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EDITORIAL

CA EXAMINATION SANCTITY – A CRUCIAL ISSUE



CA VINOD JAIN*

The recent episode of a sting operation by a leading TV channel in relation to CPT Entrance Examination of the Institute of Chartered Accountants of India has raised a serious concern among the Members of the Institute as well as the society. The Institute immediately cancelled the examination and has decided to re-conduct the same on 25th August 2007.

The Institute has also constituted a High Power Committee, headed by a Government Nominee to very closely enquire about the subject matter and also to review the weakness in the system and control so that such events do not happen again. It is worth noting that no other CA Examination had been impacted by paper leakage earlier. The lure and lust of money converted into greed for CPT Entrance Examination, in view of its nature of an objective type examination.

The CA examinations are known for their highest standards, tough control and intense preparation requirement to ensure expert level of knowledge among Chartered Accountants. The passing percentage has been ranging from 7%-9% in Final to a range of 15-20% at intermediate level and there is no reason to suspect that there has been any case of paper leakage in the past. It is highly appreciated that the full Council of the Institute of Chartered Accountants of India is deeply concerned about the current paper leakage of the entrance examination. The Council may consider –

- To closely review the current examination systems and procedures and to beef them up with proper internal control mechanism.
- Expert Advisors on systems, securities and control can be retained to advise the Council.
- CPT Entrance Examination may be immediately converted from objective type to a tough and high standard subjective type examination, to enable the Institute to ensure that entry into CA course is very tough and thereafter passing intermediate / final examination, for such high quality students should be easier.
- The CPT paper was leaked from the examination center where paper was sent, just days before the examination. There are more than 200 centers all across India and it may be important to ensure a “three-key control” wherein the papers are kept in sealed boxes, sent to the examination center under high security and are opened few minutes before the examination commences in the presence of ICAI representative, the examination centers in charge and a Committee of volunteer Chartered Accountants.
- To further upgrade the quality of all the CA examination, substantially so as to ensure that only persons with very deep academic as well as practical knowledge are only able to pass the examination. The Council can consider introducing practical multi-disciplinary case studies as a part of the examination.

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All India Chartered Accountants' Society
Announces an intensive professional learning

WORKSHOP ON DIRECT TAXES
from concept to expertise....

India International Centre
Annexe Building, Lecture Hall, 40, Max Mueller Marg, New Delhi.

DATE From 18 th August 2007 to 8 th September 2007 (18 th , 25 th , 31 st August 2007, 1 st , 7 th & 8 th September 2007) Friday and Saturday	TIMING 2.00 p.m. to 8.30 p.m.
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For Details see Page 8



1.0 CRR INCREASED

The Reserve Bank of India has decided to increase the Cash Reserve Ratio (CRR) of Banks by 50 basis points to 7 percent with effect from the fortnight beginning 4.8.2007.

2.0 DISCOUNTING / REDISCOUNTING OF BILLS BY BANKS

According to a Reserve Bank of India circular banks should purchase/discount/negotiate bills under Letter of Credit (LC) only in respect of genuine commercial and trade transactions of their borrower constituents who have been sanctioned regular credit facilities by the banks. Banks should not, therefore, extend fund-based credit facilities (including bills financing) to a non-constituent borrower or a non-constituent member of a consortium / multiple banking arrangement.

(RBI/2007-2008/111 dt. 03.08.07)

3.0 RUPEE EXPORT CREDIT INTEREST RATES

As per the existing guidelines, banks charge interest rate not exceeding BPLR minus 2.5% on rupee pre-shipment credit upto 180 days and rupee post-shipment credit upto 90 days. Banks will now charge interest rate not exceeding BPLR minus 4.5% on pre-shipment credit upto 180 days and post-shipment credit upto 90 days on the outstanding amount for the period April 1, 2007 to December 31, 2007 to the specified export sectors. The Government has decided to provide interest subvention of 2 percentage points p.a. to all scheduled commercial banks.

(RBI/2007-2008/93 13.07.07)

4.0 RBI MULLS CURRENCY FUTURES EXCHANGE

The Reserve Bank of India (RBI) is exploring a dedicated currency futures exchange, after taking an in-principal decision to launch rupee-denominated futures.

RBI has also decided to revive interest rate futures which have failed to take off after being introduced in June 2003.

5.0 NEW NORMS ON LETTER OF CREDIT

As per Reserve Bank of India (RBI) banks can now negotiate a Letter of Credit (LC) where the negotiation of bills drawn under LC is restricted to a particular bank, and the beneficiary of the LC is not a constituent of that bank. The LC can be negotiated subject to the condition that the proceeds will be remitted to the regular banker of the beneficiary.

6.0 CREDIT AGAINST WAREHOUSE RECEIPTS

National Bulk Handling Corporation (NBHC) will work as a collateral manager with IDBI Bank and State Bank of Patiala for warehouse receipt loans. The banks have entered into an agreement to provide credit to farmers, corporates and processors against NBHC warehouse receipts. The stock pledged with the banks will be kept in warehouses owned by NBHC which will guarantee quality and quantity of the commodity.

7.0 VALUATION OF INSURANCE COs

Insurance Regulatory & Development Authority, plans to introduce a new benchmark for insurance companies' valuations. The new measures will help in arriving at more realistic estimates based on disclosures. Realistic valuations are crucial to the industry which could become a hot-bed for mergers and acquisitions (M&As) if and when there is an increase in the foreign direct investment limit.

A sub-committee has been set up by IRDA to suggest ways to value these companies. The Embedded Value (EV)

method, which is an indicator of the value of the existing business in the books of a company, is one of the measures suggested by the committee. At present, the New Business Achieved Profit (NBAP) is used for valuation purposes. In the absence of a standard valuation method, the industry feels that some of the valuations may not be justified. While EV is an indicator of the value of the business in terms of policies already written, the NBAP multiplier is the value of the business that will be written in the future. NBAP is arrived at after various assumptions about the future, but it may not give pointers to the quality of the portfolio of the company.

8.0 FII REGISTRATION UNDER SEBI LENS

The Securities and Exchange Board of India (SEBI) is reviewing the registration norms for foreign institutional investors in a move to encourage direct entry by hedge funds.

Hedge funds still prefer investments through the participatory note (PN) route because of the high transaction costs after registration as an FII.

9.0 PARTICIPATORY NOTES

PNs are derivative instruments whose underlying securities are Indian stocks and are issued by FIIs to overseas investors that want to invest in Indian stocks but are not allowed to do so directly but only through FIIs. PNs also give investors the benefit of anonymity, giving rise to concerns about whether Indian money itself is coming back through the PN route. The sources of such funds have been an issue with Indian regulators.

10.0 LOAN GUARANTEE LIMIT FOR MSEs

The eligible loan limit for micro and small enterprises (MSEs) under the credit guarantee scheme, has been raised from Rs. 25 lakh to Rs. 50 lakh.

Significantly, all MSEs operated and / or owned by women will get guarantee covers up to 80% of their credit offtake from banks and financial institutions.



The higher guarantee limit has also been extended to those micro enterprises, which will take loans up to limit of Rs. 5 lakh. Barring these two listed categories, over MSEs will get the guarantee coverage under the scheme up to 75 % of their borrowing. However, this facility would be enjoyed by those servicing units, which are related to the industrial activities. But not by those which are involved in trading and other non manufacturing activities.

Contd. from page no. 1
CA EXAMINATION SANCTITY ...

- The coaching institutes are registered, monitored and disciplined. No coaching is permitted within 9.30 A M and 5.30 P M. ICAI consent to take coaching may be made mandatory. ICAI is also considering providing mandatory coaching by ICAI itself.
- The paper setters, examiners, head examiners and all other connected with the examination system should be subject to rotation periodically and also should be subjected to very tough screening and on going surveillance, to ensure complete sanctity of the system.

Those who planned to leak the papers of CPT actually forgot that CPT paper leakage may give them an entry into a course which is very tough at all level and the very basis of the Course is Excellence, independence and integrity. When there is no integrity, they can never pass CA and will never allow them to pass CA.

We all are committed to take a very tough and stern action against those who are responsible for the current paper leakage. The police have already arrested one of the culprits and others are in the process. A detailed investigation by the police and / or CBI will completely uproot this menace.

NBFC

ACCEPTANCE OF PUBLIC DEPOSITS (RESERVE BANK) DIRECTIONS, 1998- AN UPDATE

Conditions

Non-Banking Financial Company (NBFC) having Net Owned Fund (NOF) of Rs 25 lakhs and above can accept public deposit only if

- It obtains minimum investment grade or other specified credit rating
- A copy of the rating is sent to the Reserve Bank of India (RBI) along with return on prudential norms
- RBI has specifically registered the NBFCs as a deposit taking NBFC.

Ceiling on quantum of deposit

- Assets finance company having minimum investment grade credit rating, not exceeding four times of its NOF and in other cases, not exceeding 1.5 times of its NOF or public deposit up to Rs 10 Crore, whichever is lower.
- A loan company or an investment company having minimum investment grade credit rating, not exceeding one and one-half times of its NOF.

Period

The minimum deposit period is 12 month and the maximum period is 60 months from the Acceptance of Demand Deposits by NBFC is prohibited.

Rate of interest

On and from April 24, 2007, the rate of interest shall not exceed 12.5 percent per annum. Compounding shall not be shorter than at monthly rests.

(RBI/2007-2008/01 dt: 02.07.07)

KNOWLEDGE PORTAL

WHAT IS A WIRE TRANSFER?

Banks use wire transfers as an expeditious method for transferring funds between bank accounts. Wire transfers include transactions occurring within the national boundaries of a country or from one country to another. As wire transfers do not involve actual movement of currency, they are considered as a rapid and secure method for transferring value from one location to another.

- Wire transfer is a transaction carried out on behalf of an originator person (both natural and legal) through a bank by electronic means with a view to making an amount of money available to a beneficiary person at a bank. The originator and the beneficiary may be the same person.
- Cross-border transfer means any wire transfer where the originator and the beneficiary bank or financial institution are located in different countries. It may include any chain of wire transfers that has at least one cross-border element.
- Domestic wire transfer means any wire transfer where the originator and receiver are located in the same country. It may also include a chain of wire transfers that takes place entirely within the borders of a single country even though the system used to effect the wire transfer may be located in another country.
- The originator is the account holder, or where there is no account, the person (natural or legal) that places the order with the bank to perform the wire transfer.

Wire transfer is an instantaneous and most preferred route for transfer of funds across the globe.

1.0 INCREASED FOCUS ON SCRUTINY

The Central Board of Direct Taxes (CBDT) has prepared an elaborate action plan for the year for an increased focus on scrutiny. It is planning to scrutinize the tax returns of:

- NSE 500 and BSEs A group comprising over 100 companies
- Stock Brokers whose brokerage is more than Rs 1 crore
- Brokers who have claimed bad debts of Rs 10 lakhs or more
- Corporate entities witnessing a fresh capital infusion of more than Rs 50 lakhs
- Companies that claim tax benefit under Section 72A of the Income Tax Act
- All Non Banking Financial Companies or investment companies having a paid up capital of more than Rs 10 crores
- Other routine criteria's, total returns picked up for scrutiny will be 2.5% as compared to 2% earlier.

2.0 NON-FILING OF RETURNS TO ATTRACT PENALTY

Companies, partnership firms and small businesses enjoying 25-100 per cent deduction on income will lose these and other tax benefits if they do not file their returns by the due date (Sec. 80AC). Tax payers, including individuals, may have to pay a penalty of Rs. 5,000 if they do not file returns by the due date or by the end of the assessment year. If they do not file by either deadline they will be issued a notice by the department and non-compliance will mean additional penalties of Rs. 10,000.

3.0 CAPITAL GAIN INDEX FOR FY 2007-08

The Cost Inflation Index for 2007 has been notified as 551.

4.0 TRANSFER PRICING TO COVER ALL RS. 5 CR-PLUS DEALS

All cross-border transactions worth Rs. 5 crore or more will come under the scrutiny of the Transfer Pricing (TP) regime, even if there is no prima facie reason to suspect tax evasion / avoidance.

Aztec Software & Technology challenged the practice of referring such transactions mandatorily to the TP Officer. The company insisted the assessing officer had no reason to refer the matter to TP officer as the assessing officer could not provide any evidence of a possible tax evasion by Aztec.

ITAT has now ruled that the threshold limit of Rs. 5 crore fixed by the Central Board of Direct Taxes (CBDT) should hold for referring all cases to the TP officer. In its order the ITAT also held that TP assessments can be made even in cases of tax exempt units.

It also said the industry average is not sufficient to arrive at the arm's length price. The arm's length price should be arrived at in more convincing ways. The ITAT also underscored that the TP officer must record all the facts and reasons of his decision in the TP order. This is for the benefit of the adjudicating authorities.

5.0 TAXABILITY OF PROFIT

In the facts and circumstances of the case, profits, if any, from the Korean Operations (designing and fabrication) arose outside India, and hence, not taxable; (b) as regards the quantum of profits embedded in the Indian Operations attributable to the India PE of the assessee, the Commissioner (Appeals) was right, in the facts and circumstances of the case, in attributing the profits to the Indian PE at 10 per cent of the gross receipts in respect of its activities of installation, commissioning, etc. performed in India. The same would be taxable accordingly. *Commissioner of Income Tax V. Hyundai Heavy Industries Co. Ltd. [(2007) 161 Taxman 191 (Sc)]*

6.0 E-FILING INTERMEDIARIES SCHEME FOR CAs

The Central Board of Direct Taxes (CBDT) has launched a new scheme for e filing of returns through e return intermediaries which are firm of chartered accountants or advocates that have been allotted a Permanent Account Number (PAN), a chartered accountant or an advocate (individual capacity) with PAN.

The new scheme has simplified the norms for chartered accountants to take the role of e-return intermediaries. In the earlier September 2004 scheme of the CBDT, there were certain conditions like income criteria for CA's. All this has been done away with. We now expect more assesses to file their returns through chartered accountants functioning as e-return intermediaries.

7.0 TOTAL TURNOVER NOT TO INCLUDE ST AND EXCISE

The Supreme Court has ruled that excise duty and sales tax (ST) cannot be included in the total turnover for the purpose of computing deduction under Section 80 HHC(3)(b) of the Income Tax Act. The apex court dismissed a plea by the revenue department which had said that having regard to the plain words of the relevant section of IT Act 'excise duty' and 'sales tax' should be included in the total turnover.

8.0 REMITTANCES TO NON-RESIDENTS – COMPULSORY CA CERTIFICATE

A remitter of foreign exchange is required to submit to the authorised dealer, an undertaking and Chartered Accountant's certificate in the format prescribed by CBDT vide circular No. 10/2002 dated October 9, 2002 at the time of making the remittance in foreign exchange to non-residents including remittances which are in the nature of trade transactions such as import payments.

(RBI/2007-2008/100 19.07.07)

9.0 E-FILING POPULAR

According to figures available with the department, about 1,46,543 taxpayers have already filed returns electronically this year.



10.0 MANDATORY E-PAYMENT OF DIRECT TAXES

E-Payment of direct taxes would be mandatory for corporate taxpayers and taxpayers who come under the purview of Section 44AB with effect from 1 January 2008.

SERVICE TAX / OTHER INDIRECT TAXES

1.0 RATES OF DUTY DRAWBACK REVISED

Central Board of Excise and Customs has made the increased rates of drawback effective retrospectively from 1.4.2007. However, in a few cases such as primary steel, dyes and chemicals, the drawback rates have been reduced. The reduced rates will take effect prospectively from 18.7.2007, i.e. the date of coming into force of the notification which is made available at website www.cbec.gov.in

(Circular No. 25/2007-Cus. 16.07.07)

2.0 DECISION ON SERVICE TAX WAIVER FOR EXPORTS HANGS FIRE

Nearly three months after the commerce ministry announced the measure while unveiling the annual supplement to the Foreign Trade Policy, the finance ministry is yet to finalize the terms for exemption and remission of service tax on export of merchandise goods.

3.0 RETAILERS, REAL ESTATE COs CHALLENGE LEVY OF SERVICE TAX

Retailers, real estate developers and multiplex owners among others have moved the Bombay High Court challenging the levy of service tax on rental income from commercial properties.

4.0 TAX ON 44 NEW SERVICES

State Finance Ministries have come to a consensus on the list of 44 new services of intra-State nature on which service tax could be levied by the Centre and passed on to them as part of the compensation package for central sales tax (CST) phaseout.

5.0 INSURERS SPARED FROM SERVICE TAX

Life insurance companies are set to be spared of paying service tax on fund management fees. This is a good news for policy holders investing in unit-linked insurance plans (Ulip) as they will not have to take a hit on their returns.

The Central Board for Excise & Customs (CBEC) has accepted IRDAs view that fund management fees should not attract service tax because managing a policy holder's money is a part of an insurers business.

6.0 SERVICE TAX ABATEMENT ON TOUR PACKAGES

The revenue department has agreed to increase the abatement level for levy of service tax purposes from the existing 60 to 75 per cent. The abatement increase is not only for inbound packages but also for domestic package. The increase in abatement rate would be notified shortly.

7.0 VAT ON CHARTERED BUSES

The Delhi Government has decided to impose value added tax (VAT) on buses carrying office goers, students and others on contract basis, a move that is likely to increase fare in all such public carriers. There is a legal issue involved here as the services are already subject to service tax. How VAT can be levied under "Right to use goods" category?

AUDIT / ACCOUNTING

1.0 INTERNATIONAL STANDARDS ON AUDITING

To enhance the quality and consistency of audits, the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of the International Federation of Accountants (IFAC), is

continuing to advance its project to clarify its international standards.

The IAASB has now approved five final International Standards on Auditing (ISAs) drafted in accordance with the new conventions and, including the eight just released, 23 exposure drafts of ISAs. The IAASB expects to issue a further seven exposure drafts this year, and to complete all 35 ISAs as final standards by the end of 2008.

India: The council of the Institute of Chartered Accountants of India has in principle decided to also redraft all its Audit and Assurance Standards (AASs) as Standards on Auditing (SAs) and also to follow same style and numbering as of ISAs.

2.0 SC REFUSES STAY ON AS-22

The Supreme Court (SC) has refused to stay Accounting Standard (AS) 22 though it admitted a plea challenging this new norm issued by the Institute of Chartered Accountants of India on deferred tax liability of listed companies.

A bench headed by Justice S.H. Kapadia observed that the norms would continue to be in operation after Solicitor General G.E. Vahanavati and CA.N.K. Poddar, Senior Advocate opposed the petitions saying AS-22 has come into effect in 2001.

3.0 IFRS TO BE MANDATORY

Institute of Chartered Accountants of India (ICAI) council decided to converge the Indian standards with international financial reporting standards (IFRS) issued by the International Accounting Standards Board from the accounting period starting April 1, 2011.

The IFRS will become mandatory with effect from April 1, 2011 and will be optional for earlier adoption by corporates w.e.f. 1st April, 2008.

Significant changes in accounting practices and techniques, including for revaluation of fixed assets, can be expected with the ICAI giving a go-ahead to converge the Indian accounting standards with international standards from April, 2011.



4.0 ONLY CERTIFIED CAs FOR CO-OPERATIVES

Gujarat may soon follow Maharashtra's model of auditing in co-operatives sector. The Institute of Chartered Accountants of India will soon propose the state government to empanel only those CA's who have undertaken a special course on auditing of accounts of co-operatives. WIRC of ICAI has trained 4000 CAs for Audit of Maharashtra Co-operatives through a specially designed training course.

5.0 WITHDRAWAL OF THE STATEMENT ON QUALIFICATIONS IN AUDITOR'S REPORT

The Council of The Institute of Chartered Accountants of India has decided to withdraw the Statement on Qualifications in Auditor's Report except paragraphs 2.1 to 2.30, dealing with report under section 227 (1A) of the Companies Act, 1956. The Council has further decided to keep the paragraphs 2.1 to 2.30 of the existing Statement and rename the Statement as "Statement on Reporting under section 227 (1A) of the Companies Act, 1956.

6.0 WITHDRAWAL OF THE STATEMENT ON PAYMENTS MADE TO AUDITORS FOR OTHER SERVICES

The Council of The Institute of Chartered Accountants of India has decided to withdraw the Statement on Payments to Auditors for Other Services. The Council has noted that Part II of Schedule VI to the Companies Act, 1956, exhaustively covers the disclosure requirements for payments to auditor in other capacities.

APPLICABILITY OF ANNOUNCEMENT ON 'ACCOUNTING FOR EXCHANGE DIFFERENCE ARISING ON A FORWARD EXCHANGE CONTRACT ENTERED INTO TO HEDGE THE FOREIGN CURRENCY RISK OF A FIRM COMMITMENT OR A HIGHLY PROBABLE FORECAST TRANSACTION.

It has been decided to further defer the applicability of the Announcement issued in January 2006, to accounting period(s) commencing on or after April 1, 2008

AS-11 to supersede schedule VI

1. The Ministry Corporate Affairs issued the Companies (Accounting Standards) Rules, 2006, by way of Notification in the Official Gazette dated 7th December, 2006. As per Rule 3(2) of the said Rules, the Accounting Standards shall come into effect in respect of accounting periods commencing on or after the publication of these accounting standards under the said Notification.
2. AS 11, as published in the above Government Notification, carries a footnote that "it may be noted that the accounting treatment of exchange differences contained in this Standard is required to be followed irrespective of the relevant provisions of Schedule VI to the Companies Act, 1956."

In view of the above footnote to AS 11, the Council of the Institute of Chartered Accountants of India has decided at its 269th meeting held on July 18, 2007, to withdraw the Announcement on 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates vis-à-vis Schedule VI to the Companies Act, 1956, published in 'The Chartered Accountant' of November, 2003. Accordingly, the accounting treatment of exchange differences contained in AS 11 notified as above is applicable and not the requirements of Schedule VI to the Act, in respect of accounting periods commencing on or after 7th December, 2006.

CAPITAL MARKET

1.0 FII CAN PLEDGE FOREIGN SECURITIES

In a move to further deregulate the Indian equity derivatives market, the Reserve Bank of India (RBI) has broadened the number of instruments for maintenance of collateral by foreign institutional investors undertaking derivatives transactions.

RBI has decided in consultation with the Government of India and Securities and Exchange Board of India (SEBI) to permit SEBI approved clearing corporations of stock exchanges and their clearing members to open and maintain demat accounts with foreign depositories and to acquire, hold, pledge and transfer the foreign sovereign securities, offered as collateral by FIIs.

2.0 SEBI RELAXATION : BOON TO PSU INFRA COMPANIES

Benefits To Government Owned Infrastructure Companies

	Present Scenario for all companies	Amended Version for PSU, infrastructure companies
1. Face Value of Shares	<ul style="list-style-type: none"> • Issue price <500 FV=10 • Issue Price >500 Discretion for FV<10 	• Flexibility FV <10
2. Minimum Promoters continue in post IPO share capital	20% (excluding issue to promoters within 1yr prior at less than issue price)	Exempted
3. Lock in (mandatory) for share acq before IPO	1 year	Exit option before 1 year
4. Minimum public holding	25% (excluding banking and infrastructure)	Flexible 10% if 60% issued to QIB

3.0 INVESTMENT IN EQUITY MUTUAL FUNDS

Public sector blue-chip companies enjoying navratna and miniratna status can now park up to 30 per cent of their surplus funds in equity mutual funds. However, the investments would be allowed only in public sector mutual funds.



COMMODITY MARKET

1.0 NCDEX TO FOCUS ON NON-FARM GOODS

The National Commodity and Derivatives Exchange (NCDEX) is shifting focus to politically less sensitive commodities such as metals in a bid to steer clear of constant Government intervention in farm commodities.

2.0 SPOT EXCHANGE TO BE LAUNCHED

MCX subsidiary National Spot Exchange for agricultural Produce (NSEAP) is set to launch the country's first spot exchange on an electronic platform in Gujarat during September, which would revolutionize spot market commodity trading and offer better prices to farmers.

ICAI NEWS

1.0 RESIDENTIAL CLASSES FOR CA STUDENTS

With changing business environment and expectations from Chartered Accountants, world's second-largest accounting body Institute of Chartered Accountants of India (ICAI) is now contemplating making residential classes for CA studies compulsory in coming months.

It is believed that ICAI's existing infrastructure would take care of certain portion of syllabus while the proposed centers would train students in crucial subject areas through residential classes.

2.0 I G N O U PROGRAMMES FOR CA STUDENTS

Indira Gandhi National Open University (IGNOU) has launched B.Com and M.Com exclusively for Chartered Accountants (CA) students so

that they can simultaneously complete graduation and post graduation while continuing CA.

The duration of the Bachelors programme is three years (one year for those who have passed CA 1st Stage). IGNOU has exempted all papers except 4 papers for PE-II /PCC passed. CAs have been given substantial exemption for M.Com.

INSURANCE

1.0 IRDA SET TO ALLOW INVESTMENT IN DERIVATIVES

The Insurance Regulatory and Development Authority (IRDA) is set to allow insurance companies to invest in a few more financial instruments, including derivatives. The proposed move will enhance returns for policy holders. Derivatives such as options and futures are financial instruments whose value is based on another security.

2.0 INSURERS GET CORE EQUITY LEEWAY

Insurance companies will have more infrastructure firms in their equity investment portfolio soon.

The Insurance Regulatory and Development Authority has agreed to allow insurance companies to invest in equities of non-dividend-paying infrastructure companies.

Relaxation will enable investment in such companies on the basis of project risk assessment and developers' risk-rating.

3.0 LIFE COs TO GET REVISED MORTALITY TABLES

The much awaited new mortality tables for the life insurance market, which have been pending for more than a year now, are likely to come out in the next six months. These tables are almost a decade old and the industry, as a whole, has been asking for revised mortality tables to give an accurate picture of life graph on today's consumers.

ALL INDIA CHARTERED ACCOUNTANTS' SOCIETY Announces an intensive WORKSHOP ON SERVICE TAX

PARTICIPATION FEES

• NON CAs/CORPORATE	Rs. 5,000/- per delegate
• CAs/ CA FIRM	Rs. 4,500/- per delegate
• AICAS MEMBERS	Rs. 4,000/- per delegate
• CFO WORLD MEMBERS	Rs. 4,000/- per delegate

For further details please contact:

Ms. Chhaya : 9873230416

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Programme Director

CA Vinod Jain (9811040004)

RESTRICTED TO ONLY 100 PARTICIPANTS
ON FIRST COME FIRST SERVE BASIS

NOTE:

- Participation fees covers high tea, lunch and background material to the participants.
- A voluntary Appraisal Questionnaire to judge the understanding of the workshop is proposed.
- A Certificate of satisfactory completion of workshop will be issued.
- Participants are expected to share their own practical experience and raised queries during interactive session.
- Alternative nominee for specific session(s) or day(s) could be permitted.

DELEGATE REGISTRATION FORM

4th ANNUAL WORKSHOP ON DIRECT TAX
Organised by All India Chartered Accountants' Society
(18th, 25th, 31st August 2007, 1st, 7th and 8th September 2007)
India International Centre, Annexe Building, Lecture Hall, 40, Max Mueller Marg, New Delhi

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Dear Sir,

Please register me as a delegate for the "4th Annual Workshop on Direct Tax" to be held at India International Centre, 40, Max Mueller Marg, from 18th August to 8th September, 2007.

Please fill in block letters

Name : Mem. No. (ICAI) :

Designation :

Organisation :

Address :

Phone No.: Off: Res.:

Mobile No. E-mail(Official).....

(Personal).....

I am sending herewith my Registration Fee of Rs. By Demand (Rupees) / Local Cheque No. Dated..... Drawn on in favour of "All India Chartered Accountants' Society" and send Cheque alongwith Registration Form thru courier at : 503-504 Chiranjiv Tower Nehru Place New Delhi - 110019.

Yours faithfully,

Date: Signature

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ALL INDIA CHARTERED ACCOUNTANTS' SOCIETY

Announces an intensive
WORKSHOP ON SERVICE TAX
From concepts to practice....



DATES:

From 18th August, 2007 to 8th September, 2007
(18th, 25th, 31st August, 2007 & 1st, 7th, 8th September, 2007)

VENUE:

India International Centre, Annexe Building Lecture Hall,
40, Max Mueller Marg, New Delhi

A COMPREHENSIVE REFRESHER COURSE ON DIRECT TAXES

A Comprehensive Refresher Course/ Workshop on Direct Taxes is being conducted spread over 6 days with the active participation of eminent speakers and professionals. The MAIN THRUST is to carry out an indepth study of the basic concepts, critical issues and their practical applications including tax planning of the laws, rules and regulations and recent case laws relating to Direct Taxes.

PROGRAMME SCHEDULE

DAY 1 - 18/08/2007 (SATURDAY)

Registration & Lunch (1.00 p.m. to 2.00 p.m.)

Inaugural Session (2.00 p.m. to 2.15 p.m.)

SESSION I 2.15 p.m. to 3.45 p.m.	Overview of Income Tax Law, Basis of charge, Scope of Total Income, Residential Status, Wealth Tax	Dr. Girish Ahuja, FCA Lecturer Shri Ram College of Commerce
SESSION II 3.45 p.m. to 5.00 p.m.	Interpretation of statutes, Principles of Natural Justice	*Shri M S Syali Sr. Advocate
Tea with Snacks (5.00 p.m. to 5.30 p.m.)		
SESSION III 5.30 p.m. to 6.30 p.m.	Income from House property, Income from other sources	Dr. Ravi Gupta, Advocate Lecturer, Shri Ram College of Commerce
SESSION IV 6.30 p.m. to 8.30 p.m.	Profits and gains of business or profession (Indian Business), Presumptive Incomes u/s 44AD, 44AE & 44AF, Disallowances by A.O.	CA Ved Jain Vice President, ICAI

DAY 3 - 31/08/2007 (FRIDAY)

Lunch (1.30 p.m. to 2.00 p.m.)

SESSION IX 2.00 p.m. to 3.30 p.m.	Incomes Exempt u/s 10	Shri R. Santhanam Sr. Advocate
SESSION X 3.30 p.m. to 5.00 p.m.	Formation/ Taxation/ Assessment of Hindu Undivided Family	*Sh. V P Gupta Advocate
Tea with Snacks (5.00 p.m. to 5.30 p.m.)		
SESSION XI 5.30 p.m. to 7.00 p.m.	Special Provisions applicable to Charitable Trusts, NGOs, Societies, Section 25 Cos, Mutual benefit Societies, Not for profit Organisations and similar Institutions.	Shri. Subhash Lakhota Advocate, Sr. Tax and Investment Advisor
SESSION XII 7.00 p.m. to 8.30 p.m.	Tax deducted at source (TDS), Tax Collection at source (TCS)	CA Amitabh Singh Ernst & Young

DAY 5 - 7/9/2007 (FRIDAY)

Lunch (1.30 p.m. to 2.00 p.m.)

SESSION XIX 2.00 p.m. to 3.00 p.m.	Overview and important aspects of various Models of Tax Treaties	CA Rahul Garg Pricewaterhouse Coopers
SESSION XX 3.00 p.m. to 4.15 p.m.	Analysis of Indo-US DTAA and similar treaties	CA Sanjeev Choudhary Pricewaterhouse Coopers.
Tea with Snacks (5.00 p.m. to 5.30 p.m.)		
SESSION XXI 4.15 p.m. to 5.00 p.m.	Analysis of Indo-UK DTAA and similar treaties,	CA Neeru Ahuja Deloitte Touche Tohmatsu
SESSION XXII 5.30 p.m. to 6.30 p.m.	Withholding Tax on international payments	CA Ajay Vohra Vaish Associates
SESSION XXIII 6.30 p.m. to 7.45 p.m.	Provisions relating to Transfer Pricing	CA Mukesh Bhutani Sr. Partner, BMR & Associates
SESSION XXIV 7.45 p.m. to 8.30 p.m.	Special provisions relating to taxation of Non Residents	CA Sandeep Chaufla KPMG

DAY 2 - 25/08/2007 (SATURDAY)

Lunch (1.30 p.m. to 2.00 p.m.)

SESSION V 2.00 p.m. to 3.15 p.m.	Income chargeable under the head Salaries, Tax Planning for Salaried Persons, Expatriats, Exempted allowances and retirement benefits	CA Vikas Vasal KPMG
SESSION VI 3.15 p.m. to 5.00 p.m.	Deductions from Gross Total Income under Chapter VI A, Special Issues	CA Anil Chopra Deewan P N Chopra & Co.
Tea with Snacks (5.00 p.m. to 5.30 p.m.)		
SESSION VII 5.30 p.m. to 7.15 p.m.	Income chargeable under the head Capital Gains, Concept of 'Transfer' under General and Tax Laws, Options to plan Capital gain tax	Sh. S D Kapila Former Chief Commissioner of IT Sh. R. Devrajan, Secretary, Fiscal Law Committee ICAI
SESSION VIII 7.15 p.m. to 8.30 p.m.	Taxation of family / private Trusts, Family trusts as a tool of tax planning	Shri. R. N. Lakhota, Advocate Sr. Tax Advisor

DAY 4 - 1/09/2007 (SATURDAY)

Lunch (1.30 p.m. to 2.00 p.m.)

SESSION XIII 2.00 p.m. to 3.30 p.m.	Clubbing of Incomes, Certain Deemed Incomes, Set off and Carry forward of losses	Dr. Ravi Gupta, Advocate Lecturer, Shri Ram College of Commerce
SESSION XIV 3.30 p.m. to 4.15 p.m.	Taxation issues related to Merger and Demerger	CA Manish Kapoor Pricewaterhouse Coopers
SESSION XV 4.15 p.m. to 5.00 p.m.	Concept and Critical issues related to Fringe Benefit Tax	CA Rohit Jain Vaish Associates
Tea with Snacks (5.00 p.m. to 5.30 p.m.)		
SESSION XVI 5.30 p.m. to 6.30 p.m.	Deduction and Exemptions, Exemption u/s 10A, 10AA, 10B, 10BA, 10BB	CA Krishan Malhotra Pricewaterhouse Coopers
SESSION XVII 6.30 p.m. to 7.00 p.m.	Taxation in case of Partnership: Concept & critical issues	Dr. Rakesh Gupta, FCA Rakesh Raj & Associates Former Member ITAT
SESSION XVIII 7.00 p.m. to 8.30 p.m.	Corporate Taxation special and critical issues, Taxation of Dividend / Deemed dividend	Dr. Rakesh Gupta, FCA Rakesh Raj & Associates Former Member ITAT

DAY 6 - 8/09/2007 (SATURDAY)

Lunch (1.30 p.m. to 2.00 p.m.)

SESSION XXV 2.00 p.m. to 3.15 p.m.	Survey, search and seizure	CA Ajay Wadhwa Sr. Partner
SESSION XXVI 3.15 p.m. to 4.15 p.m.	Assessments and Reassessment Procedures, Practical aspects	S. R. Wadhwa & Co. CA Gautam Jain
Tea with Snacks (5.00 p.m. to 5.30 p.m.)		
SESSION XXVII 4.15 p.m. to 5.15 p.m.	Penalties, Prosecutions, Stay of Demand	Sh. K Sampat, Sr. Advocate, Former Member ITAT
SESSION XXVIII 5.45 p.m. to 6.30 p.m.	Appeals & Revisions Writ Petitions relating to Tax matter	Sh. K Sampat, Senior Advocate, Former Member ITAT
SESSION XXIX 6.30 p.m. to 8.30 p.m.	Regulations and Taxation aspects of SEZ	CA Deepak Dhanak Pricewaterhouse Coopers

Valedictory Function (8.00 p.m. to 8.30 p.m.)

For Fees & Registration Form See Page No. 7

* Confirmation Awaited

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