



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

VOL 26 | NO.11 | PAGES 36 | APRIL 2023 | ₹50

The Chartered Accountant **STUDENT**

Your monthly guide to CA news, information and events



FINAL

Direct Tax Laws and
International Taxation

INTERMEDIATE

Corporate and
Other Laws

FOUNDATION

Business Correspondence
and Reporting

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The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi-110002.

Total Circulation: 2,88,262

Check your Address: Dear Students, in case there is any change in your address, kindly log in on SSP portal and give full particulars of your address along with correct PIN Code. This would enable us to ensure regular and prompt delivery of the Journal.

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Non-receipt of Students' Journal

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Printed and published by CA. Vandana D Nagpal, on behalf of The Institute of Chartered Accountants of India, New Delhi.

PUBLISHED at the Institute's Office at Indraprastha Marg, New Delhi and printed at M/s. Printrade Issues (INDIA) Pvt. Ltd., Unit No.17, Pragati Industrial Estate, 316, N.M. Joshi Marg, Mumbai - 400 011.

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SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

PRESIDENT'S COMMUNICATION



Dear Students,

Warmest Greetings to you all.

Let me start by wishing you all the best for the upcoming May examinations for the Intermediate and Final levels. I am absolutely sure that your preparations must be going on in full swing with focused attention as it's time to put your feet on the pedal and accelerate in top gear. At this stage, it is important to strictly follow a strategic and disciplined approach to get the desired outcome of your hard work.

"Before anything else, preparation is the key to success."

- Alexander Graham Bell

Revision is a Must before Exam

The secret to perform well in exams is conceptual clarity and revision of all the subjects. Give yourself enough time to assess your level of preparation before writing the exam. Attempting Mock Test Papers helps you understand your exam preparedness and it also helps in building confidence and eliminating exam jitters. Hope you would have tested your exam preparation by taking the Mock Test Paper (MTP) Series-I held in March and will also sit for MTP Series-II to be held in April.

Solving Revision Test Papers (RTPs) is an effective way to revise the concepts provided in the study material. Once you practice different set of questions, your horizon will be broadened.

Going through the capsules of all the papers published in the monthly issue of Student Journal is a must for exam preparation and quick revision. The precise and concise information in capsule form packs a lot of vital information.

Lastly, keep yourself fit in all respects — mentally and physically — for staying motivated during exam time. Make sure to get enough sleep, eat healthy, exercise, and take time to relax and recharge.

Content Development as per New Scheme of Education & Training

In preparation for the launch of the New Scheme of Education and Training, the Board of Studies (Academic) is revising and updating the existing curriculum as well as working on developing fresh Content and Study Material for all the three levels of CA course — Foundation, Intermediate and Final. Expert Group meetings have been held to take valuable inputs of experts on each subject while formulating the new curriculum. I assure you that the new syllabus will be a globally competitive one. It will catapult to a new era of CA learning with an all-inclusive knowledge to help our students become global professionals.

Board of Studies (Academic) — A Partner in Success

Being the brain behind producing world-class chartered accountants, the Board has been shaping the careers of aspiring CA students by relentlessly guiding and mentoring them in their goal of becoming a qualified Chartered Accountant.

I am confident that the learning and guidance provided by BoS (A) through Live Coaching Classes, Mobile App, Revision Test Papers, Mock Test Paper Series, Practical Training Assessments and BoS for Your Success sessions is enabling you to derive maximum benefit and help fortify your exam preparation further. For any further clarification or help, you can always reach out to the subject faculties of the Board, who will handhold you in achieving your aim.

The Board is also in the process of strengthening the in-house research and development capabilities. Modalities to be followed for research papers in contemporary topics for CA students are being worked out.

Interaction with Regional Councils & Branches for conducting MTPs

The Board organized a Zoom meeting in March for the Office Bearers and Managing Committee of ICAI's Regional Councils and its branches on conducting **Mock Test Paper (MTP) Series—I** for CA Intermediate & Final students appearing in May 2023 examinations. It was a great initiative by the Board, where the undersigned, Vice-President, ICAI along with Chairman BoS (A) addressed the participants. The meeting was aimed to create connect with you and more effective coordination with you through the Regional Councils and Branches.

ICAI Call Sahayata for Students, Members & Stakeholders

I am happy to share that the Institute has started a 9am to 9pm help centre, **ICAI Call Sahayata**, for students, members, and stakeholders on 7th February 2023, where you can get information on coaching classes, study material, student's conferences, examinations, articleship forms, etc. I advise you to use and benefit from the services of ICAI Call Sahayata (on mob no: **99975 99975**) from Monday to Saturday and seek guidance and have your queries resolved. The call centre executives are efficiently trained to answer all your queries.

Vision in Life is Important

Dear Students, in the end, my advice to you all is to have a vision in life of what you want to achieve and what you want to become, and you must work really hard for it with passion and commitment. Success belongs to those who are passionate and committed to their goals and dreams. And we at ICAI are always there with you to provide necessary support and guidance and be a part of your dream.

"If you can dream it, you can do it."

- Walt Disney

Let me extend my best wishes to you all for the upcoming festivities.

Wishing you the very best for your future endeavours.

Yours sincerely

CA. ANIKET S. TALATI
PRESIDENT, ICAI



My Dear Students,

"Keep your Eyes on the Stars and your Feet on the Ground"

– Theodore Roosevelt

Every time a significant turning point in our lives approaches, we must focus all of our energy and resources on the goal at hand. Our examinations are one of such milestones.

It is essential that each of you be well-prepared and equipped for the forthcoming Chartered Accountancy exams because they are just around the corner. The academic division of the Institute offers a vast array of resources that might be very helpful for each student. It consists of Study Guides, Case Study Digests, MCQ & Case Scenario Books, Mock Exam Papers, Suggested Answers, and Revision Test Papers, among other things. You must use these resources wisely if you want to improve your knowledge and abilities and perform well.

In addition to study materials, the Board of Studies has technology initiatives including E-books, Live Coaching Courses, Mobile Apps, etc. to fill the technological gaps in remote learning. These are strong resources that can significantly improve the distance learning experience for students. They offer adaptable, engaging, and accessible learning options that support students in remaining interested in and motivated in their studies.

ICAI BOS Mobile App: A Perfect Amalgamation of Technology and Knowledge

The key features of ICAI BoS Mobile App which have left it as the most sought-after App amongst CA Students have been highlighted as below:

- Enables students to access course materials while they are on the move, making it simple for them to learn and comprehend the course material at their own pace.
- Extremely intuitive and One stop solution for our students.
- Students can use this app to attend live classes at their own pace, ask questions during classes, access a library of 2000+ recorded video lectures, download the relevant notes and assignments, study materials, any supplemental editions, MCQ and case scenario booklet, the most recent announcements, etc.
- A total of 2,94,332 Students, from all levels of course, are using the Mobile app across Android and iOS Platforms as on date.
- Also, a total of 11,110 Members are utilising the benefits of ICAI-BOS Mobile App as on date.

- A total of 12,341 Queries have been resolved through the ASK Your Query Feature in the App.

I implore you all to take full use of this software and recommend it to your friends to spread its popularity. More features with a fresh user interface will be added in the upcoming months.

E-Books: Easily Accessible Learning Materials

Board of Studies has developed e-books of all levels of CA course. Students can login Digital Learning Hub (DLH) using desktop/i-pad and subscribe the e-books of their levels.

- E-books provide learners with easy access to learning materials from anywhere, at any time, without the need for physical books.
- Insertion of machine audio in all theoretical and practical papers: This feature allows the students to flip the pages and audio will play automatically while travelling.
- As on date, 25,554 students have subscribed the e-Books at level of CA Foundation Course and 49,965 students and 27,682 students are accessing them at CA Intermediate Level and CA Final Level respectively.

Live Coaching Classes: Facilitator of Interactive Learning

Live coaching classes enable students to interact with their mentors in real-time, facilitating a more engaging and collaborative learning experience. You must be availing maximum benefits of Free Live Coaching Classes organized by Board of Studies. The registration of 3.50 lakhs+ students so far reflect its utility and popularity across all levels.

The Foundation classes batch 6 for June 2023 attempt has just completed and new batch 7 of Intermediate for Nov 2023 examination has started from 10th March 2023. The New batch 6 of Final for Nov 2023 examination is going to start from 10th April 2023. I advise all of you to attend these classes sacrosanctly.

Your alma mater is there to provide your all-round support. I am pleased to inform you that the Committee for Members in Industry & Business of ICAI has successfully completed the 57th Edition of Campus Placement Programme for the Newly Qualified Chartered Accountants at 9 Bigger Centres. The Campus Placement Programme at 18 bigger centres is underway. The Newly Qualified Chartered Accountants are availing the benefits of the Campus Placement Programmes and securing rewarding job at the start of their professional career.

"Finally, I would like to wish all of you the very best for the upcoming exams. Let us all work hard, stay focused and strive for excellence.

If you have any suggestions/inputs do write to us for the betterment of the course and the curriculum.

Always **Remember, success is not a one-time event, but a journey that requires consistent effort and dedication.**"

Yours sincerely,

CA. RANJEET KUMAR AGARWAL
VICE PRESIDENT, ICAI



My Dear Students

Warm Greetings!!

Through this edition, I along with my Vice Chairman CA. Dayaniwas Sharma wish to communicate our best wishes to all of you preparing for the forthcoming May 2023 Examination. With just about a month left for the examination, each day of your preparation time is valuable. Therefore, managing your time and efforts is crucial at this juncture. We are confident that all of you are putting in your best efforts to achieve desired results.

Being an academic wing of ICAI, BoS(A) has been continually taking numerous initiatives and persistently encouraging the students to effectively use its various academic resources to improvise their preparation for May 2023 examination.

BoS(A) Initiatives

- **Revision Test Papers (RTPs)**

RTPs of all subjects at Intermediate and Final levels have been web-hosted on the Institute's website. At the Final level, the RTP incorporates latest amendments in Financial Reporting, Advanced Auditing and Professional Ethics and Corporate and Economic Laws. At the Intermediate level, the RTP contains latest amendments in Accounting, Corporate and Other Laws, Advanced Accounting and Auditing and Assurance relevant for May, 2023 Examination. I would recommend you refer to these RTPs to practice questions based on amendments in specific subjects including new questions for remaining subjects for revision purposes.

- **Suggested Answers**

Like other educational inputs provided by BoS(A) to its students, the Suggested Answers of November 2022 examination for Foundation, Intermediate and Final Levels have been web-hosted on the Institute's website. The suggested answers provide an insight about the manner in which answers are to be given for questions set at the CA examinations. The same would help you in attempting the questions in the forthcoming examination.

- **Mock Test Papers (MTPs)**

I am glad to inform that an outreach meeting was organized in the first week of March for the Regional Councils and Branches on conducting of Mock Test Paper Series-I that started from 13th March 2023. The President and Vice-President of ICAI, I and Vice Chairman BoS(A) addressed the participants. Consequently, large number of Intermediate and Final level students appeared in the first series of Mock Test Papers conducted across 131 branches and Regional Councils. In continuation to MTP Series I, we shall conduct second series of Mock Test Papers scheduled to commence from 5th April 2023. The details of the schedule can be viewed at <https://resource.cdn.icai.org/73364bos59158.pdf>.

The first series of MTP for Foundation level students will commence in the last week of April. I would urge all the students to write these papers with utmost sincerity and make your strategy for May 2023 examination.

- **BoS for Your Success**

Taking another step towards students' exam preparedness, BoS(A) faculty has been taking subject specific counselling sessions that began on 21st March 2023 and will end on 3rd April 2023 for the students at Final and Intermediate levels. You are advised to join these sessions and get significant tips for your examination and queries resolved in real time basis. A special session will be conducted by BoS(A) in the second week of April 2023 where the President, Vice-President, ICAI, myself and Vice-Chairman will give you tips for strategizing your efforts for assessing your study plan, recapitulating your learning for exam preparation, overcoming the commonly occurring errors, and managing exam-time stress to improve your overall performance in the upcoming May 2023 exams. If you are not able to view the live sessions, you may watch these sessions through the BoS Knowledge portal or ICAI-BoS Mobile App or ICAI CA Tube/YouTube Channel.

- **Live Coaching Classes (LCC)**

The 6th batch of LCC for Intermediate and Foundation levels and 5th Batch of LCC Final for the students appearing in May 2023 examinations have already been successfully completed in the month of March 2023 respectively. The 7th batch of LCC for Intermediate Level students commenced on 10th March 2023. The 6th Batch of LCC for Final level students will commence in the month of April 2023 for the students appearing in November 2023 examinations. The students can attend these classes through the BoS Knowledge portal <https://boslive.icai.org/> or ICAI-BoS Mobile App and can also view at ICAI CA Tube/YouTube Channel.

- **Capsule Insights**

The highlight of this issue are comprehensive Capsules based on Paper 7: Direct Tax Laws and International Taxation for CA Final, Paper 2: Corporate and Other Laws for CA Intermediate and Paper 2 Section B: Business Correspondence and Reporting for CA Foundation.

The capsule of Foundation Course Paper 2B: Business Correspondence and Reporting covers the topic of Article writing, Report Writing and Formal Letters and Official communications. The capsule of Intermediate Paper 2: Corporate and Other Laws comprises of key points of Chapter 4: Interpretation of Statutes. The capsule of Final Level Paper 7: Direct Tax Laws and International Taxation covers select chapters 1 to 3 of Part II: International Taxation of Final Paper 7. These capsules are presented using illustrations, diagrams and flowcharts, thus making it a perfect single reference point for revision.

Before I conclude, I would emphasize that BoS(A) has always been actively undertaking various tasks to handhold its students throughout their journey of becoming a successful Chartered Accountant. However, these ventures would yield the positive results only with active participation of students. I would urge the students to take part in these activities with full zeal and enthusiasm so as to reap maximum benefit.

"Your positive action combined with positive thinking results in success."

– Shiv Khera

Undoubtedly, with your utmost dedication, persistent efforts and positive bent of mind, the success will be at your doorstep. Stay safe, stay healthy.

CA. VISHAL DOSHI
CHAIRMAN, BOARD OF STUDIES (ACADEMIC)



“If four things are followed - having a great aim, acquiring knowledge, hard work, and perseverance - then anything can be achieved” - A. P. J. Abdul Kalam

My Dear Students,

As you embark on your journey towards becoming a successful CA, I would like to remind you of the importance of perseverance and dedication in achieving your goals. The road ahead may be challenging, but with the right mindset and preparation, you can overcome any obstacle and emerge victorious.

As the May 2023 examination approaches, I would like to take a moment to address the significance of the Students' Journal of ICAI in your exam preparations. This journal is a vital tool that can help you stay updated on the latest developments and trends in the field of Chartered Accountancy. It provides insightful capsules that can help you deepen your understanding of the subject matter and improve your overall knowledge base. It is crucial that you plan your days meticulously and make the most of your time. Take advantage of the mock tests and past papers available to you, and approach them with the utmost sincerity and dedication. Remember, practice makes perfect, and these tools can help you fine-tune your strategy and identify areas that require improvement. Remember, meticulous planning followed by impeccable execution leads to success.

As a CA student, your journey to becoming a successful professional involves not just theoretical knowledge but also practical experience. Your articleship training is a crucial part of this journey. During your three-year practical training, you will have the opportunity to learn and apply your knowledge in real-world scenarios. This experience will help you understand the various domains of the profession, such as accounting, auditing, finance, taxation, strategic management and so on. Therefore, it is essential that you approach your articleship training with the same level of dedication and commitment as you would your theoretical studies.

Creating Enabling Infrastructure

With a view to standardize and ensure uniform delivery of soft skills training across all POUs and Branches, the Board has decided to revamp and update the classrooms of the Orientation Course, Information Technology Training, Adv. Information Technology Training and Management & Communication Skills Courses. In addition to the revision of the syllabus for the IT & Soft Skill Courses under CRET, we plan to improve the infrastructure facility required for conducting such courses and equipping the classrooms with the latest technology so that they can be converted into Smart Classrooms for the benefit of students.

Student Conferences and Conventions - SSEB will be organizing several **National Conventions & Conferences for CA students** at various places. I request all of you to actively participate in these conventions. To meet the challenges of a highly competitive professional world, you need to hone your oratory skills. CA Students' Conferences are the real platform where you can showcase your hidden talents and witness the amazing performance of your fellow students. These conferences provide an excellent opportunity for networking as well. Further, it will also provide you with an excellent platform to interact with the keynote speakers, subject experts, Senior CAs and other students participating from different areas. For those who are zealous about organising events, can also develop their organising and leadership skills from these conferences. I wish a greater number of you would come forward to participate in the upcoming conferences, which would ultimately help in your professional development by enhancing your presentation, organisation and communication skills.

Besides these conventions, various Seminars, Elocution contests, Quiz contests and Sports festivals under the **National Talent Hunt** competitions will also be conducted at different regions and areas. I wish that you participate in more numbers in these competitions as they will surely help in your overall development. ICAI cares not only for the development of your professional skills but also for your soft skills. For this, the two courses on **Orientation & General Management and Communication Skills** is a part of the ICAI's curriculum. These courses enhance your communication skills and provide you the confidence to stand and speak and make yourself presentable to the society. Because, even if you have great thoughts and knowledge, the ability to communicate them clearly and effectively is required. We have been approached by some students who have been facing certain issues, relating to registration etc. I assure you that we are taking all the necessary steps to resolve these issues. Dear students, you can now edit/correct your own data, if required in the IT & Soft skill course certificates by logging in to your SSP portal and editing the same in the profile edit section.

You must train and condition yourself for big things in life and always remember that it takes a big mind, a big heart, and bigger preparation to succeed. Make consistent and concerted efforts towards your goals and visualize them both on a macro and micro level. With meticulous planning and execution, positive results will follow.

As Chartered Accountancy students, it's essential to imbibe all the professional qualities that our noble profession demands. The expectations from accounting professionals at the global level are scaling new heights, and we can meet and exceed them only when we possess the necessary competencies and skills. The CA profession is on the cusp of a glorious future, and I wish you all the very best in your examinations and hope to see you become members of this exciting and noble profession.

We will be taking many initiatives to promote the interests of our students throughout the year. Keep an eye on the ICAI website www.icai.org for announcements related to student activities and events. Your feedback and suggestions to improve our services are always welcome, so feel free to write back to me at bos.operations@icai.in.

Best wishes for all your future endeavours.

A handwritten signature in black ink, appearing to read 'M Kinare', with a horizontal line underneath.

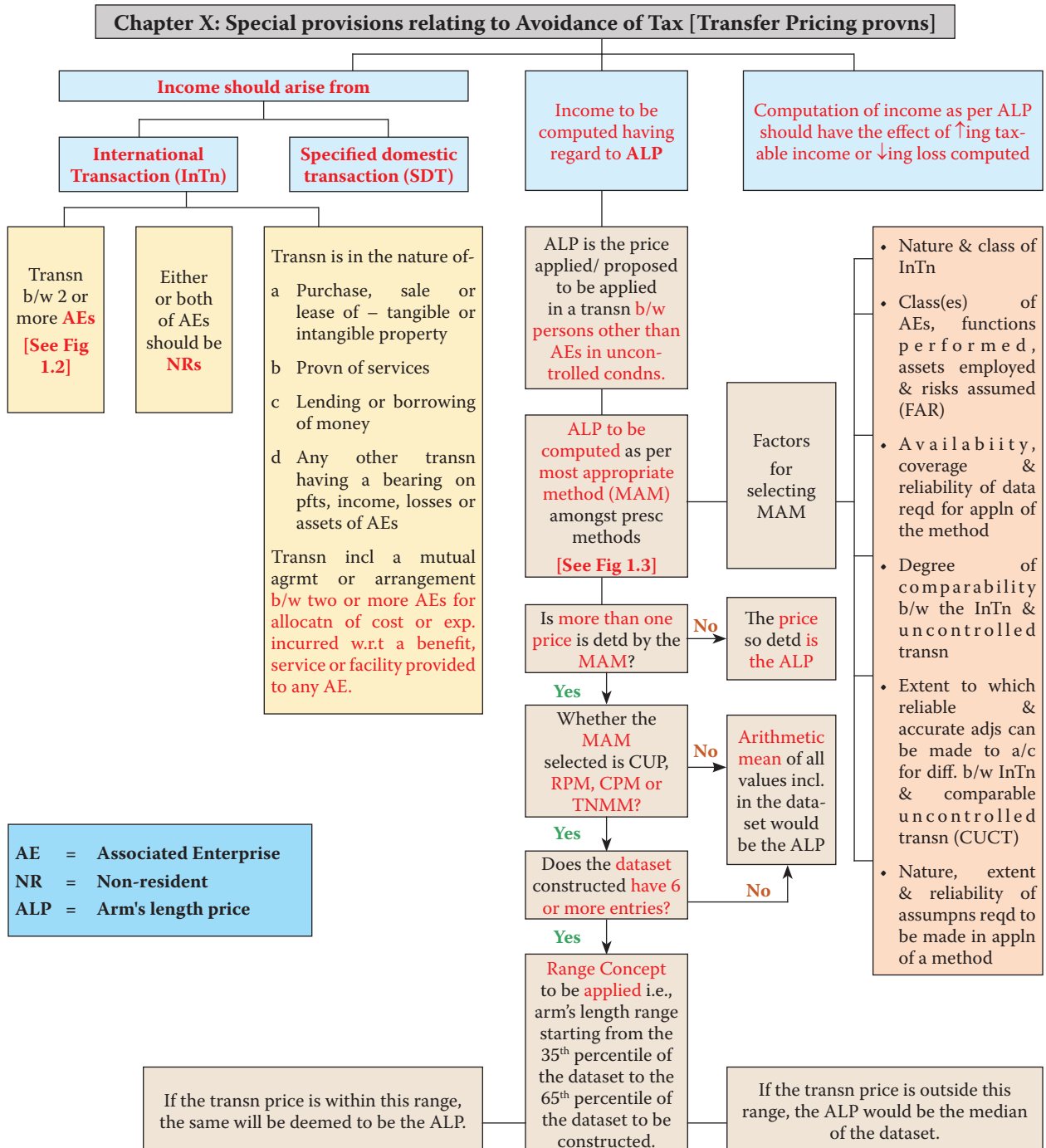
(CA MANGESH PANDURANG KINARE)
CHAIRMAN SSEB

PART II: INTERNATIONAL TAXATION: A CAPSULE FOR QUICK RECAP

At the Final level, the core Paper 7 on Direct Tax Laws and International Taxation comprises of a separate part (i.e., Part II) on international taxation for 30 marks. This capsule covers select chapters in international taxation, namely, Chapters 1 to 3 of Part II: International Taxation of Final Paper 7. The provisions and concepts in these chapters have been presented in this Capsule using tables and diagrams for ease of revision. For comprehensive study, read the October 2021 edition of the Study Material along with the Supplementary Study Paper 2022, explaining the provisions which have been amended by the Finance Act, 2022 and notifications and circulars issued upto 31.10.2022.

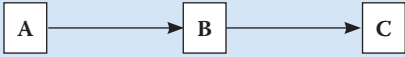
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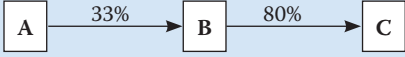
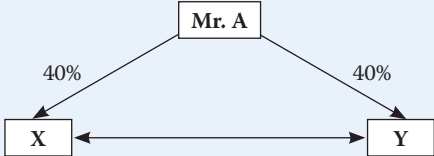
Fig 1.1



DIRECT TAX LAWS AND INTERNATIONAL TAXATION

Fig 1.2

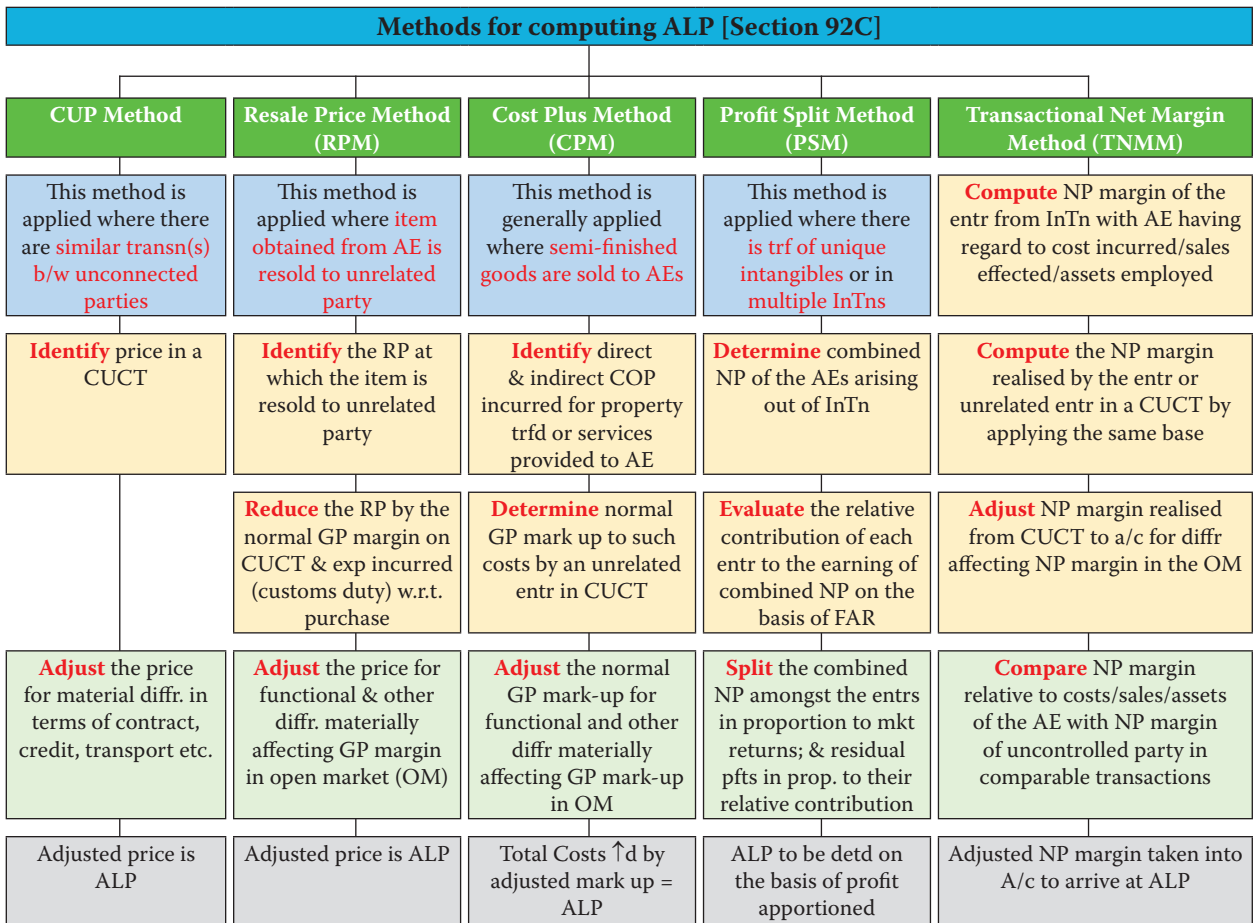
Associated Enterprises (AEs) [Section 92A]		
	Condition	Example
(1)	An enterprise (entr) which participates, directly (DP) or indirectly (IDP), or through one or more intermediaries, in: <ul style="list-style-type: none"> • Management (mgt) of the other entr (OE), or • control of OE, or • capital of OE 	Where A Ltd. DP in mgt of B Ltd. and B Ltd. DP in mgt of C Ltd. In such situation, A Ltd. has DP in mgt of B Ltd. but has an IDP in mgt of C Ltd.  In such scenario, both B Ltd. and C Ltd. would be AEs of A Ltd.
(2)	If one or more persons participates, directly or indirectly, or through one or more intermediaries in: <ul style="list-style-type: none"> • mgt of the two different entr • control of two different entr • capital of two different entr Then, those two entr are AEs.	Mr. A directly has control in A Ltd. and B Ltd. In such a scenario, both A Ltd. & B Ltd. are AEs since they have a common person i.e. Mr. A, who controls both entities A Ltd. & B Ltd.

Deemed Associated Enterprises [Section 92A(2)]		
Condition	Situation	Example
Substantial Voting Power (VP)	One entr holds 26% or more of the VP , directly or indirectly, in the other entr (OE) .	A Ltd. holds 33% of VP in B Ltd. and B Ltd. holds 80% VP in C Ltd.  In above situation, A Ltd. holds 26% or more VP in B Ltd. directly and in C Ltd. indirectly (i.e. through B Ltd.). Therefore, both B Ltd. & C Ltd. are deemed AEs of A Ltd.
Substantial VP in two entities by common person	Any person or entr holds 26% or more of the VP , directly or indirectly, in each of two different entr .	Mr. A holds 40% of voting power in both X Ltd. and Y Ltd. where neither X Ltd. has any holding in Y Ltd. nor Y Ltd. has any holding in X Ltd.  In this situation, since Mr. A directly holds 40% of voting power in both X Ltd. and Y Ltd., X Ltd. & Y Ltd. will be deemed AEs.
Advancing of substantial sum of money	One entr advances loan to the OE of an amt of 51% or more of the book value (BV) of the total assets of OE	BV of total assets of Y Ltd. is ₹ 100 crores. X Ltd. advances loan of ₹ 60 crores to Y Ltd. Since, in this case, X Ltd. advances loan which is 60% of the BV of total assets of Y Ltd., X Ltd. & Y Ltd. are deemed AEs.
Guaranteeing borrowings	One entr guarantees 10% or more of the total borrowings of the OE .	P Inc. has total loan of 1 million dollars from XYZ Bank of America. Out of that, A Ltd., an Indian company, guarantees 20% of total borrowings in case of any default made by P Inc. In such case, since A Ltd. guarantees 20% of total borrowings of P Inc., P Inc. and A Ltd. are deemed AEs.
Appointment of majority directors of OE	One Entr appoints more than half of the BoD or members of the governing board (GB), or one or more executive directors (EDs) or executive members (EMs) of the GB of OE .	X Ltd. has 15 directors on its Board. Out of that, Y Ltd. has appointed 8 directors. In such case, X Ltd. and Y Ltd. are deemed AEs.
Appointment of majority directors of two different entr by same person(s)	More than half of the directors or members of the GB, or one or more of the EDs or members of the GB of each of the two entr are appointed by the same person(s) .	Mr. A appointed 9 directors out of 15 directors of X Ltd. and appointed 2 EDs on the board of Y Ltd. In such case, since a common person i.e. Mr. A appointed more than half of the directors in X Ltd. and appointed 2 EDs in Y Ltd., both X Ltd. and Y Ltd. are deemed AEs.
Dependence on intangibles w.r.t which OE has exclusive rights	The manufacture (mfre) or processing of goods or articles or business carried out by one entr is wholly dependent (i.e. 100%) on the know-how , patents, copyrights etc., or any data, documentation, drawing or specification relating to any patent, invention, model etc. of which the OE is the owner or in respect of which the OE has exclusive rights.	

DIRECT TAX LAWS AND INTERNATIONAL TAXATION

Dependence on raw material (RM) supplied by OE	90% or more of RMs and consumables required for the mfre or processing of goods or articles or business carried out by one entr, are supplied by the OE , or by persons specified by the OE, where the prices and other conditions relating to the supply are influenced by such OE.	
Dependence on sale	The goods or articles mfrd or processed by one entr, are sold to the OE or to persons specified by the OE, and the prices and other conditions relating thereto are influenced by such OE .	
Control by common individual (indvl)	Where one entr is controlled by an indvl , the OE is also controlled by such indvl or his relative or jointly by such indvl and his relatives.	Mr. A and Mr. B are relatives. Mr. A has control over X Ltd. and Mr. B has control over Y Ltd. Therefore, both X Ltd. and Y Ltd. would be deemed AEs.
Control by HUF or member thereof	Where one entr is controlled by a HUF and the OE is controlled by a member of such HUF or by relative of a member of such HUF or jointly by such member and his relative.	<pre> graph TD HUF((HUF)) -- Control --> ALtd((A Ltd.)) Member((Member of HUF/Relative of member of HUF)) -- Control --> BLtd((B Ltd.)) ALtd <--> BLtd subgraph AEs ALtd BLtd end </pre> <p style="text-align: center;">A Ltd & B Ltd are deemed AEs</p>
Interest in a firm, AOPs or BOIs	Where one entr is a firm, AOPs or BOIs, the OE holds 10% or more interest in firm/AOP/BOI .	
Mutual interest relationship	There exists b/w the two entr s, any relationship of mutual interest , as may be prescribed.	

Fig 1.3



DIRECT TAX LAWS AND INTERNATIONAL TAXATION

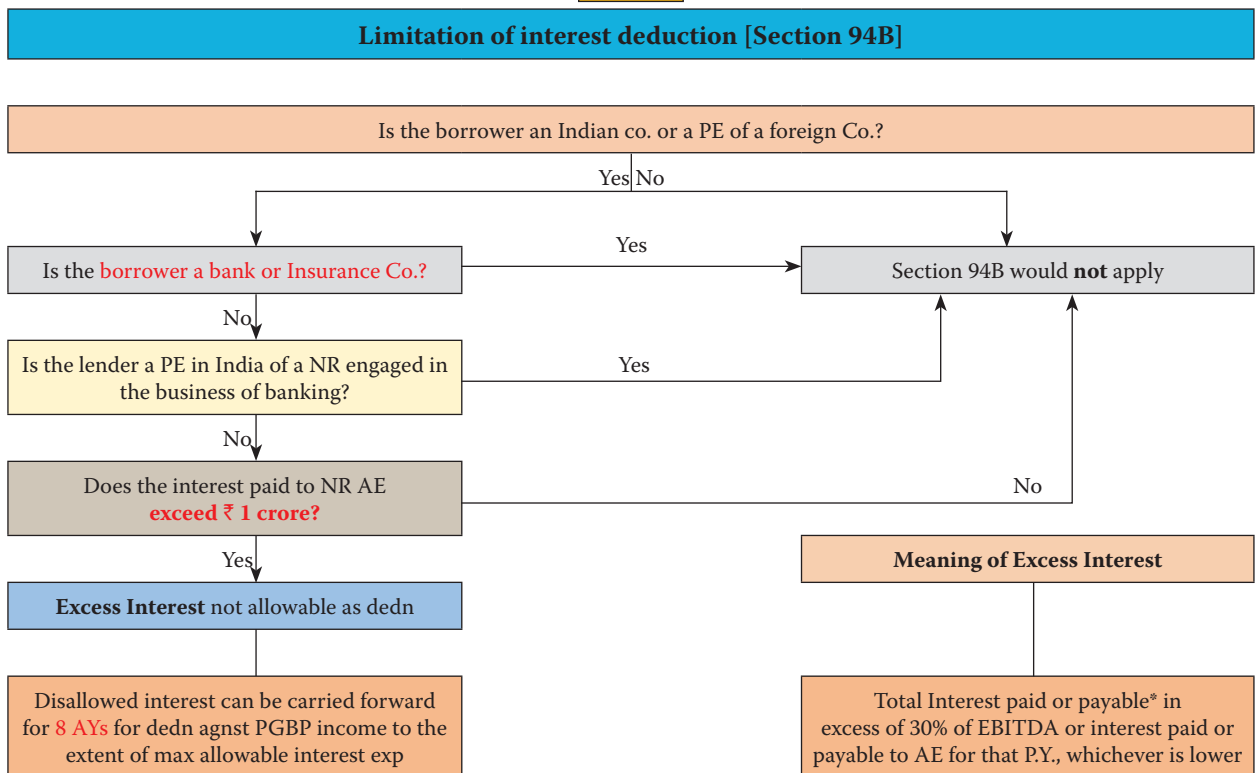
Fig 1.4

Penalty for failure to comply with TP provisions: A Summary		
Section	Nature of default	Penalty
270A(9)	Failure to report any InTn or Deemed InTn to which the provns of Chap X applies would constitute 'misreporting of income'	200% of the tax payable on under-reported income
271BA	Failure to furnish a report from an accountant as required by sec 92E	₹ 1 lakh
271G	Failure to furnish info or docs as required by AO or CIT(A) u/s 92D(3) within 30 days from the date of receipt of notice or extended period not exceeding 30 days , as the case may be.	2% of the value of the InTn for each failure
271AA	(1) Failure to keep and maintain any such doc and info as required by sec 92D(1)/(2); (2) Failure to report such InTn which is required to be reported; or (3) Maintaining or furnishing any incorrect info or doc.	2% of the value of each such InTn

Notes:

- The **penalty u/s 271AA** is in addition and not in substitution of penalty u/s 271BA.
- If the assessee proves that there was **reasonable cause for the failure**, **no penalty** would be leviable u/s 271BA, 271G and 271AA.

Fig 1.5



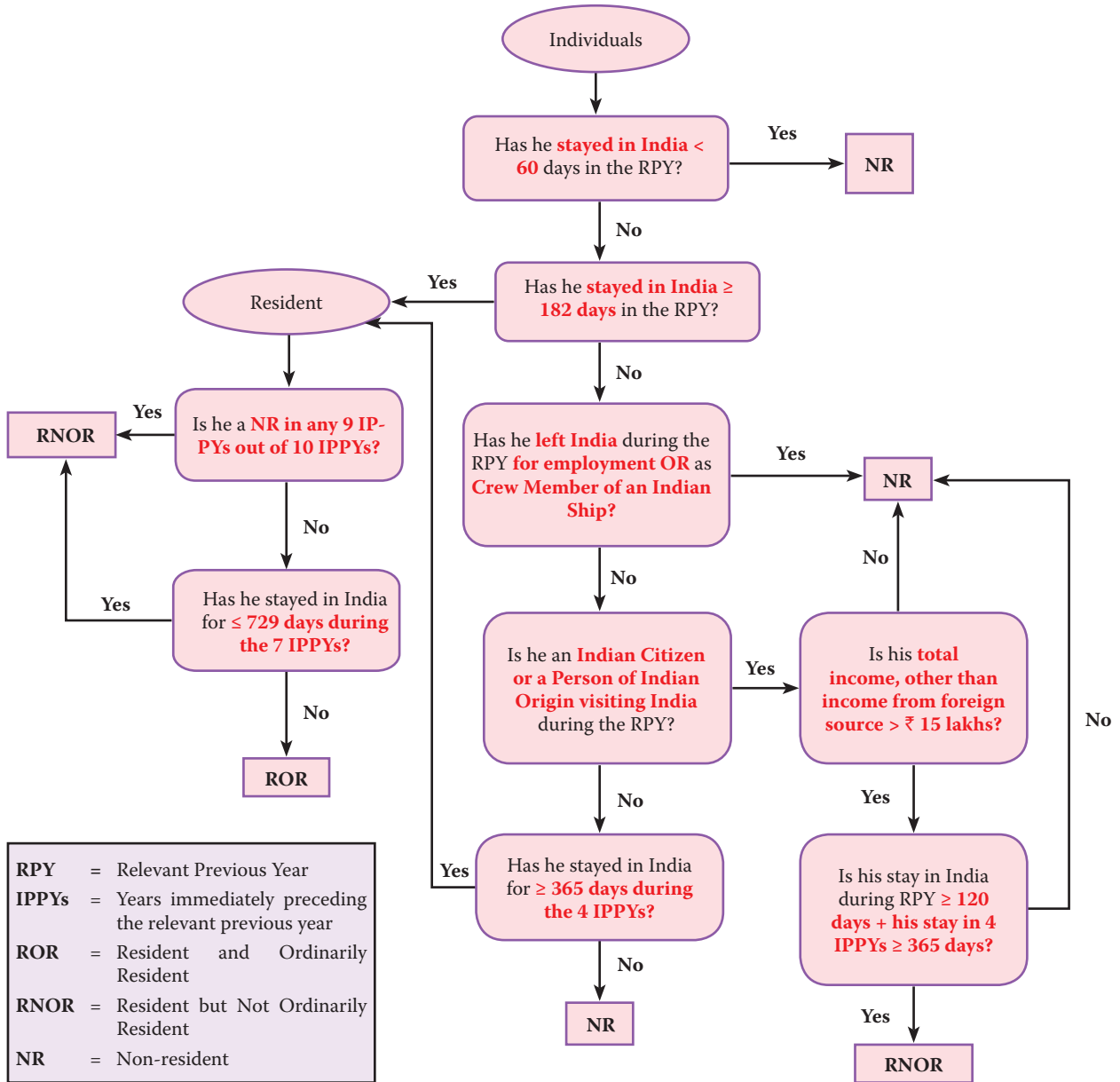
*Total interest paid or payable may be interpreted as interest paid or payable to NR AE as per the intent expressed in section 94B(1) and also the Explanatory Memorandum to the Finance Bill, 2017.

DIRECT TAX LAWS AND INTERNATIONAL TAXATION

CHAPTER 2: NON RESIDENT TAXATION

Fig 2.1

Determination of Residential Status of Individuals [Section 6(1) & 6(6)(a)]



Deemed resident [Section 6(1A)]

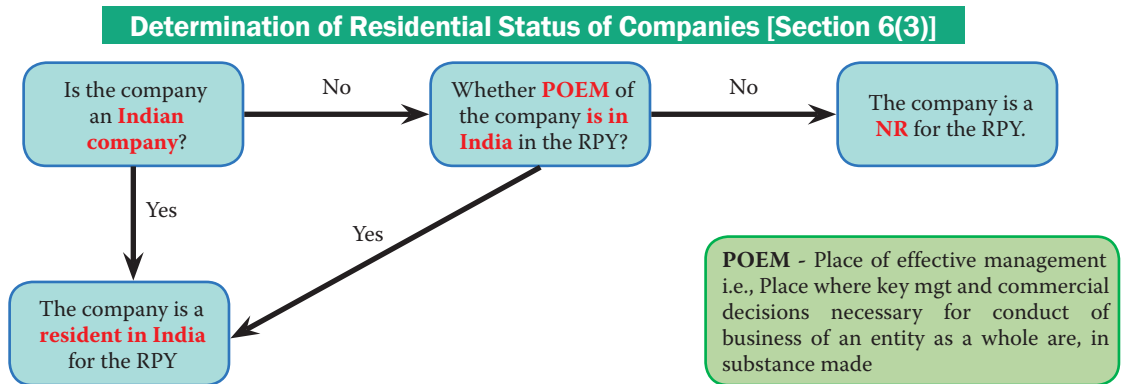
An individual, **being an Indian citizen, having total income**, other than the income from foreign sources [i.e., income which accrues or arises outside India (except income from a business controlled from or profession set up in India) and which is not deemed to accrue or arise in India], **exceeding ₹ 15 lakhs** during the RPY would be **deemed to be resident in India** in that PY, **if he is not liable to pay tax in any other country** or territory by reason of his domicile or residence or any other criteria of similar nature.

Notes –

- (1) If an individual **is a resident in India** in the PY **as per section 6(1)**, then, **the provisions of deemed resident u/s 6(1A)** would **not apply to him**.
- (2) A deemed resident u/s 6(1A) would **always be a RNOR**.

DIRECT TAX LAWS AND INTERNATIONAL TAXATION

Fig 2.2

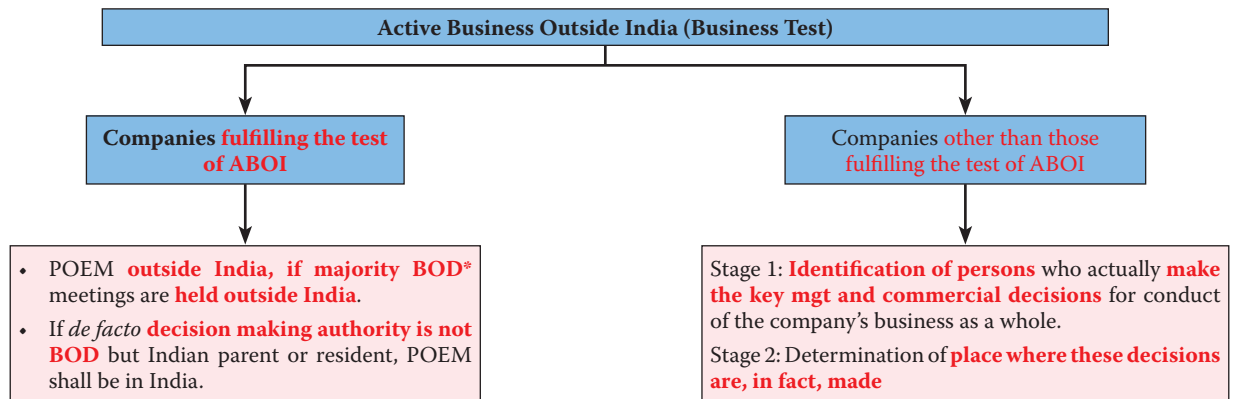


Determination of POEM on the basis of ABOI Test

What is ABOI test?			
A company is said to be engaged in ABOI, if it fulfills the cumulative conditions:			
Its passive income* (whatever earned) is 50% or less of its total income	Less than 50% of its total assets are situated in India	Less than 50% of the total number of employees are situated in India or are residents in India	Payroll expenses incurred on such employees are less than 50% of its total payroll expenditure

*Passive income of a company shall be aggregate of:

- (i) Income from the transns where **both the purchase and sale of goods is from/to its AEs**; and
- (ii) income by way of **royalty, dividend, capital gains, interest** (except for banking Cos and public financial institutions) or **rental income** whether or not involving AEs.



* BOD – Board of Directors

Fig 2.3

Scope of Total Income [Section 5]

Scope of Total Income: Whether the following incomes are to be included in Total Income?			
Particulars	ROR	RNOR	NR
Income received or deemed to be received in India during the RPY	Yes	Yes	Yes
Income accruing or arising or deeming to accrue or arise in India during the RPY	Yes	Yes	Yes
Income accruing or arising outside India during the RPY	Yes, even if such income is not received or brought into India during the P.Y.	Yes, but only if such income is derived from a business controlled from or profession set up in India ; Otherwise, No.	No

Fig 2.4

Income exempted specifically in the hands of Non-residents (NRs) [Section 10]

Section	Income	Available to
10(4)(ii)	Int. on moneys standing to the credit in a NRE A/c of an indvl in any bank in India as per the FEMA Act, 1999	Indvl resident outside India (under FEMA Act) or an indvl who has been permitted to maintain said A/c by RBI
10(4C)	Int. payable by an Indian co. or Business Trust (BT) in respect of moneys borrowed from a source outside India by way of issue of rupee denominated bond (RDB) during the period from 17.9.2018 to 31.3.2019	A non-corporate NR or foreign co.
10(4D)	Income accrued or arising to or recd by specified fund <ul style="list-style-type: none"> - from trf of a capital asset, being a bond of an Indian co. or a public sector company [sold by the Govt. and purchased by the specified fund in foreign currency (FC)], GDR or RDB of an Indian co. or derivative or any other notified security, on a RSE located in any IFSC and where the consideration for such trf is paid or payable in convertible foreign exchange; or - from trf of securities (other than shares in a co. resident in India); or - from securities issued by a NR (not being a PE of a NR in India) and where such income otherwise does not accrue or arise in India; or - from a securitisation trust which is chargeable under the head "PGBP" to the extent such income accrued or arisen to, or is received, is attributable to units held by a NR (not being the PE of a NR in India) or is attributable to the investment division of offshore banking unit, computed in the prescribed manner	A specified fund
10(4E)	Any income accrued or arisen to, or recd by, a NR as a result of trf of <ul style="list-style-type: none"> - non-deliverable forward contracts or - offshore derivative instruments or - over-the-counter derivatives, entered into with an offshore banking unit of an IFSC ref to in section 80LA(1A), which fulfills prescribed conditions	NR
10(4F)	Any income of a NR by way of royalty or interest, on a/c of lease of an aircraft or a ship in a PY, paid by a unit of an IFSC ref to in section 80LA(1A), if the unit has commenced its operation on or before 31.3.2024. "Aircraft" means an aircraft or a helicopter, or an engine of an aircraft or a helicopter, or any part thereof. "Ship" means a ship or an ocean vessel, engine of a ship or ocean vessel, or any part thereof.	NR
10(4G)	Any income recd by a NR from portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such NR, in an a/c maintained with an Offshore Banking Unit in any IFSC ref to in section 80LA(1A), to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India	NR
10(6)(ii)	Remuneration (remn) recd by Foreign Diplomats/ Consulate and their staff Conditions: <ol style="list-style-type: none"> 1. The remn recd by our corresponding Govt. officials/member of staff resident in such foreign countries should be exempt. 2. The member of staff should be the subjects of the respective countries and should not be engaged in any other business or profn or employment in India. 	Indvl (not being a citizen of India)
10(6)(vi)	Remn recd as an employee of a foreign enterprise (FE) for services rendered by him during his stay in India, if: <ol style="list-style-type: none"> a) FE is not engaged in any trade or business in India; b) His stay in India does not exceed 90 days in aggregate in such P.Y.; and c) Such remn is not liable to be deducted from the income of employer chargeable under IT Act 	Indvl - Salaried Employee (not being a citizen of India) of a FE
10(6)(viii)	Salary recd by or due for services rendered in connection with his employment on a foreign ship if his total stay in India does not exceed 90 days in the P.Y.	Indvl - Salaried Employee (NR who is not a citizen of India) of a foreign ship

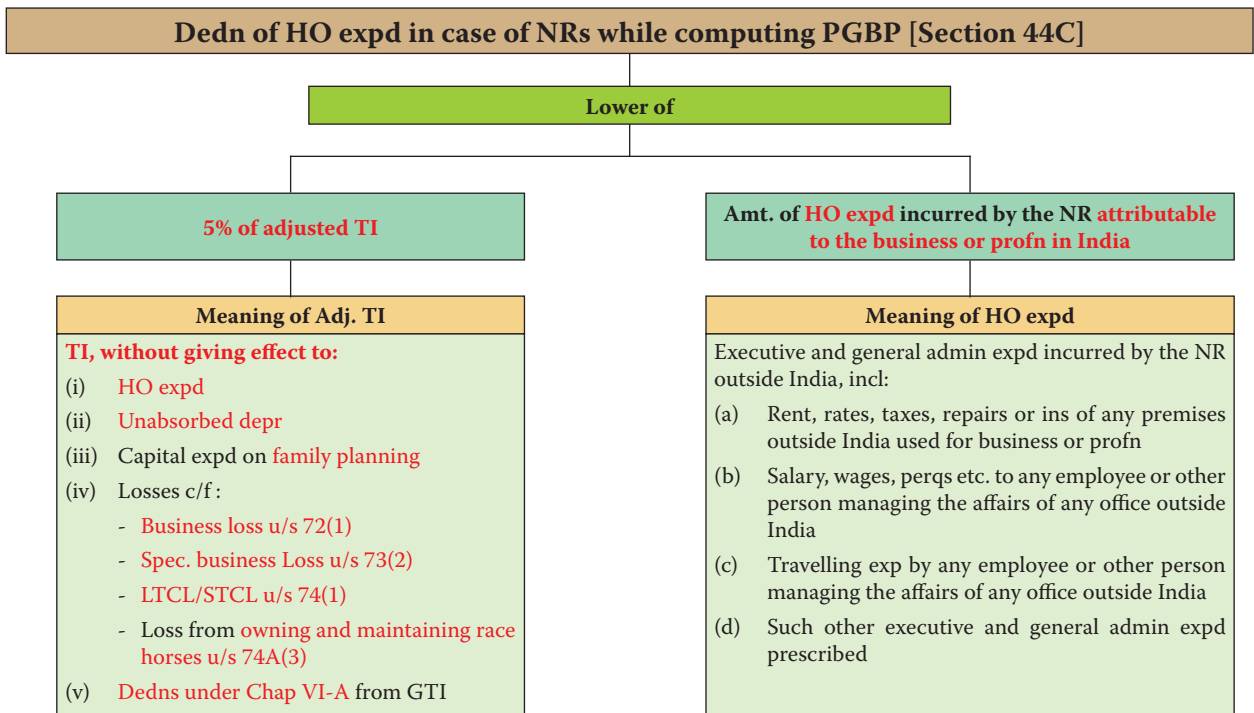
DIRECT TAX LAWS AND INTERNATIONAL TAXATION

10(6)(xi)	Remn recd as an employee of the Govt. of a foreign State during his stay in India in connection with his training in any Govt. Office/ State Undertaking/ corporation/ registered society etc.	Indvl - Salaried Employee (not being a citizen of India) of Govt. of foreign State
10(6BB)	Tax paid by Indian Co., engaged in the business of operation of aircraft, which has acquired an aircraft or an aircraft engine on lease, under an approved (by CG) agrmt, on lease rental/income derived (other than payt for providing spares or services in connection with operation of leased aircraft) by the Govt. of a foreign State or FE.	Govt. of foreign State or FE (i.e., a person who is a NR)
10(6C)	Royalty income or FTS under an agrmt with the CG for providing services in or outside India in projects connected with security of India	Foreign Co. (notified by the CG)
10(6D)	Royalty income from or FTS rendered in or outside India to, the National Technical Research Organisation (NTRO)	Non-corporate NR and foreign co.
10(15)(iiia)	Int. on deposits made by a foreign bank with any scheduled bank with approval of RBI.	Bank incorporated outside India and authorised to perform Central Banking functions in that Country.
10(15)(iv)(fa)	Int. payable by scheduled bank on deposits in FC where the acceptance of such deposits is duly approved by RBI. [Scheduled bank does not include co-operative bank]	a) NR or b) Indvl or HUF, being a resident but not ordinarily resident
10(15)(viii)	Int. on deposit made on or after 01.04.2005 in an Offshore Banking Unit	
10(15)(ix)	Int. payable by a unit located in IFSC in respect of monies borrowed by it on or after 1.9.2019	NR
10(23FBC)	Any income accruing or arising to or recd by a unit holder from a specified fund or on trf of units in a specified fund	Unit holder of specified Fund
10(23FE)	Dividend, Int. or LTCG arising to specified person from an invst made by it in India, whether in the form of debt or share capital or unit, if such invst (i) is made b/w 1.4.2020 and 31.3.2024; (ii) is held for at least 3 years (iii) is in a BT, a co./enterprise/entity in developing/ operating/maintaining an infrastructure facility or (iv) a SEBI Category I or II AIF having not less than 50% invst in one or more of the co. or enterprise or entity ref to in (iii) or in (v) or in (vi) or in an Infrastructure Investment Trust or (v) a domestic co., set up and registered on or after 1.4.2021, having minimum 75% invsts in one or more of the companies or enterprises or entities ref to in (iii) or (vi) a NBFC registered as an Infrastructure Finance Co. or in an Infrastructure Debt Fund, having minimum 90% lending to one or more of the companies or enterprises or entities ref to in (iii).	Specified person, being (i) a wholly owned subsidiary of the Abu Dhabi Investment Authority (ii) a sovereign wealth fund (iii) pension fund satisfying the prescribed conditions.
10(23FF)	Income of the nature of capital gains on a/c of trf of share of a co. resident in India, by the resultant fund or a specified fund to the extent attributable to units held by NR (not being a PE of a NR in India) in such manner as may be prescribed, and such shares were trfd from the original fund, or from its wholly owned special purpose vehicle, to the resultant fund in relocation, and where capital gains on such shares were not chargeable to tax if that relocation had not taken place.	NR or specified fund
10(48)	Income recd in India in Indian currency on a/c of sale of crude oil or any other goods or rendering of services, as may be notified by the CG in this behalf., to any person in India. Foreign Co. and agrmt should be notified by the CG in national interest.	Foreign co. on a/c of sale of crude oil, any other goods or rendering of services. It should not be engaged in any other activity in India.
10(48A)	Income accruing or arising on a/c of storage of crude oil in a facility in India and sale of crude oil therefrom to any person resident in India. Foreign Co. and agrmt should be notified by the CG in national interest.	Foreign co. on a/c of storage of crude oil in a facility in India and sale of crude oil therefrom.
10(48B)	Income from sale of leftover stock of crude oil from facility in India after the expiry of agrmt or arrangement ref u/s 10(48A) or on termination of the said agrmt or arrangement, in accordance with the terms mentioned therein, subject to such conditions notified by the CG.	Foreign co. from sale of leftover stock of crude oil from the facility in India.

Fig 2.5

SUMMARY OF PRESUMPTIVE PROVISIONS APPLICABLE TO NON RESIDENTS				
Particulars	44B	44BBA	44BB	44BBB
Nature of business	Shipping business	Operation of aircraft	Business of providing services or facilities in connection with, or supplying P & M on hire used , or to be used, in the prospecting for, or extraction or production of, mineral oils	Business of civil construction or the business of erection of P & M or testing or commissioning thereof, in connection with turnkey power projects approved by the CG.
Eligible assessee	NR	NR	NR	Only Foreign co.
Presumptive income	7.5% of specified sum	5% of specified sum	10% of specified sum	10% of specified sum
Specified sum	(i) Amt. paid or payable on a/c of carriage of passengers, livestock, mail or goods shipped at/ from any port/ place in India ; and (ii) Amt. recd or deemed to be recd in India on a/c of the carriage of passengers, livestock mail or goods shipped at/ from any port/place outside India	(i) Amt. paid or payable on a/c of the provn of such services or facilities for the aforesaid purposes in India; and (ii) Amt. recd or deemed to be recd in India on a/c of the provn of services or facilities for the aforesaid purpose outside India.	(i) Amt. paid or payable on a/c of the provn of such services or facilities for the aforesaid purposes in India; and (ii) Amt. recd or deemed to be recd in India on a/c of the provn of services or facilities for the aforesaid purpose outside India.	Amt. paid or payable on a/c of such civil construction, erection, testing or commissioning
Option to declare lower profits	Not available		Lower profits may be claimed u/s 44BB and u/s 44BBB provided the assessee maintains BOA u/s 44AA and gets them audited u/s 44AB.	

Fig 2.6



DIRECT TAX LAWS AND INTERNATIONAL TAXATION

Fig 2.7

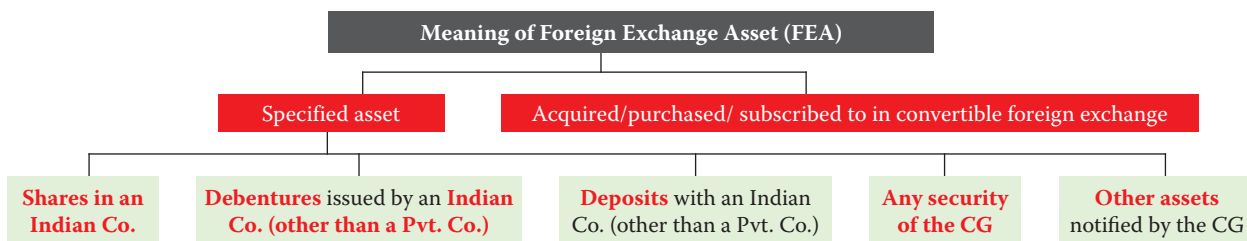
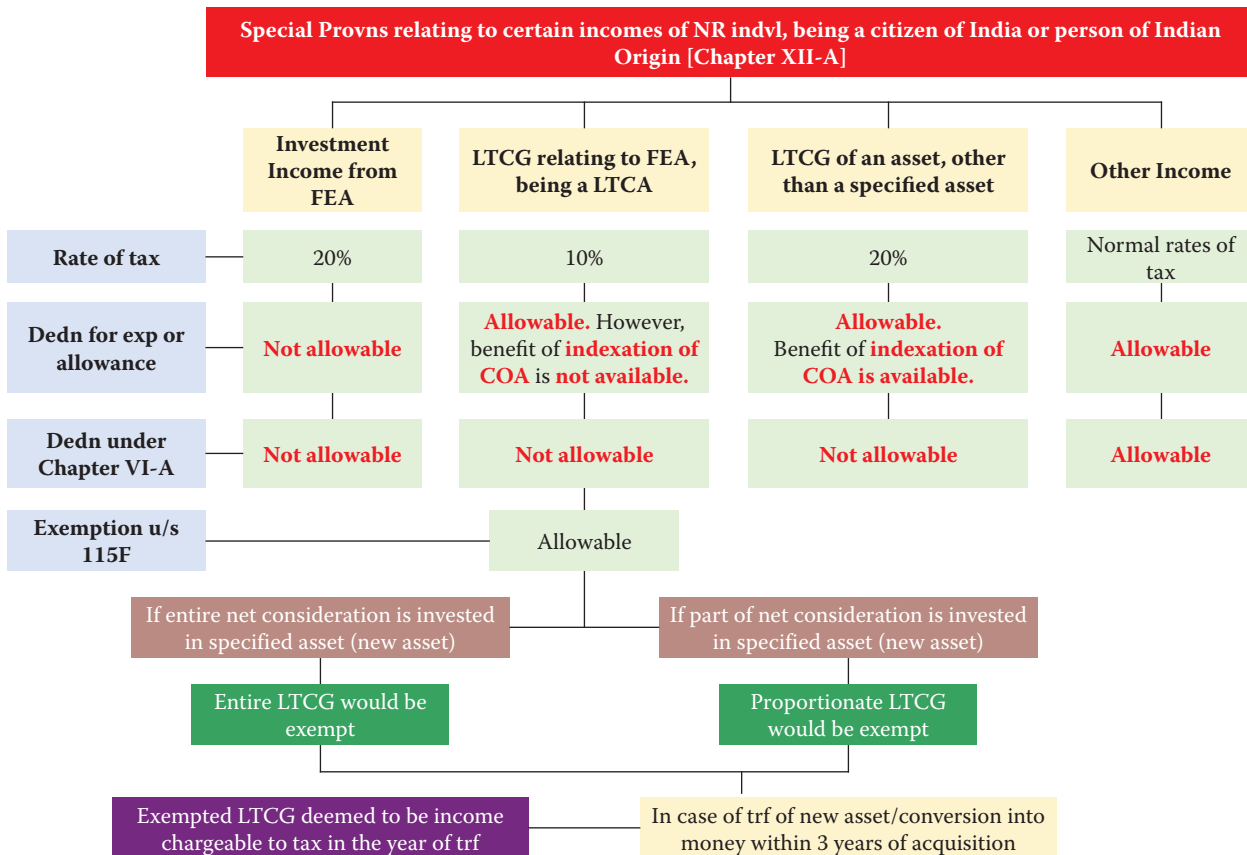


Fig 2.8

Special provisions for computing tax on income by way of dividend and interest [Section 115A]

Where the total income of a foreign co. or a non-corporate NR includes any income by way of	Rate of Tax
(1) Dividends	20%
(2) Int. recd from the Govt. or an Indian concern on moneys borrowed or debt incurred by the Govt. /Indian concern in FC, other than (3), (4), (5) and (6) mentioned below	20%
(3) Int. recd from an infrastructure debt fund ref to in section 10(47)	5%
(4) Int. ref to in section 194LC recd from an Indian co. or BT –	5%
- in respect of monies borrowed by an Indian co. or BT in FC from sources outside India	
• Under a loan agreement between 1.7.2012 and 30.6.2023 or	
• by way of issue of long-term infrastructure bonds [LTIB] b/w 1.7.2012 and 30.9.2014 or	4%
• by way of issue of long-term bonds including LTIB b/w 1.10.2014 and 30.6.2023 as approved by the CG	
- in respect of monies borrowed from sources outside India by way of RDB on or before 30.6.2023	4%
- in respect of monies borrowed by it from a source outside India by way of issue of any long-term bond or RDB b/w 1.4.2020 and 30.6.2023 , which is listed only on a RSE located in any IFSC	
(5) Int. to a FII or QFI [ref to in section 194LD] [Refer Fig 2.12]	5%

DIRECT TAX LAWS AND INTERNATIONAL TAXATION

Where the total income of a foreign co. or a non-corporate NR includes any income by way of	Rate of Tax
(6) Distributed income ref to in section 194LBA(2), <ul style="list-style-type: none"> - Int. income of a BT from a SPV, distributed by BT to its NR unit holders - dividend income of a BT recd or receivable from a SPV exercising the option to pay tax at concessional rate u/s 115BAA, distributed by BT to its NR unit holders However, if the SPV has not exercised the option to pay tax at concessional rate u/s 115BAA, dividend income would be exempt in the hands of unit holders	5% 10%
(7) Income recd in respect of units purchased in FC of a mutual fund (MF) specified u/s 10(23D) or of the UTI	20%

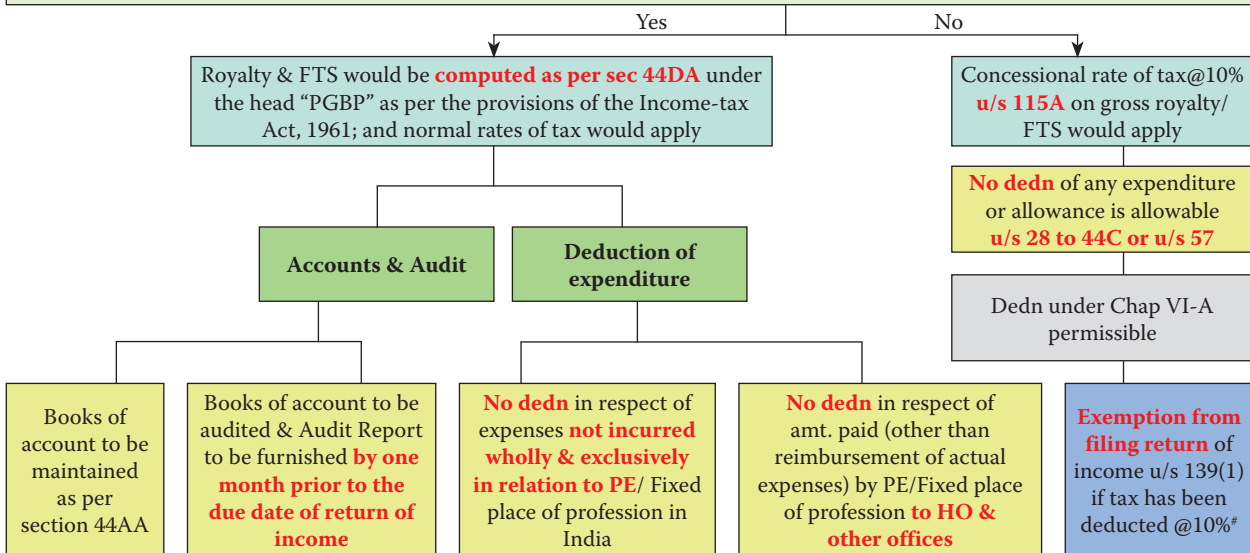
Notes:

1. **Special rate of tax** is applicable on the **abovementioned incomes**. The **remaining income** of the assessee will be chargeable to tax at **normal rates applicable to assessee**.
2. **No dedn** in respect of any expd or allowance shall be allowed **u/s 28 to 44C and section 57** in computing the above income.
3. **Dedn under Chapter VI-A is not available** in respect of abovementioned incomes. However, a unit of an IFSC can claim dedn u/s 80LA against abovementioned incomes.
4. **Exemption from filing return** of income u/s 139(1) would be available if his total income during the PY consisted only income taxable u/s 115A and **tax has been deducted from such incomes** and the **rate of such tax deduction is not less than the rate specified u/s 115A**.

Fig 2.9

Tax treatment of Royalty & Fees for technical services recd from Govt. / Indian concern in pursuance of approved agreement

Is right, property or contract **effectively connected with PE/Fixed Place of Profession (FPP) in India?**



#If tax has been deducted at a rate lower than 10% by availing the beneficial provisions of DTAA, then, no exemption would be available from filing return of income.

Fig 2.10

Special provisions for computing tax on income of Specified Fund or Foreign Institutional Investors from securities or capital gains arising from their transfer [Section 115AD]

(1) S. No.	(2) Income	(3) Rate of Tax
(a)	Income recd in respect of securities other than <ul style="list-style-type: none"> • income on units ref to in section 115AB i.e., units of MF specified u/s 10(23D) or UTI • Int. ref u/s 194LD 	20% in case of FII, 10% in case of specified fund
(b)	Int. ref u/s 194LD	5%
(c)	Income by way of Short term capital gains arising from the trf of securities (other than Short term capital gains u/s 111A)	30%
(d)	Income by way of Short term capital gains u/s 111A	15%
(e)	Income by way of Long term capital gains arising from the trf of securities (other than Long term capital gains u/s 112A)	10%
(f)	Income by way of Long term capital gains u/s 112A exceeding ₹ 1 lakh	10%
(g)	Other income of Specified Fund or FII	At normal rates of tax

DIRECT TAX LAWS AND INTERNATIONAL TAXATION

Notes:

- (1) In case of specified fund, the provn of this section **would apply only to the extent of income** that is attributable to units held by NR (not being a PE of a NR in India) calculated in the prescribed manner.
- (2) Where the specified fund is **investment division of an offshore banking unit**, the provns of this section would apply to the **extent of income that is attributable to the investment division of such banking units**, calculated in prescribed manner.
- (3) **No dedn** in respect of any expd or allowance shall be allowed **u/s 28 to 44C and section 57** from income from securities (ref to in (a) and (b) above).
- (4) **Dedn under Chapter VI-A is not available** in case of income from securities, STCG or LTCG arising from trf of securities.
- (5) **Conversion to FC and indexation benefit would not be available** while computing capital gains on trf of securities.

Fig 2.11

Special provision for computing tax on non-resident sportsmen or sports associations [Section 115BBA]

(1)	Assessee	Income
(1)	(2)	(3)
(a)	A sportsman (including an athlete), who is not a citizen of India and is a NR	Any income recd or receivable by way of— (i) participation in India in any game (other than a game the winnings wherefrom are taxable u/s 115BB, being winning from crossword puzzles, races including horse races, card games and other games of any sort of gambling or betting) or sport; or (ii) advertisement; or (iii) contribution of articles relating to any game or sport in India in newspapers, magazines or journals;
(b)	A NR sports association or institution	Any amt guaranteed to be paid or payable to such association or institution in relation to any game (other than a game the winnings wherefrom are taxable u/s 115BB) or sport played in India
(c)	An entertainer who is not a citizen of India and is a NR	Any income recd or receivable from his performance in India

Notes:

1. The **abovementioned incomes would be chargeable to tax @20%**. The **remaining income** of the assessee will be chargeable to tax at **normal rates applicable to assessee**.
2. **No dedn** in respect of any expd or allowance shall be allowed under any provisions of the Act in computing the above mentioned income.
3. **Exemption from filing return** of income u/s 139(1) would be available if his total income during the P.Y. consisted only of the abovementioned income and **tax has been deducted from such incomes**.

Fig 2.12

WITHHOLDING TAX PROVISIONS RELATING TO NRs: A SUMMARY

Section	Nature of payment	Rate of TDS
192	Salary	Normal Slab rates
192A	Premature withdrawals from EPF , aggregating to ₹ 50,000 or more	10%
194B	Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort , where pay to a person > ₹ 10,000	30%
194BB	Income by way of winnings from horse races , where pay to a person > ₹ 10,000	30%
194E	Specified payts ref u/s 115BBA to NR sportsmen/sports association or an entertainer [Refer Fig 2.11]	20%
194G	Commission etc. on the sale of lottery tickets , where amt. payable to a person > ₹ 15,000	5%
194LB	Int. payable by infrastructure debt fund to non-corporate NR or foreign co.	5%
194LBA(2)	Distribution of any int. income , recd or receivable by a BT from a SPV , to its unit holders	5%
	Distribution of any dividend income , recd or receivable by a BT from a SPV exercising option to pay tax at concessional rate u/s 115BAA, to its unit holders. However, if the SPV is not exercising the option to pay tax at concessional rate u/s 115BAA, dividend income would be exempt in the hands of unit holders and tax would not be deductible at source	10%

DIRECT TAX LAWS AND INTERNATIONAL TAXATION

Section	Nature of payment	Rate of TDS
194LBA(3)	Distribution of any income recd from renting or leasing or letting out any real estate asset directly owned by the BT, to its unit holders	At the rates in force
194LBB	Investment fund paying income to a unit holder [other than income chargeable under the head "PGBP" which is exempted u/s 10(23FBB)].	
194LBC(2)	Income in respect of invst made in a securitisation trust (specified in Explanation to section 115TCA)	
194LC	Int. payable by an Indian Co. or a BT to a non-corporate NR or foreign co.– - in respect of monies borrowed in FC from sources outside India <ul style="list-style-type: none"> • Under a loan agrmt b/w 1.7.2012 and 30.6.2023 or • by way of issue of long-term infrastructure bonds during the period b/w 1.7.2012 and 30.9.2014 or • by way of issue of long-term bonds including long term infrastructure bonds b/w 1.10.2014 and 30.6.2023 as approved by the CG or - in respect of monies borrowed from sources outside India by way of RDB on or before 30.6.2023	5%
	Int. payable by an Indian co. or a BT to non-corporate NR or foreign co. , in respect of monies borrowed by it from a source outside India by way of issue of any long term bond or RDB b/w 1.4.2020 and 30.6.2023 , which is listed only on a RSE located in any IFSC	4%
	Int. payable by an Indian co. or a BT to a NR , including a foreign co., in respect of RDB issued outside India during the period from 17.9.2018 to 31.3.2019	Nil [Since such int. is exempt u/s 10(4C), no tax is deductible u/s 194LC]
194LD	On int. payable - b/w 1.6.2013 and 30.6.2023 on <ul style="list-style-type: none"> • RDB of an Indian Co. or • Govt. securities or - b/w 1.4.2020 and 30.6.2023 on municipal debt securities to a FII or QFI on investment made in	5%
194N	On withdrawal of cash in excess of ₹ 1 crore	2% on amt exceeding ₹ 1 crore
	In case the recipient has not filed ROI for all the 3 immediately preceding PYs , for which time limit u/s 139(1) has expired , the sum shall be the amt or agg. of amts, in cash > ₹ 20 lakhs during the P.Y.	- @2% of the sum, where cash withdrawal > ₹ 20 lakhs ≤ ₹ 1 crore - @5% of the sum, where cash withdrawal > ₹ 1 crore
195	Any other sum payable to NR	At the rates in force
196A	Income on units of a MF specified u/s 10(23D) or from the specified co. ref to in section 10(35) payable to non-corporate NR or foreign co.	20%
196B	Income from units of a MF or UTI purchased in FC (including LTCG on trf of such units) payable to an Offshore Fund	10%
196C	Income by way of int. or dividend on bonds of an Indian Co. or public sector co. sold by the Govt. and purchased by a NR in FC or GDRs ref to u/s 115AC (including LTCG on trf of such bonds or GDRs) payable to a NR	10%
196D	Income of FII from securities (not being income by way of int. ref u/s 194LD or capital gain arising from such securities)	20%
	Income of specified fund from securities [not being income by way of int. ref u/s 194LD or capital gain arising from such securities or income exempt u/s 10(4D)]	10%

Note - In all the above cases, the rate of tax would be increased by surcharge, wherever applicable, and HEC @4%.

Fig 3.1

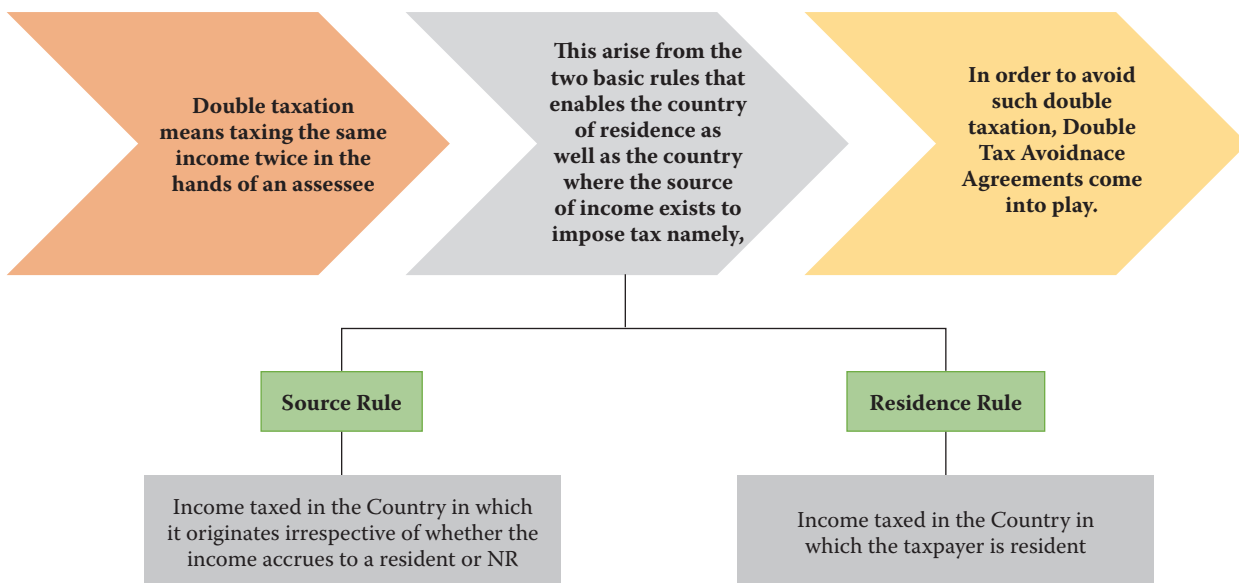
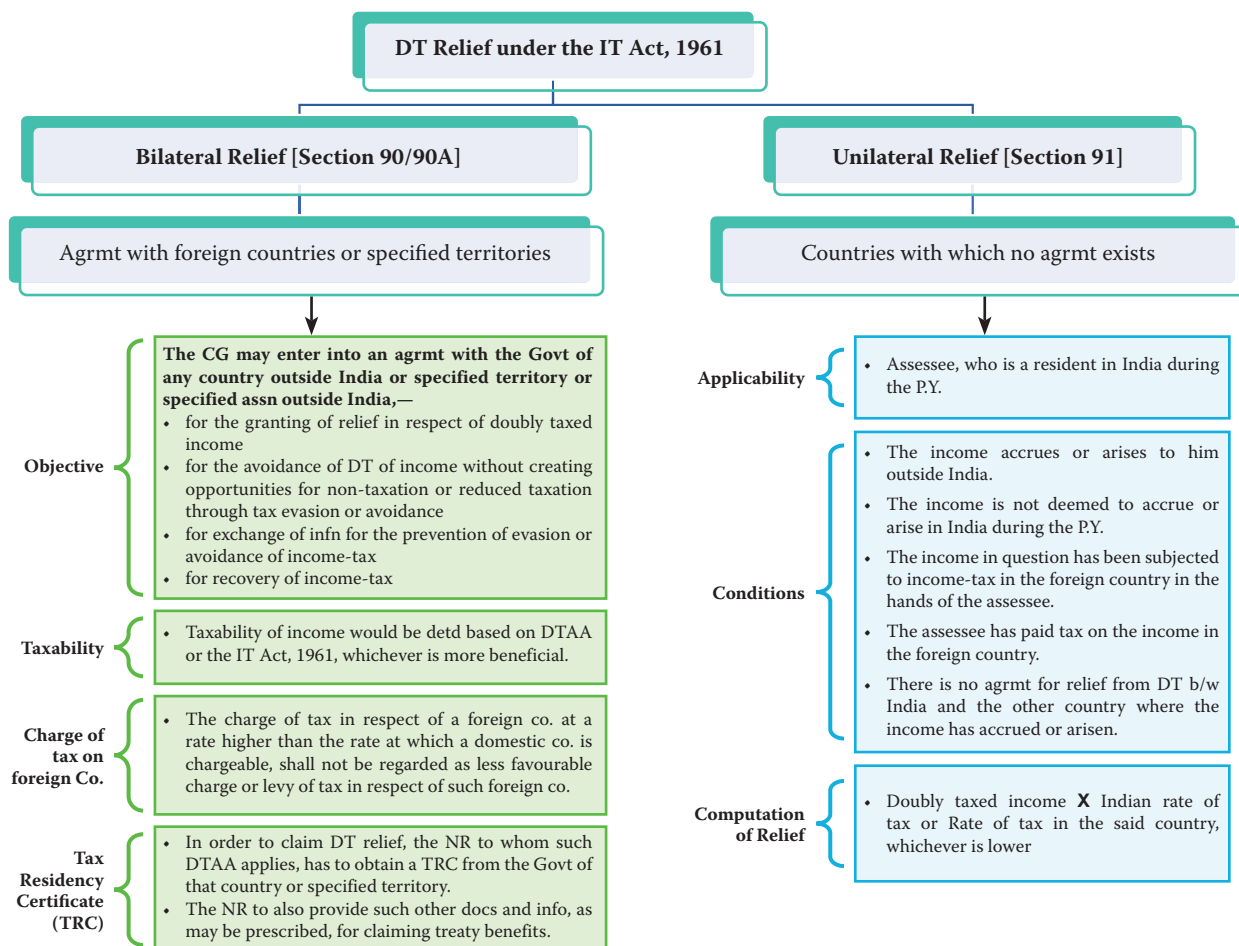


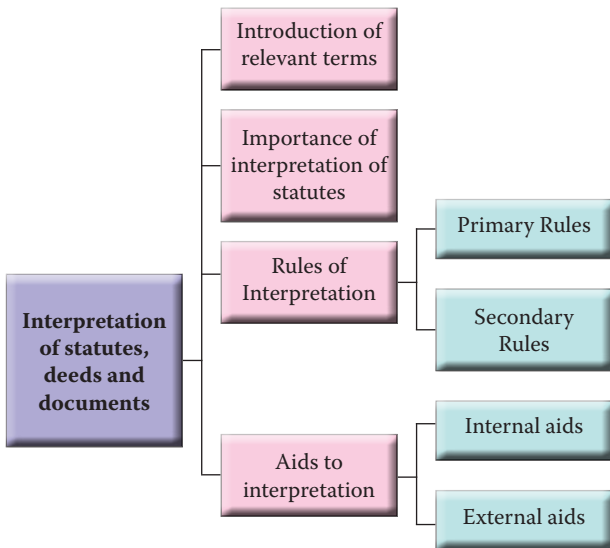
Fig 3.2



In this capsule on Intermediate, Paper 2: Corporate and Other Laws, an attempt has been made to capture the significant Rules related to Interpretation/ Construction of Statutes. You are advised to read the September 2021 edition of the Study Material for detailed knowledge and understanding of the said topic. This capsule is intended to assist you in the process of revision of concepts discussed in the Study Material.

CHAPTER 4 - INTERPRETATION OF STATUTES

I. CHAPTER OVERVIEW



II. BASIC TERMS

1. Statute

Written law, as against unwritten law

- laws and regulations of various kinds irrespective of the source from which they emanate

- Enacted law i.e. the law either enacted by the Parliament or by the State Legislature

2. Document

A paper or other material thing giving information, proof or evidence of anything

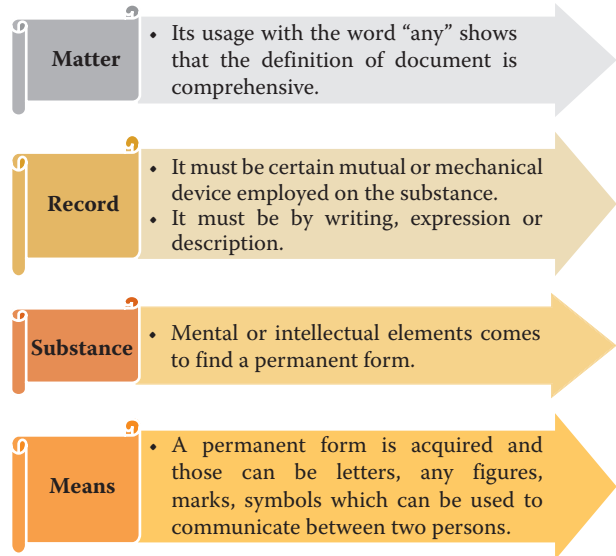
- any matter expressed or described upon any substance by means of letters, figures or marks or by more than one of those means,
- intended to be used, or which may be used, for the purpose of recording that matter

The Indian Evidence Act, 1872

The General Clauses Act, 1897

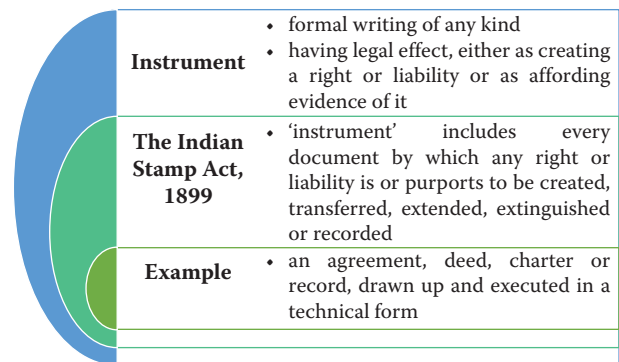
- include any matter written, expressed or described upon any substance by means of letters, figures or marks, or by more than one of those means
- intended to be used, or which may be used, for the purpose of recording this matter

Elements of Documents



3. Instrument

Formal legal document which creates or confirms a right or records a fact



4. Deed

an instrument in writing (or other legible representation or words on parchment or paper) purporting to effect some legal disposition



- In India- no distinction is made between instruments and deeds
- deeds are instruments though all instruments may not be deeds

CORPORATE AND OTHER LAWS

5. Interpretation

process by which the Courts seek to ascertain the meaning of the legislature through the medium of the words in which it is expressed

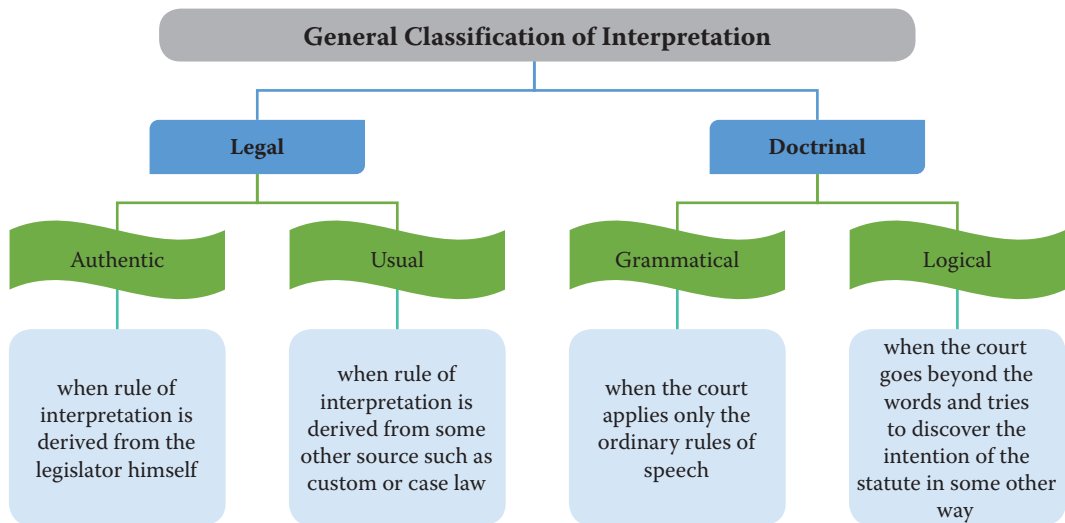
Need for interpretation

- process by which the real meaning of an Act (or a document) and the intention of the legislature in enacting it is ascertained
- to resolve any ambiguity in the statute.
- It is the art of finding out the true sense of words -sense in which their author intended to convey the subject matter.

Importance of interpretation

- Interpretation serves as the bridge of understanding between the process of statute making and the process of interpretation of statutes

Classification of Interpretation:



III. HOW TO INTERPRET LAW APPLYING THE RULES OF INTERPRETATIONS

When a question arises as to what interpretation to be placed on an enactment, what the court has to do is to ascertain 'the intent of them that make it' and that must be gathered from—

- Literal Rule- The words actually used in the statute, in their grammatical and ordinary sense
- Golden Rule- The modified words if the ordinary and grammatical use leads to obscurity or inconsistency
- Mischief Rule- The history of the legislation, purpose thereof, the mischief it intended to suppress
- Internal aids to Construction- The definitions, exceptions, explanations, fictions, deeming provisions, headings, marginal notes, preamble, provisos, punctuations, saving clause, non obstante clause, etc.
- External aids to Construction- Parliamentary debates, reports of the Committees and Commissions, etc.

These rules are only aids to ascertain what the Parliament meant by using the language of the statute.

IV. RULES OF INTERPRETATION/CONSTRUCTION

Primary Rules

- Rule of Literal Construction
- Rule of Reasonable Construction
- Rule of Harmonious Construction
- The Rule in Heydon's Case or Mischief Rule
- Rule of Beneficial Construction
- Rule of Exceptional Construction
- Rule of Ejusdem Generis

Secondary Rules

- Doctrine of *Noscitur a Sociis*
- Doctrine of *Contemporanea Expositio*

1. Rule of Literal Construction

a statute must be construed literally and grammatically giving the words their ordinary and natural meaning

interpret the words used in legislation according to their ordinary grammatical meaning in the absence of any ambiguity or doubt

where the words of a statute are in themselves clear and unambiguous, then these words should be construed in their natural and ordinary sense and it is not open to the court to adopt any other hypothetical construction

This Rule of literal interpretation can be read and understood under the following headings:

Natural and grammatical meaning

- Statutes are to be understood in their natural, ordinary, or popular sense
- Must be construed according to their plain, literal and grammatical meaning.
- If there is an inconsistency with any express intention or declared purpose of the statute, or it involves any absurdity, repugnancy, inconsistency, the grammatical sense must then be modified, extended or abridged only to avoid such an inconvenience, but no further.

Technical words are to be understood in technical sense

- technical words are understood in the technical sense only

2. Rule of Reasonable Construction

words of statute must be construed so as to lead to a sensible meaning or to avoid absurdity

If a statute is having two interpretations, where one is completely vague and absurd and other is perfectly making sense then that meaningful interpretation should be used

Interpretation, which furthers the object, can be preferred to that which is likely to defeat or impair the policy or object.

Golden Rule of Interpretation

- When the grammatical interpretation leads to absurdity then the courts shall interpret the statute so as to resolve the inconsistency and make the enactment a consistent whole.
- This departure from the grammatical construction is permissible only to the extent it avoids such absurdity and no further.

3. Rule of Harmonious Construction

expressions used in a statute should ordinarily be understood in a sense in which they best harmonize with the object of the statute or to avoid absurdity

This Rule is used when there is a conflict between two or more statutes or between two provisions of the same statute

The provisions of a statute should be construed to give them the most effect and to make justice to the situation at hand

The statute must be read as a whole and every provision in the statute must be construed with reference to the context and other clauses in the statute so as to make the statute a consistent enactment and not reduce it to a futility

But where it is not possible to give effect to both the provisions harmoniously, conflict may be avoided by holding that one section which is in conflict with another merely provides for an exception or a specific rule different from the general rule contained in the other

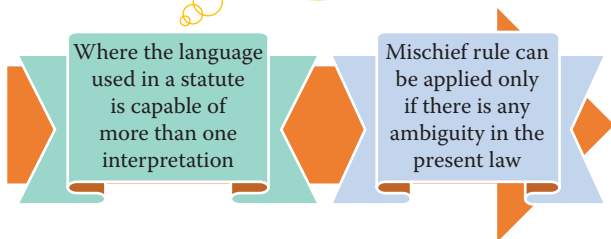
In some cases, the statute may give a clear indication as to which provision is subservient and which overrides.

This is done by the use of the terms "subject to", "notwithstanding" and "without prejudice"

CORPORATE AND OTHER LAWS

4. The Rule in Heydon's Case or Mischief Rule

To make such construction as shall suppress the mischief and advance the remedy according to the true intention of the legislation.

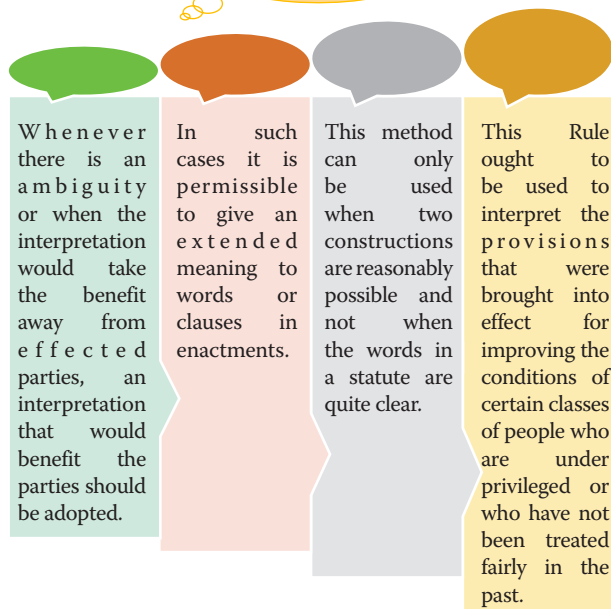


Points to be considered while interpreting statute through this Rule

1. What was the law before the making of the Act?
2. What was the defect, mischief, hardship caused by the earlier law?
3. How does the Act of Parliament seek to resolve or cure the mischief or deficiency?
4. What are the true reasons for the remedy?

5. Rule of Beneficial Construction

Give the widest meaning to the statute in order to protect the interest of the parties



6. Rule of Exceptional Construction

The rule of exceptional construction stands for the elimination of statutes and words in a statute which defeat the real objective of the statute or make no sense.

The question as to whether a statute is mandatory depends upon the intent of the legislature and not upon the language in which the intent is clothed.

Majorly this Rule is used for the construction of words- 'and, or', 'may, must and shall'.

7. Rule of Ejusdem Generis

of the same kind or species

Specific words pertaining to a class or category or genus are followed by general words

the general words shall be construed as limited to the things of the same kind as those specified.

Rule of Ejusdem Generis Applies when-

- Statute contains an enumeration of specific words
- The subject of enumeration constitutes a class or category
- That class or category is not exhausted by the enumeration
- The general terms follow enumeration, and
- There is no indication of a different legislative intent

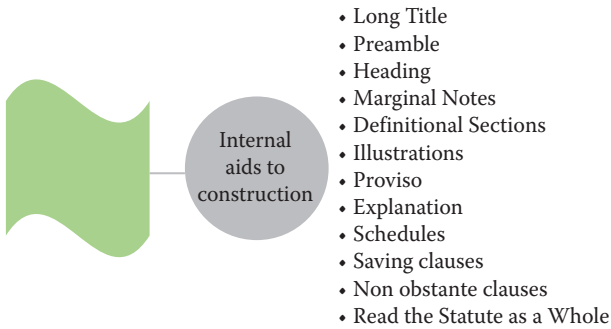
V. AIDS TO INTERPRETATION AND CONSTRUCTION

Where language of the statute is not clear

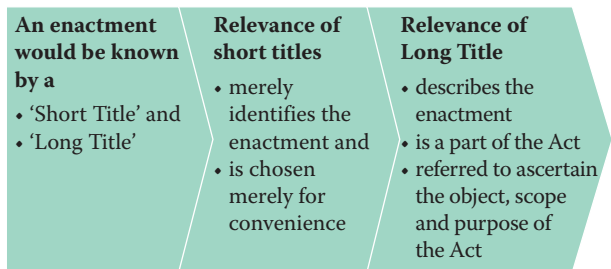
there is need to resort to aids of construction-

- such aids can be either-
- internal or
- external

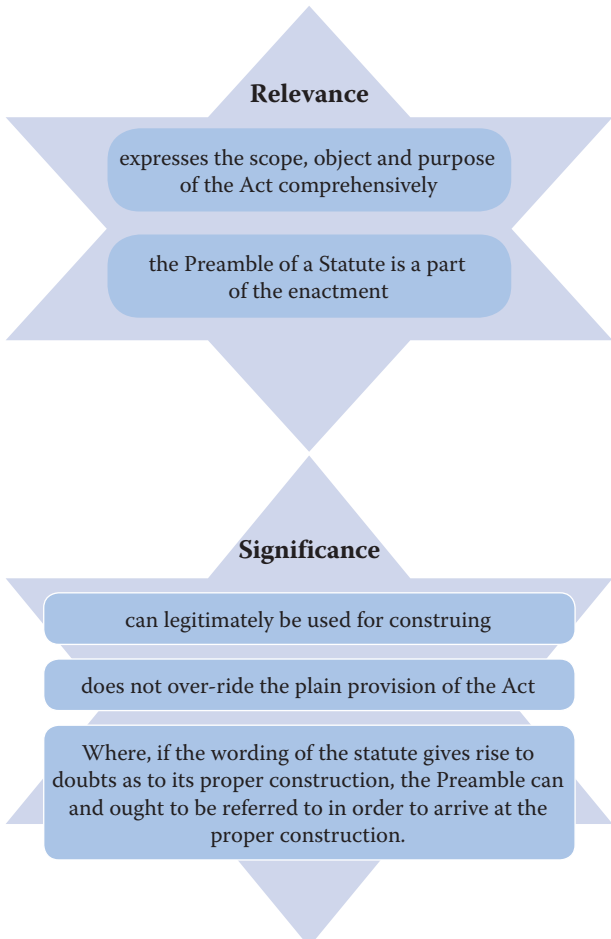
VI. INTERNAL AIDS TO INTERPRETATION/ CONSTRUCTION



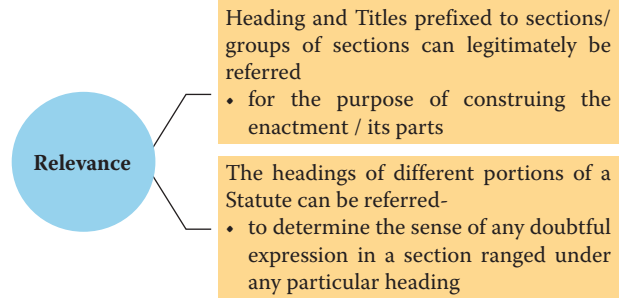
1. Long Title



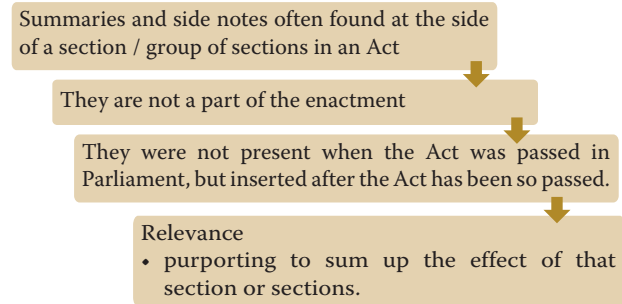
2. Preamble



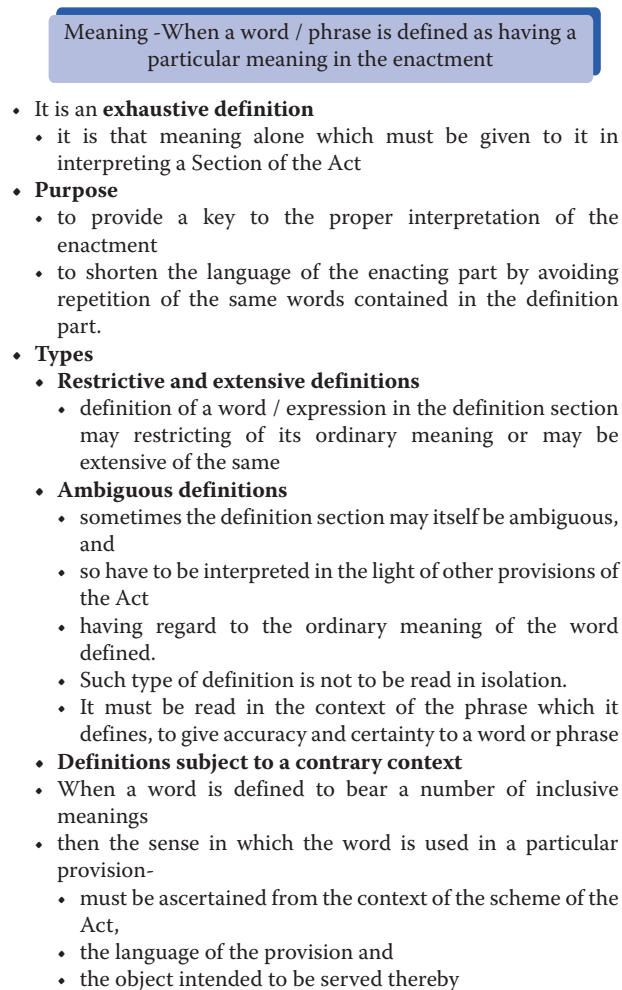
3. Heading and Title of a Chapter



4. Marginal notes



5. Definitional Sections/Interpretation Clauses



CORPORATE AND OTHER LAWS

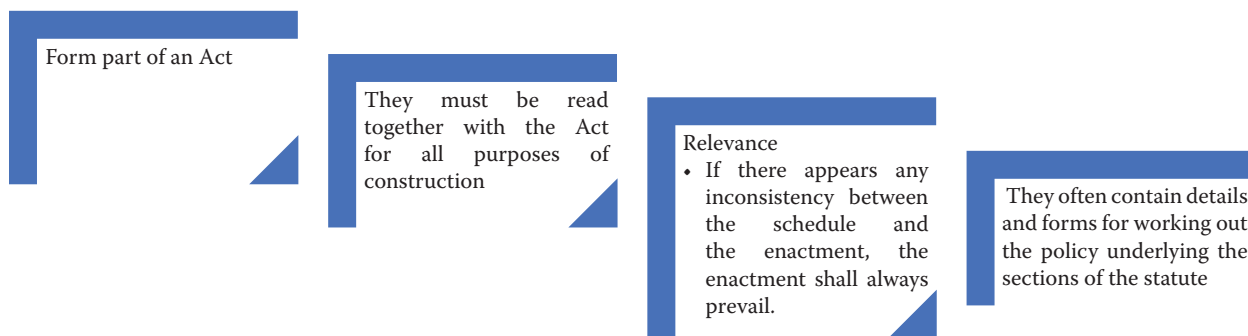
6. Illustrations

Follow the text of the Sections	Do not form a part of the Sections.	Not all sections have illustrations appended to them
It cannot have the effect of modifying the language of the section	Neither can curtail nor expand the ambit of the section.	Relevance <ul style="list-style-type: none"> • Illustrations do form a part of the statute • considered to be of relevance and value in construing the text of the sections.

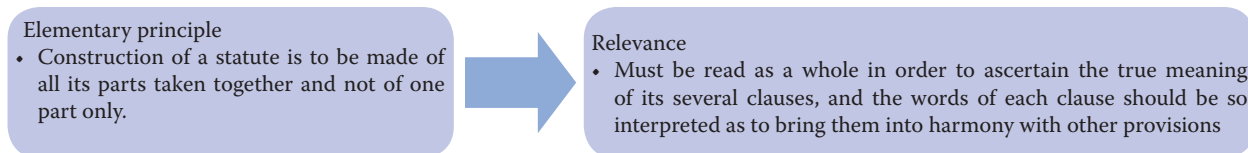
7. Proviso

Proviso is to except something out of the enactment or to qualify something stated in the enactment	Effect	As a general rule
<ul style="list-style-type: none"> • which would be within its purview if the proviso were not there. • Usually, a proviso is embedded in the main body of the section and becomes an integral part of it 	<ul style="list-style-type: none"> • to qualify the preceding enactment which is expressed in terms which are too general. 	<ul style="list-style-type: none"> • a proviso is added to an enactment to qualify or create an exception to what is in the enactment

10. Schedules



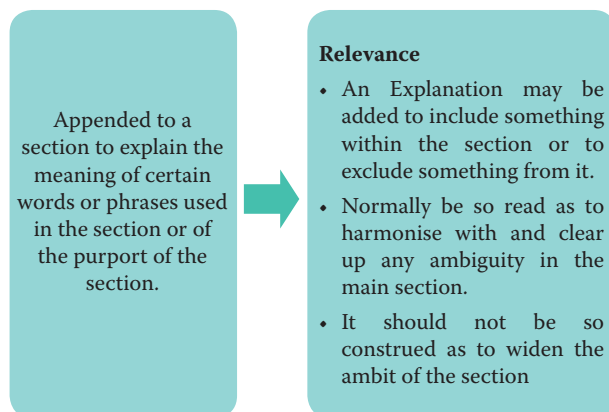
11. Read the Statute as a Whole



8. Difference with related terms

Distinction between Proviso, exception and saving Clause		
'Exception' is intended to restrain the enacting clause to particular cases	'Proviso' is used to remove special cases from general enactment and provide for them specially	'Saving clause' is used to preserve from destruction certain rights, remedies or privileges already existing

9. Explanation



VII. EXTERNAL AIDS TO INTERPRETATION/ CONSTRUCTION

External Aids					
Historical Setting	Consolidating Statutes & Previous Law	Usage	Earlier & Later Acts and Analogous Acts	Dictionary Definitions	Use of Foreign Decisions

1. Historical Setting

History of the external circumstances which led to the enactment

- is of much significance in construing any enactment

Purpose

- necessary in the understanding and comprehension of the subject matter and the scope and object of the enactment.
- History in general (Parliamentary History in particular), ancient statutes, contemporary or other authentic works and writings are helpful in interpreting and construing an Act

2. Consolidating Statutes & Previous Law

- The Preambles to many statutes contain expressions such as “An Act to consolidate” the previous law, etc. In such a case, the Courts may stick to the presumption that it is not intended to alter the law.
- They may solve doubtful points in the statute with the aid of such presumption in intention, rejecting the literal construction

3. Usage

Relevance

- Where the meaning of the language in a statute is doubtful, usage helps in how that language has been interpreted and acted upon over a long period
- May determine its true meaning.
- When a legislative measure of doubtful meaning has, for several years, received an interpretation which has generally been acted upon by the public,
 - the Courts should be very unwilling to change that interpretation,
 - unless they see cogent reasons for doing so

4. Earlier & Later Acts and Analogous Acts

Reference to Analogous Act:

- Different statutes (that are in similar nature), may shall be construed together as one system and as explanatory of each other
- They can be used even though they may be made at different times, or may have repealed and may not referring to each other

5. Dictionary Definitions

- **First** refer to the Act in question to find out if any particular word or expression is defined in it.
- If word is **not defined in the Act** itself, **refer dictionaries** to find out the general sense in which that word is commonly understood
- In selecting one out of the several meanings of a word, always consider the context in which it is used in the Act
- For technical terms refer **technical dictionaries**
- **judicial decisions** laying down the meaning of words will have greater weight than the meaning furnished by dictionaries

6. Use of Foreign Decisions

- Foreign decisions of countries following the **same system of jurisprudence** as ours and given on laws similar to ours, can be used for interpretation
- Prime importance is always to be given to the language of the Indian statute

VIII. MAJOR LATIN MAXIMS

Rule of Literal Construction

absoluta sententia expositore non indiget

- an absolute sentence or preposition needs not an expositor
- plain words require no explanation

Rule of Reasonable Construction and Rule of Exceptional Construction

ut res magis valeat quam pereat

- words of statute must be construed so as to lead to a sensible meaning

Rule of Reasonable Construction

Interpretatio fienda est ut res magis valeat quam pereat

- words of a statute must be construed reasonably so as to give effect to the enactment rather than reduce it to a futility

Rule of Harmonious Construction

generalia specialibus non derogant

- A specific rule will override a general rule.

Doctrine of Noscitur a Sociis

Noscitur a Sociis

- Meaning of doubtful word may be ascertained by reference to word associated with it

Doctrine of Contemporanea Expositio

Contemporanea Expositio est optima et fortissima in lege

- law should be understood in the sense in which it was understood at the time when it was passed

Doctrine of Contemporanea Expositio

optima legum interpres est consuetudo

- Custom is the best interpreter of law

Non-obstante clause

- notwithstanding anything contained

Earlier Act Explained by the Later Act

pari materia

- in a similar case

CROSSWORD SOLUTION – MARCH 2023

¹ B	² U	³ D	G	⁴ E	⁵ T		⁶ Q	U	O	T	A
⁷ U	I	M		⁸ D	M	⁹ R	C				
¹⁰ B	D			G		C			¹¹ C	¹² I	¹³ F
¹⁴ B	A	¹⁵ R	¹⁶ T	E	¹⁷ R		¹⁸ N	¹⁹ A	I	R	U
²⁰ L	I	C	R		²¹ S	W	A	P		²² C	T
E		²³ M	O	D	E		²⁴ T	I		²⁵ T	U
	²⁶ M		U				O		²⁷ F	C	R
²⁸ M	E		²⁹ G	³⁰ I	³¹ L	³² T		³³ G	E		E
³⁴ C	A		³⁵ H	E	D	G	E		³⁶ M	³⁷ I	
³⁸ A	N	³⁹ M			⁴⁰ C	R		⁴¹ T	A	B	⁴² S
		⁴³ F	⁴⁴ D	⁴⁵ I			⁴⁶ M	R		⁴⁷ E	D
⁴⁸ M	O	N	O	P	S	O	N	Y		⁴⁹ F	R

CA FOUNDATION - PAPER 2B - BUSINESS CORRESPONDENCE AND REPORTING

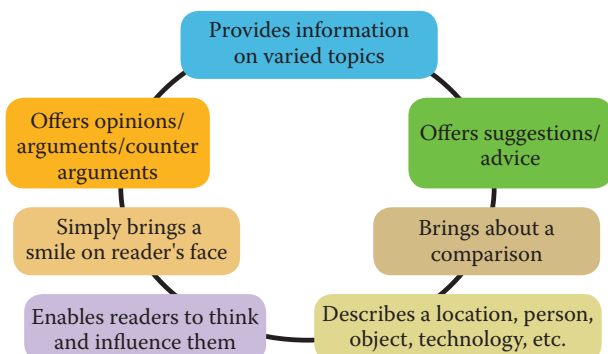
The capsule of Foundation Course Paper 2B: Business Correspondence and Reporting covers the topic of Article writing, Report Writing and Formal Letters and Official communications. These topics encompass different kinds of formats to be used while writing an Article, Report or Letters to help the students for quick revision. Under no circumstances, such revision can substitute the detailed study of the material provided by the Board of Studies. Students are advised to refer the Study Material for comprehensive study and revision.

Chapter 8: Article Writing

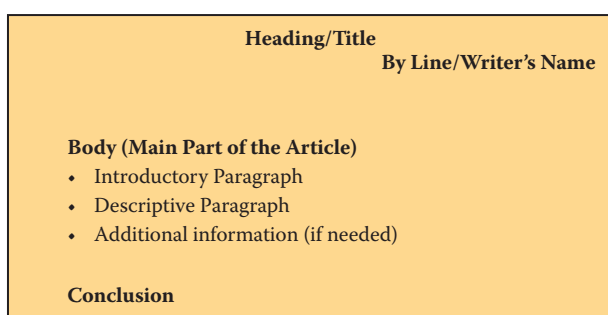
Article writing is the process of creating a non-fiction text about topics that can vary from serious to the ordinary. An article is a piece of writing mainly intended to be published in a newspaper, magazine or journal, and has a wide audience.



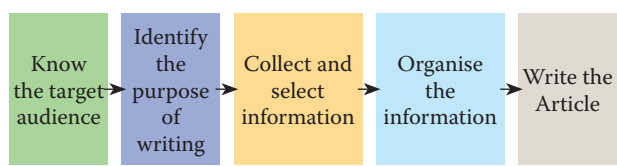
Objectives of Article Writing



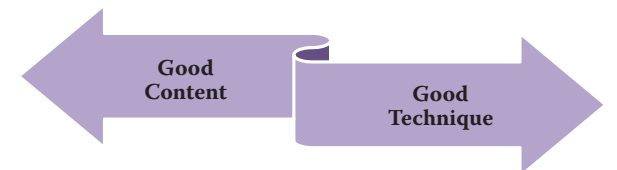
Format of Article Writing



Steps in Article Writing



Writing a good article requires two things



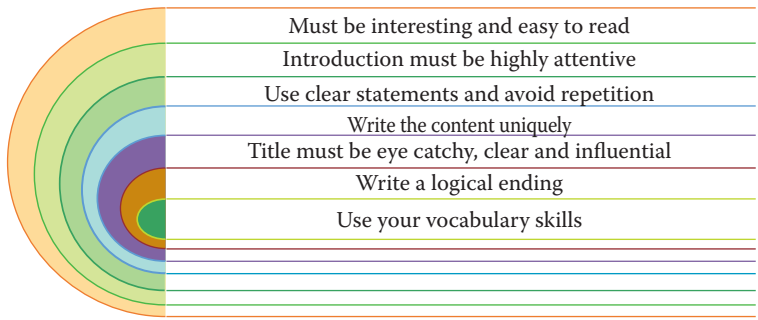
Tips to write a good Article

- Minimise your barrier to entry - Opening should be carefully drafted
- Keep paragraphs short and sweet
- Text should be visually appealing
- Give a substance in writing
- Tell a story
- Show, then tell - start with main point of action and then explain what it means

Do's and dont's of Article Writing

- Use the facts or quotes or similar cases.
- Language should not be too informal.
- Must be written in easy and simple language.
- Title must be catchy and clearly understandable.
- The author must not talk about himself/herself.
- Use of paragraph is not recommended.

Essential points while writing an Article



For example:

The colour green: corporate conscience or fashion statement?

by Brendon Craigie

Hotwire has conducted a major audit looking at the greening of corporate communications and its potential influence on consumer purchasing habits across Europe. They researched five sectors (retail, banking & finance, manufacturing and automotive, utilities and technology & telecoms) in five countries (the UK, France, Germany, Spain and Italy) looking at how frequently companies use green issues in their external communications vehicles. In this instance press releases were selected as the representative communications tool. We coupled this with pan-European consumer research that identified how green issues affect the purchasing decisions of consumers in the same sectors and countries.

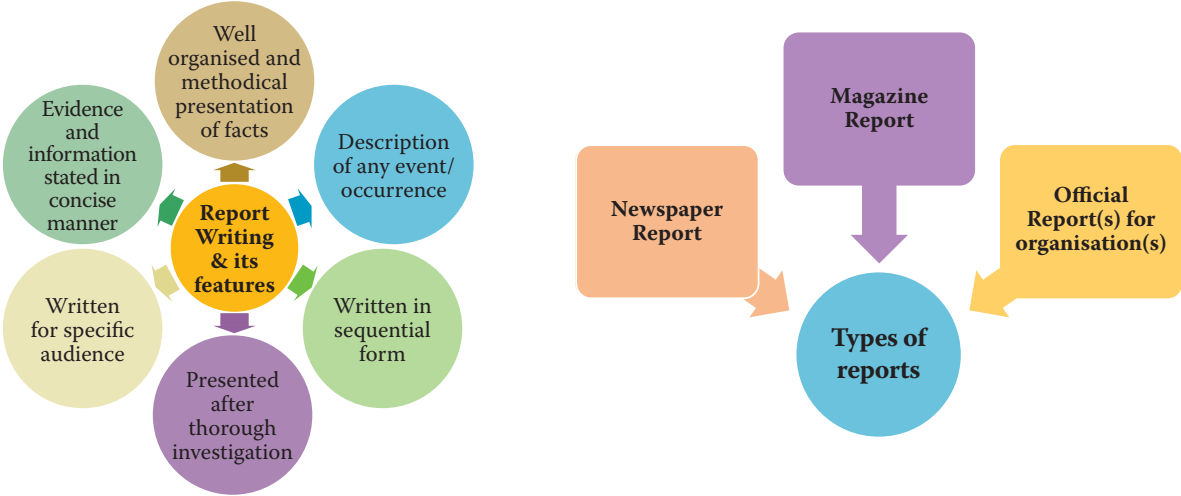
Contrary to popular opinion, companies across Europe do not greenwash their communications wholesale. The Hotwire study has found that across all the sectors green appeared as a theme relatively infrequently - in only 7.5%-17% of companies' external communications. French companies use green issues the most at 17% while German companies are least likely at 7.5%. These are interesting findings – with Germany very much an international leader in terms of energy efficiency we put it more down to regional 'style' than the reality of the companies' initiatives. However, while it is good to see that companies are not opting for a cheap greenwash across the board, it is also interesting to note that they are not in sync with consumer interest for green products and services. While companies communicate about green issues relatively infrequently the consumer interest in all things green is high. When asked to score their interest in 'green' between 1 and 10 (10 being the highest) European consumers scored averaging between 6.3 (Germany) and 8 (France). Consumers in Spain, the UK and Italy scored 7, 7.2 and 7.7 respectively. In other words, consumer interest is high but in terms of corporate communications, companies are not doing much to satisfy the interest.

The technology & telecoms sector is an interesting sector in terms of how it currently communicates around green, and what influences the buying decision when purchasing technology products and services. The UK is the only country that communicates in any volume (22% of technology companies' external communications) about 'green'. At 5 out of 10, the consumer research indicates that 'green' is not a very compelling driver for British consumers in the technology space, however there is some interest and UK-based companies are doing a few things to garner that interest. In the rest of Europe, PR professionals in the technology space have huge opportunities. While consumer interest is pretty high at between 5.5 and 6.1, the companies' corporate communications efforts have so far ignored the green agenda. In France only 7% of external communications by technology companies include the green theme, in Germany 1%, Spain 2.9% and in Italy 0%. There are some big openings for being the green champion in the technology & telecoms industries in France, Germany, Spain and Italy.

(Source: <http://www.reusablearticles.com>)

Chapter 9: Report Writing

A report is an account given of a particular event, issue, subject, especially in the form of an official document. It is presented after thorough investigation or consideration by an appointed person or body. It is written for a defined purpose and for a specific audience. The information and evidence are clearly stated in a concise manner.



Format of various reports

Newspaper Report For current events and happenings

Title/Headline
By (Name of Author)
Place, Date: (date is not always mentioned)

Body of the Report

Magazine Report Written for specific events.

Title/Headline
By (Name of Author)

Body of Report

Formal/Official Reports

Heading

To:
From:
Date:
Subject:

Introduction:
 Give details for the task and reasons for it

Main Body:
 Information, resources, and materials used

Description of task

Results

Conclusion:
 Evaluation and suggestions

Points to remember

No place for personal opinions, perceptions, emotions and feelings in a report.

Keep in mind the target audience

Personal pronouns are not used

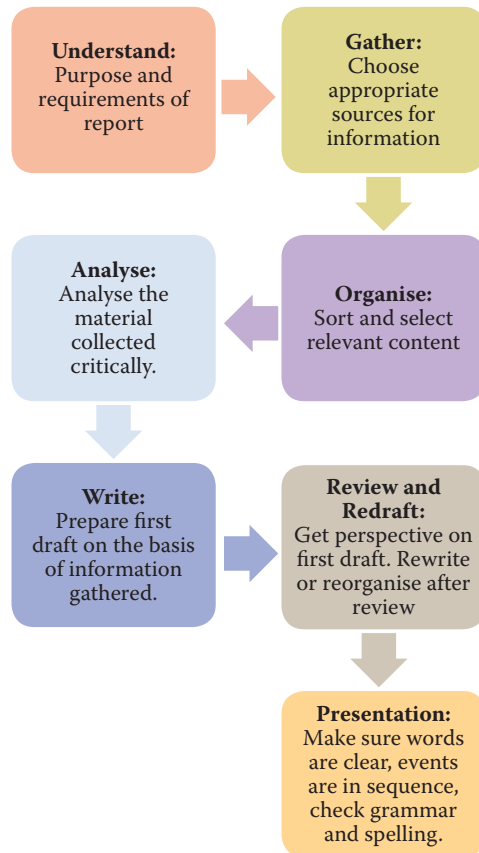
Passive voice is preferably used in writing newspaper reports and active voice is used for official reports.

Language should be clear and concise.

Technical jargons must be avoided.

Information should be organized logically, coherently and in chronological order.

Steps in report writing



For example:

Daughter of Gardener Tops Board Exam

By Riya Sharma

Bhubneshwar, May 12: Suman Nayak, the daughter of a municipal gardener, Om Nayak, has topped the Odisha Board Senior Secondary Examination with 98.8% marks. Her success has been lauded by the staff members of her school 'The Government Senior Secondary School, Malkaganj', the Odisha Education board and the State Education Minister.

When her classmates conveyed the news to Suman, she did not believe them. It was only when the school principal called her that the reality sunk in. Suman's father, Om Nayak, is overjoyed at the news. He said, "Suman was always a bright student. I have made all efforts to provide her with the best education despite my meagre means". He hopes that she will be able to continue her education in spite of his financial constraints.

Suman attributes her success to her parents and teachers. She said that the schoolteachers had provided her with all possible help by giving her extra time and attention along with books and moral support. Her teachers speak highly of her perseverance, dedication and hard work.

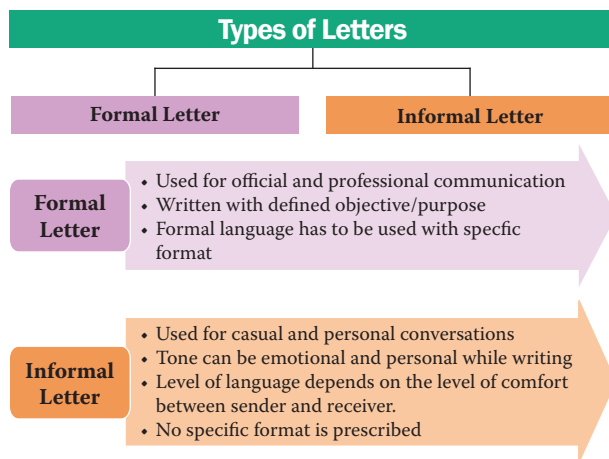
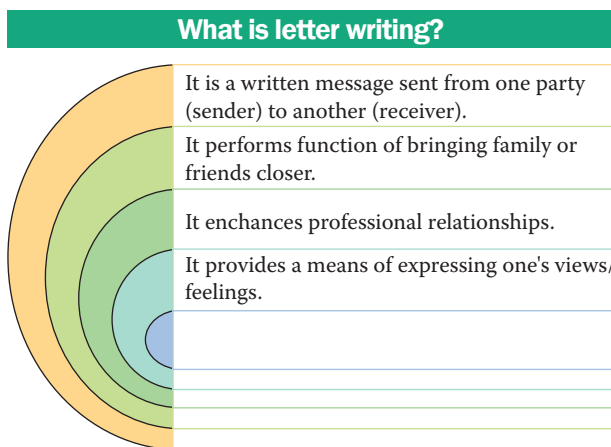
When asked about her plans, Suman said she wished to become a doctor. However, she was unsure if she could pursue her dream because of financial problems. She hopes that she will be able to secure a scholarship and get funding by the government.

Source: *The Times of India*, M.G. Road, Bhubaneswar.

BUSINESS CORRESPONDENCE AND REPORTING

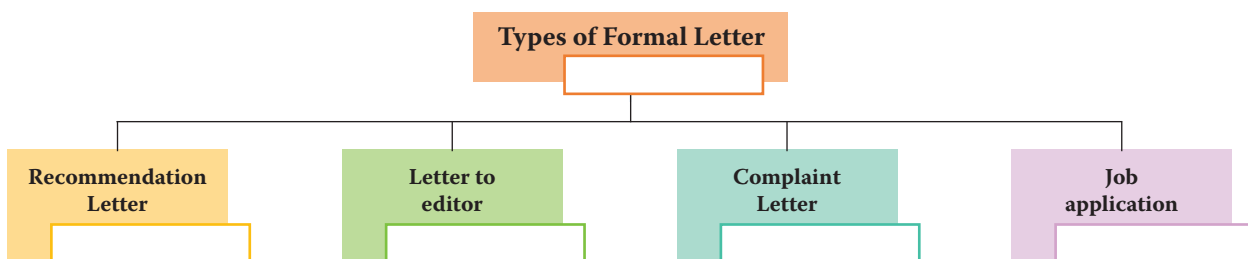
Chapter 10- Formal Letters and Official Communication

Part I - Formal Letters

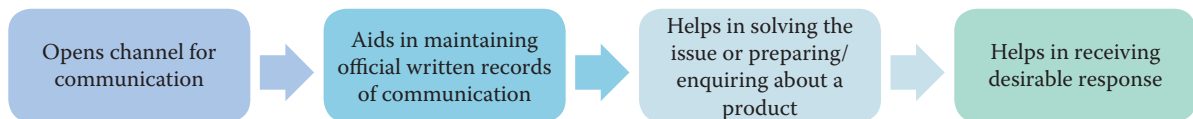


What is formal letter writing?

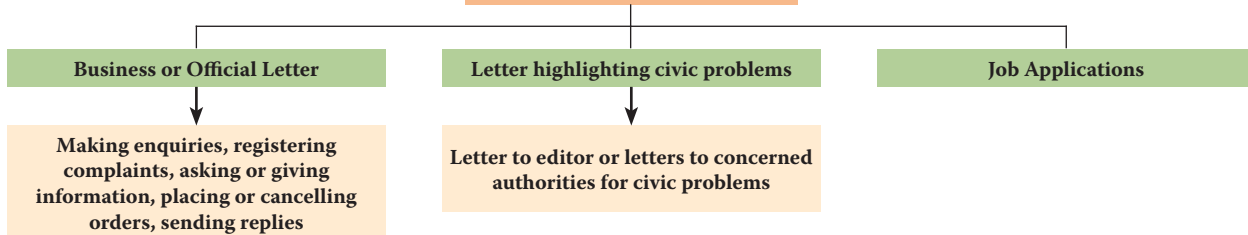
Formal Letters, also called as business letters/professional letters, are written for official/formal purpose and in specific format. Let's go through the following diagrams to understand more about formal letters:



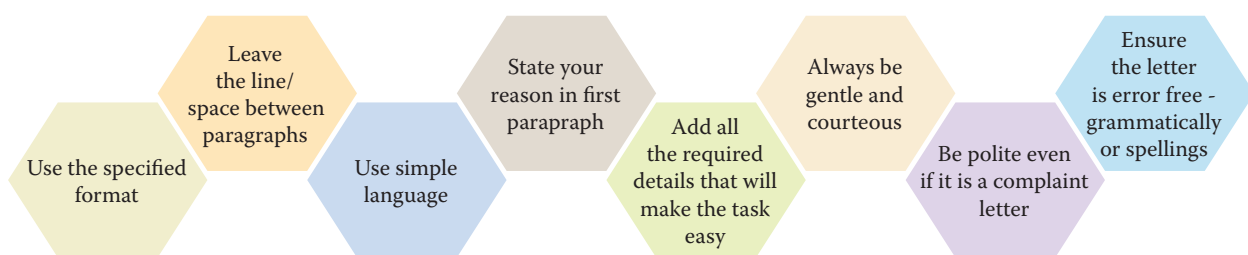
Uses of Formal Letter



Categories of Formal Letter



While drafting formal letter, one should



Format of formal letter

Sender's Address

Date

Designation/Name of Addressee

Address of the Addressee

Salutation

Subject

Content:

Introduction

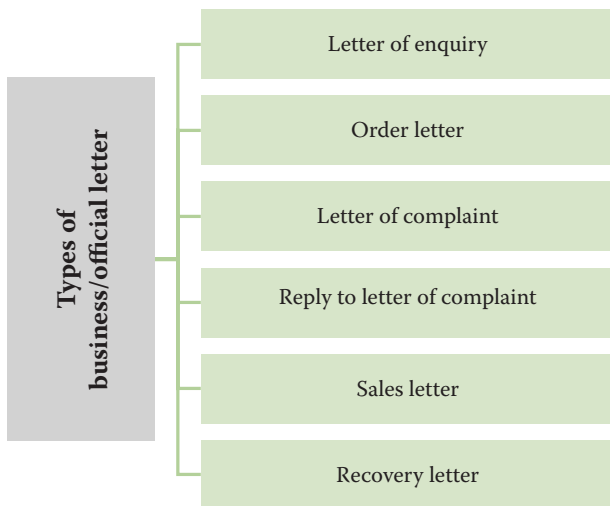
Body

Conclusion

Complimentary close

Signature

Designation of sender (if applicable)



Let's understand each of the types in details-

Letter of Enquiry

- Written to gather information from various sources
- Written in case of one is seeking job, prices of services and products etc.
- While writing, give a brief introduction about oneself/organisation
- Provide the details about the subject of enquiry
- Present queries in bullet points, if seeking for lot of information
- Mention the deadline- by when the information is required

Order Letter

Addressed to seller from buyer, to place a new order or requesting him to deliver the goods. These letters includes three types of information

Details about the item or product being ordered - such as name of the product/brand, unit price, quantity, model number, etc.

Information related to delivery- such as desired delivery, date and location, mode of delivery, etc.

Information related to payment - such as mode of payment (should always be cleared) and date of payment

In case the information is erroneously missing, misunderstanding can arise.

Letter of Complaint

A letter of complaint enables individual, company or business to notify about the dissatisfaction of the product purchased or a service received. A complaint letter can be written in individual capacity or on behalf of company.

While writing a complaint letter, one should

Always give a clear description of the problem.

Include important dates- such as purchase date, receiving date, date when the problem occurred, previous letters dates if sent earlier, etc.

Give details of action taken up and what will be done in future if the problem is not resolved.

Ask for response.

Attach supporting documents.

Never make personal accusations/allegations and avoid discussing anything else that is irrelevant.

BUSINESS CORRESPONDENCE AND REPORTING

Reply to Letter of Complaint

Customer service is very important for Business growth. While responding to complaints made by customers, it is important to consider the following points:



Promotion Letter

Promotion Letters are written to customers to tell them about new developments. Like opening of a new branch, new deals or offers, new schemes, upgrading the accounts, etc. A good promotion letter should:

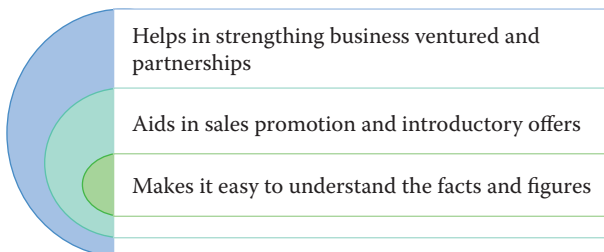
Adhere to business english.

Avoid fancy jargons and personal topics

Subject should be clear, precise and to the point

Sales Letter

Sales letters are an important means of business communication and are written to publicise and ultimately sell a product or a service to the consumers.



While writing a sales letter, one should

- Use formal language and salutation only.
- Use sales specific content without any extra details.
- Keep it short and crisp, and pay attention to target audience.
- Avoid extra details and personalised comments.

Recovery Letter

Recovery letters are addressed to customers or clients from whom money needs to be collected for the goods or services provided to them. The intent behind writing such letters is to 'recover' money without annoying or alienating the customers.

Tips to write recovery letter

Should include details of outstanding amount and last date of payment

Must mention the details of legal action that can be taken in case of non-payment

Use polite language to ensure that future transactions are not affected

Accusatory or threatening language should not be used

Do not use recovery letter to vent out personal enmity

Part – 2 Official Communication

Official communication can be segregated into memoranda, official circulars, and office suggestion boxes.

Circulars

Circulated to large number of employees in office

Conveys a special message/instruction to be followed in future

User-friendly and cost effective method of circulating information

Primarily focus on operational issues

Reduces the effort of the management considerably

Indispensable tool as disseminates information simultaneously

Memos

Means of official communication within the organisation

Frequently used to remind everyone about policies, procedures, etc.

Often written to broadcast a message rather than one on one conversation

May be used to inform a small group or a specific team of an act, even or occurrence

Language should be easy, with short and crisp statements

Five functions- to remind, highlight, recount, keep a record and to inform/instruct.

ECONOMICS UPDATE

- The annual rate of inflation based on all India Wholesale Price Index (WPI) number is 4.73% (Provisional) for the month of January 2023 (over January, 2022) against 4.95% recorded in December, 2022. Decline in the rate of inflation in January 2023 is primarily contributed by mineral oils, chemicals & chemical products, textiles, crude petroleum & natural gas, textiles, and food products

Source: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1899048>

- The Wholesale Price Index (WPI)-based inflation declined to a 25-month low of 3.85 per cent in February 2023 on easing prices of manufactured items and fuel and power, government data showed.

FINANCE UPDATE

SEBI approves NSE's launch of Social Stock exchanges

The National Stock Exchange (NSE) has received the capital market regulator's nod to launch social stock exchanges (SSEs) as a new segment. This approval from the Securities and Exchange Board of India (SEBI) means that the bourse can now launch the new platform and sign-up relevant entities for listing.

<https://economictimes.indiatimes.com/markets/stocks/news/nse-gets-final-nod-from-sebi-to-launch-social-stock-exchange/articleshow/98174411.cms>

Special Vostro account numbers rise to 50 as Rupee trade policy gains momentum

India's policy of facilitating trade in rupee is gaining momentum with the total number of Special Rupee Vostro Account (SRVA) touching half a century mark in about six months. As many as 49 accounts have been opened so far and some are awaiting regulatory approval. These accounts would facilitate overseas trade in rupee with eight countries -- Russia, Mauritius, Sri Lanka, Malaysia, Myanmar, Singapore, Israel and Germany.

<https://www.deccanherald.com/business/business-news/rupee-trade-policy-gather-traction-number-of-special-vostro-account-touche-50-1197387.html>

More than 50 start-ups with SVB exposure opt for GIFT City to deposit funds

Gujarat International Finance Tech- City or GIFT City is emerging to be a popular destination to route deposits for Indian start-ups who are domiciled in the US and are affected by the Silicon Valley Bank collapse.

<https://www.thehindubusinessline.com/money-and-banking/over-50-start-ups-with-svb-exposure-open-accounts-at-gift-city-to-deposit-funds/article66615100.ece>

Dividend payouts of Oil PSUs stalled in Russia

State-run energy firms, including ONGC Videsh Ltd (OVL), Bharat Petro Resources Ltd, Indian Oil Corp. (IOC) and Oil India Ltd (OIL), are unable to access around \$400 million in dividend payments stuck in Russia as Western sanctions have made it harder to transfer money out of the country. His stuck dividend income is on account of the Indian firms' stakes in Russia's CSJG Vankorneft and LLC Taas-Yuryakh.

<https://www.livemint.com/news/india/oil-psus-hit-dividend-roadblock-in-russia-11678815198675.html>

Financial watchdogs to soon put time limits for key decisions
India's financial sector watchdogs will soon prescribe time limits for key regulatory decisions such as vetting an entity for a banking licence and also put out regulations for public discussions before they are adopted under a process revamp announced in the budget, government officials said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/financial-watchdogs-to-soon-put-time-limits-for-key-decisions/printarticle/97627859.cms>

Source: <https://www.livemint.com/economy/wpi-inflation-cools-to-25-month-low-of-3-85-in-feb-11678775827254.html>

- The value of shares in some banks tumbled around the world after the collapse of two US banks. It was the biggest failure of a US bank since the financial crisis in 2008.

Source: <https://www.bbc.com/news/business-64951630>

- The global economy is experiencing a number of turbulent challenges. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook.

Source: [file:///C:/Users/Nikhil/Downloads/text%20\(1\).pdf](file:///C:/Users/Nikhil/Downloads/text%20(1).pdf)

SEBI mandates brokers, depositories to maintain websites

With an aim to bring in transparency, capital markets regulator SEBI mandated all stock brokers and depositories to maintain websites. A designated website brings in transparency and helps the investors to keep themselves well informed about the various activities of the stock broker and depository participant.

<https://legal.economictimes.indiatimes.com/news/industry/sebi-mandates-brokers-depositories-to-maintain-websites/97996605>

Silicon Valley Bank crisis: What led to stock crash, what lies ahead?

America's Silicon Valley Bank (SVB), one of the most prolific lenders in the private market ecosystem, has been embroiled in a major crisis. SVB Financial Group bonds plunged alongside its shares after the company moved to shore up capital after losses on its securities portfolio and a slowdown in funding. Several experts have compared the current SVB crisis with Lehman Brothers and Evergrande's liquidity crisis. Moody's, which has downgraded the rating of the Silicon Valley Bank, said that rising interest rates, increased macroeconomic uncertainty, venture capital investment activity, and high cash burn among SVB's clients have created challenging conditions for the firm.

<https://www.livemint.com/news/world/explainer-silicon-valley-bank-crisis-what-led-to-stock-crash-what-lies-ahead-11678419807090.html>

Inform on defaulters and get rewarded – SEBI plans system to extract fines

The Securities and Exchange Board of India (SEBI) is planning a reward system for those who inform on offenders. Informants will be given incentives to offer tip-offs on elusive offenders enabling the market regulator to extract fines from them.

<https://www.timesnownews.com/business-economy/markets/inform-on-defaulters-and-get-rewarded-sebi-plans-system-to-extract-fines-article-97060947>

Centre expands financial scrutiny

The Union government tweaked rules on money laundering, putting non-government organizations (NGOs) and "politically exposed persons" under tighter scrutiny, significantly widening the range of people and entities whose financial transactions agencies such as the Enforcement Directorate will have access to.

<https://www.livemint.com/news/india/centre-expands-financial-scrutiny-11678391417454.html>

SEBI brings tighter rules for share buybacks

Capital markets regulator SEBI imposed restrictions on the placement of bids, price and volume for the companies undertaking share buyback through the stock exchange route. Under the restrictions, a company will not be able to purchase more than 25 per cent of the average daily trading volume (in value) of its shares in the 10 trading days preceding the day in which such purchases are made.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-comes-out-with-restrictions-on-cos-opting-share-buyback-via-stock-exchange-mechanism/articleshow/98499423.cms>

CROSSWORD - APRIL 2023

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- 35. A library for creating lightweight, and extensible applications.
- 36. The growth at the peak phases of the business cycle
- 37. When something is touching the surface of something.
- 39. A state in the South-eastern region of the United States.
- 41. Used to refer to the bundle of rights conferred by law on a creator/owner of intellectual property.
- 40. To provide what is useful
- 46. A pooled investment fund that invests in other types of funds.
- 47. A florescent, energy-saving light
- 48. Abbre: Applied Research International
- 50. A document that describes the broad outlines of an agreement that two or more parties have reached.
- 51. Abbre Internal
- 53. An inherited DNA-repair disease
- 54. The easternmost time zone in the United States
- 55. An American cable television channel

ACROSS

- 1. A ___ is a standard measure for interest rates and other percentages in finance.
- 10. When a company takes controlling ownership in a business entity in another country.
- 12. A partnership in which some or all partners (depending on the jurisdiction) have limited liabilities.
- 13. Wood prepared for use in building and carpentry
- 14. Basically refers to a logarithm to the base e
- 15. An expression of surprise commonly used by Midwesterners
- 16. The extra output generated by an additional unit of investment.
- 17. A clickable area at the top of a window that shows another page or area.
- 19. Abbre for China
- 20. A multinational news channel and website headquartered in Atlanta,
- 23. A technology for delivering traffic and travel information to motor vehicle drivers.
- 25. _____ protocol is the most widely used P2P protocol
- 26. An American fast food restaurant chain
- 27. An amount of money lost by a business
- 29. The "investment-savings" curve
- 30. A state in the Midwestern United States.
- 31. A web analytics service offered by Google that tracks and reports website traffic.
- 32. Income earned beyond the minimum rate of return
- 33. The world's thinnest insulator
- 36. A person who exercises control or authority;
- 38. The process of increasing the size, value, or quality of something by adding to it:
- 42. A secret agency which is formed under the ministry of Home Affairs.
- 43. The cost of all fixed inputs in a production process.
- 44. The global platform for trends and innovations in the sports and fashion market.
- 45. The entities that provide bank-like financial services

- 48. Stands for the Latin phrase anno Domini,
- 49. A process to proactively monitor client endpoints, networks and computers from a distance.
- 52. A person who avoids work
- 56. Used on messaging apps
- 57. Used to describe a return of prices to a previous rate of inflation
- 58. A sculpture of a person's head, shoulders, and chest.

DOWNWARD

- 1. A distributed ledger with growing lists of records (blocks)
- 2. A Greek numeral came to represent the number 1.
- 3. The amount of money that is spent by a government or an organization
- 4. A ___ is a general term used to describe the ownership certificates of any company.
- 5. One of the most well-known mathematical constants
- 6. A sacred sound,
- 7. An American multinational technology corporation
- 8. An all India pre-medical entrance test for students
- 9. To cut a small amount off something so that it is tidy
- 10. The terms and conditions for the transport of goods by sea.
- 11. The genetic material which carries all the hereditary information
- 18. The principle or reason which lies behind something
- 21. One of the world's leading forensic laboratories
- 22. Abbre: National Company Law Appellate Tribunal
- 24. ___ are granted for a certain unforeseen situation
- 28. A specification for a specific software product
- 31. Provides a framework of rules governing services trade
- 34. A visual programming language

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