answer is NO

In normal cases he can't take credit of this tax

But there are some exceptions let's see

1. If motor vehicle is used for transporting passengers.
2. If motor vehicle is used for transporting goods.
3. If motor vehicle is used for purpose of training etc.
4. If motor vehicle is used for further supply of such vehicles.

ITC IN CASE OF FOOD & BEVERAGES, OUTDOOR CATERING, BEAUTY TREATMENT, HEALTH SERVICES, COSMETIC AND PLASTIC SURGERY

In all these cases ITC is not allowed except where an inward supply of such goods or services is used by a registered person:

1. For making an outward supply of same category; or
2. As an element of a taxable composite or mixed supply.

ITC IN CASE OF RENT A CAB, LIFE INSURANCE, HEALTH INSURANCE

Let's take an example again MR. X takes a cab on rent, take services of life insurance and health insurance, now again same question whether he can take input tax credit of GST paid on these inward supplies.

Well answer is again same he cannot take input of same except in 2 circumstances;

Let's see when he can take input

1. Input tax credit allowed only if inward supply is

used for outward supply of same category.

2. Input tax credit also allows if obligatory for employer to provide service to employee under any law.

NIL OR RESTRICTED ITC ON SOME OTHER SUPPLIES

1. Services of membership in a club, health and fitness centre.
2. Goods or services on which tax has been paid under section 10.
3. Goods or services received by Non Resident taxable person except on goods imported.
4. Goods or services used for personal consumption.
5. Goods lost, stolen, destroyed, written off or disposed off by way of gift or free sample.
6. Travel benefits extended to employees like LTC.
7. Works contract service for immovable property unless it is for further supply of works contract.
8. Goods and services for construction of immovable property whether for business or otherwise.
9. Any tax paid u/s 74, 129, 130.

ITC ON STOCK HELD IN PRE RC PERIOD.

Let's take an example again:

Mr. X was a non-registered person

On 01-08-2017 he is liable to be registered under GST regime and consequently he has applied for registration within 30 days and granted registration on 15-08-2017

Now he is entitled to take ITC on inputs held in stock and inputs contained in semi-finished or finished goods held in stock on 31-07-2017 as he is liable to pay tax on 01-08-2017.

ITC ON STOCK HELD BEFORE VOLUNTARY



REGISTRATION

Let's take an example again:

Mr. X was a non-registered person

On 01-07-2017 he takes registration voluntarily and granted registration on 10-07-2017

Now he is entitled to take ITC on inputs held in stock and inputs contained in semi-finished or finished goods held in stock on 09-07-2017 as he has granted registration on 10-07-2017.

ITC ON STOCK HELD BEFORE T/F FROM COMPOSITION TO NORMAL SCHEME

Let's take an example again:

Mr. X was a registered person under composition scheme of GST

On 08-07-2017 he is liable to take registration under normal scheme u/s 9 and granted registration on 10-07-2017

Now he is entitled to take ITC on inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods on 07-07-2017 as he has liable to pay tax u/s 9 on 08-07-2017.

ITC ON STOCK HELD FOR EXEMPT SUPPLIES NOW BECOME TAXABLE

Suppose initially Flour of wheat was exempt from tax but later on it becomes taxable under GST

Let's suppose it becomes taxable on 01-08-2017 then assessee is entitled to take ITC on inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods on 31-07-2017 as he has liable to pay tax on 01-08-2017.

ITC ON STOCK HELD BEFORE CHANGE IN CONSTITUTION OF REGISTERED PERSON

Suppose MR. X transfers his business to MR. Y on account of sale, merger, demerger, amalgamation, lease, or transfer of business in any other way.

Now what happened with the Input Tax Credit remained with MR. X before such t/f.

The answer is very simple ITC remained unutilised in his e-credit ledger will also t/f to MR. Y with such sale, merger, demerger, amalgamation or lease etc.

REVERSAL OF INPUT TAX CREDIT

Suppose MR. X was a registered person to pay tax u/s 9 of CGST ACT, 2017, now in following two cases he have to reverse his ITC or say pay an amount as tax equivalent to ITC

1. Later on his turnover reduces below 1crore and he opts for composition scheme.
2. His goods or services supplied by him becomes wholly exempt.

Now he have to pay amount of ITC on inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods by

Debiting e-credit ledger or

Through e-cash ledger

NOTE: If any ITC remain in e-credit ledger after payment of tax that ITC will lapse.

INPUT TAX CREDIT IN CASE OF CAPITAL GOODS

In case of capital goods input tax credit is available as of other inputs subject to following points:

1. Proportionate ITC can be availed if used for both taxable and exempted supplies.
2. Proportionate ITC can be availed if used for both business and non-business purposes.



However if an assessee has capitalised his ITC as part of cost and claiming depreciation under Income Tax Act, 1961 then ITC will not be allowed under GST ACT.

Now let's talk about how ITC will be available in case an assessee changes from composition to normal scheme or exempt goods become taxable.

Well the answer is again simple ITC can be availed as of other inputs discussed before subject to one condition

"ITC SHALL BE REDUCED BY 5% PER QUARTER OR PART THEREOF USED BEFORE SUCH CONVERSION OR GOODS BECOME TAXABLE."

Now next point here comes in is the reverse of previous i.e., how ITC will be reversed in case of normal dealer convert to composition dealer or taxable goods become exempt.

Well the answer is same as above ITC shall be reversed as of other inputs discussed before subject to one condition

"ITC SHALL BE REDUCED BY 5% PER QUARTER OR PART THEREOF USED BEFORE SUCH CONVERSION OR GOODS BECOME TAXABLE."

ROLE OF INPUT TAX CREDIT IN CASE OF SUPPLY OF CAPITAL GOODS

There is a small point of ITC in case of supply of capital goods.

What amount of tax you have to pay on supply of capital goods?

Tax to be paid will be higher of:

1. ITC availed as reduced by 5% per quarter or part thereof used before such supply.
2. Tax as calculated on transaction value.

However for refractory ricks, moulds & dies, jigs and fixtures one can pay only as per point 2.

ITC IN CASE OF INPUTS OR CAPITAL GOODS SENT FOR JOB WORK

When a taxable person send his Inputs or Capital Goods for the purpose of job work on them then ITC in respect of such will remain with principal subject to:

1. In case of Inputs they should receive back within 1 year.
2. In case of Capital Goods they should receive back within 3 years.

Otherwise they shall be deemed to be supplied on the date of t/f and tax has to be paid on them.

However the limit of 1 year or 3 years as the case may be is NOT APPLICABLE in case of moulds, dies, jigs, fixtures or tools sent to job worker.

DISTRIBUTION OF ITC IN CASE OF ISD

In case of ISD ITC shall be distributed to different units on the basis of their turnover as follows:

DISTRIBUTE CREDIT BY ISSUING INVOICE

IGST as IGST/CGST/SGST

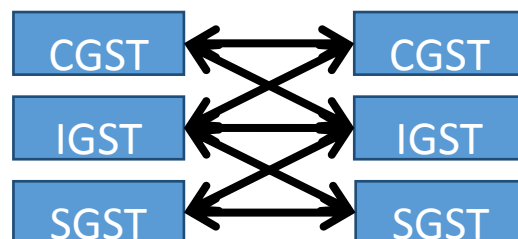
CGST as CGST/IGST

SGST as SGST/IGST

However if excess distributed then recovered from recipient along with interest and sec. 73 and 74 shall apply.

SOME OTHER POINTS OF ITC

INTER GST SETOFF



IF RECIPIENT FAILS TO PAY DUES OF SUPPLIER WITHIN 180 DAYS THEN ITC WILL BE ALLOWED ON PAYMENT BASIS.

AN ASSESEE CAN CLAIM EITHER ITC OR DEPRECIATION ON CAPITAL GOODS.

AN ASSESEE CAN CLAIM ITC MAXIMUM UPTO FILING OF GSTR-3 OF SEPTEMBER OF NEXT FINANCIAL YEAR I.E., 20TH OCT OF NEXT FINANCIAL YEAR.



Mr. Keshav Kaushik

**NRO-0368957
Gurugram**



Under GST, 3 types of taxes can be charged in the invoice. SGST and CGST in case of an intra-state transaction and IGST in case of an interstate transaction. But deciding whether a particular transaction is interstate or intrastate is not an easy task.

Or say in case hotel services, where the receiver may have an office in another state and may be visiting the hotel only temporarily.

Or where goods are sold on a train journey passing through different states.

To help address some of these situations, the IGST act lays down certain rules which define whether a transaction is inter or intrastate. These rules are called the place of supply rules.

Why is time, place and value of supply important?

Time of supply means the point in time when goods/services are considered supplied. When the seller knows the 'time', it helps him identify due date for payment of taxes.

Place of supply is required for determining the right tax to be charged on the invoice, whether IGST or CGST/SGST will apply & also to determine whether Input Tax credit is an eligible credit.....

Value of supply is important because GST is calculated on the value of the sale. If the value is calculated incorrectly, then the amount of GST charged is also incorrect.

1. Time of Supply

CGST/SGST or IGST must be paid at the time of supply. Goods and services have a separate basis to identify their time of supply. Let's understand them in detail.

A. Time of Supply for Goods

Time of supply of goods is earliest of:

1. Date of issue of invoice
2. Last date on which invoice should have been issued
3. Date of receipt of advance/ payment*.

For example:

Mr. X sold goods to Mr. Y worth Rs 1,00,000. The invoice was issued on 15th January. The payment was received on 31st January. The goods were supplied on 20th January.

*Note: GST is not applicable to advances under GST. GST on Advance is payable at the time of issue of the invoice. Notification No. 66/2017 – Central Tax issued on 15.11.2017

Let us analyse and arrive at the time of supply in this case.

Time of supply is earliest of –

1. Date of issue of invoice = 15th January
2. Last date on which invoice should have been issued = 20th January

Thus, the time of supply is 15th January.

What will happen if, in the same example an advance of Rs 50,000 is received by Mr. X on 1st January?

The time of supply for the advance of Rs 50,000 will be 1st January (since the date of receipt of advance is before the invoice is issued). For the balance Rs 50,000, the time of supply will be 15th January.

B. Time of Supply for Services

Time of supply of services is earliest of:

1. Date of issue of invoice
2. Date of receipt of advance/ payment.
3. Date of provision of services (if invoice is not issued within prescribed period)

Let us understand this using an example:

Mr. A provides services worth Rs 20000 to Mr. B on 1st January. The invoice was issued on 20th January and the payment for the same was received on 1st February.

In the present case, we need to 1st check if the invoice was issued within the prescribed time. The prescribed time is 30 days from the date of supply i.e. 31st January. The invoice was issued on 20th January. This



means that the invoice was issued within prescribed time limit.

The time of supply will be earliest of –

1. Date of issue of invoice = 20th January
2. Date of payment = 1st February

This means that the time of supply of services will be 20th January.

C. Time of Supply under Reverse Charge

In case of reverse charge, the time of supply for service receiver is earliest of:

1. Date of payment*
2. 30 days from date of issue of invoice for goods (60 days for services)

*w.e.f. 15.11.2017 'Date of Payment' is not applicable for goods and applies only to services. Notification No. 66/2017 – Central Tax

For example:

M/s ABC Pvt Ltd undertook service of a director Mr. X worth Rs. 50,000 on 15th January. The invoice was raised on 1st February. M/s ABC Pvt Ltd made the payment on 1st May.

The time of supply, in this case, will be earliest of –

1. Date of payment = 1st May
2. 60 days from date of date of invoice = 2nd April

Thus, the time of supply of services is 2nd April.

D. Time of supply in case of Change in rate of tax

In case, goods or services have been supplied before the change in rate of tax

Case1 – Invoice is issued & payment is received after the change

Time of supply shall be the date of invoice or date of receipt of payment, whichever is earlier.

Case2 – Invoice is issued prior to change & payment is received after the change

Time of supply shall be date of invoice.

Case3 – Payment is received prior to change & invoice is issued after the change

Time of supply shall be the date of receipt of payment.

In case, goods or services are supplied after the change in rate of tax

Case1 – Invoice is issued & payment is received before the change

Time of supply be the date of invoice or date of receipt of payment, whichever is earlier.

Case2 – Invoice is issued after the change but payment is received prior to change

Time of supply shall be date of issue of invoice.

Case 3 – Invoice is issued prior to change but payment is received after the change

Time of supply shall be date of receipt of invoice.

2. Place of supply

It is very important to understand the term 'place of supply' for determining the right tax to be charged on the invoice.

Here is an example

Location of Service Receiver	Place of supply	Nature of Supply	GST Applicable
Maharashtra	Maharashtra	Intra-state	CGST + SGST
Maharashtra	Kerala	Inter-state	IGST

A. Place of Supply for Goods

Usually, in case of goods, the place of supply is where the goods are delivered.

So, the place of supply of goods is the place where the ownership of goods changes.

What if there is no movement of goods. In this case, the place of supply is the location of goods at the time of delivery to the recipient.

For example: In case of sales in a supermarket, the place of supply is the supermarket itself.

Place of supply in cases where goods that are assembled and installed will be the location where the installation is done.

For example: A supplier located in Kolkata supplies



machinery to the recipient in Delhi. The machinery is installed in the factory of the recipient in Kanpur. In this case, the place of supply of machinery will be Kanpur.

Summary of place of supply of goods

Sno	Particulars	Place of supply
1	Delivery to recipient	Location of goods at the time movement of goods terminates for delivery to the recipient
2	Bill To-Ship To	Principal place of business who make order for Supply
3	No movement of goods	Location of such goods at the time of the delivery to the recipient.
4	On site assembly/ installation	Place of site
5	Supply on Conveyance	Location at which goods taken on board
6	Imports	Location of importer
7	Exports	Location outside India

B. Place of Supply for Services

Generally, the place of supply of services is the location of the service recipient.

In cases where the services are provided to an unregistered dealer and their location is not available the location of service provider will be the place of provision of service.

Special provisions have been made to determine the place of supply for the following services:

- ♦ Services related to immovable property
- ♦ Restaurant services
- ♦ Admission to events
- ♦ Transportation of goods and passengers
- ♦ Telecom services
- ♦ Banking, Financial and Insurance services.

In case of services related to immovable property, the location of the property is the place of provision of services.

Example 1:

Mr. Anil from Delhi provides interior designing services to Mr. Ajay(Mumbai). The property is located in Ooty (Tamil Nadu).

In this case, place of supply will be the location of

the immovable property i.e. Ooty, Tamil Nadu.

Example 2:

A registered taxpayer offers passenger transport services from Bangalore to Hampi. The passengers do not have GST registration. What will be the place of supply in this case?

The place of supply is the place from where the departure takes place i.e. Bangalore in this case.

Summary of place of supply of services where the location of supplier and recipient is in India

S. No.	Nature of Service	Condition	Place of Supply
1	<ul style="list-style-type: none"> Architects, interior decorators, surveyors, engineers..... Hotel, Guest House Renting Construction Accommodation for organizing any marriage or reception or matters related thereto, official, social, cultural, religious or business function 	Including ancillary Service	Location of Immoveable Property
	Immovable Property situated outside India		Location of Recipient
2	Restaurant, catering services, personal grooming, fitness, beauty treatment, health service, cosmetic and plastic surgery	NIL	Location of Performance
3	Training and performance appraisal	Unregistered Person	Location of Performance
4	Admission to- Cultural/ educational/sport/entertainment event Amusement Park	NIL	Location of Performance
5	Organizing of Event (Event Management Company): Cultural, artistic, sporting, scientific, educational or entertainment event Supply of services in relation to a conference, fair, exhibition, celebration or similar events	Unregistered Person	Location of Performance
	Event is organizing outside India		Location of Recipient
6	Transportation of Goods (including mail and courier)	Unregistered Person	Location of Goods loaded/handed over
7	Transportation of Passenger	Unregistered Person	Embarks on conveyance for continuous journey
8	On Board Services	NIL	Place of first schedule departure of conveyance
9	Telecommunication/Cable Services:		
	Fixed Line, Cable, dish Installed:	NIL	Location of Such Installed
	Postpaid Mobile: including other cases	NIL	Address on record
	Prepaid connection through distributor/agent	NIL	Address of such agent
	Prepaid connection through others	NIL	Location of payment Rcd
10	Banking, Stock broking services	NIL	Address of Recipient on Record Otherwise Location of Supplier
11	Insurance	Unregistered Person	Address of Recipient on Record
12	Advertisement service to Govt.	NIL	Location of State-Adv. Related





Summary of place of supply of services where location of supplier or location of recipient is outside India

S. No.	Nature of Service	Condition	Place of Supply
1	Services to Goods or Individual where physically required to be available	If partially performed in India-POS would be India	Location where Services Performed
2	Hotel Service, Construction Service, Interior/Architect	If partially performed in India-POS would be India	Location of Immoveable Property
3	Admission to- Cultural/ educational/ sport/entertainment event Amusement Park	If partially performed in India-POS would be India	Location of Performance
4	Banking service Intermediary Service Hiring of Road transport vehicle	NIL	Location of Supplier of Service
5	Transportation of Goods (exclude mail/ courier)	NIL	Place of destination of Goods
6	Transportation of Passenger	NIL	Passenger embarks on the conveyance
7	On Board Service	NIL	Place of first schedule departure of conveyance
8	Online Database Service	NIL	Location of Recipient of Service

3. Value of Supply of Goods or Services

Value of supply means the money that a seller would want to collect for the goods and services supplied.

The amount collected by the seller from the buyer is the value of supply.

But where parties are related and a reasonable value may not be charged, or transaction may take place as a barter or exchange; the GST law prescribes that the value on which GST is charged must be its 'transactional value'. This is the value at which unrelated parties would transact in the normal course of business. It makes sure GST is charged and collected properly, even though the full value may not have been paid.

Value of Supply shall include

- I. Any taxes, duties, cesses, and charges levied under any other law;
- II. Amount paid by recipient on behalf of supplier which is not included in price actually paid/ payable.
- III. Incidental expenses including commission and packing.
- IV. Interest or late fee or penalty for delayed payment of any consideration.
- V. Subsidies directly linked to price excluding provided by CG or SG.

However, value of supply shall not include any discount.

Where the value of supply cannot be determined as per the provisions mentioned above, it should be determined as per the CGST rules prescribed.



Ms. Akshita Gupta

NRO0408614



MEANING AND ORIGIN

“ The term audit is derived from the Latin term ‘audire,’ which means to hear. In old days whenever proprietors suspected a fraud or error, certain people were appointed to hear verbal evidence of transaction.

- Audit is an official inspection of an organization's accounts, typically by an independent body.
- As per ISA (International Standard of Auditing) “An Audit is the independent examination of financial statement or related information of an entity, whether profit oriented or not, and irrespective of its size, or legal form, when such an examination is conducted with a view to expressing an opinion thereon.

DEVELOPMENT OF AUDITING

- In India the companies Act 1913 made audit of company accounts compulsory. With the increase in the size of the companies and the volume of transactions the objective of audit shifted and audit was expected to ascertain whether the accounts were true and fair rather than detection of errors and frauds.
- Hence the emphasis was not on arithmetical accuracy but on a fair representation of the financial efforts. The companies Act 1913 also prescribed for the first time the qualification of auditors.
- The later developments in auditing pertain to the use of computers in accounting and auditing.
- In conclusion it can be said that auditing has

come a long way from hearing of accounts to taking the help of computers to examine computerized accounts.

TYPES OF AUDITS

AUDIT OF ACCOUNTS OF VARIOUS FORMS OF ORGANISATIONS

TYPES OF AUDITS

A. AUDIT OF ACCOUNTS OF VARIOUS FORMS OF ORGANISATIONS

Audit of A/c of Sole Trader And partnership firm	<ul style="list-style-type: none"> • No legal obligation • To keep regular and correct accounts • To get advantages of audit
Audit of Joint Stock company	<ul style="list-style-type: none"> • Compulsory as per the provisions of Companies Act. • Provisions regarding appointment, reappointment, termination, rights and liabilities of auditor.
Audit of Trusts	<ul style="list-style-type: none"> • Compulsory in some states of India to avoid misappropriation of fund/ trust money.
Audit of A/c of Co-operative Societies	<ul style="list-style-type: none"> • Generally done by the registrar. • They keep panel of qualified auditors.

FROM POINT OF VIEW OF LAW

STATUTORY AUDIT -

Compulsory

Certain type of undertakings established under some law.

- Company Audit
- Audit of Trusts
- Audit of Institutions
- Government Audit



VOLUNTARY AUDIT

Private

For private concerns which are not established by any statute.

- a) Sole Proprietary Concerns
- b) Partnership Firms
- c) Other Institutions or Professional Persons [Doctors, Engineers, Solicitors]

C. ON THE BASIS OF TIME

Interim Audit - In big businesses accounts are audited throughout the year. But in small business a/c are audited once only. When an audit is conducted between two periodical audits for some interim purpose like declaring interim dividend, it is termed as interim Audit. Generally an audit of a/c of first six months of the financial year.

Annual Audit - Audit is taken up at the end of the financial year when the final a/c are prepared. The auditor attends only once at the end of the year & complete the work at a stretch in continuous session. - "a final audit is one which is not commenced until after the end of the financial period, & is then carried on until completed." - It also called Periodical Audit or Complete Audit.

ON THE BASIS OF SCOPE

INTERNAL –

In large co. in order to detect and prevent frauds and errors; the continuous audit is carried out by paid employees of the co. - Some undertaking appoint auditors for constant & regular checking of a/c - Such arrangement is known as "Internal Audit"

"Internal Auditing is an independent appraisal of activity within an organization for review of operations by measuring & evaluating the effectiveness of other controls"

EXTERNAL –

When a business appoints a professional auditor for a fixed remuneration, the audit done so, called "External Audit".

- Duties and responsibility of an Auditors-

A.- The external auditor is required to give his report

B.- The external auditor is accountable to the client & some times to the third parties also for work done by him.

BRANCH

The statutory auditor of the co. is responsible for the audit of the branch a/c.

-Acc. To sec. 228...[branch office outside India] Where a/c are audited other than the co.'s auditor.

- In general meeting the person other than the auditor should be appointed by BoD.

- The Branch Auditor's Duties, qualification, responsibilities, remuneration, powers etc. will be decided by BoD.

E.ON THE BASIS OF CONTINUITY

CONTINUOUS AUDIT - A continuous audit is one in which the auditor visits his clients office at regular or irregular intervals through out the year to verify the account.

COMPLETE AUDIT - As the name implies, audit of each and every transaction entered is a Complete Audit. The auditor checks all the transactions in all books of accounts with supporting documents. It includes checking, posting, casting, balancing.

PARTIAL AUDIT - Sometimes Auditor may be asked to conduct audit of only some records or books, for part or whole year. But such audit is not proper. However in case of sole proprietary ship or partnership concerns it can be done. Such audit is undertaken when owner suspects that frauds have been committed



in certain books.

AUDIT IN DEPTH - This implies that a few transactions are selected at random and they are thoroughly checked through its stages, from origin to conclusions. - It includes not only examining the documents but also verify that the system of internal check in operation is effective before resorting to random or selective checking of the transactions.

F .FROM THE POINT OF VIEW OF SPECIALITY

COST AUDIT - Cost Audit is the verification of the correctness of cost A/c and the adherence to the accounting plan. Cost Audit helps in fixing selling price and reducing wastage.

MANAGEMENT OR EFFICIENCY AUDIT - Such audit attempts to evaluate the performance of various management processes & functions. It is an audit to examine, review & appraise the various policies actions of the management on the basis of certain objective standards.

PROPRIETY AUDIT - It refers to an audit in which the various actions and decisions are examined to find out whether they are in public interest and whether they meet the standards of conduct. While undertaking a propriety audit, the auditor attempts to examine the regularity, prudence and impact of the various actions and decisions."

SOCIAL AUDIT - It provides protection to customers, employees all those are affected by the decisions of the company. It is done to see that the company does not misuse its powers .Thus it is done by independent external to verify truthfulness of the company's social activities.

SPECIAL AUDIT

An audit other than the annual audit of accounts of the company called in special circumstances is known as Special Audit. Section 233A empowers

the Central Government, in certain cases, to call for a 'special audit' of a company.

It may be required where Central Government has reasons to believe :

Affairs of the company are not being managed on sound business principles.

Company is being managed in a way likely to cause serious injury to the interests of the trade, industry, to which it pertains.

Financial position is such as might endanger the solvency of the company .

AUDIT BY WHOM ?

The audit may be conducted either by the company's auditor or another chartered accountant who may or may not be engaged in a practice, appointed by the Central Government [Sections 233(1) & (2)].

POWERS & DUTIES

The auditor so appointed shall have the same powers and duties in the matter of special audit as the statutory auditor of a company has under section 227, except for the fact that he must report to the Central Government in place of the members of the company.

SCOPE

The special auditor's report must include, as far as may be practicable, all the matters required to be included in a normal auditor's report u/s 227 and where the Central Government so directs, also a statement on any matters which may be referred to him by that Government.

To facilitate the special auditor's work, the Central Government may serve an order on any person directing him to furnish all information that the special auditor may need. Non-compliance with the order attracts a fine upto Rs.5,000 [Section 233A(5)].



REPORT

On receipt of the report, the Central Government may take necessary action under the Companies Act, 1956 or any other law.

If no action is taken within four months from the receipt of the report, the Central Government must send either a complete copy of the report or relevant extracts from it and direct the company either to circulate the copy or extracts among the members or to read it at the next general meeting [Section 233A(6)].

REMUNERATION AND ITS RECOVERY

The expenses of or incidental to a special audit, including the remuneration of the special auditor as fixed by the Central Government (and its decision in this regard is final), must be paid by the company. If the company defaults in making the payment, the amount can be recovered from the company as arrears of land revenue [Section 233A (7)].

AUDITOR

ELIGIBILITY

INDIVIDUAL: An Individual shall be eligible for appointment as an auditor of a company only if he is a Chartered Accountant.

FIRM: A firm shall be eligible only if majority of its partners practicing in India are qualified for appointment.

APPOINTMENT

Every company is required at its first annual general meeting (AGM) to appoint an individual or a firm as an auditor. The auditor shall hold office from the conclusion of that meeting till the conclusion of its 6th AGM and thereafter till the conclusion of every 6th meeting

The appointment of auditor is to be ratified at

every AGM.

With the implementation of Companies Act, 2013 the Ministry of Corporate Affairs has notified the provisions relating to rotation of auditors/audit firm w.e.f. 1st April, 2014.

Changing nearly six decades old regulations of audit of companies, the new Companies Act makes it mandatory for certain class of companies to appoint auditors for limited tenure after the implementation of majority of provisions of Companies Act, 2013 coming into force w.e.f. 1st April, 2014.

APPLICABILITY OF ROTATION OF AUDITORS (SECTION 139 (2))

The concept of rotation of auditors is applicable to :

Listed Companies

All companies belonging to such class or classes of companies as may be prescribed.

(b) Following classes of companies have been prescribed for the purpose of rotation of auditors:

All unlisted public companies having paid up share capital of Rs. 10 crore or more

All private limited companies having paid up share capital of Rs. 20 crore or more

All companies having paid up share capital below the limits mentioned in (a) and (b) above, but having public borrowings from financial institutions, banks or public deposits of Rs. 50 crore or above.

(c) The concept of rotation of auditors shall not apply to One Person Companies or Small Companies.

MANNER OF ROTATION

In case of Individual as an auditor

No individual shall be appointed or reappointed as auditor for more than 1 term of 5 consecutive years.

An individual auditor who has completed his term of 5 consecutive years, shall not be eligible for reappoint-



ment as auditor in the same company for 5 years from the completion of his term.

In case of a firm as an auditor

No audit firm shall be appointed or reappointed as auditor for more than 2 terms of 5 consecutive years.

An audit firm which has completed its 2 terms of 5 consecutive years , shall not be eligible for re-appointment as auditor in the same company for 5 years from the completion of such terms.

RESTRICTION ON OTHER AUDIT FIRMS HAVING COMMON PARTNERS

An audit firm having one or more common partner to the other audit firm , whose tenure has expired, shall not be appointed as the auditor of the same company for a period of 5 years.

TIME PERIOD FOR COMPLIANCE FOR EXISTING COMPANIES

Every company, existing on the commencement of this Act, which is required to comply with provisions relating to rotation of auditors, shall comply with these requirements within 3 years from the date of commencement of this Act.

RIGHT OF REMOVAL OR RESIGNATION NOT AFFECTED

The right of the company to remove an auditor before expiry of one/two terms (s) of 5 consecutive years shall not be affected due to any provision contained in Sec 139(2).

The right of the auditor to resign from the office of auditor before expiry of one/two terms of 5 consecutive years shall not be affected.

STRICT PROVISIONS W.R.T. ROTATION MAY BE IMPOSED BY MEMBERS

Members of a company may resolve to provide that-

In the audit firm appointed by it, the auditing partner and his team shall be rotated at such intervals as may be resolved by members; or

The audit shall be conducted by more than one auditor.

RULES FOR ROTATION OF AUDITORS

CG may, by rules , prescribe the manner of rotation of auditors.

Manner of rotation of auditors by the companies on expiry of their term (Rule 6)

In case the company is required to constitute an Audit Committee, the procedure shall be as follows:

Audit Committee shall recommend to the Board, the name of an individual auditor or an audit firm who may replace the incumbent auditor on expiry of the term of such incumbent.

The Board shall consider the recommendation of the Audit Committee.

The Board shall make its own recommendation for appointment of the next auditor by the members in the AGM.

In case the company is not required to constitute an Audit Committee,

the procedure shall be as follows:

- The Board shall itself consider the matter of rotation of auditors.'
- The Board shall make its own recommendation for appointment of the next auditor by the members in the AGM.

In case of an auditor (whether an individual or audit firm), the period for which the individual or the firm has held office as auditor prior to the commencement of the Act shall be taken into account for calculating the period of 5 consecutive years or 10 consecutive years , as the case may be.



The incoming auditor or audit firm shall not be eligible if such auditor or audit firm is associated with the outgoing auditor or audit firm under the same network of audit firms. ' Same network ' includes the firms operating or functioning under the same brand name , trade name or common control.

A break in the term for a continuous period of 5 years shall be considered as fulfilling the requirement of rotation.

If a partner, who is in charge of an audit firm and also certifies the financial statements of the company , retires from the said firm and joins another firm of chartered accountants, such other firm shall also be ineligible to be appointed for a period of 5 years.

REPORTING OF FRAUD BY AN AUDITOR Section 143 (12) to (15)

Section 143 of the Companies Act, 2013 (2013 Act) has been effective from 1 April 2014.

The central government seeks to provide more robust framework for Financial Reporting and place more reliance on the work of the Auditors in bringing:

Transparency And Discipline In the corporate world to protect the interests of the shareholders and public at large.

DEFINITION OF FRAUD

Section 447 (Punishment for fraud) explains fraud as: "fraud" in relation to affairs of a company or any body corporate and includes:

Any act, omission, concealment of any fact or abuse of position , Committed by any person or any other person with the connivance in any manner,

With intent to deceive to gain undue advantage from or to injure the interests of,

The company or its shareholders or its creditors or any other person,

whether or not there is any wrongful gain or wrongful loss.

- As per SA 240 : An intentional act by one or more individuals among management , those charged with governance, employees , or third parties , involving the use of deception to obtain an unjust or illegal advantage.

WHEN IS REPORTING REQUIRED?

If an auditor has reason to believe that an offence involving fraud has been committed or is being committed against the company by officers or employees of the company, the auditor is required to such fraud.

The auditor shall report the matter to CG

The auditor shall immediately report the matter to CG within such time and in such manner as may be prescribed.

No liability of auditor : An auditor shall not be deemed to be guilty for breach of any of his duties by reason of his reporting any matter to CG if such reporting is done in good faith.

Provisions applicable to other auditors : The provisions w.r.t. reporting of fraud shall mutatis mutandis apply to-

The cost accountant in practice conducting cost audit u/s 148; or

The company secretary in practice conducting secretarial audit u/s 204.

Punishment for non-compliance :

Minimum fine – Rs. 1,00,000

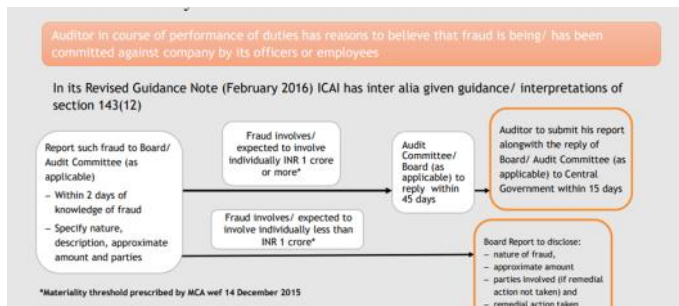
Maximum fine – Rs. 25,00,000

REPORTING OF FRAUD (BY OFFICERS OR EMPLOYEES) IDENTIFIED BY AUDITOR-ICAI GUID-

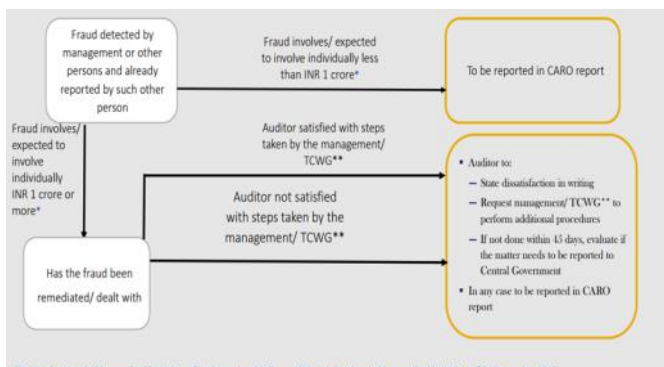


ANCE

REPORTING OF FRAUD NOT IDENTIFIED BY AUDITOR -ICAI GUIDANCE



DISCLOSURE REQUIREMENTS FOR DEMONETISATION TRANSACTIONS



MCA Notifies Amendments in Schedule III to the Companies Act (CA) 2013 regarding disclosure requirements for companies on holding and dealings of Specified Bank Notes during Demonetization.

The MCA has notified certain amendments in Schedule III to the Companies Act 2013, applicable w.e.f. 30 Mar. 2017, requiring the companies to disclose the details of Specified Bank Notes (SBN) held and transacted during the period 8 Nov. 2016 to 30 Dec. 2016 (i.e. during demonetization), as under:

G.S.R. 308(E).—In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following further amendments to Schedule III of the said Act with effect from the date of publication of this notification in the Official Gazette, namely:-

In the Companies Act, 2013 (hereinafter referred to as the principal Act), in Schedule III, in Division I, in Part I under the heading “General instructions for preparation of Balance Sheet” in paragraph 6, after clause ‘W’, the following clause shall be inserted namely:

“X. Every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

Explanation : For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.”.

In the principal Act, in Schedule III, in Division II, in Part I under the heading “General instructions for preparation of Balance Sheet” in paragraph 6, after clause ‘J’, the following clause shall be inserted namely:

“K. Every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

Explanation : For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.”.

Note : Schedule III of the Companies Act, 2013 came into force with effect from the 1st April, 2014 vide Notification S.O. 902(E), dated 26.3.2014, subsequently amended vide G.S.R. 679(E), dated 04.09.2015 and vide G.S.R. 404(E), dated 06.04.2016.



Mr. Mohit Joshi

NRO0437627



Rotation of Auditors

a path breaking initiative

(A) Introduction:

The decision regarding Rotation of auditors has been notified w.e.f 1 st april 2014 by the

Central Government to be applicable on companies. The concept has been introduced in

the companies act,201 in order to ensure auditor's independence.

(B) Objective:

The rationale behind applicability of Rotation provisions is to provide more independence to auditor. Independence refersto the state of mind and appearance that triggers the auditor to take an unbiased decisionwhile working with client. The Rotation of auditor after a subsequent time period allow less chance to get familiarise with the client that overpowers the former to take a partial decision.

(C) Applicability of Rotation provision:

Section 139(2) of the Companies Act, 2013 has introduced the system of rotation of auditors which is applicable to –

- All listed companies; and
- Companies belonging to such class or classes of companies as prescribed under Rule 5 of the Companies (Audit and Auditors) Rules 2014.

Class of companies covered in rotation scheme (discussed in clause ii.)

According to Rule 5 of the Companies (Audit and Auditors) Rules, 2014 and for the purposes of

sub-section (2) of section 139, the class of companies shall mean the following classes of companies excluding OPC and small companies:-

- all unlisted public companies having paid up share capital of rupees 10 crore or more;
- all private limited companies having paid up share capital of rupees 50* crore or more;
- all companies having paid up share capital of below threshold limit mentioned in (a) and (b) above; but having public borrowings from financial institutions, banks or public deposits of rupees 50 crore or more

*** MINISTRY OF CORPORATE AFFAIRS NOTIFICATION, New Delhi, 22nd June, 2017 states that:**

In the Companies (Audit and Auditors) Rules, 2014, in rule 5, in clause (b), for the word “twenty”, the word “fifty shall be substituted.

(D) What is Rotation provision:

The provisions for rotation of auditors under sub sections 2, 3 and 4 of section 139 are as follows:

As per the provisions:

All listed companies and companies belonging to such class or classes of companies (referred to in 2 above) shall not have right:

In case of an individual as auditor:

- to appoint individual as auditor for more than 1 term of 5 consecutive years.
- An individual auditor, who has completed his term of 5 consecutive years, shall not be auditor in the



same company for 5 years from the date of completion.

In case of a firm* as an auditor:

1. To appoint audit firm as auditor for more than 2 terms of 5 consecutive years.
2. An audit firm which has completed its 2 terms of 5 consecutive years, shall not be eligible for re-appointment as auditor in the same company for 5 years from the completion of such terms.

Note- Provided further that as on the date of appointment no audit firm having a common partner or partners to the other audit firm, whose tenure has expired in a company immediately preceding the financial year, shall be appointed as auditor of the same company for a period of five years

Subject to the above provisions, members of a company may resolve to provide that—

- in the audit firm appointed by it, the auditing partner and his team shall be rotated at such intervals as may be resolved by members; or
- the audit shall be conducted by more than one auditor;

The Central Government may, by rules, prescribe the manner in which the companies shall rotate their auditors in pursuance of section 139 (2).

For the purposes of this Chapter, the word "firm" shall include a LLP incorporated under Liability Partnership Act, 2008

(E) Manner and procedure for Rotation of auditors:

The auditor shall be rotated in the following manner on expiry of their term:

Rule 6 of The Companies (Audit and Auditors)

Rules, 2014 prescribes the following manner of rotation of auditors by the companies:

a) In case the company is required to constitute an audit committee (section 177), the procedure shall be as follows:

- i. The Audit Committee shall recommend to the Board, the name of an individual auditor or of an audit firm who may replace the incumbent auditor on expiry of the term of such incumbent.
- ii. The Board shall consider the recommendation of the audit committee.
- iii. The Board shall make its own recommendation for appointment of the next auditor by the members in the AGM.

b) In case the company is not required to constitute an audit committee, the procedure shall be as follows:

- The Board shall itself consider the matter of rotation of auditors.
- The Board shall make its own recommendation for appointment of the next auditor by the members in the AGM.

2) The members then ratify the selection of auditor from the above recommendations at the AGM.

3) Before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor:

4) The certificate shall also indicate whether the auditor satisfies the criteria provided in section 141:

5) The company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.



Condition to be taken care of before appointment:

- a break in the term for a continuous period of five years shall be considered as fulfilling the requirement of rotation;
- If a partner, who is in charge of an audit firm and also certifies the financial statements of the company, retires from the said firm and joins another firm of chartered accountants, such other firm shall also be ineligible to be appointed for a period of five years.

(F) Concept of network of audit firms:

In a nutshell, a network of audit firms is essentially a formal, cohesive, integrated and branded network of audit firms, consisting of a number of independent audit firms. The Revised Guidelines of Network, issued by the Institute of Chartered Accountants of India (ICAI), has prescribed various factors to be considered when determining whether a larger structure of audit firms can be considered to form a 'network'.

Some of these factors include:

- co-operation amongst audit firms;
- sharing of professional resources;
- common ownership / control / management; and
- common quality control processes.

Point to be noted-

At the outset, there appears to be a clear distinction between the number of audit firms referred to in Rule 6(3)(i) of the Rules, which applies to events which occurred prior to 1 April 2014, and Rule 6(3)(ii) which deals with the eligibility of an audit firm to be appointed as an auditor of a company after the commencement of the Act.

While Rule 6(3)(i) specifically states that the time period served by an audit firm prior to the commencement of the Act should be considered when calculating the Rotation Period; only Rule 6(3)(ii) introduces the concept of a network of audit firms, i.e. multiple audit firms. In view of the above, it can reasonably be concluded that even if a company had appointed multiple audit firms belonging to the same network prior to 1 April 2014 as its auditor, it is only the time period served by the Current Firm which is to be taken into consideration when calculating the 10 consecutive years (for purposes of determining the requirement to rotate an audit firm).

Strictly speaking, illustrations cannot modify the language of the statute and cannot either curtail or expand the ambit of the statute / rule, to which it relates to. Therefore, since Rule 6(3)(i) of the Rules only requires the time served by a single audit firm prior to 1 April 2014 to be considered when calculating the Rotation Period, Illustration 1 under Rule 6(3) cannot have the effect of requiring the time period served by multiple audit firms prior to 1 April 2014 to be taken into consideration when calculating the Rotation Period.

Until such time the Ministry of Corporate Affairs issues a clarification on the manner in which Rule 6(3) ought to be interpreted in cases involving multiple audit firms prior to 1 April 2014, the aforesaid contradiction between the Rules and the Illustration to the Rule is likely to be a cause for concern for large networks of audit firms which have served as auditors of companies for long periods of time prior to 1 April 2014.

In view of the aforesaid contradiction, one may consider either of the following approaches when dealing with such a situation:

- calculate the time period served by multiple audit firms prior to 1 April 2014 when calculating the



Rotation Period only if the following conditions are satisfied: (a) the Current Firm is using or has used the name, trade mark or brand of the Previous Firm of the company; or (b) any of the partners of the Current Firm are using or have used the name, trademark or brand of the Previous Firm when they were partners of the Previous Firm; or

(ii) take a stance that Note 1 to Illustration II to Rule 6 essentially expands the scope of Rule 6(3)(i) of the Rules, which is not legally permissible, and therefore, only consider the time served by the Current Firm prior to 1 April 2014, when determining the Rotation Period; and ignore the time period served by other audit firms prior to 1 April 2014 (that belong to the same network as the Current Firm).

(G) Rotation of Auditor – Position of Joint Auditors:

According to sub-rule 4 of Rule 6 of The Companies (Audit and Auditors) Rules, 2014, where a company has appointed two or more individuals or firms or a combination thereof as joint auditors, the company may follow the rotation of auditors in such a manner that both or all of the joint auditors, as the case may be, do not complete their term in the same year.

(H) Rotation of Auditor – Transition Period:

There is a transition period of three years, from date of enactment of the 2013 Act, to comply with this requirement. All listed companies or specified companies will have to comply with the above provisions relating to rotation of auditors within 3 years from the date of commencement of this Act i.e. within 31st March 2017.

The aforementioned provisions can be explained by the following illustration in a better manner.

If ABC & Co. is auditor of M/S XYZ Ltd. and the balance sheet of M/S XYZ Ltd. is being signed by Mr. A who is also a partner in other firm PQR & Co. If the original tenure of appointment of ABC & Co. is expiring on 20th August, 2020. The firm PQR & Co. can't take the appointment of auditor of M/S XYZ Ltd. for the period of five years starting from 21st August, 2020 and up to 20th August, 2025.

In the above example, PQR & Co. can take the advantage of being appointed as auditor on a date starting after the expiry of financial year 2020-2021. In simple words, PQR & Co. is being eligible for appointment of auditor of M/S XYZ Ltd. after the start of new financial year from the expiry of original tenure of ABC & Co., as the proviso mentions only of one preceding financial year.

Note -- Right of removal or resignation not affected [4th proviso to Section 139(2)]

-The right of the company to remove an auditor before expiry of one or two term(s) of 5 consecutive years shall not be affected due to any provision contained in section 139(2).

-The right of auditor to resign from the office of auditor before expiry of one or two term (s) of 5 consecutive years shall not be affected due to any provision contained in section 139(2).



Ms. Vismita Shree

ERO0179337



“It has become appallingly obvious that our technology has exceeded our humanity.”

Albert Einstein

Technology, The word is now well enough to describe everything and this is the point, which I want to discuss with you in the name of Information Technology which focuses on How to do audit of computerized world of data. Being the Chartered Accountant it is obvious that if any new challenge came before us then we think that how we face it. So now the point of discussion is

SPECIAL AUDIT TECHNIQUES.

INTRODUCTION

As in the present business world, every data and every business transaction is in computerized form or we can say in soft copy form. Every transaction is in computer, not in hard copy form or in **“Khata Bahi OR Register”** what we used in earlier years. So as an auditor we also need to change the audit techniques. So now in these days the Computer Assisted Audit Techniques (CAAT) is more likely to be used as the term Special Audit Techniques.

So as a qualified auditor we compel to think “ what should be the special audit techniques in computerized world”, where we can’t trace each and every transaction, we can’t see the relation between two transaction, some data are automatically updated without entering into register, no any invoices in hard copy form, each and every data is in client computer.

A very simple example I will take for creating a basic understanding in the readers’ mind. Just like for a ship to cross the sea it need ICE-BREAKER in the same way if an Auditor wants to work efficiently he needs Information Technology Tools.

MEANING AND CONCEPT OF CAAT AND AUDIT

Many scholars have defined IT Tools (CAAT) and AUDIT in their own language but as per my point of view

“It is the practice of using computer to automate or simplify the audit process.”

AND

“Auditing is a systematic process of objectively obtaining and evaluating evidence and communicating the result to the interested persons.”

In the current business scenario each and every business environment uses IT. Even the small companies are opting to implement Technology which is specifically designed for medium and small scale industries. The accounting system started as a simple system of recording expenditure and revenue. Now came Information Technology. It brings all the functions of business under one roof there by removing the information gap between different departments. It gives the best utilization of technology by making the organization to even communicate with outside the organization automatically without any manual intervention. (Ex:- placing purchase order when stock goes below re-order level.)

In today’s business world, accounting professionals have to interact with computer-based information systems on a regular basis. Auditor must assess the quality of information systems and evaluate the accuracy of information input and output.

Information technology is changing almost every phase of global business environment. Auditors are facing the vast challenge of working and keeping up-to-date with such sophisticated technologies. The computer information systems are one of such technologies used by various organizations to achieve a strategic advantage in the competitive market. The CIS are computer-based systems de-signed to process an organization’s transactions. It facilitates integrated and real-time planning, production, and customer response.

Performing audits without using information technology is hardly an option. When all the information needed for doing an audit is on computer systems, how can one carry out an audit without using the computer? While the audit world will likely grow out of using this terminology, for the purpose of this paper, the term CAAT refers to the



use of certain software that can be used by the auditor to perform audits and to achieve the goals of auditing.

WHY WE NEED CAAT AS AN SPECIAL AUDIT TECHNIQUES

An accounting system can have errors, frauds and potential problems. That can be possible even in CIS environment. Auditing in a computerized setup is required to check errors & potential problems such as: -

- **Absence of input documents:** In such cases the system of controlling computerized authorizations is to be objectively checked.
- **Lack of visible output:** In such cases, computer readable data is available which needs to be thoroughly checked.
- **Lack of visible transaction trail:** Transactions are to be trailed in computer readable form to check accuracy of final results.
- **Accessibility of data and computer programs:** Data can be accessed and altered fraudulently. Availability of appropriate controls for such situations is needed to be thoroughly checked.

BENEFITS OF USING CAAT

With data volumes growing and management expectations on assurances becoming more specific, random verifications and testing do not yield the desired value. The use of audit software ensures 100 percent scrutiny of transactions in which there is audit interest, and pointed identification and zeroing in on erroneous/exceptional transactions, even when data volumes are huge. And all this can be done in a fraction of the time required with manual methods.

Another advantage of the audit software is the uniform user friendly interface that the audit software presents to the auditor for performing all the tasks, irrespective of the data formats or the underlying technology used by the application. The audit software also maintains logs of the tests done for review by peers and seniors, and advanced features allow the programming of certain macros and routines that can further enhance audit speeds and efficiency.

CONSIDERATIONS IN USE OF CAAT

In determining whether to use CAAT, the factors to be considered include:

- Computer knowledge, expertise and experience of the auditor.
- Availability of IT, suitable computer facilities and the necessary computer based accounting systems and files.
- Impracticability of manual tests i.e. the lack of visible documentary evidence at different stages in the accounting system.
- Improvement in effectiveness and efficiency of auditing procedures through the use of IT.

AUDIT TRAIL:

- It can be defined as a step-by-step record by which a transaction can be traced. The auditor may apply one of the following methods to compensate the loss of audit trail:
- Special/Exceptional Reports:
- Tagging and Tracing:
- Alternative Review Procedures (ARP): It means to include a number of methods to compensate audit trail, such as:
- Auditors' judgment:
- Ratio analysis / checking critical ratios.
- Testing on total basis:
- Clerical recreation:

TRADITIONAL AUDITING VS CAATS

The most differentiating thing is that while auditor do the audit with CAAT he do the 100% checking with the help of audit software and eliminate the risk that is involved in traditional auditing in form of sampling.

TYPES OF AUDIT SOFTWARE

Generalized audit software: it consists of package computer programs designed to perform a variety of data processing functions.

Specialized audit software: it refers to computer programs designed to perform audit tasks in specific circumstances.



Utility programs and existing entity programs: these are used by the entity to perform common data processing functions such as sorting, creating and printing computer files.

AUDITS TYPICALLY CONSIST OF THE FOLLOWING MAIN PHASES:

- Identify the audit and computer personnel who may participate in the design and application of the CAAT
- Refine the estimates of costs and benefits.
- Ensure that the use of the CAAT is properly controlled and documented.
- Arrange the administrative activities including the necessary skills and computer facilities.
- Execute the CAAT application.
- Evaluate the results.

MOST POPULAR SOFTWARES FOR AUDIT

- Access and Excel
- Interactive Data Extraction and Analysis (IDEA)
- Audit Command Language (ACL)
- Windows-based and user friendly

Requires creativity and imagination

Supplements--but does not replace--intelligent audit work

MICROSOFT EXCEL

Excel is a most popular and powerful software to perform audit in a reliable, efficient, and effective way: -

Some functions of excels are as follows: -

- Data Analysis – Filters
- Only shows certain transactions that I might be interested in. (i.e. Filter out the “static” inherent in large databases.)
- Show me all invoices approved and paid on days when the boss was not in the office.
- Show me all transactions initiated on Sundays and holidays.
- Data Analysis – Sorts
- Puts the data into an order that is easier to analyze (e.g. Aged Accounts Payable).

- Sort by vendor name; or
- Sort by vendor address; or
- Sort by vendor telephone number; or
- Sort by EFT account number.

Data Analysis – Statistics

- Average value, standard deviation, highest/lowest value, etc.
- Show me all vendor payments that are more than two standard deviations from the mean.
- Show me every unit price for product A that is more than 1 standard deviation from the mean.

Data Analysis – Gaps

- Used when we have pre-numbered forms or transactions.
- Show me all missing checks.
- Show me missing health insurance claims.
- Show me missing purchase orders.
- Show me missing vouchers for benefits.

CAATs vs. CAATTs

- CAAT has emerged as the more common spelling;
- CAATT is the more precise acronym.
- C-COMPUTER
- A-ASSISTED
- A-AUDIT
- T- TECHNIQUES and
- T- TOOLS

CONCLUSION

An accounting system, whether it be manual or computer-based is subject to mismanagement, error, fraud and general abuse. The most direct way to combat these potential problems is to implement and maintain a strong system of internal controls for preventing and for detecting errors and irregularities.

Upon recent developments in technology it has been possible to meet the desired results through the INFORMATION TECHNOLOGY. This paper presents many important such techniques.



Mr. Vrishabh Kumar Nagrani

WRO0534895



As per the survey conducted by Association of Certified Fraud Examiners (ACFE), “Intense financial pressures during the economic crisis have led to an increase of fraud.”

India is emerging country in terms of growth of the economy and its constituents at global map where on the other side public investor has a great faith to make investment in the corporate securities and other products; Research evidence has shown the remarks that growing number of frauds have undermined the integrity of financial reports correspondingly the mirror of corporate is imitated on corporate governance. Earlier in our country, there was no specific and strict provision on fraud reporting under companies act, 1956 but however as in today’s corporate scenario fraud reporting has been made a specific responsibilities upon professional (Chartered Accountants, Cost & Management Accountant and Company Secretary) under the new Companies Act, 2013. Let’s read on to know more.....

Meaning of Fraud under Various Statutes

COMPANIES ACT 2013	CONTRACT ACT 1872
“Fraud” in relation to affairs of a company or any body corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.	any of the following acts committed by a party to a contract, or with his connivance, or by his agents, with intent to deceive another party thereto or his agent, or to induce him to enter into the contract: (1) the suggestion as a fact, of that which is not true, by one who does not believe it to be true; (2) the active concealment of a fact by one having knowledge or belief of the fact; (3) a promise made without any intention of performing it; (4) any other act fitted to deceive; (5) any such act or omission as the law specially declares to be fraudulent.

Consideration of Fraud under Auditor’s Responsibility

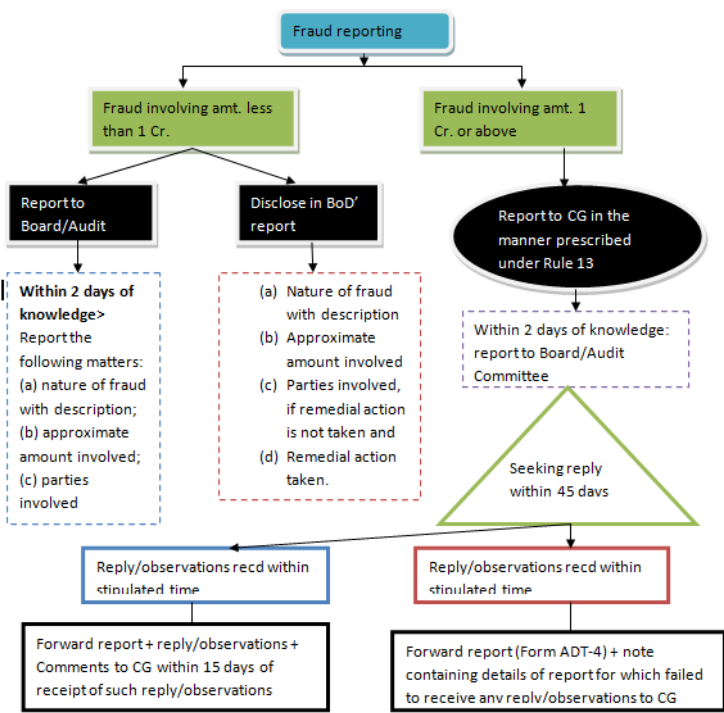
Auditor is required u/s 143(12) to report on fraud if in the course of performance of his duties as an

auditor, the auditor has reason to believe that an offence involving fraud is being or has been committed against the company by its officers or employees.

It may be noted that u/s 143(9) read with section 143 (10), the duty of the auditor, inter alia, in an audit is to comply with the standards on auditing. Further, Section 143(2) requires the auditor to make out his report after taking into account, inter alia, the auditing standards.

Above insertion of sub-section 12 of section 143 is a landmark section which have been inserted along with the duty of the auditor and separate section has not been made for fraud reporting because the intention of law makers was there it to make it as a duty of auditor who will discharge it in his audit exclusively with the compliance of other standards on auditing (SAs). Procedure has been prescribed in Rule 13 of Companies (Audit & Auditors) Rules 2014.

Pictorial Analytical View on Fraud Reporting





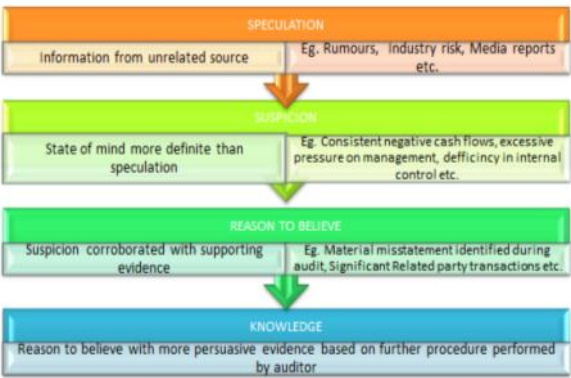
Accordingly, the term, “in the course of performance of his duties as an auditor” implies in the course of performing an audit as per the Standards on Auditing.

The definition of fraud as per SA-240 and the explanation of fraud as per section 447 of the Companies Act, 2013 are similar except: that under section 447, fraud includes ‘acts with an intent to injure the interests of the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss’. However, an auditor may not be able to detect acts that have intent to injure the interests of the company or cause wrongful gain or wrongful loss, unless the financial effects of such acts are reflected in the books of account/financial statements of the company.

Therefore, the auditor shall consider the requirements of the SAs, in so as it relates to the risk of fraud, including the definition of fraud as stated in SA-240, in planning and performing his audit procedures in an audit of financial statements to address the risk of material misstatements due to fraud.

Identification of Fraud

As per the guidance note on fraud reporting issued by ICAI, fraud identification is a significant aspect in the following stages:



“The auditor is not required to investigate the fraud so as to establish the entire magnitude, the period, the modus operandi and the persons involved since the requirement of Section 143(12) read with the Rule 13 of the Companies (Audit and Auditors) Rules, 2014 is not that the auditor has to perform a forensic audit.”

Fraud Reporting

(A Revolutionary, Positive& Opportunistic Change)

Rule 13 of The Companies (Audit and Auditors) Rules, 2014 contains the operational procedure of Reporting of Fraud prescribed in Section 143(12) of the Act:

First Fraud Reporting to Board/Audit Committee:
Auditor shall forward his report to the Board or the Audit Committee (if constituted), immediately but not later than 2 days of knowledge of fraud to seek reply within 45 days from Board/Audit Committee.

If auditor has reported fraud to Audit Committee/ Board but not reported to the Central Government, details of the same shall be disclosed in the Board’s report with the following details:

- Nature of fraud with description;
- Approximate amount involved;
- Parties involved, if remedial action not taken; and
- Remedial action taken.

Final Fraud Report to Central Government on receipt of First Fraud Report:

On receipt of such reply or observations the auditor shall forward his report and the reply or observations of the Board or the Audit Committee along with his comments (on such reply or observations of the Board or the Audit Committee) to the Central Government within 15 days of receipt of such reply or observations;

A. Final Fraud Report to Central Government on failure of receipt of First Fraud Report:

In case the auditor fails to get any reply or observations from the Board or the Audit Committee





within the stipulated period of 45 days, he shall forward his report to the Central Government along with a note containing the details of his report that was earlier forwarded to the Board or the Audit Committee for which he failed to receive any reply or observations within the stipulated time.

Authority and Mode/Format of dispatching Final Fraud Report to Central Government:

As per Rule 13(2), the report shall be sent to the Secretary, Ministry of Corporate Affairs in a sealed cover by Registered Post with Acknowledgement Due or by Speed post followed by an e-mail in confirmation of the same.

As per Rule 13(3), the report shall be on the letter-head of the auditor containing postal address, e-mail address and contact number and be signed by the auditor with his seal and shall indicate his Membership Number.

As per Rule 13(4), the report shall be in the form of a statement as specified in Form ADT-4. This Form of Report is available as an annexure to The Companies (Audit and Auditors) Rules, 2014.

Rule 13(5) the provision of this rule shall also apply, mutatis mutandis, to a cost auditor and a secretarial auditor during the performance of his duties under section 148 and section 204 respectively.

Notable Point: Kindly note that as per sub-rule 3 of rule 12 of the Companies (Audit and Auditors) Rules, 2014, the provisions of sub-section (12) of the section 143 read with rule 13 of the Companies (Audit and Auditors) Rules, 2014 regarding reporting of frauds by the auditor shall also extend to a BRANCH AUDITOR appointed u/s 139 to the extent it relates to the concerned branch only.

Offences & Penalties

Section 143(15): if ANY AUDITOR, COST

ACCOUNTANT or COMPANY SECRETARY in practice do not comply the provisions of this section => punishable with fine which shall not be less than Rs. 1,00,000 but it may be extended to Rs. 25,00,000.

Section 147(2): If AUDITOR contravenes any provision of section 139, 143, 144 or 145; auditor shall be punishable with fine=> Min - Rs. 25,000 and Max – Rs. 5,00,000.

If auditor has contravened such provisions knowingly or willfully with the intention to deceive the company or its shareholders or creditors or tax authorities, he shall be punishable=> Imprisonment max 1 year, Fine Min – Rs. 1,00,000 and Max – Rs. 25,00,000.

If section u/s 447 is attracted for cognizable offences [Sec. 7(5), 36, 75(1), 206(4), 213, 229, 251(1), 339(3), 448] and a person accused of any such offence classifies as FRAUD under Sec. 143(12) shall not be released on bail or bond, unless subject to the exceptions provided u/s 212(6) of the Act.

Form No. ADT-4 REPORT TO THE CENTRAL GOVERNMENT See rule 13 (4) of the Companies (Audit and Auditors) Rules, 2014	
Date:	
Subject: Report under sub-section (12) of section 143 of the Companies Act, 2013 on suspected offence involving fraud being committed or having been committed	
1) (a) Name of the Company (b) CIN: (c) Address of the Registered Office:	
2) (a) Name of the auditor or auditor's Firm (b) Membership Number (c) Address	
3) Date of annual general meeting when the Auditor was appointed or reappointed.	
4) SRN and date of filing	
5) Address of the office or location where the suspected offence is believed to have been or is being committed	
6) Full details of the suspected offence involving fraud (attach documents in support)	
7) Particulars of the officers or employees who are suspected to be involved in the commission of the offence, if any:	
a) Name(s):	
b) Designation	
c) If Director, his DIN	
d) PAN	
8) Basis on which fraud is suspected:	
9) Period during which the suspected fraud has occurred	
10) Date of sending report to the Board or Audit Committee as per rule 13 (1)	
11) Date of reply received from Board or Audit Committee, if any and if so received, attach copy thereof and give gist of the reply	
12) Whether the auditor is satisfied with the reply of the Board or Audit Committee. Yes..... No.....	
13) Estimated amount involved in the suspected fraud:	
14) Details of step, if any, taken by the company in this regard; (Furnish full details with references)	
15) Any other relevant information.	
VERIFICATION	
I,, Proprietor/Partner of, Chartered Accountants do hereby declare that the information furnished above is true, correct and complete in all respects including the attachments to this form.	
(Name, Signature and Seal of the Auditor)	
Attachments:	
1. Optional attachments	



Fraud Reporting: Section 143(12) Vs. Para 3(x) of CARO, 2016

Section 143(12) of the CA 2013	Para 3(x) of CARO, 2016
Basic Philosophy of Difference: "reason to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company". It means here only those fraud are covered which have been committed or which are being committed AGAINST the company.	Basic Philosophy of Difference: Any fraud BY THE COMPANY or any fraud ON THE COMPANY by its officers or employees has been "noticed or reported" during the year. If yes then the nature and amount involved shall also be indicated. "noticed or reported" means or indicates that the management should have the knowledge about fraud.
Sole responsibility of auditor.	First responsibility of management and then auditor's responsibility to enquire it.

Application of Standards on Auditing (SAs) in Fraud Reporting

Since fraud reporting comes under the purview of the course of performing duties as an auditor, the auditor should, inter alia, take into consideration the requirements of the following provisions of the SAs. These below mentioned standards on auditing are in addition to SA-240 on "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements", and SA-250 on "Consideration of Laws and Regulations in an Audit of Financial Statements".

S. No.	SA	Particulars
1	SA-200	Overall objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing (For professional skepticism specially)
2	SA-230	Audit documentation
3	SA-260	Communication to Those Charged with Governance
4	SA-265	Communicating Deficiencies in Internal Control to TCWG and Management
5	SA-315	Identifying and Assessing the Risks of Material Misstatement through understanding the Entity and its Environment
6	SA-450	Evaluation of Misstatements Identified During the Audit
7	SA-520	Analytical Procedures
8	SA-540	Auditing, Accounting Estimates, and Related Disclosures
9	SA-550	Related Parties
10	SA-580	Written Representations
11	SA-610	Using the work of Internal Auditors
12	SA-700	Forming an Opinion and Reporting on Financial Statements

Disclosure Requirements for Demonitization Transactions:

The Ministry of Corporate Affairs (MCA) through its notification dated 30 March 2017 issued the following:

- Amendments to the Schedule III of the Companies Act, 2013 (2013 Act)
- The Companies (Audit and Auditors)

Amendment Rules, 2017.

Addendum to Balance Sheet: Amendment to the Schedule III of the 2013 Act

Every company has to disclose the details of Specified Bank Notes (SBN) held and transacted during

	SBN's	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016			
(+) Permitted receipts			
(-) Permitted payments			
(-) Amount deposited in Banks			
Closing cash in hand as on 30.12.2016			

the period from 8 November 2016 to 30 December 2016 in the format specified by MCA. The MCA also clarified that for the purpose of this disclosure the term 'SBN' should have the same meaning as provided in the notification S.O. 3407(E) of the Ministry of Finance, dated 8 November 2016. The notification defines SBN as 'bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees'.

Addendum to Auditor's Report: The Companies (Audit and Auditors) Amendment Rules, 2017

The MCA amended the Companies (Audit and Auditors) Rules, and requires auditors to report on whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in SBN during the period from 8 November 2016 to 30 December 2016 and if so, whether these are in accordance with the books of accounts maintained by the company Rule 11(d).

The above notifications are applicable from 30 March 2017.

Key Audit Procedures: (Implementation Guide issued by ICAI)

Obtaining cash balance certificates with denominations from the management as at 8 November 2016 and as at



30 December 2016 with respect to SBNs and other denomination notes.

Confirming balances certified by the management from the books of accounts as at those dates.

- Obtaining a listing from the management as to how the SBNs available with the company as at closing on 8 November 2016 were dealt with. For example, deposited in bank accounts as evident from bank deposits, used for payments for permitted transactions. (Auditor to report cases of non-permitted transactions noted in accordance with Rule 11(d) of the Companies (Audit and Auditors) Amendment Rules, 2017).
- Obtaining a listing including the nature of transaction and amount with denominations from the management if there were any receipts of the SBNs during the period from 9 November 2016 to 30 December 2016.
- Obtaining a reconciliation of the cash balance from the management in the format prescribed for transactions between 9 November 2016 and 30 December 2016.
- Obtaining bank statement regarding deposits made with the banks.
- Obtaining management representation (suggested language of this is provided in the IG) regarding the following:

Completeness of the disclosures made in the notes to the financial statements

Manner of dealing in the SBNs during 9 November 2016 to 30 December 2016, deposited in bank, payment against permitted transactions, etc.

Permitted receipts and permitted payments made by the company as per the government notifications issued from time to time.

Modification of Main Audit Report along with reporting against Rule 11(d)

Where instance of non-compliance with relevant notifications are noted by the auditor and where in the auditor's professional judgement it is concluded that the non-compliance is of such nature that it has an impact on the true and fair view of the financial statements, the auditor should consider modifying his report in accordance with SA 705 'Modifications to the Opinion in the Independent Auditor's Report'.

Concluding Thoughts

A greater move towards transparent CORPORATE GOVERNANCE.

⇒ Many corporate frauds are surfacing in our country and old act was inadequate to mitigate the risk, therefore it is anticipated that the new provisions of the Companies Act, 2013 would BRIDGE THE GAP BETWEEN INCREASING FRAUDS AND STATUTORY REGIME.

⇒ The new company law envisages the metamorphosis of the statutory auditors from being a WATCHDOG TO WHISTLE BLOWER.

"I will not let anyone walk through my mind with their dirty feet." – Mahatma Gandhi



Mr. Pradip Sagar Rokaya

FRO0003529



Introduction

Tax planning can be defined as an arrangement of one's financial and business affairs by taking legitimately in full benefit of all deductions, exemptions, allowances and rebates so that tax liability reduces to minimum. In other words, all arrangements by which the tax is saved by ways and means which comply with the legal obligations and requirements and are not colorable devices or tactics to meet the letters of law, would constitute tax planning. Tax planning can neither be equated to tax evasion nor to tax avoidance with reference to a company, it is scientific planning of company's operations in such a way so as to attract minimum liability to tax or postponement or for that matter deferment of the tax liability for the subsequent period by availing various incentives, concessions, allowances, rebates and relief's provided for in the tax laws. They are meant to be availed of and they have certain clear objectives to achieve.

Case laws related to tax planning

McDowell & Co. Vs CTO (1985) : In this case Hon'ble SC has observed that "tax planning may be legitimate provided it is within the framework of the law. Colourable devices cannot be part of tax planning and it is wrong to encourage or entertain the belief that it is honourable to avoid payment of tax by resorting to dubious methods". Tax planning should not be done with intent to defraud the revenue; though all transactions may be devised to defraud the revenue. All such devices where statute is followed in strict words but actually spirit behind the statute is defeated would be termed as colourable devices and they do not form part of tax planning. All transactions in respect of tax planning

must be in accordance with the true spirit of statute and should be correct in form and substance

Various judicial pronouncements have laid down the principle that substance and form of the transactions shall be seen in totality to determine the net effect of a particular transaction. The Hon'ble Supreme Court has held that, "The taxing authority is entitled and is indeed bound to determine the true legal relation resulting from a transaction. If the parties have chosen to conceal by a device the legal relation resulting from a transaction. If the parties have chosen to conceal by a device the legal relation, it is open to the taxing authorities to unravel the device and to determine the true character of relationship.

Test of tax planning device

The form and substance of a transaction is real test of any tax planning device. The form of transaction refers to transaction, as it appears superficially and the real intention behind such transaction may remain concealed. Substance of a transaction refers to lifting the veil of legal documents and ascertaining the true intention of parties behind the transaction.

Right to plan tax liability

The Supreme Court held in the case of McDowell & Co Vs. CTO (1985) 154 ITR 148 (SC) has said that it is true that planning may be legitimate provided it is within the framework of the law. Colourable devices cannot be part of tax planning and it is wrong to encourage or entertain the belief that it is honourable to avoid the payment of tax by resorting to dubious methods. It is obligation of every citizen to pay taxes honestly without resorting to subterfuges. It is also true that in order to create an atmosphere of tax compliance; taxes must be reasonably collected and when collected,



should be utilized for proper expenditure and not to be wasted.

Objectives of Tax Planning:

- **Reduction of Tax Liability:** An assessee can save the maximum amount of tax, by properly arranging his/her operations as per the requirements of the law, within the framework of the statute.
- **Minimization of Litigation:** There is a war-like situation between the taxpayers and tax collectors as the former wants the tax liability to be minimum while the latter attempts to extract the maximum. So, a proper tax planning aims at conforming to the provisions of the tax law, in such a way that incidence of litigation is minimized.
- **Productive Investment:** One of the major objectives of tax planning is channelization of taxable income to different investment plans. It aims at the optimum utilization of resources for productive causes and relieving the assessee from tax liability.
- **Healthy Growth of Economy:** The growth and development of the economy greatly depend on the growth of its citizens. Tax planning measures involve generating white money that flows freely and results in the sound progress of the economy.
- **Economic Stability:** Proper tax planning brings economic stability by various techniques such as mobilizing resources for national projects or availing ways for investments which are productive in nature.

Tax Planning follows an honest approach, to achieve maximum benefits of tax laws, by applying the script and moral of law. Therefore the

objectives do not in any way contradict the concept of tax laws.

Types of Tax Planning:



Fig: Types of Tax Planning

1. **Short-range and long-range Tax Planning:** The tax planning which is made every year to arrive at specific or limited objectives is called short-range tax planning. Conversely, long-range tax planning alludes to such practices undertaken by the assessee which is not paid off immediately.
2. **Permissive Tax Planning:** Tax planning, wherein the planning is made as per expressed provision of the taxation laws is termed as permissive tax planning.
3. **Purposive Tax Planning:** Purposive tax planning refers to the tax planning method which misleads the law. Under this type, there is no expressed provision of the statute.

Different ways of tax planning:

As provision lay down under income tax act, 1961 of rebates, exemptions & deduction ;by taking benefits of those assessee can minimize the tax liabilities. Some of them are as follows:

#1# Section 87A: Rebate of Income Tax in case of certain individuals.

An assessee, being an Individual resident in India, whose total income does not exceed Rs 5,00,000 shall be entitled to a deduction, from amount of income – tax on his total income with which he is chargeable for



any assessment year, of an amount equal to 100 % of such income tax or an amount of Rs 2000, whichever is less.

#2# Deduction under Chapter VIA:

Subject to fulfillment of conditions specified under those provisions, assessee is allowed to get deduction from gross total income under chapter VIA.

Section 80AC: Deduction not to allowed unless return furnished.

Where in computing the total income of an assessee of the previous year relevant to any assessment year, any deduction is admissible under section 80-IA or Section 80-IAB or Section 80-IB or Section 80-IC, Section 80-ID or Section 80-IE, no such shall be allowed to him unless he furnishes a return of his income for such assessment year on or before the due date.

Section 80-IA: Deduction in respect of profits and gains from undertaking engaged in infrastructure development, etc.

Section 80-IB: Deduction in respect of profits and gains from industrial undertakings other than infrastructure development undertakings.

Section 80-IC: Special provisions in respect of certain undertakings in certain special category states.

Section 80-ID: Deduction in respect of profits and gains from business of hotels.

Section 80-IE: Deduction in respect of profits and gains from business of hotels.

Deduction 80-IAC: Special provision in respect of specified business (Introduced by finance Act, 2016).

Section 80-IBA: Deductions in respect of profits and gains from housing projects (Introduced by finance act 2016).

Section 80JJA: Deduction in respect of employment of new employees (Substituted by finance act, 2016)

Section 80LA: Deductions in respect of certain incomes of offshore banking units and international financial services Centre.

Section 80C: Deduction in respect of Life Insurance premia etc.

Section 80CCG: Deduction in respect of investment made under an equity savings scheme.

Section 80 D: Deduction in respect of medical insurance premia.

Section 80DD: Deduction in respect of maintenance including medical treatment of a dependent who is a person with disability.

Section 80DDB: Deduction in respect of medical treatment, etc.

Section 80 EE: Deduction in respect of interest on loan taken for residential house property (substituted by finance act, 2016)

Section 80 GG: Deductions in respect of rents paid.

Section 80U: Deduction in case of a person with disability.

Section 80G: Deductions in respect of donations to certain funds, charitable Institute.

Section 80 GGA: Deduction in respect of donations for scientific research or rural development.

Section 80GGB: Donations in respect of contribution given by companies to political parties or electoral trust.

Section 80 GGC: Deduction in respect of contribution given by any person to political parties or electoral trust.

Section 80TTA: Deduction in respect of interest on Deposits in saving account.



Deduction under section 10AA: Special provisions in respect of newly established units in Special Economic Zones.

#3# Tax planning of Capital Gain:

If there is income under head capital gains, assessee should have to plan in such way so that section 47 would be applicable. It will not consider transfer so that capital gain will not be chargeable under section 45.

Further exemption under section 54, 54B, 54D, 54F, 54G are allowed with fulfillment of specific conditions. Hence assessee should have to plan in such way through which exemption will be allowed to him.

#4#Section 56(2) VII doesn't include any receipt of money or property;

- From any relatives
- On occasion of marriage of the individual from anyone; or
- Under will or by way of inheritance ;or
- In contemplation of death of the payer ;or
- From any local authority as defined in section 10(20)
- From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in section 10(23C);or
- From any trust or institution registered under section 12AA
- FA2016 provides that section 56(2) VII shall not apply where any shares are received by an individual/HUF as a consequence of amalgamation or demerger of the company.

#5#Exemptions

Section 10 (1): Agricultural income

Income from agriculture is exempt from taxation. Assessee should have to invest in agriculture to reduce tax.

Section 10 (38): Long term capital gain is exempt from taxation if equity shares are transferred through registered stock exchange.

Any other exemptions under section 10 to section 13 along with subsection can be availed for tax planning. However, assessee should have to fulfill conditions in respective manner.

#6#Safequard from interest and penalties.

Assessee should have to comply with statutory provision in timely manner otherwise penalties or procedure would be applicable. So that it would have to comply all provision as per requirement.

Conclusion:

Tax planning may; therefore be regarded as a method of intelligent application of expert knowledge of planning corporate affairs with a view to securing consciously provided tax benefits on the basis of the national priorities in consonance with the interest of the state and public. Hence tax planning should be done consciously so as to minimize the tax liability.



Ms. Simran Modi

NRO0444568



In this world nothing can be said to be certain, except death and taxes.

BENJAMIN FRANKLIN

Concept of Tax Planning

Why are taxes so crucial for a country? Because taxes are the main revenues of the government and just like a father has to work and get salary to support the family, taxes support the growing and the maintaining of the country. Being one of the essential incomes of a country, taxes certainly affect people's life.

Regarding this, serious discussions are essential for a clear distinction between tax evasion, tax avoidance and tax planning.

Tax Planning

Planning is the formulation of a system which in its implementation is designed to achieve a specific result. Men, material and money are the resources available at the disposal of a nation and to conserve the same, the state resorts to economic planning. Tax planning is the analysis of one's financial situation from a tax efficiency point of view so as to plan one's finances in the most optimized manner. Tax planning allows a taxpayer to make the best use of the various tax exemptions, deductions and benefits to minimize their tax liability over a financial year. Tax planning is a legal way of reducing income tax liabilities; however caution has to be maintained to ensure that the taxpayer isn't knowingly indulging in tax evasion or tax avoidance.

Before entering into a transaction or before starting a business, one normally considers its profitability and other aspects. Amongst other aspects, the tax

implications of the transactions of the business have to be thought out before actually embarking on the deal. Otherwise one may be caught unwittingly in huge tax liability. Planning from the point of view of taxation helps in generating greater savings of investible surplus.

Tax planning may be defined as an arrangement of one's financial affairs in such a way that, without violating in any way the legal provisions, full advantage is taken of all tax exemptions, deductions, concessions, rebates, allowances and other reliefs or benefits permitted under the Act so that the burden of taxation on the assessee is reduced to the minimum.

Characteristics of tax planning

- It is Acceptable to the Judiciaries in India.
- It has a futuristic approach
- It is done within the legal provision of law.
- Allows use of beneficial provisions in law to reduce the tax liability.

Tax Planning, Tax Evasion and Tax Avoidance: -

The difference between tax avoidance and tax evasion is the thickness of a prison wall.

Denis Healey

If we look at various verdicts by Supreme Court or High Courts, it generates fresh debates on formal treatment and clear demarcations between tax evasion, tax avoidance and tax planning practices.

Tax planning means arrangement of financial affairs in such a way that utmost tax benefits can be availed. This can be done by applying the provisions which are permissible by law and entitles the assessee to obtain the benefit of the deductions, exemptions, credits, concessions, rebates and reliefs so that the incidence of



tax on the assessee would be minimum.

Tax avoidance implies any arrangement of financial activities, though done within the legal framework, which overpowers the basic intention of the law. It involves taking benefit of the shortcomings in the statute, by deliberately parking the financial affairs in a way that it neither violates the tax law nor it attracts more tax.

Tax evasion, on the other hand, is the illegal practice of not paying taxes, by not reporting income, reporting expenses not legally allowed, or by not paying taxes.

Methods of Tax Planning

Various methods of Tax Planning may be classified as follows:

- **Short Term Tax Planning:** Short range Tax Planning means the planning thought of and executed at the end of the income year to reduce taxable income in a legal way.
- **Long Term Tax Planning:** This type of planning does not help immediately as in the case of short range planning but is likely to help in the long run;
- **Permissive Tax planning:** Permissive Tax Planning means making plans which are permissible under different provisions of the law, such as planning of earning income covered by Sec. 10, specially by Sec. 10(1), Planning of taking advantage of different incentives and deductions, planning for availing different tax concessions etc.
- **Purposive Tax Planning:** It means making plans with specific purpose to ensure the availability of maximum benefits to the assessee through correct selection of investment, making suitable programme for replacement of assets, varying the residential status and diversifying business

activities and income etc.

Certain provisions for tax planning for Individual/ HUF

Whether you are a salaried individual, a professional or a businessman, you can save taxes to certain extent through proper tax planning.

Below mention provisions were introduced by government of India, So that saving and investment culture is developed by assessee.

Section 80C

The maximum tax exemption limit under Section 80C is RS 1.5 lakh . The various investment avenues or expenses that can be claimed as tax deductions under Section 80C are as below;

PPF

EPF

Five year Bank or Post Office Tax savings Deposits

Kid's Tuition Fees

Principal repayment of Home Loan

NPS

Life Insurance Premium

Sukanya Samriddhi Account Deposit Scheme etc.

Section 80CCC

Contribution to annuity plan of LIC (Life Insurance Corporation of India) or any other Life Insurance Company for receiving pension from the fund is considered for tax benefit. The maximum allowable Tax deduction under this section is Rs 1.5 Lakh.

Section 80CCD

Employee can contribute to Government notified Pension Schemes (like National Pension Scheme-NPS). The contributions can be upto 10% of the salary (salaried individuals) and Rs 50,000 additional tax benefit u/s 80CCD(1b) was proposed in Budget 2015.

As per Budget 2017-18, the self-employed (Individual other than the salaried class) can now contribute up to 20% of their gross income and the same can be deducted from the taxable income Tax Act, 1961, as against current 10%.



To claim this deduction, the employee has to contribute to Govt recognized Pension schemes like NPS. The 10% of salary limit is applicable for salaried individuals only and Gross income is applicable for non-salaried. The definition of salary is only 'Dearness Allowance'. If your employer also contributes to Pension Scheme, the whole contribution amount (10% of salary) can be claimed as tax deduction under section 80CCD(2).

Section 80D

Deduction u/s 80D on health insurance premium is Rs 25,000. For Senior Citizens it is Rs 30,000. For very senior citizen above the age of 80 years who are not eligible to take health insurance, deduction is allowed for Rs 30,000 toward medical expenditure.

Section 80DD

You can claim up to Rs 75,000 for spending on medical treatments of your dependents (spouse, parents, kids or siblings) who have 40% disability. The tax deduction limit of upto Rs 1.25 lakh in case of severe disability can be availed.

Section 80DDB

An individual (less than 60 years of age) can claim upto Rs 40,000 for the treatment of specified critical ailments. This can also be claimed on behalf of the dependents. The tax deduction limit under this section for Senior Citizens is Rs 60,000 and for very Senior Citizens (above 80 years) the limit is Rs 80,000.

Section 80CCG

Tax Benefits of Rajiv Gandhi Equity Savings Scheme (RGESS) under section 80CCG has been withdrawn. However, if you have claimed this deduction in current FY 2016-17, you can claim the deduction for the next two Financial Years too.

Section 80E

The deduction of an interest paid by an individual on education loan for self, spouse or children or as a legal guardian. Principal Repayment on educational loan cannot be claimed as tax deduction.

There is no limit on the amount of interest you can claim as deduction under section 80E. The deduction is available for a maximum of 8 years or till the interest is paid, whichever is earlier.

Section 80EE

- First time Home Buyers can claim an additional Tax deduction of up to Rs 50,000 on home loan interest payments u/s 80EE. The below criteria have to be met for claiming tax deduction under section 80EE.
- The home loan should have been sanctioned during / after FY 2016-17.
- Loan amount should be less than Rs 35 Lakh.
- The value of the house should not be more than Rs 50 Lakh &
- The home buyer should not have any other existing residential house in his name.

Section 80G

Contributions made to certain relief funds and charitable institutions can be claimed as a deduction under Section 80G of the Income Tax Act. This deduction can only be claimed when the contribution has been made via cheque or draft or in cash. W.e.f FY 2017-18, the limit of deduction under section 80G / 80GGC for donations made in cash is reduced from current Rs 10,000 to Rs 2,000 only.

The donations made to any Political party can be claimed under section 80GGC.

Section 80GG

The Tax Deduction amount under 80GG is Rs 60,000 per annum. Section 80GG is applicable for all those



individuals who do not own a residential house & do not receive HRA (House Rent Allowance).

The extent of tax deduction will be limited to the least amount of the following;

- Rent paid minus 10 percent the adjusted total income.
- Rs 5,000 per month.
- 25 % of the total income.

Section 80 TTA

Deduction from gross total income of an individual or HUF, up to a maximum of Rs. 10,000/-, in respect of interest on deposits in savings account with a bank, co-operative society or post office can be claimed under this section. Section 80TTA deduction is not available on interest income from fixed deposits.

Section 80U

This is similar to Section 80DD. Tax deduction is allowed for the tax assessee who is physically and mentally challenged.

Rebate under Section 87A

Tax rebate of Rs 2,500 for individuals with income of up to Rs 3.5 Lakh has been proposed in Budget 2017-18. Only Individual Assesses earning net income up to Rs 3.5 lakhs are eligible to enjoy tax rebate u/s 87A.

Conclusion

A head start works wonders in most areas of your life and tax planning is no exception. Last minute tax planning is often a compromise and does little to further your financial goals. Tax planning in India is often seen as a last minute maneuver to squeeze some additional money by saving tax.

The best time to start tax planning is at the start of the financial year which is April. Advantages of tax planning are manifold with an early start. You not only save tax, but you opt for the tax-saving options that are best suited to your needs and goals. Not surprisingly, you end up reaping serious benefits of tax planning.

Plan Your Losses

If you know you will have to sell a piece of equipment, plan on when to sell it. The loss will offset some of your income.

Plan Your Loans

When you know you will need to borrow money for a business expansion or new marketing strategy, you also know you can write off the cost of the interest on that loan. Time the loan so you get the maximum benefit from the interest deduction.

Estimated Payments

If you plan for your taxes effectively, you know what you will owe at the end of the year. As a small-business owner, you must make quarterly estimated payments. Tax planning allows you to make accurate estimates and avoid paying penalties for underpayment of taxes.



Mr. Shalabh Hajela



Features of the Manual

- Entire manual has been written in
- Q&A format for easy understanding.
- The manual has practical approach
- towards tax planning.
- After reading the manual , the readers will be able to understand the essence of Tax Planning.

Q. What is Tax Planning?

A. Tax planning involves an intelligent application of the various provisions of the direct tax laws to practical situations in such a manner as to reduce the tax impact on the assessee to the minimum. A thorough understanding of the principles, practices and procedures of tax laws is required for tax planning.

Q. What is the Method of study to do Tax Planning?

A. A thorough up-to-date knowledge of tax laws is a pre-requisite for a successful study of tax planning techniques. Not only an up-to-date knowledge of the statute is necessary, but one must also be aware of the contents of the various circulars issued by the CBDT and also of case laws in the form of various decisions of the Courts. One of the best methods to study tax planning in action is to analyse the case laws.

Q. What is the Concept of Tax Planning?

A. Tax planning aims to reduce the outflow of cash resources made available to the Government by way of taxes so that the same may be effectively utilised for the benefit of the individual or the business, as the case may be. Before entering into a transaction or before starting a business, one

normally considers its profitability and other aspects. Amongst other aspects, the tax implications of the transactions of the business have to be thought out before actually embarking on the deal. Otherwise one may be caught unwittingly in huge tax liability. Planning from the point of view of taxation helps in generating greater savings of investible surplus.

Tax planning may be defined as an arrangement of one's financial affairs in such a way that, without violating in any way the legal provisions, full advantage is taken of all tax exemptions, deductions, concessions, rebates, allowances and other reliefs or benefits permitted under the Act so that the burden of taxation on the assessee is reduced to the minimum.

It involves arranging one's financial affairs by intelligently anticipating the effects which the tax laws will have on the arrangements now being adopted. As such it is a very stimulating intellectual exercise

Q. What is Difference between Tax Planning, Tax Evasion and Tax Avoidance?

A. Three methods of saving taxes have been developed in most countries of the world in the past few decades: tax evasion, tax avoidance and tax planning.

Reduction of taxes by legitimate means may take two forms — tax planning and tax avoidance. 'Tax planning' is wider in range. At this stage, the distinction between 'tax avoidance' and 'tax evasion' may be noted. The dividing line between tax evasion and tax avoidance is very thin. The Direct Taxes Enquiry Committee (Wanchoo Committee) has tried to draw a distinction between the two items in the following words.

"The distinction between 'evasion' and 'avoidance', therefore, is largely dependent on the difference in methods of escape resorted to. Some are instances of merely availing, strictly in accordance with law, the tax



exemptions or tax privileges offered by the Government. Others are maneuvers involving an element of deceit, misrepresentation of facts, and falsification of accounting calculations or downright fraud. The first represents what is truly tax planning, the latter tax evasion. However, between these two extremes, there lies a vast domain for selecting a variety of methods which, though technically satisfying the requirements of law, in fact, circumvent it with a view to eliminate or reduce tax burden. It is these methods which constitute "tax avoidance".

Thus, tax evasion refers to any attempt to avoid payment of taxes by using illegal means. Some of the common forms of tax evasion are:

- misrepresentation or suppression of facts;
- failure to record investments in books of account;
- claim of expenditure not substantiated by any evidence;
- recording of any false entry in books of account;
- failure to record any receipt in books of account having a bearing on total income; and
- failure to report any international transaction or deemed international transaction or specified domestic transaction under Chapter X.

These constitute misreporting of income attracting penalty@200% under section 270A.

Q. What tests are to be satisfied for successful tax planning?

A. Tax planning in any case will entirely depend on the individual facts and circumstances. It is a tool in the hands of the taxpayer and tax practitioners for selective use. It is essential to comprehend (a) that the facts bearing on the issue are evidenced by proof; (b) that the associated legal consequences, both under the personal and under the tax laws, are fully borne in mind; and (c) that the situation warrants implementation of "tax planning". Successful tax planning must conform to two outstand-

ing tests viz, (a) conformity with the current law and (b) flexibility.

In order to satisfy the first test, the essential requisite is a comprehensive knowledge of the law, rules and regulations on the part of the tax planner. This knowledge of law extends not only to the provisions of the taxing statutes and the case law that has developed on those statutes, but also to other branches of law, both civil and personal, so that the tax planner's device does not get defeated by the universal principles of jurisprudence.

The second test of flexibility seeks to ensure that the success of the tax planning device is not nullified by statutory negation. Though the tax planner may be successful in seeking out a device which in his opinion is in conformity with law, the subsequent statutory negation may nullify his success. In order to counter this exigency, his tax plan must be flexible. Flexibility essentially means that the device provides for suitable changes in accepted forms. Flexibility is a practical concept. Its introduction and utilization depend upon the circumstances of the case. Under certain circumstances flexibility may be of no avail. As a matter of fact, flexibility may invalidate the tax plan. But when flexibility is permissible the tax planner will do well to remember to keep this test in mind to counter the measures of statutory negation. In view of this position wherever possible, tax planning schemes should be flexible, designed so as to avoid irretrievable situations. The tax planner should therefore be watchful of all significant developments related to his field.

In order to be a successful venture, efforts at tax planning should not ignore the legislative intent; they should be directed in every case to see that not only the tax benefits are obtained but also the tax obligations are discharged without fail so that the penal provisions are not attracted.

Q. What are various methods of Tax Planning?

A. The systems and methods of tax-planning in any case will depend upon the result sought to be achieved. Broadly, the various methods of tax-plan-





ning will either be short-range tax-planning or long-range tax-planning.

The short-range tax planning has limited objective. An assessee whose income is likely to register unusual growth in a particular year on account of say, sale of capital asset like house property, as compared to the preceding year might plan to invest the same in notified bonds, bonds of National Highway Authority of India or Rural Electrification Corporation Limited to claim exemption under section 54EC. This has a lock-in period of 3 years. Such a plan does not involve any permanent or long-term commitment and yet it results in substantial tax saving. This is an example of short-range tax planning.

The long-range tax planning, on the other hand, may not even confer immediate tax benefits. However, it may pay-off in none too distant a future. For instance, in a case where an assessee transfers certain shares to his spouse, the income arising from the shares will, of course, be clubbed with the transferor's income. However, if the company subsequently issues bonus shares in respect of those shares the income arising from the bonus shares will not be clubbed with the transferor's income. Similarly, the income arising out of the investment of the income from the transferred assets will not also be clubbed with the transferor's income. Long range tax planning may be resorted to even for domestic or family reasons.

In relation to income-tax, the following may be noted as illustrative instances of tax-planning measures:

Varying the residential status taking into consideration the number of days of stay in India to be a resident, in case of an individual.

Choosing the suitable form of assessable entity (individual, HUF, Firm, Co-operative society, Association of persons, Company, Trust, etc. to obtain optimal tax concessions)

Choosing suitable forms of investment (share capital, loan capital, lease, mortgages, tax exempt investments, priority sector, etc.), considering deductions available in respect of interest, exemption available in respect of dividend etc.

Programmed replacement of assets to take free advantage of the provisions governing depreciation.

Diversification of the business activities (hotel industry, agro-based industry etc.) considering the various profit-linked and investment-linked benefits available under the provisions of the Act.

Q. What is Tax Planning with reference to Foreign Collaborations?

A. Very often, Indian concerns enter into foreign collaboration agreements. The tax implications of these agreements both on the foreign party and on the Indian concern are required to be known in advance. The foreign collaborator wants to make sure about his tax liabilities in India and unless assured of involvement with a not too high amount of tax, the foreign party is not very eager to conclude an agreement with an Indian party. In such a case, the foreign collaborator can seek advance ruling under the provisions of Chapter XIX-B of the Income-tax Act, 1961, for determination of tax implication of the transaction to be undertaken by the non-resident applicant. The Indian party must examine all the tax angles and devise a method which will saddle the foreign collaborator with the minimum amount of tax in India. The aim should be to arrange the affairs in such a way within the four corners of the law so as to attract the minimum amount of tax.

Double Taxation Avoidance Agreements: For the determination of the taxability of foreign collaborators, the provisions of section 90 are very relevant. This provision empowers the Central Government to enter into double taxation avoidance agreement with foreign countries. In exercise of this power, the Government has entered into such agreements with a number of foreign countries.



Where there is an agreement between the Government of India and the Government of a foreign country, the tax liability of the foreign participant is determined in accordance with and subject to the provisions of the agreement and the Income-tax Act, 1961, to that extent, stands superseded by such agreement. In fact, Circular No. 333 dated 2.4.1982, issued by the CBDT clarifies that where a double taxation avoidance agreement provides for a particular mode of computation of income the same should be followed irrespective of the provision of the Income-tax Act, 1961. Where there is no specific provision in the agreement, it is the basic law, i.e., the Income-tax Act, 1961 which will govern the taxation of income.

Generally, the foreign party happens to be a non-resident for tax purposes. The status in which the chargeability to tax usually arises in the hands of the foreign party is either that of a company, or of an association of persons or of an individual. Body corporates incorporated outside India are treated as 'companies' for the purposes of section 2(17)(ii).

Advance Rulings: In appropriate cases, the facility of getting Advance Rulings, envisaged by section 245N-245V could also be availed of.

Double taxation relief: Taxpayers deriving income chargeable to tax both in India and in a foreign country by virtue of their business being carried on in more countries than one or otherwise, should avail of the benefit of double taxation relief granted under sections 90, 90A and 91 of the Income-tax Act, 1961 subject to GAAR provisions in Chapter X-A of the Act. In order to get the benefit of relief, before starting to carry on business operations in a foreign country, the assessee should be certain whether India has entered into a double taxation avoidance agreement with the foreign country and, if so, the extent to which and the manner in which the relief has to be availed of. Taxpayers should prefer to derive income from those countries with which India has entered into agreement for granting relief from double taxation as compared to

those countries with which no such agreement exists. Even in cases where the income is derived from a country with which India has not entered into double taxation avoidance agreement, the assessee should claim the unilateral relief available under section 91 by proving that he has paid tax in that country on the income which accrued or arose there during the previous year. In such a case, he would be entitled to a deduction from the Indian-tax-payable by him, of a sum calculated on such doubly taxed income at the Indian rate of tax or at the rate of tax of the concerned country, whichever is the lower, or at the Indian rate of tax, if both the rates are equal. The claiming of this statutory relief would help to reduce the total incidence of tax on such doubly taxed income.

Q. What is General Anti avoidance rules?

A. There is a growing concern amongst the revenue in many countries that taxpayers structure transactions to reduce the tax costs. The Base Erosion and Profits Shifting (BEPS) project of the Organization for Economic Cooperation and Development ("OECD") along with G-20 countries sort to tackle this issue. The BEPS Action plans have come out with various recommendations on the issue, both to address it within the international treaty framework (for example, introducing the principle purpose test, limitation of benefits clause, amending the permanent establishment clause, etc.) and in the domestic tax law context (for example, controlled foreign corporation rules, equalization levy, etc.).

Tax avoidance is not defined in taxing statutes. Tax avoidance is, nevertheless, the outcome of actions taken by the assessee, none of which or no combination of which is illegal or forbidden by the law as such. International literature on the subject tends to describe it in the following ways:

Tax avoidance involves the legal exploitation of tax laws to one's own advantage.

Every attempt by legal means to prevent or reduce tax liability which would otherwise be incurred, by taking advantage of some provisions or lack of provisions in



the law.

An arrangement entered into solely or primarily for the purpose of obtaining a tax advantage.

Taxpayers consider it their legitimate right to arrange their affairs in a manner as to pay the least tax possible. However, tax authorities internationally consider aggressive tax planning schemes by taxpayers to erode the tax base unnaturally, particularly when effective rates of tax diminish significantly. Several countries have, therefore, legislated to prevent tax avoidance in various ways

The General Anti-Avoidance Rules (GAAR) provisions aim at combating 'impermissible tax avoidance'. Many countries, like United Kingdom, China, South Africa, Australia, Canada, Brazil. GAAR, have incorporated General Anti-Avoidance Rules in their domestic tax laws to deal with aggressive tax planning.

Q. What is the impact of ICDS on computation of Income Tax?

A. Income Computation and Disclosure Standards (ICDS) were developed with a view to reduce tax related disputes by bringing consistency in the application of accounting principles in governing the computation of income.

Sec. 145(2) of the Income-tax Act, 1961 empowers the Central Government to notify income computation and disclosure standards (ICDSs) to be followed by any class of assessee or in respect of any class of income.

Accordingly, the Central Government had, vide Notification No. S.O. 892(E) dated 31.3.2015, in exercise of the powers conferred by section 145(2), notified ten income computation and disclosure standards (ICDSs) to be followed by all assessee, following the mercantile system of accounting, for the purposes of computation of income chargeable to income-tax under the head "Profit and gains of business or profession" or "Income from other sources". This notification was to come into force

with effect from 1st April, 2015, to be applicable from A.Y. 2016-17.

However, the Central Government has, vide Notification No .S.O. 3078(E) dated 29.9.2016, rescinded Notification No. S.O. 892(E) dated 31.3.2015. Simultaneously, vide Notification No .S.O. 3079(E) dated 29.9.2016, the Central Government has notified ten new ICDSs to be applicable from A.Y.2017-18 and also made suitable changes to tax audit forms vide Notification No. 88/2016.

The CBDT has, vide Circular No.10/2017, clarified certain issues on ICDS notified u/s 145(2) of the Act. The deviations in ICDSs vis-à-vis ASs would also increase the timing differences between taxable income and accounting income. Further, the ICDSs, at many places, differ significantly from decisions pronounced by the Supreme Court and High Courts.

The significant deviations between the Accounting Standards and the ICDSs clearly indicate that the overall impact of ICDSs is the advancement of recognition of income and gains and postponement of recognition of expenses and losses. Consequently, timing differences between taxable income and accounting income would increase. Many of the ICDSs also tend to deviate significantly from the decisions pronounced by the Apex Court and High Courts recognizing accounting principles under tax laws.



Ms. Pemal Singh

CRO0462741



About a million Indians every month or roughly around 1.2 crore every year reach the employment age. That is a daunting statistic. But what were you expecting? Aren't we a billion people here?

These people will look for a job. Either they may go for a job in the private sector or the government sector. But let's not forget the Artificial Intelligence and machines which are eating our jobs. If you are still successful to get a job, there might be an issue with long working hours, pay etc. But there is still an option. Make something on your own!

We shall go into details but before that, a very warm welcome to everyone present here. My name is Pemal Singh and today I am standing in front of you people to speak on the Startups.

I don't know about you but for me the word startup is the word I have heard most in the last couple of years.

The term "startup" has been exchanged around and spoken about with increasing frequency over the past few years to describe young ventures and entrepreneurs trying out something new. But what is a startup, really?

Neil Blumenthal, cofounder of Warby Parker says, "A startup is a company working to solve a problem where the solution is not obvious and success is not guaranteed."

A startup is a young company that is just beginning to develop. Startups are usually small and initially financed and operated by a handful of founders or one individual. These companies offer a product or service that is not currently being offered elsewhere in the market, or that the founders believe that they

can provide the same in a better way. Investing in them is considered high risk.

Startup is not the next big thing. They have existed since the beginning of time. It is just that it has gained momentum in the recent times and people have started to recognize the idea of a startup.

Well, in above we just talked about a very generalized or we can say universal meaning of startup. But we got to look at what exactly we have got here in India.

Consider this. Close to 4,400 technology startups exist in India and the number is expected to reach over 12,000 by 2020. India is also at third place behind US and Britain in terms of the number of startups. Furthermore, in line with its global counterparts, India has its own billion dollar club to boast about.

This includes startups like Flipkart, Ola, Hike, Paytm, Zomato, and Quikr.

Nobody can deny the huge potential of a startup. Do you know that 70% of jobs created in USA are by the startup businesses so now you can understand that why our Government has focused on Indian startups and launched "Startup India" scheme. It has incentives including Rs. 10,000 crore corpus for innovation-driven enterprises.

New incubators have been set up. Incubators means a place, especially with support staff and equipment, made available at low rent to new small businesses.

On April 17, 2015, the Ministry of Commerce and Industry released a notification to define 'startups'.

A Startup shall mean an entity, incorporated or registered in India:

- Not prior to seven years, however for Biotechnology Startups not prior to ten years,



- Annual turnover not exceeding INR 25 crore in any preceding financial year, and
- Working towards innovation, development or improvement of products or services with a high potential of employment generation or wealth creation

The government has recognized the start ups by the above definition and is providing them with immense benefits like

1. Simple process

Government of India has launched a mobile app and a website for easy registration for startups. The entire process is completely online.

2. Reduction in cost

The government will provide high quality Intellectual Property Right Services. They will enjoy 80% reduction in cost of filing patents.

3. Tax holiday for 3 Years

Startups will be exempted from income tax for 3 years.

4. Apply for tenders

Startups can apply for government tenders. They are exempted from the “prior experience/turnover”

5. R&D facilities

Seven new Research Parks to provide facilities to startups in the R&D sector

6. No time-consuming compliances

Various compliances have been simplified for startups to save time and money. Startups shall be allowed to self-certify compliance (through the Startup mobile app) with 9 labour and 3 environment laws.

7. Tax saving for investors

People investing their capital gains in the venture funds setup by government will get exemption from capital gains. This will help startups to attract more investors.

8. Easy exit

In case of exit – A startup can close its business within 90 days from the date of application of winding up.

9. No letter of recommendation

No letter of recommendation from an incubator/industry association shall be required for either recognition or tax benefits.

Being To-be-Chartered Accountants we judge everything on the basis of numbers. And being masters at direct taxes, we got to know about the tax exemptions that have been provided to startups.

Following direct tax incentives were provided in Income-tax Act, 1961 (‘the Act’) to promote Start-ups through Finance Act, 2016:

- Introduction of new section 54EE to exempt investment of long term capital gains by an investor in a fund notified by Central Government.
- Further, for medium and small enterprises with an annual turnover of up to Rs 50 crore, the budget announced a five percentage point rebate on corporate tax to 25% from the earlier 30%.
- Amendment of section 54GB to provide exemption of capital gains arising out of sale of residential property, on investing the same in shares of Start-up company.
- Introduction of new section 80-IAC to provide 100% deduction for three consecutive years out of five years, to profits of start-ups which are approved by Inter-Ministerial Board.
- CBDT has notified that Angel investors funding to approved start-ups shall be exempt from incidence of tax under section 56(2)(viib).



Further, vide Finance Act, 2017;

Amendment of section 79 of the Act. The restriction of fifty one percent of shareholding of company to remain unchanged in order to carry forward and set-off the loss of earlier years has therefore been relaxed in the case of start-ups.

Amendment to provide that deduction under section 80-IAC can be claimed by an eligible start-up for any three consecutive assessment years out of seven years beginning from the year in which such eligible start-up is incorporated as against three years out of five years provided by Finance Act, 2016.

The above exemptions would encourage seed-capital investment in Startups, facilitate their growth and meet the working capital requirements during the initial years of operation. Further, they would also promote investments into Start-ups by mobilizing the capital gains arising from sale of capital assets.

We have talked enough about the Startups. But do you know how we as Chartered Accountants help these.

As we are taught almost everything related to accounting, company laws, labour laws, FEMA laws, ye law, wo law, income tax, Excise Duty, Customs Duty, VAT, Service Tax, ye tax, wo tax, which now is GST, then costing, financial management, auditing, Information Technology and what not as a part of our course!

As the partners in nation building it is undoubtedly not only an opportunity in professional domain but it is also a responsibility for interest in large.

So now it is essential to measure and understand how can chartered accountants justify and help entrepreneurs in making sure that the venture results into a profitable and successful adventure. These are some of the areas...

- Tax Specialization

- Finance professional
- Secretarial matters
- Start-up scheme
- Compliance check up
- Advisory
- Highlight risk areas and suggesting potential mitigation strategies
- Risk Minimization
- Representations to Venture Capitalists

A CA by profession knows taxes better than anyone else and has the upper edge in determining the tax implications and ensuring it has minimum impact by effective tax planning so whether it is income tax or the newly introduced Goods and services tax, A CA's knowledge is useful and vital for any new business to succeed and if your Co - founder happens to be a CA you are more likely to save a lot of the funds.

I would end with a look at top start-ups of Chartered Accountants in India:

CA Vivekananda Halleker, Founder of Wicked Ride: India's first premium motorcycle rental Company which offers rentals of premium bikes.

CA Rashmmi Khetrapal, Founder of Visheshagya: Tax & Legal Services: it is a one stop e-commerce portal in the taxation, legal and the accounting space.

CA Nikhil Gupta, Founder of Dream Wallets: It is an Online Crowd Funding Platform and Website in India through which, funds can be raised.

CA Vishesh Dalal Founder of Centralmart: The entire gamut of home products online.

CA Krishna Killa: Founder Lifcare: Recently raised \$1 Million in funding. It is a subscription pharmacy which focuses on chronic diseases.

So, is there anything left a Chartered Accountant cannot do, whether it is to help the Government make GST successful or support a startup or even run a startup? We have got what it takes.



Mr. Rohit Agarwal

ERO0219668



WHAT IS A START UP?

A startup is a young company that is just beginning to develop. Startups are usually small and initially financed and operated by a handful of founders or one individual. These companies offer a product or service that is not currently being offered elsewhere in the market, or that the founders believe is being offered in an inferior manner.

In the early stages, startup companies' expenses tend to exceed their revenues as they work on developing, testing and marketing their idea. As such, they often require financing. Startups may be funded by traditional small business loans from banks or credit unions, by government-sponsored Small Business Administration loans from local banks, or by grants from nonprofit organizations and state governments. Incubators can provide startups with both capital and advice, while friends and family may also provide loans or gifts. A startup that can prove its potential may be able to attract venture capital financing in exchange for giving up some control and a percentage of company ownership.

Because startups don't have much history and may have yet to turn a profit, investing in them is considered high risk. Here are some ways that potential lenders and investors can value a startup in the absence of revenues:

- The cost to duplicate approach looks at the expenses the company has incurred to create its product or service, such as research and development and the purchase of physical assets. However, this valuation method doesn't consider

the company's future potential or intangible assets.

- The market multiple approach looks at what similar companies have recently been acquired for. The nature of a startup often means that there are no comparable companies, however. Even when there are comparable company sales, their terms may not be publicly available.

- The discounted cash flow approach looks at the company's expected future cash flow. This approach is highly subjective.

- The development stage approach assigns a higher range of potential values to companies that are further developed. For example, a company that has a clear path to profitability would have a higher valuation than one that merely has an interesting idea.

Because startups have a high failure rate, would-be investors should consider not just the idea, but the management team's experience. Potential investors should also not invest money that they cannot afford to lose in startups. Finally, investors should develop an exit strategy, because until they sell, any profits exist only on paper.

NEED OF START UPS IN INDIA

India is a country with the third largest number of start-ups in the world. However, we need more entrepreneurs to come forth as the Indian market is constantly evolving and the opportunities need to be tapped.

That aside, here are a few reasons why India needs more entrepreneur:



1. New innovations
2. Huge number of VCs wanting to invest
3. New ideas make life simpler
4. Fill gaps in growth and development in the country
5. Government initiatives
6. Healthy competition

The Prime Minister **Mr. Narendra Modi** had in his Independence Day speech announced **Startup India initiative in 2015**. The objective of this initiative is to make India a nation of **'Job creators' instead of being a nation of 'Job seekers'**.

Fostering a fruitful culture of **innovation** in the country is a long and important journey which India has taken up to make itself a hub of innovation, **d e s i g n a n d s t a r t u p**. Starting a new business involves a number of criteria's, one such criterion is knowing the correct procedure and laws relating to startups in India. As per new legal norms, a **business entity is identified as a startup for up to five years from the date of its incorporation** which needs to meet following criteria set by DIPP to access government benefits:

1. Its turnover should not exceed Rs. 25 Cr in the **l a s t f i v e f i n a n c i a l y e a r s**
2. Its headquarters should be located in India
3. It must work towards innovation, development, deployment and commercialization of new products, processes, or services driven by technology or intellectual property.



LEGENDARY LANDMARKS: 'START UPS'

Sachin Bansal, Flipkart

Kunal Bahl, Snapdeal

Bhavish Aggarwal, Ola

Vijay Shekhar Sharma, Paytm

Deepinder Goyal, Zomato

ENTREPRENEUR MAKES ENTREPRENEUR

Behind every successful startup, there's an unique idea and an unique investor. Ratan Tata, known for his good deeds, has been an investor who has promoted over 30 startups in his personal capacity. A lot of these startup are technology-based, and are already touching heights of success. As per a report by GadgetsNow, here are the 10 start-ups which are already successful, and got a funding from Ratan Tata:

- 1) Paytm
- 2) Ola Cabs
- 3) Xiaomi
- 4) Zivame
- 5) Urban Ladder
- 6) Cash Karo
- 7) Urban Clap
- 8) Lenskart
- 9) Cardekho
- 10) Snapdeal
- 11)

TAX COMPLIANCES

These are the following laws that should be taken care of:

- 1) Tax Laws

Tax laws can be very tricky if not taken care of initially. Every company has to pay taxes at the Central,



State and Local level. A good knowledge of the basics of accounting and taxation would be very useful.

2) Security Laws

To be on the list of stock exchange, it is very important to be well updated with the reforms made by Securities and Exchange Board of India (SEBI).

3) Business Finance

It means how a startup manages its financial needs across its life-cycle. It includes everything that is foreign direct investment (FDI), venture capitals, joint ventures, angel investors. This would result to be very profitable for the company.

4) Labour Laws

This is the most important key in the initiation of startup as the staff working for the company should be satisfied. This would bring innovations to the company and in later development the company would also need freelancers and contractors and the rights of these are protected under labour law and moreover a good labour brings productivity to the business.

5) Intellectual Property Laws

If the startups deal with codes, designs or research this is the most important law to be good with. All the IP audits should be updated timely by doing so the Company can file their own claim for patent, trademark, copyright and this will prevent identity theft.

6) Information Technology Law

With growing technology, IT laws come into the picture. If the startup deals with software designing or any IT services, there comes bulk of data from the consumer which has to be protected. It also includes digital signatures and e-contracts which have to be protected for the client's privacy electronically. This is where knowledge of IT laws comes into play.

7) Contract Law

No business can grow without signing contracts with others to safeguard the rights of the company to be misinterpreted, a good knowledge of contract law is essential.

8) Settling Disputes

With the increase in the number of disputes, courts have been overburdened with petitions and appeals, hence alternate methods of dispute resolution including arbitration, out of court settlement, negotiations etc have been taken up. These alternate methods are being widely taken up by the emerging companies nowadays as it is a method of saving both time and money.

DID YOU KNOW?

NASSCOM – Startup Warehouse

The National Association of Software and Services Companies (NASSCOM) is a trade association of Indian Information Technology (IT) and Business Process Outsourcing (BPO) industry. Established in 1988, NASSCOM is a non-profit organization. With the incremental growth in startups, NASSCOM took the initiative of incubating startups for young entrepreneurs. It merged its existing global partners with enthusiastic young minds with the target of 10000 successful startups within 10 years.

TVF Pitchers

TVF Pitchers is an Indian web series created by The Viral Fever (TVF) and developed by Arunabh Kumar. It follows four friends, Naveen, Jitu, Yogi and Mandal, who quit their jobs in order to develop their own start-up company. Four of them entered the business world by launching their own start-up company. Naveen was upset with his company for not letting him lead a project for which he'd worked really hard. His mentor asked him a very fundamental question: 'What are you?' Naveen and his friends discover the answer to the question in different ways. He resigns but faces a dilemma when he is offered a position in a branch office located in Beijing. He leaves for the airport but



upon reaching there he realizes that he is not destined for routine jobs. At the same time, he receives news of his "B-Plan" reaching the final of the NASSCOM start-up conclave. He convinced his 3 of friends to leave their jobs and join him for the project. This sets off a chain of events in which the four rediscover what they really want in life, and face challenges in getting their start-up idea off the ground.

BURNING WITH THE HOT TOPICS

IMPACT OF GST

Higher threshold for registration

As per the VAT structure, any business with a turnover of more than Rs 5 lakh had to get VAT registration and pay VAT (different in different states). Under GST this threshold is 20 lakhs thus exempting many small businesses including startups. GST also has a scheme of lower taxes for small businesses with turnover between 20 to 50 lakhs (though its optional). It is called the composition scheme. This will bring respite from tax burdens to newly established businesses.

Online simpler procedure under GST

The entire GST process starting from registration to filing returns and payment of GST tax is online. Startups do not have to run around to tax offices to get various registrations under Excise, VAT, Service tax.

Startups can enjoy tax credit on their purchases

A lot of startups are into service industry i.e., they paid service tax. Under GST regime they can set off the tax paid on the purchases (say office supplies) with the tax on their sales.

E-commerce and other online startups

Many startups are technologically innovative meaning they have a huge presence online. Many startups provide goods and services through the internet. GST is applicable all over India so there is

no complication for inter-state movement of goods. Earlier, states had different VAT laws. For example, online websites (like Flip kart, Amazon) delivering to Uttar Pradesh, had to file a VAT declaration and the registration number of the delivery truck. Tax authorities sometimes seize goods when there is a failure to produce documents. Again, they are treated as facilitators or mediators by states like Kerala, Rajasthan, West Bengal not requiring them to register for VAT.

All these differential treatments and confusing compliances is removed in GST.

Increased efficiency in logistics

GST unites India removing restrictions on inter-state movement of goods. This will bring warehouse consolidation across the country.

Reduction in unnecessary logistics costs will increase profits for startups involved in supply of goods through transportation.

IMPACT OF Insolvency & BANKRUPTCY CODE, 2016

The Narendra Modi government has been able to get the new Bankruptcy Code Bill passed in the Parliament and this is being considered a major economic reform wherein as per a World Bank report it earlier took around 4.5 years to close a business, but under the Insolvency & Bankruptcy Code 2016 the same is expected to be closed in 6 months maximum extendable to 9 months.

Thus in a way, the new Code is going to open the exit route to the much saturated market which has been a hub for start ups and hence ensure survival of the fittest.

The MODI-fied Startup Growth

Start-up India is an initiative launched with its complete action plan on 16th of January 2016. However, this scheme was announced earlier by the Prime



Minister Narendra Modi during his Independence Day speech in 2015. This programme was a new gift of year 2016 to the young people by the Indian government. It is very well proved much helpful in improving the economic growth of the country and career growth of the youths.

Acknowledging steps being taken by India for sustainable and inclusive growth as well as support to global economy, the G20 has praised the initiatives in the country for promoting ease of doing business, startup funding and labour reforms for startups in India. Modi government has said it wants India to be ranked in the top-50 nations in terms of ease of doing business. The areas where India ranks poorly as per the World Bank ranking include starting a business, dealing with construction permits, registering property, paying taxes, trading across borders, enforcing contracts and resolving insolvency where startups have come in front eyes.

With the well diversified need of growth of business in India, the reforms such as exemptions and Venture Capitalism has come with the outcome of more ideas linking startups where investors seem attracted with the current scenario of tax benefits and HNI are highly involved with the motive of long term wealth creation. With cutting of the major crisis of finance for startups, the government has led to the ideas where FII's and HNI's are attracted towards their own benefits.

CONCLUSION

The initiative of start ups is the necessity to lead India in right direction. The most important point about this campaign is that it involves youths of the country as start-ups as they have fresh mind, innovative ideas, required strength, energy, skill, and new thinking to lead business. Youths are the energetic and highly skilled section of the society so they are better target for this campaign.

Youths have fresh mind, new ways, and new thinking so they are better to support as startups. Various IITs, NITs, central universities and IIMs of India were connected through the live connectivity during the successful launch of campaign. The main aim of this scheme is to promote bank financing as well as offer incentives for start-up ventures to boost the entrepreneurship and new job creation techniques among them.

India continuing with lots of traditional entrepreneurs having mostly with small family business and stick to their own small cash-flows, start up was a gem boost to explore their minds and creative ideas into existence. The young minds gave more emphasis to the E-commerce platforms and investors like Ratan Tata with right eye vision gave the the supply of finance for support activities.

We have companies in India emerging as Start-up help artists where ideas are polished and made executed with correct plans where maximum individuals have their ideas ready but without proper execution. With instancing the seminars, institutions are coming up with criterias for entering business.

India with a population of more than 1.2B and counting and a GDP of almost \$2T, 63% of the population is of less than 30 years. And this contributes to one more and most important line of conclusion where minds are collecting for getting into business activities.

With the leading startup tycoons and investors including FII's, India's economical growth is increasing with widespread allowance of exports and limiting imports. Overall with successes of startups, we can see India with large number of young entrepreneurs having long term vision of more than 20 years.



Ms. Prachi Jain

NRO0358157



Background

India is a country with population of 1.3 billion people and is still counting. For the past many decades our country has been dealing with many economic & social issues. One of them is UNEMPLOYMENT. India is a pool of unemployed manual resources which has become one of the reasons for country's backwardness. There are too many reasons behind unemployment in India but one of the main reasons is lack of manufacturing products in India. Countries such as USA, Germany, China, Japan, have around zero unemployment and most significant reason is that they have robust manufacturing culture.

Present Scenario

A generation ago, people work hard to get suitable job in their hometown and settle with their parents. With globalization making its way to our homes, people explored new areas in search of better opportunities. However, we have now shifted towards an Era where people want to work for themselves. They refused to work under a boss rather they want to become bosses for themselves. Since we live in dynamic time of rapid technological development, the internet has become one of the best tools for starting your own business.

The startups have become very popular recently as they enable people to establish their own firms that can be quite promising and potential.

It is to start your business nowadays. You do not require any permissions and documents. All you need is just an idea, desire, energy and knowledge

about business and management. In simple words, YOU SELL YOUR IDEA.

Start Ups will come in play over here. As Modi explained "Start-up is not just about mobiles and laptops. Start-up does not only mean a company with billions of dollars of money and 2,000 employees. If it is able to provide employment to even five people, it would help in taking the country forward. Young people have to change their mindsets from being job seekers to try and become job creators. Once you become a job creator, you will realize that you are transforming lives,"

Startup India is campaign announced by Prime Minister Narendra Modi on 16th of October, 2016.

The motive behind this campaign is to encourage entrepreneurship in our country and encourage startups with job creations.

The startup India Initiative also aim to promote entrepreneurship among SCs/STs and women opportunities.

SUCCESS

- This scheme has encouraged entrepreneurs to come up with their startup plans. India ranks 3rd globally in startup industry with 4200 registered startups.
- The government has set up new incubators (i.e. Facility established to nurture young (startup) firms during their early months or years & provide access to basic amenities such as affordable space, management support etc.) across the country on the public-private partnership mode. Till now 17 established incubation centers have been short listed for scale up support as per NITI Aayog site.



- The Startup India Hub has been operational from April 1st 2016 for any queries about recognition as a „startup, incubators, funding or avail tax benefits. The hub handled about 25,000 queries from startups through telephone, email and Twitter.
- The “Funds of Funds” of 10,000 crores rupees for startups by SIDBI has been a major attraction for ventures. The fund will invest in SEBI-registered VC Funds, which in turn will invest in startups.
- The government has made exit easier for startup who are about to quit their business. The Insolvency and Bankruptcy Code, 2016 says that startup can close up within 90days of filing in the application.
- The GST Bill has greatly improved the growth rate of startups in the country. The Startups are now scaling up as there are no irregular issues to deal with.

Reasons for FAILURE:

Many startups are giving unrealistic discounts to attract customers. This leads to more investments with low profits. Such kinds of startups are more likely to run into losses, which results in shutting down.

Many startups are imitating successful startups. For example many startups replicated Amazon and Flipkart, but couldn't succeed.

Another reason for failed startup is lack of sustainable business model. Some startups have no clear vision. Such kind of business is not viable in the long run.

Some Sectors are overcrowded. For example many food delivery startups in India like “Eat Fresh” went

into losses.

Implementing western models in Indian market may not work all time. Indian Market is different. Misinterpreting market needs is forcing some startups to shut down soon.

Unlike startups in other countries, Indian startups are attracting a lot of investments through Venture Capital. With excessive funds, productivity may decrease.

Some startups are unable to attract investments and failed.

Some startups are failed due to implementing their operations on a large scale, without testing it on small scale first.

Venture Capital firms tend to pressurize startups to maximize profits. This is leading to unnecessary stress and leading of shutting down of startups.

Most of the failed startups are started by youngsters with lack of expertise in the field they are in.

Timing is another important factor. Some ideas may succeed in future.

Lack of Innovation.

Conclusion

With startup Boom, everyone wants to utilize the opportunity, but only a few are succeeding. The campaign is a good start for startup industry in India. But the implementation of the schemes has not been proper.

At the starting stage of startup boom, there was a dearth of experienced mentors and trainers.

With the growing expertise on startups, and with the increasing government support, success rate of startups will more likely to increase in India.

The decreased corporate taxes and increased possibilities will surely help young entrepreneurs make



successful business with great ease.

MAKE IN INDIA

Background

Make in India" program was launched in 2014 to transform India into a manufacturing hub.

Make in India is the BJP-led NDA government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy.

In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe.

The logo for the Make in India campaign is an elegant lion, inspired by the Ashoka Chakra and designed to represent India's success in all spheres.

Apart from the launch of a colorful brochure, which should find its way into the hands of anyone intending to invest into India, the government of India also launched a website to supplement the campaign.

The Make In India website highlights each of the 25 target sectors such as Automobiles, Oil and Gas, Defence manufacturing, Chemical, Leather, Tourism and Hospitality etc. with statistics, reasons to invest, growth drivers, government support, and opportunities for investors apart from showcasing the live projects that have been undertaken and FAQs.

The website also links to the campaigns Social Media feeds on Twitter, Facebook, Google Plus, and YouTube.

Achievements

With the launch of Make in India, rules and policies are simplified. Now it is much to start a company

in India. That means Red tapism is reduced.

Ease of doing business in India is increased.

India now ranks 130th out of 190 countries in the World Bank's

2016 ease of doing business index.

Make in India program attracted Foreign Direct Investment (FDI) to India.

This program made India, one of the preferred manufacturing hubs. It created new employment opportunities.

There is a boom of startups in India after launching Make in India.

Several foreign companies started their manufacturing units in India. India is aiming zero electronic imports by 2020, by making India as a electronic manufacturing hub, which is a part of "Make in India" program.

Drawback

Though improved, ease of doing business in India is not up to the mark. Private firms, especially larger firms are complaining about regulatory obstacles.

There is a shortage of skilled manpower in India. Though the situation has improved, still there is a gap in between the demand and supply of skilled manpower.

Though many industries are planned to be setup and inaugurated, many of those projects are not implemented yet.

Workers in India's manufacturing companies are getting very low wages.

Conclusion

"Make in India" is a success in creating a favorable environment for manufacturing companies. Its effect on Indian economy is clearly visible. But there are some drawbacks that need to be taken care of.



Mr. Mallampalli Ruthvik

ERO-0190586



Introduction

The Prime Minister of India, Shri Narendra Modi had announced on 15th August 2015 the “Start-up India” initiative which aims at fostering entrepreneurship & promoting innovation by creating an ecosystem that is conducive for growth of Start-ups.

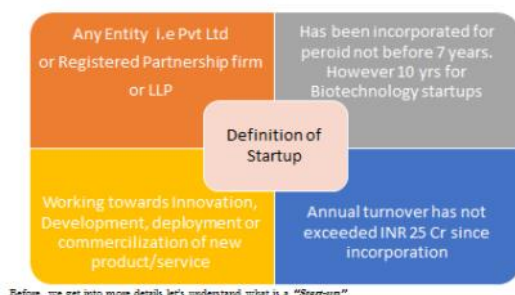
The objective is that India must become a nation of job creators instead of being a nation of job seekers. Start-up India campaign is based on an action plan aimed at promoting bank financing for start-up ventures to boost entrepreneurship and encourage start-ups with jobs creation which was organized by Department of Industrial Policy and Promotion (DIPP)

In order to meet the objectives of the initiative, Government of India has announced an Action Plan that addresses all aspects of the Start-up ecosystem.

The Start Up India policy would attempt to address two key concerns the government wants to fix in India’s start-up ecosystem.

Over 65% of successful start-ups re-locate out of India owing to the difficulty of doing business, usually to Singapore.

Secondly, 90% of start-up funding presently comes from foreign VC and PE funds.

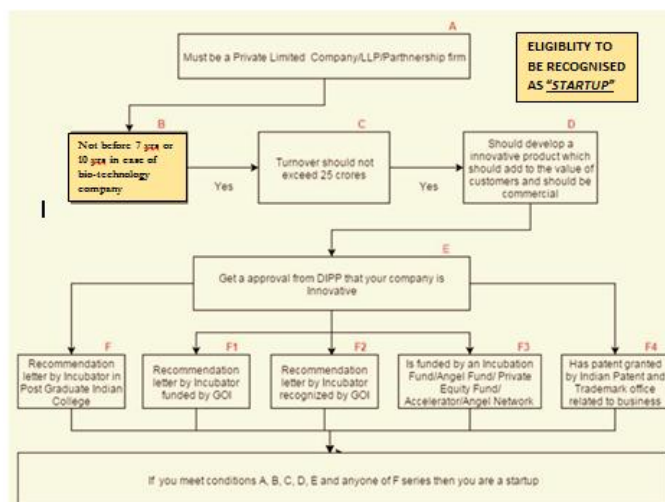


If any company is developing

- any products or services which don't have any commercial value
- undifferentiated products without any utility or benefit for the customers on using such product or service

Will not be considered as start-ups for govt purpose

In order to obtain any benefits relating to IPR & tax, the “start-up” should get certified as an eligible business from the “Inter-Ministerial Board of Certification”. The board would consist of DIPP Joint Secretary, representative of Department of Science and Technology; and Department of Bio-technology.



Current Trends in India

In 2017, the start-up base in India is expected to cross 5000 with a 7% net growth from 2016, but however the number of new start-ups is likely to come down from 1400+ in 2016 to 1000+ in 2017 as entrepreneurs pivot their business models and explore untapped opportunities.

Multiple indicators point that the Indian start-up ecosystem is traversing the maturity cycle as there has been impressive traction in the B2B space with almost 50% of the new start-ups in 2017 in this segment, up



from 34% last year.

- Number of new additions of Advanced Technology start-ups is also witnessing a five-year CAGR of over 30%. Indian ecosystem continued to remain attractive for investors with almost US\$ 6.4 Bn of funding in first half of 2017 demonstrating 167% growth over H1 2016.
- Unicorn funding took centre stage with big deals announced in the year. In addition, the start-up ecosystem also witnessed the mushrooming of a significant base of start-ups building solutions for India centric grass root level problems.

To understand more, just look at the below start-ups in each of the sector:

Sector	Investors	Fund Raised
E-Com	Flipkart - Nasper, Tiger Global, DST Global, Accel, eBay, Axis Bank, SoftBank Snapdeal - Kaalari Capital, Softbank, Ratan Tata, Alibaba, Nexus Venture Partners, Clouse SA Infibeam - Listed company	Flipkart - \$7.28bn Snapdeal - \$1.78bn Infibeam - NIL
Healthcare	Qikwell - SAIF Partners Practo - Sequoia Capital, Matrix Partners, Altimeter, Google Capital, Tenacent	Qikwell - \$3.4mn Practo - \$179mn
BFSI	Paytm – Alibaba Mobikwik - Global payment fund, Tree line Asia, Bajaj Auto Finance	Paytm - \$2.38bn Mobikwik - \$162mn
Travel	Ola - DST Global, Softbank Capital, Tiger Global Mngt, Tenke Capital Uber - Baidu, Fidelity Investments, Morgan Stanley, Tata Capital, Menlo Ventures	Ola - \$3.01bn Uber - \$11.56bn
Hotel Booking	Zo Rooms - Orios Ventures, Tiger Global Management. Oyo Rooms -Softbank Capital, Light speed ventures	Zo Rooms - \$47mn Oyo Rooms - \$225mn
Car pooling	Bla Bla Car - Alexandra Mars, Martin mignot, Dominique Vidal Rideshare -	Bla Bla Car - \$336mn Rideshare -
Shared Economy	Furlenco - Lightbox Ventures Urban Ladder - Seq Capital, TR Capital, Steadview Capital	Furlenco - \$36mn Urban Ladder - \$96mn
E-Com grocery	Pepper trap - Innoven Capital, Snapdeal Grofers - Softbank, Seq Capital Big Basket - Abraaj group, Bessemer ventures, Helion Ventures, Trifecta Capital	Pepper trap - \$51.2mn Grofers - \$181mn Big Basket - \$5855 mn
F&B	Swiggy - Accel, DST Global, SAIF Partners, Harmony Partners Food Panda - rocket Internet, Goldman Sacs, Falcon Edge Capital	Swiggy - \$155mn Food Panda - \$318mn
Logistics	Delhivery - Tiger Global Management, Multiples Alternative Asset Mngt, Carlye Group, Fosun International GoJavas - Snapdeal	Delhivery - \$257mn GoJavas - \$20mn

QUICK FACTS¹

START-UP BASE ²	5000-5200 Total tech start-ups in 2017 Up by 7% YoY 1000 # of new start-up additions in 2017 Down by 29% YoY	Slow-down in new start-up addition, as focus shifts to quality
START-UP HOTSPOTS	Bengaluru, Delhi NCR & Mumbai form 68% of start-up base Up by 7% YoY	Tier 1 cities* continue to form the lion share (~80%) of the overall start-up base
BUSINESS FOCUS ³	B2B start-ups form 40% of the overall start-ups Up by 16% YoY	B2B start-ups continue to gain prominence
FUNDING ANALYSIS ⁴	\$1.8 Bn Funding raised by start-ups so far in H1 2017 Down by 14% \$6.2 Mn Average funding per funded start-ups Up by 7%	Cautious investors shifting money from Seed Stage to Early/Growth Stage
INVESTOR MIX ⁵	44% Foreign investors among 500+ active investors in H1 2017 Non-US forms 45% of foreign investor mix	Increasing traction from Foreign investors, esp. from non-U.S. geos
VERTICAL FOCUS ⁶	Aggregators / eCommerce: \$1.1 Bn funding Up by 22% Fin-Tech: \$200 Mn funding Up by 135%	Investors continue to remain bullish on Aggregators / eCommerce and Fin-Tech verticals
ADVANCED TECH FOCUS ⁷	700+ Advanced Tech start-ups 30%+ CAGR for new start-up additions since 2012	Key focus on Analytics, Artificial Intelligence and Internet of Things
START-UPS SOLVING SOCIAL PROBLEMS ⁸	325 Start-ups focused at solving core India problems Up by 18% YoY	Rise of new breed of start-ups solving key India problems
MORTALITY ANALYSIS ⁹	20-25% overall mortality rate Further reduction in share of B2B in failed start-ups from 36% in 2016 to 30% in 2017	B2B start-ups more likely to survive vis-à-vis B2C start-ups
INCUBATORS / ACCELERATORS	190+ active Incubators/Accelerators Up by 36% YoY	Continued growth of Incubators / Accelerators

Action Plan of Government:

The event was inaugurated on 16 January 2016 by the finance minister Arun Jaitley along with 40 top CEOs and start up founders and investors from Silicon Valley as special guests.



Broadly, the action plan can be classified into 4 different sectors:

Simplification & Handling

Reducing the compliance regulations for a Start-up

The Government has decided to do away with



compliance structuring for start-up companies like compliance to various labour & economic labour laws like PF, Gratuity, ESI Act etc. However, the Government has allowed window for start-ups to self-certify that they are compliant too few of required economic & environment.

Ease of Doing Business in India & creating an Eco-System

- Presently, India is ranking at 136th for ease of doing business. To ensure, we improve our rating substantially the Government has decided to ease the norms of business mainly focusing on start-ups.
- Using the A single integrated mobile app, government wants to allow that company incorporation should be completed in 1 day rather than the usual time taken for other companies.
- To create a competitive & ecosystem for the start-ups to grow, a new concept called “Start-up India Hub”
- which collaborates with Central & State governments, Indian and foreign VCs, angel networks, banks, incubators, legal partners, consultants, universities and R&D institutions
- To assist start-up in their business model & emphasize on crucial factors like obtaining financing, feasibility testing, business structuring advisory etc.
- Organize mentorship programs in collaboration with government organizations, incubation centres, educational institutions and private organizations who aspire to foster innovation.
- Start-up Hub will be a mentor, guide, friend for all business to help them to succeed to the next level.

Offering of Services through a Single Mobile App

Introducing a mobile app initiative by government which is integrated platform for offering various services like incorporation of company, downloading documents & certificates, applying for various registrations & licenses through a single mobile app.

Successfully, the mobile app went live from 1st April, 2016 enabling all the start-ups to start availing various benefits.

Legal Support & Fast Tracking of Patent Process

- Many technology companies always come with a unique algorithm or a new API which has new set of proprietary data set. Companies cannot take things public easily as this a new set of innovation behind the application. For instance, Lenovo Technology has around 20-30 Patents for its unique Data rules. But, start-ups find tough time to apply patents as they are time consuming & expensive.
- Fast tracking of start-up applications of patents, panel of facilitators to assist in patent filing would really help a start-up to push things aggressively.
- Good news more about is that Government would be bearing the Facilitators cost & the start-ups needs to pay only the statutory fee
- Government decided to ensure that 80% of the total patent fee be waived off for a Start-up as incentive recognition for innovation

Easy Access to Public Procurement for start-ups

Earlier, in case of government or PSU tenders & biddings, it was required company to have a certain prerequisite experience or turnover to be eligible for such tender.

However, now the Government has relaxed such prior conditions & turnover cap limit for start-ups (in Manufacturing space) provided the expected quality &



technical parameters are being met.

But, it is responsibility of the start-up in manufacturing sector to prove that they would be able to complete the tender without any hassle within the stipulated time.

Fasten up the Winding Process

- Since start-ups are all about innovating of new ideas, there is always a element of internal risk involved relating to failure. In case a company fails to succeed, winding procedure is pretty complicated till now.
- However, the Government has decided to open up a new window to start up where in the winding procedure would be completed within 90 days of application by start up on a fast track up provided the company meets certain conditions under the Insolvency & bankruptcy bill, 2015.
- This is one of step to ensure that India's poor ranking for ease of doing business would be improved as they are aiming to be in top 100 within next 3 years.

Support for Fund Raising

- Financial assistance of INR 10,000 Cr Corpus Fund-Equity Fund
- Many a times the biggest constraint faced by the start-up's is mainly the financial assistance or fund raise. Raising for funds for start-ups either be an e-commerce, retail, manufacturing etc is always a tough time.
- To solve this issue, the government of India has come with an initiative of allocation of INR 10,000 Cr in the total 4 years' time period i.e. each year a corpus fund of INR 2,500 Cr would be utilized purely for start-ups.

It is important to note rather investing directly into start-ups, government would be investing into SEBI Registered funds who in turn invests into these companies.

Credit Guarantee fund for start-ups- Debt Fund

- The Earlier assistance of INR 10,000 Cr i.e. (2000*5) which would spend on start-up who come up with a disruptive business model backed by the revenue model. The government has decided for an additional INR 500 Cr each year for the next 4 yours through Venture Debt. Now we have 4 more years for the scheme to be active.
- Venture Debt is a Debt Financing transaction using the formal banking system prevailing in the country. To ensure the banks come up with this as venture debt is as risky Equity financing, it will be routed through the National Credit Guarantee Trust Company (NCGTC), SEBI.

Incentives to start new business for start-ups

Tax Holidays on Capital Gains

In India, the constraint is the taxation structure for foreign investors to invest because the existence of a complex taxation structure & Capital gains (Short Term & Long Term). Since, the investors for start-ups would ideally be Angel investors, Venture capitalists (VC), Private Equity players (PE).

So to encourage that foreign investors to invest in Indian start-ups, Capital gains arising from Sale of Assets would exempted provided such capital gains be invested into fund of funds of Government which would be utilized for investing into Start-ups.

Capital gain tax exemption would hold good for investments in newly formed Manufacturing MSME started by individuals has been extended to all the start-ups. Purchase of Computers & related stuff would be considered as purchase of new assets for tech start up.



However, there still exists an ambiguity relating to few questions in this regard as to will the investor who invested into fund of funds be treated as Limited Partner (LP)? Does this fund ensure better return to investor by putting his gain in corpus etc.

Tax Exemption for 3 years

- Taxation for corporates in India is presently 33%. However, for start-ups companies to pay such hefty taxes during their initial growth stages might be a hurdle to their cash flows & might affect the working capital requirement etc.
- To avoid such burden on Start-ups, the government has decided to provide a Income tax exemption for the first 3 years of the company. However, a condition is that such company should not declare the dividend to avail this benefit.
- The start-up will be eligible for tax benefits only after obtaining certificate from the Inter-Ministerial Board, setup for this purpose.
- It is still not clear as to whether the 3 years' period shall begin from the time the company starts making profits or 3 years from the incorporation. If it is former, then the start-up will be benefitted else, there is no point the latter case any anyways within 3 years usually start-ups don't end up in profits.

Tax exemptions on investments above Fair Market Value (FMV)

- To encourage seed capital investments, the government has decided to ensure any shares which has been issued to investors beyond their current market value would not be taxed.
- According to Income tax act 1961, any shares

which have issued above the fair market value (FMV) to the investors, shall be taxable in the hands of receiver under Section 56(2)(vii).

- But in case of start-ups, usually the valuation of companies would be arrived based on the future growth of company, rather than the current value. To attract investors, the government has earlier given this benefit to VC funds. Now this benefit has been extended by incubators.

Incubation & Industry Partnerships

- Organizing Start-up events for showcasing innovation both at national & International level. The Government has proposed to host 1 national & 1 international event to showcase the innovations which have been made by the start-ups to create a eco-system which is vibrant enough for start-ups to attract funding for foreign players & for the government to utilize any kind of new innovation for the benefit of the society.
- The Government has come with a new scheme "Atal innovation mission "which helps in promoting entrepreneurship through self-employment & talent utilization wherein innovators would be supported & mentored to become successful entrepreneurs.
- To ensure professional management of government sponsored & funding incubators, the government has decided to setup more incubation facilities across the country.
- Building innovation centres to augment the incubation, R&D efforts by setting up 13 start-up centres & 18 Technology Business Incubators.
- Promotion of Start-ups in Bio-Technology by setting up Bio-incubators, ensuring the companies would be able to raise seed funding & Private equity at a later stage.



Stand Up India

The Stand-Up India Scheme launched to coincide with the celebration of the 125th birth anniversary of Dr. Babasaheb Bhimrao Ambedkar, seeks to leverage the institutional credit structure to reach out to the underserved sector of people such as Scheduled Caste, Scheduled Tribe and Women entrepreneurs so as to enable them to participate in the economic growth of the nation.

The scheme will benefit at least 2.5 lakh borrowers through 1.25 lakh bank branch network located across the country.

Why Stand-up India is Important for India

- Women entrepreneurs in India find it difficult to get funding for their start-ups. Global Entrepreneurs & Development Institute (GEDI) published a global ranking that looked at how female entrepreneurs fare in the world. India was placed in the last five among the 30 countries that were analysed. It stated that about 73% women entrepreneurs failed to get funding from Venture Capitalists (VC). A study based in Karnataka found that about 90% women had only their own funding to rely on, while 68% found it tougher to get bank loans. All that is set to change once the Stand Up India scheme comes into action.
- The Stand-Up India scheme is based on recognition of the challenges faced by SC, ST and women entrepreneurs in setting up enterprises, obtaining loans and other support needed from time to time for succeeding in business. The scheme therefore endeavours to create an eco-system which facilitates and continues to provide a supportive environment for doing business.

- The scheme, which covers all branches of Scheduled Commercial Banks, will be accessed in three potential ways:

Directly at the branch or

Through SIDBI's Stand-Up India portal (www.standupmitra.in) or

Through the Lead District Manager ((LDM)

Objective of Scheme

- The objective of the Stand-Up India Scheme is to
- facilitate bank loans between 10 lakh- 1 Cr to at least 01 Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and;
- at least 01 Woman borrower per bank branch of all scheduled commercial banks for setting up a greenfield enterprise.
- In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

The Stand-Up India portal provides a digital platform based on 3 pillars to support enterprises promotion among entrepreneurs from SC, ST and Women category through

- Handholding support
- Providing Information on financing
- Credit Guarantee.

Potential entrepreneurs can navigate through the interactive portal for support services such as training, skill development programs, mentorship, guidance etc. or register for loans by accessing the portal. The portal also provides crucial links to Central and State SC/ST Corporations, Industry Associations of SC/ ST and/or Women entrepreneurs. SC/ST and women entrepreneurs who avail loan would be given a RuPay Debit Card for withdrawal, besides comprehensive sup-



port like pre-loan training, facilitating loan, factoring and marketing.

Eligibility Conditions

SC/ST and/or woman entrepreneurs, above 18 years of age.

Loans under the scheme is available for only green field project. Green field means the first time venture of the beneficiary in the manufacturing or services or trading sector.

In case of non-individual enterprises, 51% of the shareholding and controlling stake should be held by either SC/ST and or Women Entrepreneur.

Borrower should not be in default to any bank or financial institution.

Repayment Cycle

The loan is repayable in 7 years with a maximum moratorium period of 18 months

Security & Interest Rate

The rate of interest would be lowest applicable rate of the bank for that category not to exceed base rate [MCLR + 3% + tenor premium.]

Besides primary security, the loan may be secured by collateral security or guarantee of Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL) as decided by the banks.



Ms. Anjali Soni

CRO0305499



“The Insolvency and Bankruptcy Code, the National Company Law Tribunal, a new arbitration framework and a new IPR regime are all in place. New commercial courts have also been set up. These are just a few examples of the direction in which we are going. My Government is strongly committed to continue the reform of the Indian economy.”

- Hon'ble Prime Minister, Shri Narendra Modi

Why Code, and not an act?

Code Means- A systematically arranged collection or compendium of laws, rules, or regulation & any set of standards set forth and enforced by a local government agency for the protection of public safety, health, etc.

A specific type of action made by legislature that tries to cover a complete system of laws is called a CODE. It is enacted by a process of codification.

In simple meaning CODE = collection of acts already passed into law.

Why Code was needed?

The Insolvency and Bankruptcy Code, 2016 provides a legislative framework for the recovery proceedings of corporate persons (other than financial firms), Individuals and Partnership firms. The code is very useful for creditors and investors. It also provides various opportunities to the professionals like us.

In the Union Budget speech of 2014-15, the Finance Minister, Mr. Arun Jaitley had announced the development of an effective bankruptcy code for

easy exit. Following this announcement, the Bankruptcy Law Reform Committee, was set up on August 22, 2014 under the Chairmanship of Dr. T K Viswanathan to study the corporate bankruptcy legal framework in India.

Earlier, there was no single law in India that deals with insolvency and bankruptcy. The existing framework for insolvency and bankruptcy was inadequate and ineffective resulting in undue delays in resolution. Lack of an insolvency and bankruptcy code had proved costly for the creditors (mainly banks) in many cases like the recent Kingfisher Airlines Case. The Insolvency and Bankruptcy Code seeks to create a unified framework to resolve insolvency and bankruptcy in India.

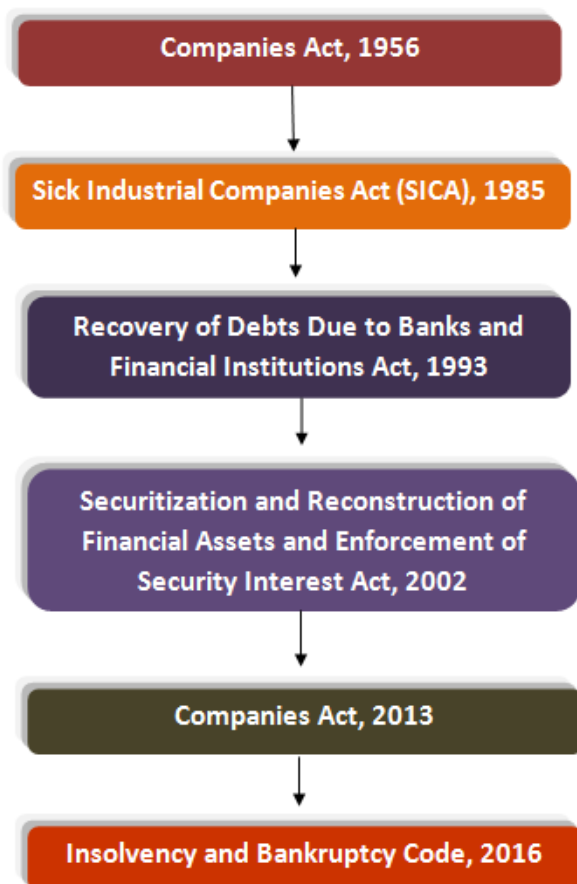
So, the path of the Insolvency and Bankruptcy Code, 2016 was paved. It was introduced as a single window to provide for an effective and time bound process for resolution of insolvency and bankruptcy in the country with a view to promote ease of doing business and facilitation of more investments for higher economic growth.

Finance Minister Arun Jaitley speaks about Insolvency and Bankruptcy code. “Code will help improve the ease of doing business and will be a big positive for the banking sector and give reason why Code has been introduced”. Mr. Arun Jaitley said that SICA will eventually go. SARFAESI Act, 2002 will have to be amended and brought in line with change provision of bankruptcy law there some change which is required to be done. As far as DRT is concern there is jurisdiction the DRT will have because the appellant jurisdiction with regard to insolvency will be with the company law tribunal which is created for that purpose. DRT will remain with regard to recovery proceedings and with



regard to individual insolvencies DRT would have jurisdiction now the problem with DRT is there is inadequate infrastructure it all most function like a civil court takes more time. Entire procedure of DRT also is being altered and altered procedures large path of DRT proceedings now go on line so limited hearing itself.

Earlier Insolvency Regimes in India



Objectives of the code:-

1. To empower all creditors-secured, unsecured, domestic, international financial and operational to trigger resolution.
2. To enable resolution process to start at earliest sign of financial distress.
3. It provides a single forum overseeing all insolvency and liquidation proceedings.
4. It enables a clam period where other

proceedings do not derail existing ones.

5. It replaces existing management during insolvency proceedings while keeping the enterprise as a going concern.
6. It offers finite time limit within which debtor's viability can be assessed.

Applicability of the code:-



This code is not applicable to corporate financial service providers like Banks, NBFC, Insurance Co's etc. there will be separate legislation and not applicable to Jammu & Kashmir.

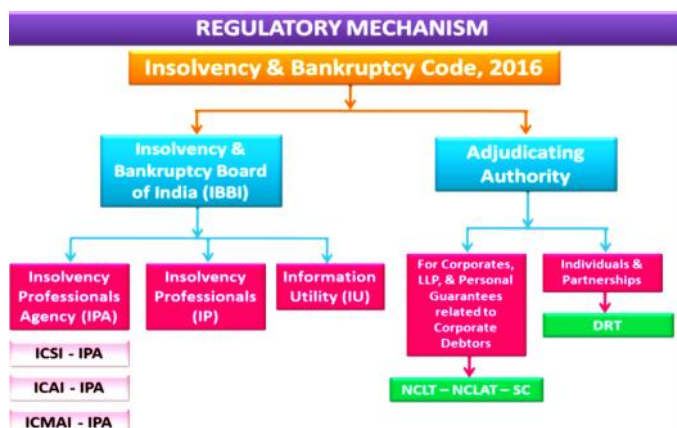
Key Highlights of the code:-

The salient features of the law are as follow:

- Resolution before liquidation: if possible, the business should be revived before liquidation.
- Information utilities would collect, collates, authenticate and disseminate financial information to be used in insolvency, liquidation and bankruptcy proceedings.
- Enabling provisions to deal with cross border insolvency.
- Automatic liquidation if revival process does not complete within 180 or 270 days as the case may be.
- Shareholders have no say during the process of revival as well as resolution



- Operational creditors with more than 10% aggregate exposure may participate during the Committee of creditors meetings.
- Two distinct processes for resolution of individuals, namely, “fresh start” and, “Insolvency Resolution”.
- DRT and NCLT to act as adjudicating authorities and deal with the cases related to insolvency, liquidation and bankruptcy process in respect of individuals and unlimited partnership firms and in respect of companies and limited liabilities entities respectively.
- Establishment of an Insolvency and Bankruptcy Board of India to exercise regulatory oversight over insolvency professionals, insolvency professional agencies and information utilities.
- Insolvency professionals would handle the commercial aspects of insolvency resolution process. Insolvency professional agencies will develop professional standards, code of ethics and be first level regulator for insolvency professional members leading to development of a competitive industry for such professionals.



Insolvency and Bankruptcy Board of India (IBBI):-

The establishment of the IBBI on 1 October, 2016 and the notification of provisions of the Insolvency and Bankruptcy code, 2016 relating to corporate

Insolvency Resolution Process, Insolvency professionals, Insolvency Professionals Agencies and the Regulation/ Rules made there under and notification of sick Industrial Companies Repeal Act, 2003 with effect from 1st December, 2016 are one of the recent landmark regulatory reforms in India. This is expected to result in:-

- Faster and efficient adjudication mechanism
- In a time bound manner
- For maximization of the value of assets of such persons
- To promote entrepreneurship
- Availability of credit and balance the interest of all the stakeholders including alteration in the order of priority of payment of government dues

Information utilities: -

Centralized repository of financial and credit information of borrowers; would accept, store, authenticate and provide access to financial data provided by creditors. It would store facts about lenders and terms of lending in electronic database.

Insolvency professional agency: -

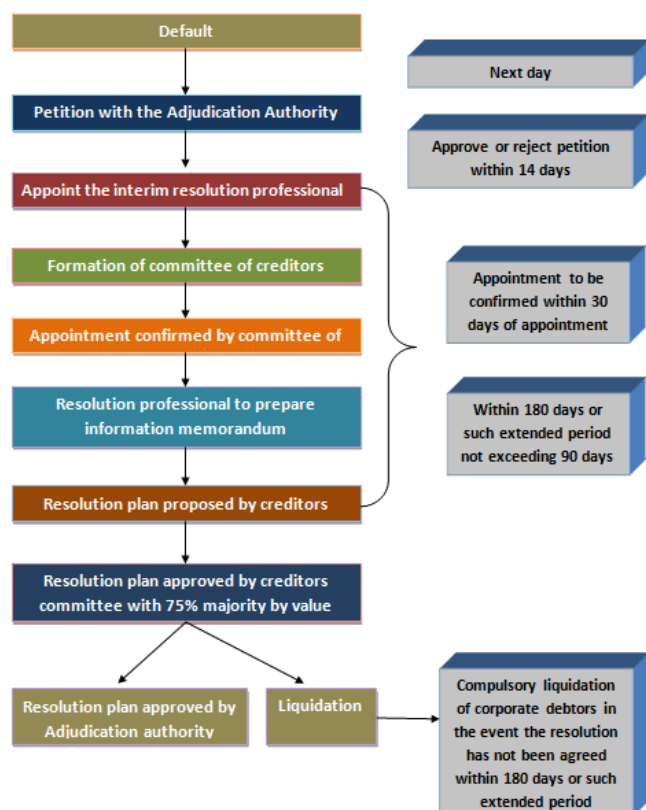
Persons enrolled with IPA and regulated by Board and IPA will conduct resolution process; to act as Liquidator/bankruptcy trustee; appointed by creditors and override the powers of board of directors. It will be looking after efficient working of Bankruptcy process.

Adjudicating Authority: -

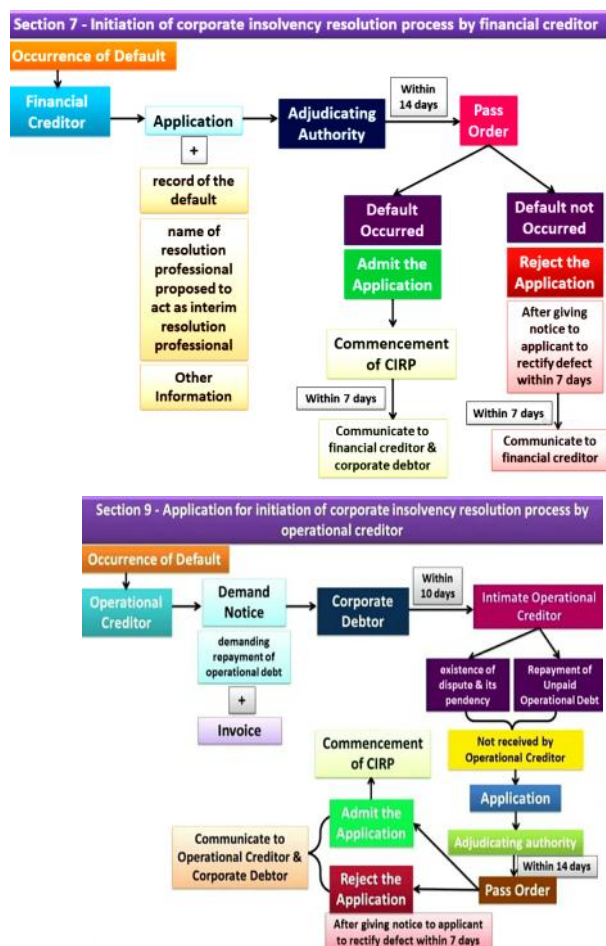
NCLT would be dealing with firms and DRT'S would be dealing with Individuals. Its main role is to have efficient functioning of Bankruptcy process so that process get complete within time limit permitted/decided. IPA - registered by the board shall enroll IPs.



Insolvency process overview: -



Corporate Resolution process: -



Corporate Resolution process: -

In order to remove all the inconsistencies, following provisions have been made in IBC which will give a relief to creditors to some extent?

The process of insolvency is triggered by occurrence of default. The provisions relating to the insolvency and liquidation of corporate debtors shall be applicable only when the amount of the default is one lakh rupees or more and for partnership firms and individuals, the amount will be 1000 or more. However, CG may by notification specify the higher amount as minimum limit for occurrence of default.

Appointment of Insolvency Professional:-

It will be appointed by regulator and Approved by the creditor committee. IP will take over the Running Company. All the power of board of directors will be forfeited and will be vested in IP. IP will look into matter and share his opinion to the creditor committee about the Action likely to be taken. Assets to be Sold – Cash Inflow & Outflow – Operational Expenses that need to be incurred or liked to be decreased.

Period:-

Moratorium Period is the period during which no one can take Action Against Company. It's kind of Stay – where IP will be looking after the Issues and Trying how to Repay the Amount and same will be Sent for Approval to Creditor Committee. Period allow is 180 days but it can be extended to more 90 Days if NCLT gives Approval on showing reasonable cause.

Creditor committee:-

They shall be responsible for carrying out day to day business and convening meetings of the Committee of Creditors (CoC). CoC shall be constituted of all the financial creditors and prescribed number of Operational Creditors (10% of total debt). Voting powers of CoC shall be 75% of creditors wherein operational creditors shall have no voting powers.



Credit Committee consists of Creditors but related party will be excluded for same. 75% of the creditor committee should Approve the scheme. Resolution plan has to be tabled before NCLT after passing at CoC. If Scheme is Approved then Implement the Plan otherwise go for Liquidation.

Liquidation:-

Failure to approve or Implement Plan within specified days will lead to Liquidation. Debtors can also opt for Liquidation by passing Special Resolution in General Meeting. The Insolvency professional can Act as Liquidator and exercise all power of Board of Directors. The Liquidator can check Assets and Liabilities and carry on work as he/she deem to be fit. There is specific order i.e. priority given how to Distribute Assets.

Order list is as Follow:

Opportunities:-

The IBC, 2016 has opened plethora of the new opportunities for professionals such as Company Secretaries, Chartered Accountants, and Cost Accountants and other Professionals, who has experience of 10 years or more and for graduate who has Management experience of 15 years or more eligible for enrolling for Limited Insolvency Examination, which is conducted electronically. For this purpose the IBBI has tied up with NISM and examination is being conducted in English medium with objective type questions as per syllabus notified by the IBBI.

After clearing the online examination, the concerned person has to register with any one of the following Insolvency Professional Agency namely:

- (i) ICSI Insolvency Professional Agency;
- (ii) Indian Institute of Insolvency Professionals of

ICAI; or

(iii) Insolvency Professional Agency of Institute of Cost Accountants of India.

Even Partnership firm can be Registered as Insolvency Professional subject to Majority Partner have clear Insolvency Exam.

As far as Remuneration is concerned it is highly Remunerative as per Challenge. Remuneration is depending on case to case and Amount realized. The Remuneration will be charged on basis of Percentage. So Insolvency Professional will do his/her best efforts to recover maximum amount that they can recovered as Remuneration is received on basis "MORE YOU RECOVERED, MORE YOU EARN"

Challenges: -

Time bound process of Corporate Insolvency Resolution Process (CIRP)

Establishment of Infrastructure at the offices of Adjudicating Authorities

Specification, Creation and Capacity Building of Insolvency Professionals

Cross- Border Insolvency

Alteration in the order of priority of payment of government dues.

Cases:-

Some important judgments have, however, been delivered by the NCLTs in the last couple of months which are discussed below.

ICICI v Innoventive Industries Limited (NCLT, Mumbai; 16 January 2017)

The first major case under the Code was filed by ICICI Bank Limited ("ICICI") against Innoventive Industries Limited ("Innoventive") before the NCLT, Mumbai Bench, where an application filed by ICICI to initiate the corporate insolvency resolution process ("CIRP")



against Innoventive, under Section 7 of the Code, was allowed.

Nikhil Mehta & others v AMR Infrastructures Ltd.
(NCLT, New Delhi; 23 January 2017)

The applicants filed an insolvency application as a financial creditor (presupposing that they had a financial debt due to them). The applicants had booked real estate units and were promised monthly 'assured returns' until possession was offered. They claimed that the debt of 'assured returns' was in the nature of a 'financial debt'. This case is important because the NCLT discussed the meaning of 'financial debt' and 'time value of money' for the first time.

KKV Naga Prasad v Lanco Infratech Limited
(NCLT, Hyderabad; 21 February 2017)

The applicant was an ex-employee of the corporate debtor. He claimed he was owed certain amounts in connection with his employment which was disputed by the company. The application was rejected by the NCLT on the ground that the applicant (a) did not show his bona fides to the Tribunal (b) the applicant was not able to satisfactorily prove that debt was indeed due and payable. This case seems to be one where the Tribunal was significantly influenced by the bona fides of the applicant and facts of the case.

Conclusion:-

It is concluded that IBC, 2016 is complete code on Insolvency, Liquidation, and Bankruptcy of the Corporate Person, Individual and firm for the purpose for promoting entrepreneurship, ease of doing business, maximizing the wealth of the Corporate Debtor, Individual and Firm for ensuring maximum wealth to all stakeholders, changing the priority of Government dues at last, after the

workmen and employees dues.

IBC, 2016 ensures that the every creditor whether financial or operating shall have to say in the management of the Company and their interest is being protected.

IBC 2016 is very bright, ample of professional opportunities present in the market in both employments as well as in practice and it is an umbrella of opportunities especially for Chartered Accountants. The main mission is the Professional has to make themselves groom and ready for grabbing the professional opportunities created under the Insolvency and Bankruptcy Code-2016.

It can be a game changer for India!!!!!!

"The work of Chartered Accountant is not only of that of Addition, Subtraction, Matching credit, Set off etc. they have much more to do and Contribute it for NATION BUILDING"

At last I will conclude with the words of some great person-

"DON'T TAKE REST AFTER YOUR FIRST VICTORY BECAUSE IF YOU FAIL IN SECOND, MORE LIPS ARE WAITING TO SAY THAT YOUR FIRST VICTORY WAS JUST LUCK"

- DR.APG ABDUL KALAM



Ms. Anusha Jain

NRO0386292



BACKGROUND

In India, there were multiple laws like Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Recovery of Debt Due to Banks and Financial Institutions Act, 1993, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and the Companies Act, 2013 dealing with insolvency and bankruptcy of companies, limited liability partnerships, partnerships firms, individuals and other legal entities in India. As a result due to jurisdiction at various stages under different legislations, it gives rise to the potential of systemic delays and complexities in the process.

The present legal framework does not aid lenders in effective and timely recovery of defaulted assets and causes undue strain on the Indian credit system. Also the individual and corporate bankruptcy is governed by a host of legislations making the procedure quite complex and cumbersome.

ABOUT THE CODE

The Insolvency and Bankruptcy Code 2016 (IBC, 2016) was passed in May 2016 by both the Houses of Parliament attempts a legislative answer to the above question. The code extends to the whole of India (except Part III which deals with Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms of the Code which shall not extend to the State of Jammu and Kashmir).

IBC consolidates and amends 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.

Insolvency means the situation where an entity cannot raise enough cash to meet its obligations or to pay debts as they become due for payment and

Bankruptcy means when a person voluntary declares him as an insolvent and goes to the court. On declaring the person as 'bankrupt', the court is responsible to liquidate the personal property of the insolvent and distribute it among the creditors of the insolvent.

OBJECTIVES OF THE CODE

- To create new institutional framework, consisting of Insolvency & Bankruptcy Board, Insolvency Professional Agencies, Information Utilities and Adjudicating authorities thus offering a uniform and comprehensive legislation
- To facilitates time bound insolvency resolution process and liquidation
- To improve ease of doing business in India and also to set up better and faster debt recovery mechanism in India

APPLICABILITY OF THE CODE

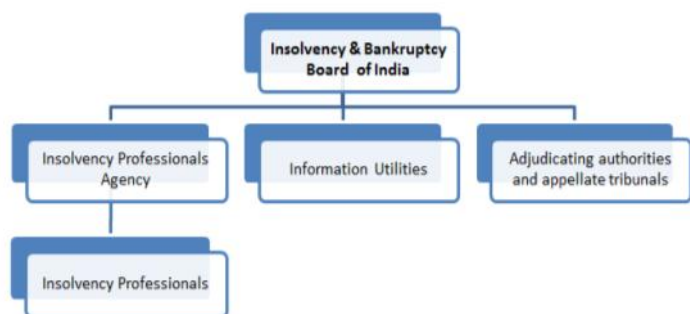




ecosystem

SEPARATE PARTS FOR CORPORATE INSOLVENCY AND INDIVIDUAL BANKRUPTCY

- Adjudicating authority (AA) - would be the NCLT for corporate insolvency; to entertain or dispose any insolvency application, approve/reject resolution plans, decide in respect of claims or matters of law/ facts thereof.
- Insolvency & Bankruptcy Board (IBB) – apex body for promoting transparency & governance in the administration of the IBC; will be involved in setting up the infrastructure and accrediting IPs & IUs
- Information Utilities (IUs) - Centralised repository of financial and credit information of borrowers; would accept, store, authenticate and provide access to financial data provided by creditors.
- Insolvency Professionals (IPs) - persons enrolled with IPA and regulated by Board and IPA will conduct resolution process; to act as Liquidator/ bankruptcy trustee; appointed by creditors and override the powers of board of directors.
- Insolvency Professionals Agencies (IPA) - registered by the board shall enroll IPs.



Part II of the Code with 7 Chapters and 74 sections deals with corporates.

In Part III, 4 chapters and 66 sections have been provided for individual and partnership bankruptcy.

CORPORATE INSOLVENCY RESOLUTION PROCESS UNDER THE CODE

Who can file for corporate insolvency resolution?

Financial Creditor: Person to whom 'Financial debt' is owed, and includes a person to whom such debt have been legally assigned or transferred in accordance with law (including a person residing outside India), Default may be in respect of Financial debt owed to any Financial creditor of the corporate debtor and not only the applicant Financial creditor.

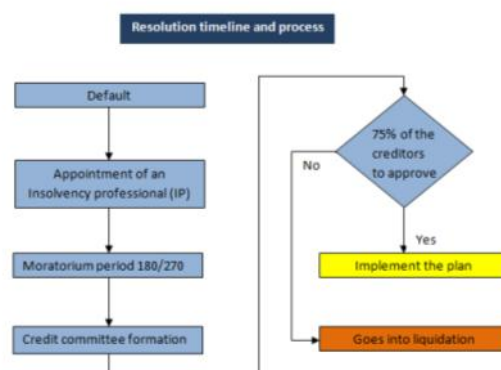
Operational Creditor: Person to whom 'Operational debt' is owed and includes any person to whom such debt may have been legally assigned or transferred.

Corporate Debtor: Shareholder of the entity, an individual who is in charge of managing the overall operations, a person who has the control, supervision or oversight of the financial affairs of the corporate debtor.

Operational debt consists of all liabilities that a firm incurs through its primary activities.

Financial debt is a debt which is not operational debt.

Default is defined as the state when debt exceeding INR 1 lakh is due and is not paid by Corporate debtor





Corporate Insolvency Resolution Process (CIRP)

Application on default – Any financial or operational creditor(s) can apply for insolvency on default of debt or interest payment

Appointment of IP – IP to be appointed by the regulator and approved by the creditor committee. IP will take over the running of the Company.

From date of appointment of IP, power of Board of directors to be suspended and vested in the IP. IP shall have immunity from criminal prosecution and any other liability for anything done in good faith

Moratorium period – Adjudication authority will declare moratorium period during which no action can be taken against the company or the assets of the company. Key focus will be on running the Company on going concern basis. A Resolution plan would have to be prepared and approved by the Committee of creditors

Credit committee - A credit committee of creditors will be constituted. Related party to be excluded from committee. Each creditor shall vote in accordance to voting share assigned if 75% of creditor approves the resolution plan same needs to be implemented.

Liquidation process

Initiation – Under the code, a corporate debtor may be put into liquidation in the following scenarios:

A 75% majority of the creditor's committee resolves to liquidate the corporate debtor at any time during the insolvency resolution process;

The creditor's committee does not approve a resolution plan within 180 days (or within the extended 90 days);

The NCLT rejects the resolution plan submitted to it on technical grounds; or

The debtor contravenes the agreed resolution plan and an affected person makes an application to the NCLT to liquidate the corporate debtor.

Debtor can also opt for voluntary liquidation by a special resolution in a General Meeting.

Once the NCLT passes an order of liquidation, a moratorium is imposed on the pending legal proceedings against the corporate debtor, and the assets of the debtor (including the proceeds of liquidation) vest in the liquidation estate.

Liquidator – The IP may act as the liquidator, and exercise all powers of the BoD. The liquidator shall form an estate of the assets, and consolidate, verify, admit and determine value of creditors' claims.

Order of priority for distribution of assets

- Insolvency related costs
- Secured creditors and workmen dues upto 24 months
- Other employee's salaries/dues up to 12 months
- Financial debts (unsecured creditors)
- Government dues (up to 2 years)
- Any remaining debts and dues
- Equity

INSOLVENCY RESOLUTION PROCESS FOR INDIVIDUALS/ UNLIMITED PARTNERSHIPS

For individuals and unlimited partnerships, the Code applies in all cases where the minimum default amount is INR 1000 and above (the Government may later revise the minimum amount of default to a higher threshold).

The Code envisages two distinct processes in case of insolvencies:

- Automatic fresh start and
- Insolvency resolution

Under the automatic fresh start process, eligible debtors (basis gross income) can apply to the Debt



Recovery Tribunal (DRT) for discharge from certain debts not exceeding a specified threshold, allowing them to start afresh.

The insolvency resolution process consists of preparation of a repayment plan by the debtor, for approval of creditors. If approved, the DRT passes an order binding the debtor and creditors to the repayment plan. If the plan is rejected or fails, the debtor or creditors may apply for a bankruptcy order.

FEW CHALLENGES

The time bound process of CIRP: The 180 days time bound process for CIRP would be a major challenge calling for speedier process.

Establishment of infrastructure at the offices of adjudicating authorities: The IT and other infrastructure at the offices of adjudicating authorities is required to be strengthened.

Specification, creation and capacity building of insolvency professionals: The Code requires RPs to pass the qualifying examination. To generate such professionals to handle CIRP cases will take few years, since the Code is very new.

Cross Border Insolvency: IBC at present does not explicitly deal with issues and text related to cross border insolvency. This will lead to an incomplete Code.

PROPOSED BENEFITS TO THE INDIAN ECONOMY FROM THE BANKRUPTCY REFORMS

Availability of Finance: - 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. Now the said businesses shall also be able to raise finance.

Rescuing more number of distressed entities: - Earlier any default in payment leads to taking up of control of the assets and their sale by the lenders. The same, in many cases, destroys the value in the viable businesses which could have been saved. Now, it will be possible to save more number of units on going concern.

Wider distribution of credit: - Due to weak rights of the creditors, the recovery rate in case of default has been very low. Now the finance will be available to a larger number of entrepreneurs.

Development of Corporate Bond Market: - IBC would enable availability of cheaper finance to the businesses, especially the infrastructure sector.

Increased Investor Confidence: - Now the investor can take help of IBC to recover its dues in case of default, hence it increased confidence.

RECENT JAYPEE INFRATECH INSOLVENCY CASE

In September, 2017, the NCLT had ordered the proceeding under the Insolvency and Bankruptcy Code to be initiated against Jaypee Infra. It is pertinent to highlight that the RBI had asked the banks to initiate insolvency proceedings against top 12 defaulters, who account for a combined 25% of all the bad loans of the banking sector. Jaypee Infratech was one among the 12. Supreme Court seeks resolution plan in Jaypee Infratech case within 45 days.

CONCLUSION

The IBC, 2016 is a revolutionary step as it proposes to transform the credit market in India, which hitherto was malfunctioning due to various problems and malpractices.

India currently ranks 136 out of 189 countries in the World Bank's index on the ease of resolving insolvencies. India's weak insolvency regime, its significant inefficiencies and systematic abuse are some of the reasons for the distressed state of credit markets in India today.

Enactment and implementation of the code will not only improve the Indian ranking on world map in ease of doing business but also it will improve credit market, GDP growth, FDI and business environment. The borrowers/debtors were able to avoid or delay making payments to lenders/creditors for years as the latter were not having any effective remedy to deal with defaults made by the former. The same will improve the competitiveness of the Indian businesses and will result in promoting the in economic growth in the country.

However, the success of the IBC is dependent on its effective implementation including creation of the required Institutional Infrastructure, appointment of competent and suitable persons to implement the Code. The success of the Code is also dependent on the development of market for the distressed businesses where the new entrepreneurs come forwards to take over the said businesses for revival.

There will be various legal, logical, procedural hurdles which will be required to be overcome and the coming days will be crucial on tightening of nuts and bolts of the rules.



Mr. Jaideep Kumar

NRO0409122



INSOLVENCY AND BANKRUPTCY CODE OVERVIEW

China Development Bank takes Reliance Communications to bankruptcy court

Supreme Court lifts stay on insolvency move against Jaypee infra and asks Jaypee to deposit Rs 275 crore by December 31; freezes assets of 13 Jaypee directors, promoters

Introduction

- It is one of the major economic reform Code initiated by the Government in the year 2015.
- Multiple overlapping laws and adjudicating forums dealing with financial failure and insolvency of companies and individuals in India.
- Delays and complexities in the process of resolution and jurisdiction
- To facilitate easy and time bound closure of business in India and to overcome these challenges, a strong bankruptcy law was required.

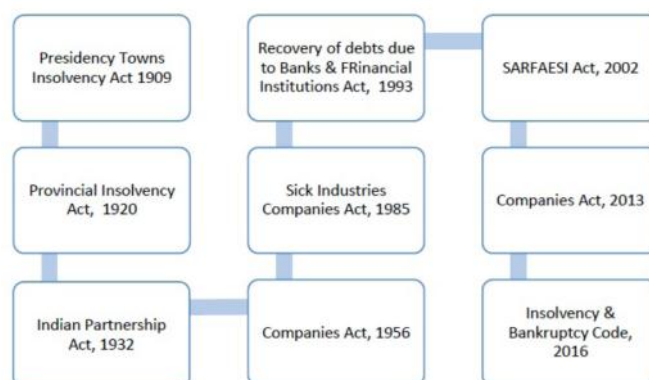
Difference Between Act and Code

ACT	CODE
In the field of law, an enactment/a statute/a bill/a regulation which has passed through several legislative steps needed for it and which has become law is called an ACT.	At the meantime, a specific type of action made by legislature that tries to cover a complete system of laws is called a CODE. It is enacted by a process of codification.

Earlier Framework

There were many laws dealing the insolvency and liquidation of entities but now only one law is made

for the resolution and jurisdiction for all types of entities.



Need for a New Law

- It takes an average of 4 to 5 years in insolvency resolution process in India (Ease of Doing Business Report of the World Bank)
- Existence of overlapping legislations and adjudicating authorities dealing with insolvency of companies and individuals in India.
- To facilitate hassle-free and time-bound revival and closure of businesses.
- Failure to resolve insolvency situations
- Laws which were in existence were not aligned with the market realities and had several inadequacies.
- There was no single window resolution available and the resolution and jurisdiction
- The Companies Act deals with the corporate insolvency law only
- The individual insolvency laws were being dealt by a century old two Acts, i.e., The Provincial Towns Insolvency Act and the Presidency Towns Insolvency Act.



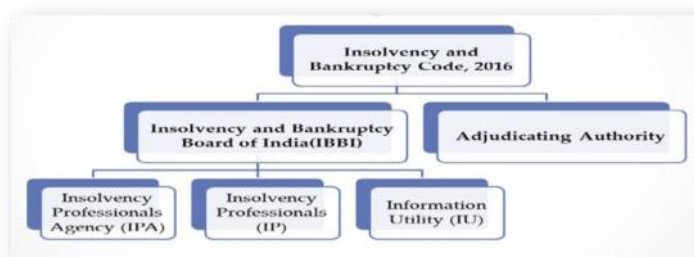
Applicability of the Code




- Applicable to the whole of India except Part III (Insolvency Resolution and Bankruptcy for Individuals and Partnership Firm) which excludes the state of Jammu and Kashmir
- Any company incorporated under the Companies Act, 2013 or under any previous law
- Any other company governed by any special act for the time being in force, except in so far as the said provision is inconsistent with the provisions of such Special Act.
- Any Limited Liability Partnership under the LLP Act 2008.
- Any other body incorporated under any law for the time being in force, as the Central Government may by notification specify in this behalf.
- Partnership firms and individuals.
- Objective of the Code
 - “An act 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 maximization 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.”
- (Provisions of this Code to override other existing laws on matters pertaining to Insolvency and Bankruptcy)



Key Aspects of the Code

To consolidate all existing insolvency related laws and to amend multiple legislations
Shift from the existing 'Debtor in possession' to a 'Creditor in control' regime
To resolve insolvencies in a strict time-bound manner (within 180 days)
Overriding effect on all other laws
Establishment of Insolvency and Bankruptcy board as an independent body for the administration and governance of Insolvency & bankruptcy Law; and Information Utilities as a depository of financial information
Introduce a qualified insolvency professional (IP) as intermediaries to oversee the process
Moratorium period of 180 days (extendable up to 270 days) for the Company
Insolvency professional to take over the management of the Company
Clearly defined 'order of priority' or the waterfall mechanism

Regulatory Framework

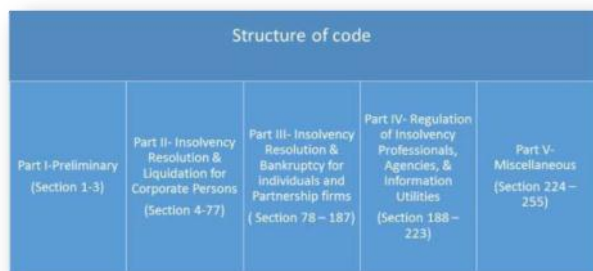


Insolvency and Bankruptcy Board of India	
	<ul style="list-style-type: none"> ✓ Apex body for promoting transparency & governance in the administration of the IBC; ✓ Setting up the infrastructure and accrediting IPs & IUs. ✓ Established on October 1, 2016 ✓ The head office is located at New Delhi.
Information Utilities (IUs)	
	<ul style="list-style-type: none"> ✓ Centralized repository of financial and credit information of borrowers ✓ Requires creditors to provide financial information of debtors to multiple utilities on an ongoing basis. ✓ Information would be available to creditors, resolution professionals, liquidators and other stakeholders in insolvency and bankruptcy proceedings.
Insolvency professional agency (IPA)	
	<ul style="list-style-type: none"> ✓ To enroll and regulate insolvency professionals as its members in accordance with the Insolvency and Bankruptcy Code 2016
Insolvency Professionals (IPs)	

Insolvency And Bankruptcy Code Overview	
	<ul style="list-style-type: none"> ✓ Persons enrolled with IPA and regulated by Board ✓ IPA will conduct resolution process ✓ As intermediaries in the bankruptcy process ✓ Act as Liquidator/ bankruptcy trustee ✓ Appointed by creditors ✓ Override the powers of board of directors.
Adjudicating authority (AA)	
	<ul style="list-style-type: none"> ✓ NCLT for corporate insolvency, Appeals arising out of NCLT orders NCLAT AND thereafter to Supreme Court of India ✓ For individuals and other persons, the adjudicating authority is the DRT. Appeals arising out of DRT orders lie to the Debt Recovery Appellate Tribunal and thereafter, to the Supreme Court. ✓ To entertain or dispose any insolvency application, approve/ reject resolution plans, decide in respect of claims or matters of law/ facts thereof.



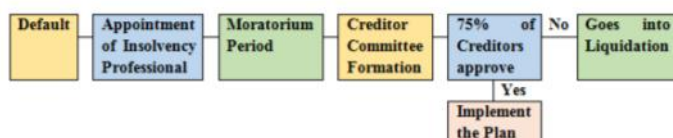
Structure of the Code



What is Insolvency and Bankruptcy?

- Insolvency in this Code is regarded as a “state” where assets are insufficient to meet the liabilities.
- If Insolvency could not be treated, insolvency will lead to bankruptcy for non-corporate and liquidation of corporate.
- Insolvency is a state and bankruptcy is a conclusion.

An overview to Corporate Insolvency Resolution and Liquidation



Corporate Insolvency Resolution Process at a Glance

Application on default	<ul style="list-style-type: none"> Any financial or operational creditor(s) can apply for insolvency on default of debt or interest payment
Appointment of IP	<ul style="list-style-type: none"> IP to be appointed by the regulator and approved by the creditor committee. IP will take over the running of the Company. Power of Board of directors to be suspended and vested in the IP.
Moratorium period	<ul style="list-style-type: none"> Adjudication authority will declare moratorium period during which no action can be taken against the company or the assets of the company. Key focus will be on running the Company on going concern basis. A Resolution plan would have to be prepared and approved by the Committee of creditors
Credit committee	<ul style="list-style-type: none"> A credit committee of creditors will be constituted. Related party to be excluded from committee. Each creditor shall vote in accordance to voting share assigned if 75% of creditor approve the resolution plan same needs to be implemented.
Initiation	<ul style="list-style-type: none"> Failure to approve resolution plan within specified days will cause initiation of Liquidation Debtor can also opt for voluntary liquidation by a special resolution in a General Meeting.
Liquidator	<ul style="list-style-type: none"> The IP may act as the liquidator, and exercise all powers of the BOD. The liquidator shall form an estate of the assets, and consolidate, verify, admit and determine value of creditors' claims.
Order of priority for distribution of assets	<ul style="list-style-type: none"> Insolvency related costs Secured creditors and workmen dues upto 24 months Other employee's salaries/dues up to 12 months Financial debts (unsecured creditors) Government dues (up to 2 years) Any remaining debts and dues Shareholder's Fund i.e. Equity

Recent Cases Studies

China Development Bank takes Reliance Communications to bankruptcy court

China Development Bank (CDB) has filed an insolvency petition against Reliance Communications in the bankruptcy court to recover \$1.78 billion, or about Rs 11,460 crore, it had lent to the Anil Ambani-owned telco.

CDB moved National Company Law Tribunal (NCLT) on November 24, 2017. It accounts for 37.11% of RCom's total secured debt. CDB's petition negates any hopes of an out of court settlement between RCom and its lenders, and is expected to hurt the strategic debt restructuring of the telco that some Indian banks had undertaken in September.

Supreme Court lifts stay on insolvency move against Jaypee infra and asks Jaypee to deposit Rs 275 crore by December 31; freezes assets of 13 Jaypee directors, promoters

The Supreme Court has lifted a stay on insolvency resolution proceedings against Jaypee Infratech and ordered its parent, Jaiprakash Associates, to deposit Rs 2,000 crore with the court by October 27 to cover the unit's liabilities towards homebuyers in its residential projects. It also asked the insolvency professional to draw up a resolution plan for the company within 45 days, which should take care also of the interests of the homebuyers.

Conclusion

The code will facilitate early, transparent and fair resolution of liquidity problems. It is also expected to help India climb many notched on the Ease of doing Business Index and thus forward our march towards creation of a prosperous economy.



Mr. Darshit H.Shah



Difference between Act and Code

Act	Code
➤ In the field of law, an enactment/a statute/a bill/a regulation which has passed through <u>several legislative steps</u> needed for it and which has become law is called an ACT.	➤ A <u>systematically arranged collection</u> of laws, rules, or regulations that tries to cover a complete system of laws is called a CODE
➤ Example: Company Act, 2013	➤ Direct tax Code, 2013

Evolution of the code

21st December, 2015

Introduced in the Lok-sabha

Referred to the Joint Committee

The Committee had presented its recommendations in the modified Bill based on its suggestions.

May 2016.

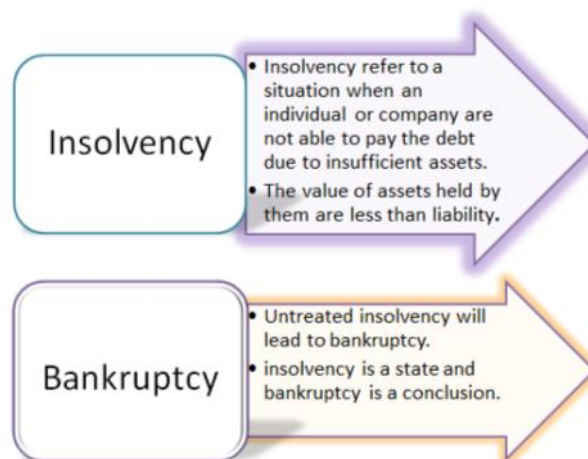
The Insolvency and Bankruptcy Code, 2016 was passed by both the Houses of Parliament

IBC is imperative today

○ Prior to enactment of the Insolvency and Bankruptcy Code, 2016 (the “Insolvency Code”), there was no single legislation that governed corporate insolvency and bankruptcy proceedings in India.

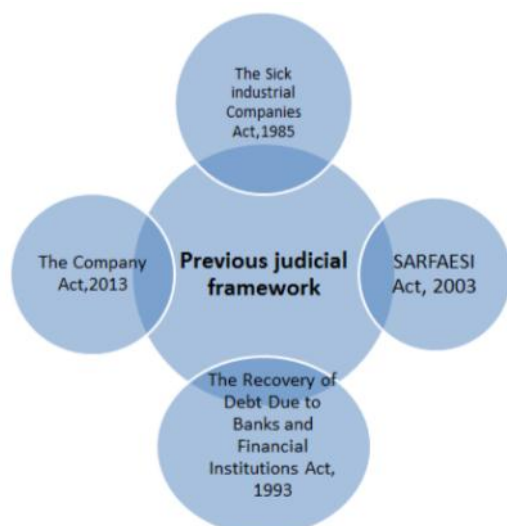
○ There were multiple overlapping laws and adjudicating forums dealing with financial failure and insolvency of companies and individuals in India

○ Only one element of a bankruptcy has been put into place to a limited extent that is Banks and Financial institutions can repossess the assets which were pledged with them.



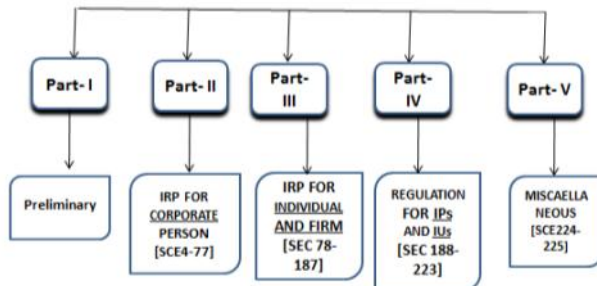
Objective behind enactment of code

- To consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals.
- To resolve insolvency in a time-bound manner.
- To establish an Insolvency and Bankruptcy Board of India as a regulatory body for insolvency and bankruptcy law
- To promote entrepreneurship
- Alteration of priority of payment of government dues

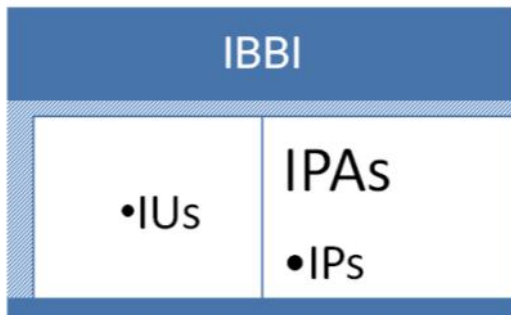




STRUCTURE OF THE CODE



THE INSOLVENCY AND BANKRUPTCY ECOSYSTEM

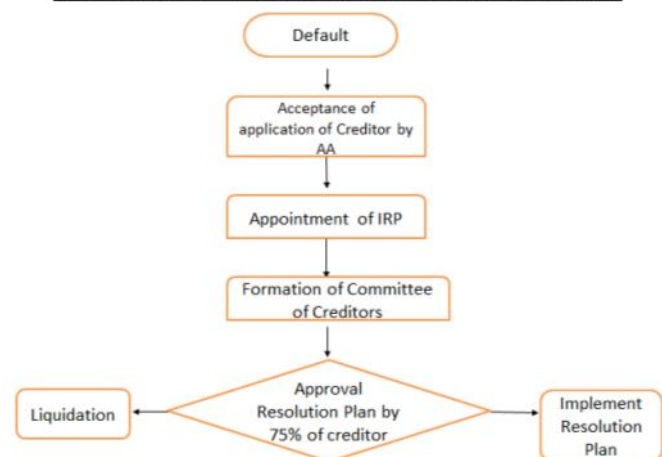


- IBBI is an apex body for promoting transparency & governance in the administration of the Code.
- IBBI monitors and regulates IPAs and IUs
- Insolvency Professional Agencies (IPAs) would admit insolvency professionals as members.
- Currently there are three IPAs
- I. Indian Institute of Insolvency Professionals of ICAI
- II. ICSI Insolvency Professional Agency
- III. Insolvency Professional Agency of Institute of Cost Accountants of India (ICWAI)
- Insolvency Professionals are those licensed professionals enrolled with Insolvency Professional Agencies and take on the roles of

Interim Resolution Professional / Resolution Professional / Liquidator in the insolvency resolution of different entities

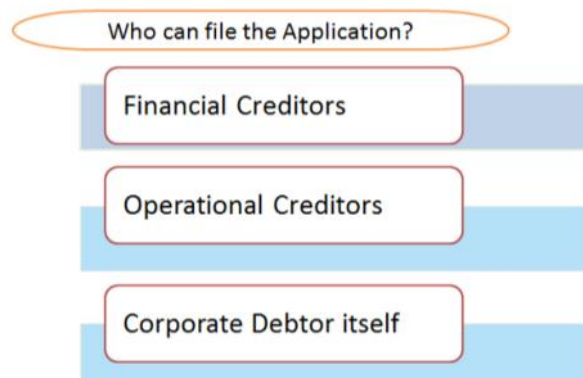
- A unique feature of code is establishment of Information Utilities (IUs) which are intended to function as a databank to collect, collate and disseminate financial information.
- It would validate the information and claims of creditors from centralised Database.
- The adjudicating authority for corporate insolvency and liquidation is the NCLT.
- Appeal against the order of NCLT would lie to Supreme Court.

Corporate Insolvency Resolution Process



Default:

Apply to matters relating to the insolvency and liquidation of corporate debtors where the minimum amount of the default is one lakh rupees.





Financial creditor shall propose the name of Insolvency Professional in the application.

All the powers of Directors and Management are suspended and vested to the IRP.

RP is responsible to conduct entire Corporate Insolvency Resolution Process.

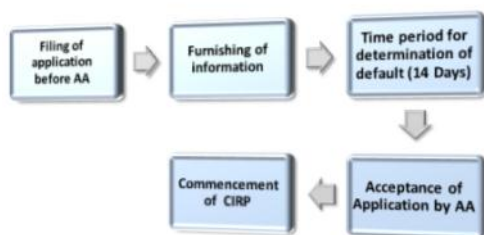
Moratorium

According to the section 14 of the Code, on the insolvency commencement date, the Adjudicating Authority (NCLT) shall by order, declare moratorium.

Moratorium shall prohibit :

- i. Institution of suits
- ii. Transfer of assets
- iii. Continuation of pending suits
- iv. Transferring/ disposing of any of its assets or any legal right or beneficial interest therein
- v. Foreclosure, recovery under SARFAESI Act, 2003

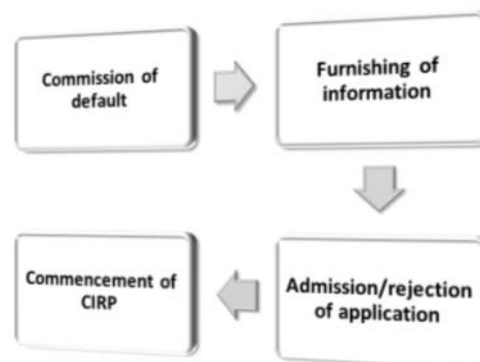
Initiation of Corporate Insolvency Resolution Process by FINANCIAL CREDITOR



PROCESS BY OPERATIONAL CREDITOR



CORPORATE INSOLVENCY RESOLUTION PROCESS BY CORPORATE APPLICANT



Persons not entitled to make application

- Corporate debtor undergoing a corporate insolvency resolution process;
- Corporate debtor having completed CIRP within twelve months preceding the date of making of the application;
- Corporate debtor or a financial creditor who has violated any of the terms of resolution plan ;
- Corporate debtor in respect of whom a liquidation order has been made

Time-limit for completion of insolvency resolution process

- Period for completion of insolvency process :- 180 Days
- Filing of application for extension of period :- ≤ 90 Days

Committee of creditors

The COC shall comprise of all financial creditors of the corporate debtor;

Where the corporate debtor owes financial debts to two or more financial creditors, each such financial creditor shall be part of the COC to the extent of their shares.

All decisions of the committee of creditors shall be taken by a vote of not less than 75% of voting share of

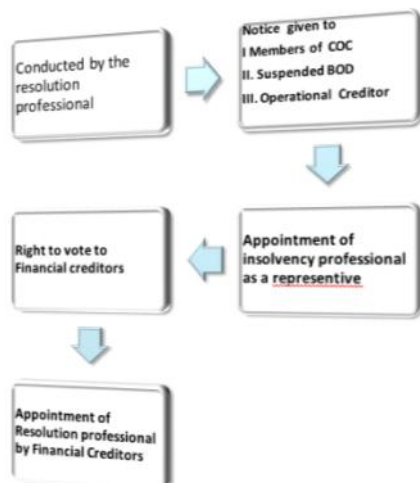


the financial creditors;

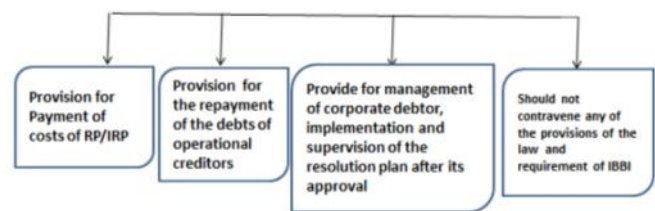
The COC shall have the right to require the resolution professional to furnish any financial information in relation to the corporate debtor at any time during the CIRP.

The first meeting of the COC shall be held within seven days of the constitution of the COC;

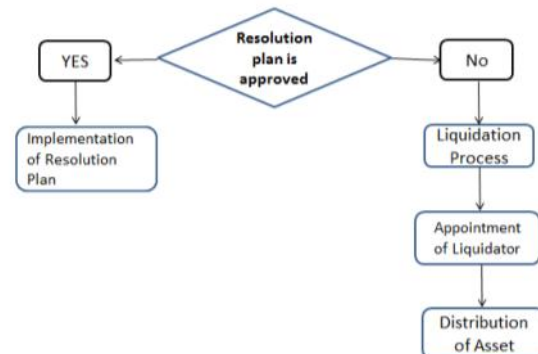
MEETING OF COMMITTEE OF CREDITORS



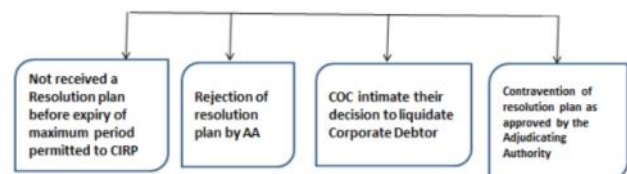
- The resolution professional shall conduct the entire CIRP and manage the operations of the corporate debtor during the CIRP period;
- The resolution professional shall exercise powers and perform duties as are vested or conferred on the IRP;
- The Resolution Professional's primary function is to take over the management of the corporate borrower and operate its business as a going concern under the directions of COC;
- The resolution professional shall provide to the resolution applicant access to all relevant information in physical and electronic form;
- Formulation of Resolution plan by Resolution Professional



Approval of Resolution plan by COC and AA



LIQUIDATION PROCESS





The Institute of Chartered Accountants of India (ICAI)

ICAI Commerce Wizard-2017: A Talent Search Test in Commerce

Organised By: Career Counseling sub-group under BOS, ICAI

For Details and Registration please visit the Exclusive Website for ICAI Commerce Wizard, 2017: icw.icai.org

The Commerce Talent Search Test called as Commerce Wizard -2017 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 X/XI/XII examination

Online Registration

Registration Fees : ₹100/- upto 31st Dec. 2017

Late Registration Fees : ₹150/- 01st Jan. to 05th Jan. 2018

The Commerce Wizard will be conducted by means of in two levels i.e. Level I (Online) & Level II (Online/Pen & Pencil test) in English language for Students studying in class X/XI/XII & B.Com./BBA/BMS/Allied Subjects Part I, Part II & Part III:

Class	No. of Questions	Duration	Subjects	Mode	Negative Marking	Max. Marks	Pattern
X	100	1 Hrs 15 Min	(I) Social Studies (Economics) (II) Mathematics (III) Business Awareness (IV) Aptitude	Online/Pen & Pencil	0.25	100	Objective - type (Multiple Choice) questions
XI	100	1 Hrs 15 Min	(I) Business Studies (II) Accountancy (III) Economics (IV) Aptitude	Online/Pen & Pencil	0.25	100	
XII	100	1 Hrs 15 Min	(I) Business Studies (II) Accountancy (III) Economics (IV) Aptitude	Online/Pen & Pencil	0.25	100	
B.Com./BBA/BMS/ Allied Subjects Part I, Part II & Part III Examination	100	1 Hrs 15 Min	(I) Business Studies (II) Accountancy (III) Economics/ Financial Studies (IV) Aptitude	Online/Pen & Pencil	0.25	100	

Date Timings for the aforesaid test :

Class X/XI/XII & B.Com./BBA/BMS/Allied Subjects Part I, Part II & Part III	Level-I (Online test) 7 th January, 2018 (Sunday)	Level-II Test : Online or Pen Pencil Mode in the designated test centre
Class X/B.Com./BBA/BMS/Allied Subjects Part I	11.45 AM to 1.00 PM	21 st January, 2018 (Sunday)
Class XI/B.Com./BBA/BMS/Allied Subjects Part II	2.00 PM to 3.15 PM	For Class X/XI/XII 10:30 a.m. To 11.45 a.m.
Class XII/B.Com./BBA/BMS/Allied Subjects Part II	4.15 PM to 5.30 PM	For B.Com./BBA/BMS/Allied Subjects Part I/Part II/Part III 3.00 p.m. to 4.15 p.m.

Prizes for Participants

Level-I Test

- All participants In Level-1 test will receive a Participation Certificate.

Level-II Test

- 1st Rank holder will be awarded with Rs 75,000/- for Class X, Class XI & Class XII, B.Com./BBA/BMS/Allied Subjects Part I, Part II & Part III separately, if multiple winners are there, the prize amount will be shared by them. If more than 50 joint rank holders for the same, the awardee will at least awarded with the cash prize of Rs 2,000/-.
- 2nd Rank will be awarded with Rs 50,000/-for Class X, Class XI & Class XII, B.Com./BBA/BMS/Allied Subjects Part I, Part II & Part III separately, if multiple winners are there, the prize amount will be shared by them. If several joint rank holders for the same are there, the awardee will at least awarded with the cash prize of Rs 1,500/-.
- 3rd Rank will be awarded with Rs 25,000/-for Class X, Class XI & Class XII, B.Com./BBA/BMS/Allied Subjects Part I, Part II & Part III separately, if multiple winners are there, the prize amount will be shared by them. If several joint rank holders for the same are there, the awardee will at least awarded with the cash prize of Rs 1,000/-.
- Top 250 consolation prizes will be awarded worth Rs 500/- for Class X, Class XI & Class XII B.Com./BBA/BMS/Allied Subjects Part I, Part II & Part III separately.
- Appreciation certificate to the candidates who have secured 50% marks in the aforesaid online test.
- Participation Certificate will be given to each participant appeared for the Level-II Test.

Other Important Dates:

Award Ceremony: Award Ceremony will be held at Delhi NCR/Mumbai tentatively in the month of February, 2018

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

Deputy Convener

Career Counseling sub-group under BOS, ICAI

Convener

Career Counseling sub-group under BOS, ICAI



For any Query please contact :

Secretary, Career Counselling sub-group under BOS, The Institute of Chartered Accountants of India
ICAI Bhawan, A-29, Sector 62, Noida (U.P.) - 201309,
Telephone (O): 0120-3876871, 886 Email: ccc.events@icai.in, ccc.secretary@icai.in





CA Students Conference 2017

MOTTO

Ya esa suptesu jagarti kamam kamam Puruso nirmimanah |
Tadeva sukram tad brahma tadevamrtamucyate |
Tasminlokah sritah sarve tadu natyeti Kascan |
etad vai tat |

(That person who is awake in those that sleep, shaping desire after desire, that, indeed, is the pure. That is Brahman, that indeed is called the immortal. In it all the worlds rest and no one ever goes beyond it. This, verily, is that, kamam kamam : desire after desire, really objects of desire. Even dream objects like objects of walking consciousness are due to the Supreme Person. Even dream consciousness is a proof of the existence of the self. No one ever goes beyond it : of Eckhard : 'On reaching God all progress ends.')



Gurugram Branch of NIRC

The Institute of Chartered Accountants of India

Plot No-60A, 3rd Floor, Sector-18, Gurugram, Haryana.

Phone : 0124- 4268867 | Email : icaigurgaon@gmail.com | Website : www.icaigurgaon.org

