



Vol. XXXI

Western India Chartered Accountants Students Association (WICASA) of The Institute of Chartered Accountants of India.

Powered by Professionalism
Driven by Values

NEWSLETTER SEPTEMBER, 2019

HAPPY TEACHER'S DAY

WIRC OFFICE BEARERS

Chairperson:

CA. Priti Savla

Vice Chairman:

CA. Umesh Sharma

Secretary:

CA. Rakesh Alshi

Treasurer:

CA. Yashwant Kasar

WICASA OFFICE BEARERS

Chairman:

CA. Jayesh Kala

Vice Chairman:

Mr. Akshit Agarwal

Secretary:

Ms. Vedika Bajaj

Treasurer:

Mr. Parth Bardiya

WICASA COMMITTEE MEMBERS

CA. Hitesh Pomal

CA. Anand Jakhotiya

WICASA MEMBERS

Ms. Dania Supariwala

Mr. Vihar Jain

Mr. Pushapraj Sharma

Ms. Ridhi Kogta

Mr. Divyansh Mittal

EDITORIAL BOARD

CA. Jayesh Kala

Ms. Dania Supariwala

INDEX

WIRC Chairperson's Communication....	2
WICASA Chairman's Communication....	3
Upcoming Events....	4
Derivatives and its Types....	6
Article on TDS on Immovable Property....	8
Poem on Chartered Accountants....	11
August 2019 Snapshots....	12



-wicasa@icai.in

-wicasamumbai

-WICASA



WIRC CHAIRPERSON'S COMMUNICATION



Dear Students,

WIRC celebrated India's 73rd Independence Day with great pride. On the occasion of India's 73rd Independence Day Celebration students took part in the Flag Hoisting ceremony and the Tree Plantation program to create a greener future for our countrymen.

Today, we stand in a free country, on our way to be part of one of the most respected professions in India. The journey to freedom, however, was one great trials, tribulations and set-backs. But the constant efforts of our leaders, their motivation and inspiration to live by their words saw India emerging from darkness to light.

I am proud to say that this same ethos is reflected here at WIRC and WICASA. The Office Bearers walk the talk and are constantly endeavouring to motivate and inspire students to do their best and qualify as Chartered Accountants.

All of us do not have equal talent, but, all of us have an equal opportunity to develop our talents. WICASA plans and organizes holistic programs for our students so as to enable each individual to develop in the best way for him or her.

Last month was a great example of how we plan and implement events which bring out the best physically, mentally and creatively in our students.

WIRC organized a students' interactive meet where they directly interacted with the esteemed President ICAI, CA Prafulla Chhajed. Their enthusiastic participation pleased our President who looks forward to our bright students transforming into high calibre finance professionals.

We went outside the comfort zone this year in our 'Outdoor Sports' program by creating and adventurous trek run to Garbett Point in Matheran. This unique run created memories of a lifetime for the participants and I am sure from the enthusiastic participation that similar events could be organized again in the future.

At the other end of the spectrum, the CA Students Talent Search discovered hidden talents of oratory and depth of general knowledge at the Regional level Quiz and Elocution Competition for CA Student. Our budding musicians and actors came to the fore at the Regional level Instrumental Music and Nukkad Drama Competition for CA Student.

Students were highly appreciative of these programs and I reiterate our commitment towards creating well rounded individuals who can find their own place in society with confidence.

This time, we also arranged for a special visit for students of other Branches which saw students of the Pimpri Chinchwad Branch visit the ICAI Tower at BKC. These visits and orientation lectures at the ICAI Tower go far in helping students see the big picture and inspire them to work harder in order to reach their goal.

A one day Seminar on 'GST Audit and GST Return' for CA Students ensured that students are up to date with their educational requirements in the GST era.

Career Counselling of CA Course was conducted at the Dr. S. Radhakrishnan International School, Malad (West). These counselling sessions help students decide on a course of action from an early age, thus helping them reach their goals faster.

Our coaching classes for the intermediate batches continue to support students as well as shore up their academics and helping them tackle exams with confidence.

The future of our country depends upon its students. Your perseverance, dedication and commitment to your life will determine the future of India.

Priti Savla

CA. Priti Savla

Chairperson, WIRC.



WICASA CHAIRMAN'S COMMUNICATION

Dear Students,

Very warm wishes!

“Failure is the first step towards success.”

Every Failure teaches a valuable lesson. So, it can be viewed as virtually a necessity for both career and character growth. Failure is, in fact, a logical step towards success. Success is about learning, keeping yourself motivated and recognizing *why* we are facing failure and developing a course of action to overcome that failure. APJ Abdul Kalam has rightly said, “F.A.I.L. means **F**irst **A**ttempt **I**n **L**earning.”

This being the subsequent month of Results, Firstly I would like to congratulate all newly qualified Chartered Accountants and wish you best of luck in your future endeavours. For the students who could not clear this time, it's OK to fail as long as you are not losing hope to become a Chartered Accountant. I would like to share a few tricks to overcome failure. First and foremost important is Analysing why you have failed and knowing the cause of failure in the beginning. After that, you should do SWOT Analysis of subjects you have a good grip on and the ones on which you require extra efforts. This will help you in allocating your time efficiently. Next is to plan the whole study in detail and revise rigorously. It is important to take proper sleep between exams and don't get nervous an hour before exam. All the very best to the students having exam in November 2019.

I am happy to state that the required measures for the benefit of our students including organizing GST Seminar, Crash courses, Various Educational and training programs including Quiz and Elocution. I am further overwhelmed to announce many such relevant and interesting seminars like Tax Audit, Transfer Pricing in the upcoming months.

“**A Healthy body keeps a healthy mind**”, as goes with the saying. To reduce mental stress, gain emotional stability and cope up with the hectic life we should encourage Recreation Activities. We are successful in organizing ‘A trek run to Garbett Plateau’. Many such indoor and outdoor Sport activities are organized in the upcoming months. I request you all to get maximum benefit out of it.

Regards,

CA Jayesh Kala

Chairman, WICASA



CA Final (New Course) Crash Course for Nov 19 Exam

Subject	Duration	Venue	Fees
Advanced Auditing & Professional Ethics For CA Final Group I	01/09/2019 To 04/09/2019	ICAI Tower, BKC, Mumbai	2,500
Corporate & Economic Law For CA Final Group I	05/09/2019 To 09/09/2019	ICAI Tower, BKC, Mumbai	2,500
Strategic Financial Management For CA Final Group I	11/09/2019 To 18/09/2019	ICAI Tower, BKC, Mumbai	3,000
Strategic Cost Management & Performance Evaluation For CA Final Group II	19/09/2019 To 25/09/2019	ICAI Tower, BKC, Mumbai	3,000
Direct Tax Laws & International Taxation For CA Final Group II	26/09/2019 To 03/10/2019	ICAI Tower, BKC, Mumbai	4,000

Mock Tests for Nov 19 Exam

Subject	Duration	Venue	Fees
CA Foundation Series I Mock Test for Nov 19 Exam	03/10/2019 & 04/10/2019	ICAI Tower, BKC, Mumbai	400
CA Final Old Course Series I Mock Test for Nov 19 Exam	09/10/2019 & 17/10/2019	ICAI Tower, BKC, Mumbai	800
CA Final New Course Series I Mock Test for Nov 19 Exam	09/10/2019 & 17/10/2019	ICAI Tower, BKC, Mumbai	700
CA IPCC Old Course Series I Mock Test for Nov 19 Exam	09/10/2019 & 16/10/2019	ICAI Tower, BKC, Mumbai	700
CA Intermediate New Course Series I Mock Test for Nov 19 Exam	09/10/2019 & 17/10/2019	ICAI Tower, BKC, Mumbai	800


Teachers' Day Celebration

Teacher Day Celebration : Ek Shaam guru ke naam


JOIN & WIN PRIZES

ORGANISED BY : BOS, ICAI


Theme : My Teacher-Torch Bearer of my life



Elocution competition



Essay Competition



Slogan Writing Competition

2) Slogan Competition :-

a) 1st prize : ₹ 7,100

b) 2nd prize : ₹ 5,100

c) 3rd prize : ₹ 3,100

1) Essay Competition :-

a) 1st prize : ₹ 11,100

b) 2nd prize : ₹ 5,100

c) 3rd prize : ₹ 3,100

Hosted By : WICASA, WIRC of ICAI (MUMBAI)

Timing : 10 am to 12 Noon
Programme : Webcast from Board of Studies, ICAI by Eminent Speakers:
 i) Journey with the Mentor-Guiding Force at each ladder of life.
 ii) Never to give up-key to Success.

Timing : 2 pm- 5 pm
Programme : Elocution/ Essay/Slogan Competition for CA Students

Eligibility :

1) Students who are pursuing their Article ship Training.
 2) Students who have completed their Practical Training but could not qualify their final examinations may attend the Programme till next one year from the date of completion of Practical Training.

For Participation :

Send your details mentioned with name, Students Registration Number, Mobile Number, Email ID, by email to wirc-events@icai.in before 4th September, 2019





Seminar Organised by : WICASA, WIRC (MUMBAI)

Seminar
on
**INCOME
TAX AUDIT**
for CA
students

Date : 6th Sept. 2019
Timing :- 2pm to 5pm
Venue : ICAI BHAWAN,
BKC, MUMBAI

Fees :
Rs 150/-

For more details contact :
Parth bardiya 9130011888
Divyansh Mittal 9664312131



SPEAKER :
CA. VINOD JAIN



Yash Panjwani

Reg No.: WRO0634837

DERIVATIVES AND ITS TYPES

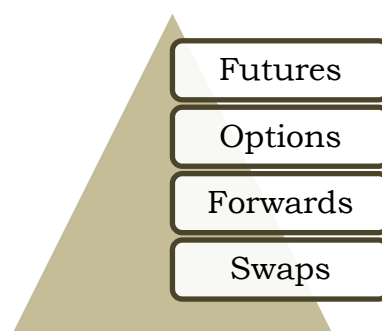
What if I assure you that share price of XYZ Co. is going to increase by 200 rupees! Now, an ordinary investor will go for cash segment, buy the possible quantity and wait for increase in price by holding shares. It requires blockage of fund for quantity purchased. But an intelligent investor will utilise this opportunity by using derivatives which requires investment of margin amount only, results in less blockage or higher quantity with high profit.

❖ **Derivatives**

Derivative is a product which derives from the value of underlying assets. Underlying assets can be shares, currency or commodity. By purchasing derivatives, you are not going to be the owner of company, but it is just a reference value for execution of contract.

Derivatives are different product which dependent upon the value of underlying assets. Without value of underlying assets, derivatives will have no value. It can be used for hedging, arbitration or speculation.

❖ **Types of Derivatives**



The most commonly used derivatives are futures, options, forward and swaps.

I. Futures

The future contract is an agreement between two parties which binds both the party to buy or sell underlying asset after certain time at certain price. It requires investment of margin amount initially and then for marking it to the market. Initial margin requirement can be 10% or it will be dependent on broker or volatility of market.

Long Position: Buyer of futures said to be in a long position and by nature they are bullish.



Short Position: Seller of futures said to be in a short position and by nature they are bearish.

Futures can be settled before maturity by entering into opposite contract. It becomes responsibility of both the party to buy or sell at any value prevailing in the market on maturity date, if not settled earlier.

II. Options

In case of options, buyer of option is having a right but not an obligation that whether to buy or sell underlying asset at price prevailing on the maturity or not, unlike futures. It sounds like playing a 'safe game'. But for that right, buyer of option must pay some premium whether he exercise his option or not. Premium is only consideration in options. There are two types of options:

Call option:

Buyer of call option has a right to **buy** the underlying asset after certain time, not an obligation.

Put Option:

Buyer of put option has a right to **sell** the underlying asset after certain time, not an obligation.

III. Forwards

Forwards are like futures which binds both the party to buy or sell underlying asset after certain time at certain price. But the key difference is, futures are standardized exchange traded contract. Forwards are outside the exchange and agreed on the terms with mutual consent. It can be differing on period, asset, consideration, settlement etc. In short, forwards are Tailor Made Contract.

IV. Swaps

In swaps, two counterparties mutually agreed to exchange a series of future cash flows pertaining to their respective financial instruments. Most common example for understanding swaps is changing of cash outflows i.e. interest related to borrowing. For example, X co. has borrowed some amount at fixed interest rate and Y co. has borrowed at floating interest rate. Now, perception of both the companies regarding movement in interest rate conflicts here. X co. is in perception of decrease in interest rates and they borrowed at fixed rate, so they will have to pay higher interest than market rate. Whereas, Y co. expects increase in interest rate, and they borrowed at floating rate, so consecutively their floating rate will increase which results in higher interest. Now, to hedge the position, both the companies will mutually agree to exchange its fixed and floating cash outflows to utilise their perception. Swaps can be based on interest rates, stock indices, foreign currency exchange rates and commodities prices.

Conclusion:

Thus, I conclude the discussion by its meaning and types only, but there can be more discussed on derivatives regarding its working on exchange, valuation, settlement, strategies for using it, statistical data, use in combination of its types etc. But it is necessary to understand its basics before going in complications.



ARTICLES

Pushp Kumar Sahu

Regn. No. CRO0553317

TDS on immovable property u/s 194-IA of Income Tax Act,1961

Before coming on the main article, let's understand why there is a need of invoking such provisions of section 194-IA under income tax act, 1961.

There is a great need and importance of invoking such provisions in income tax so as to curb the circulation and flow of black money in India. Many Real Estate dealers cast their transactions in such a way so as to avoid taxation and mostly transactions are done in cash so as to hide money trail i.e. cash transactions are easy to hide but the same transactions if any routed through banking channels ;then there are less possibilities of concealing that transactions. Moreover, there is also a provision that debars the seller to take consideration in cash exceeding 2,00,000/- INR in respect of such transaction .

Now coming on to main article , let's discuss the provision

Language of section 194-IA as per Bare act,

(1) Any person, being a transferee, responsible for paying (other than the person referred to in section 194LA) to a resident transferor any sum by way of consideration for transfer of any immovable property (other than agricultural land), shall, at the time of credit of such sum to the account of the transferor or at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to one per cent of such sum as income-tax thereon.

(2) No deduction under sub-section (1) shall be made where the consideration for the transfer of an immovable property is less than fifty lakh rupees.

(3) The provisions of section 203A shall not apply to a person required to deduct tax in accordance with the provisions of this section.

Explanation.—For the purposes of this section,—

(a)	"agricultural land" means agricultural land in India, not being a land situate in any area referred to in items (a) and (b) of sub-clause (iii) of clause (14) of section 2;
(b)	"immovable property" means any land (other than agricultural land) or any building or part of a building.]



Gist of the abovementioned section

1) Applicability – Applies to all types of person (being transferee) as defined u/s 2(31) and all resident transferor.

Applies to all types of immovable property except agricultural land (being defined in part 'a' of Explanation to section 194-IA).

i) Person deducting the tax is not required to obtain TAN.

ii) TDS is required to be made only if consideration exceeds 50 lakhs INR.

2) Time of deduction of tax:

Tax shall be deducted at the time of credit of such sum to the account of the transferor or at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier.

3) Rate of TDS:

Tax shall be deducted at the rate of 1%.

4) What if PAN is not furnished by the deductee

Section 206AA, as inserted with effect from 1-4-2010, provides as under:

Every person whose receipts are subject to deduction of tax at source (i.e., the deductee) shall furnish his PAN to the deductor.

If such person does not furnish PAN to the deductor, the deductor will deduct tax at source at higher of the following rates:

(a) the rate prescribed in the Act;

(b) at the rate in force, i.e., the rate mentioned in the Finance Act; or

(c) at the rate of 20%.

Where the PAN provided to the deductor is invalid or does not belong to the deductee, it shall be deemed that the deductee has not furnished his PAN to the deductor and above provisions shall apply accordingly.

Examples:-

Example No. 1

Suppose there was an immovable property owned by **Pushp Kumar Sahu** whose market value is 5 Crores INR. The said property was sold by Pushp Kumar Sahu to **Mr. Uday Kumar Sahu** at a consideration of 5.5 Crores, now there is a liability on Mr. Uday to deduct tax @ 1% of the said consideration i.e. 5,50,000/- and the same should be paid to the credit of the Central Government within a period of thirty days from the end of the month in which the deduction is made and shall be accompanied by a challan-cum-statement in **Form No. 26QB**.



Note: After filing Challan cum statement 26QB, Deductor requires to issue Form 16B (TDS Certificate) to the deductee.

Example No. 2

Suppose there were three brothers named **Pushp, Mohit and Rishab**, they are co-owners of a immovable property. They sold that property to **Laxminayaran & Associates** (Partnership firm) at a consideration of 1.45 Crores. Now the question arises that whether the **Laxminarayan & Associates** needs to deduct TDS on such consideration.

Answer is **no**, as property is owned by three persons, individual consideration per person does not exceed 50 lakh INR, therefore no requirement for TDS u/s 194-IA.

Reliance can be placed on the judgment passed by the Delhi Bench of the Income Tax Appellate Tribunal in case of Vinod Soni and others (Taxpayers)



ARTICLES



Akshay R. Mantri
Regn. No. WRO0588044

CHARTERED ACCOUNTANTS

CA!

These aren't the letters,
That is the word,
If you in it, you are referred to as nerd,
ICAI is the institute, where you are a bird,
The cage of attempts and attempt to freedom,
Once you achieve it, you own the stardom...

From the sadness of attempts,
To the grinning of completion,
Parents are the one who constantly support the mission,
Something is special about this prison of attempts,
Failure and passing both lead the eyes to be wet!

They say success is something for which you daily need to pay the rent,
After hundreds of emotions in the journey you vent,
You are referred to as THE CHARTERED ACCOUNTANT!!



AUGUST 2019 SNAPSHOTS



73rd Independence Day Celebration with The President, ICAI at BKC Tower, Mumbai.



Adventurous Trek Run Batch 1 to Gerbett Point.



Adventurous Trek Run Batch 2 to Gerbett Point.



Career Counselling at Dr. Radha Krishnan School



Interactive Meet with the President on 73rd Independence Day.



Regional Level CA Student Talent Search, 2019.



Regional Level CA Student Talent Search, 2019.



Regional Level CA Student Talent Search, 2019.



Tree Plantation Drive on Independence day.



One Day Seminar on GST Audit

Branches: • Ahmedabad • Ahmednagar • Akola • Amravati • Anand • Aurangabad • Ichalkaranji • Jamnagar • Kalyan-Dombivali • Kolhapur • Latur • Nagpur • Nanded • Baroda • Bharuch • Bhavnagar • Bhuj • Dhule • Gandhidham • Goa • Jalgaon • Nashik • Navi Mumbai • Navsari • Pimpri Chinchwad • Pune • Rajkot • Ratnagiri • Sangli • Satara • Solapur • Surat • Thane • Vapi • Vasai

Address : ICAI Tower, Plot No. C-40, G Block, Opp. MCA Academy, Next to Standard Chartered Bank, Bandra Kurla Complex, Bandra East, Mumbai-400051.

WIRC Website: <https://www.wirc-icai.org>