



Editorial...



We are pleased to communicate with you as the Editors of this Newsletter. At the outset, we would like to express our gratitude to the Chairperson and all our colleagues for having reposed their faith in us, entrusting us with the responsibility. With the active support and wholehearted cooperation of Managing Committee of Kota Branch of CIRC of ICAI we will implement many initiatives and services in the best interest of our students.

Being students of this highly coveted profession, you would know that there are ample opportunities for competent Chartered Accountants across all the sectors, We, as your mentor, your guide, will always be at the forefront, by facilitating best learning resources, systems, services and infrastructure for effective learning. The CA course requires utmost dedication, persistent efforts, positive bent of mind and above all a sound strategy devised to leverage your strengths and overcome your shortcomings. You will have to adopt a multipronged approach to enrich your subject specific knowledge, as well as keep yourself abreast with the latest business news.



We urge you to utilise the facilities provided by the BOS to the optimum and earnestly attend training programmes, enthusiastically participate in the extracurricular activities and events such as quizzes, conferences and competitions organised by the Branch to hone your presentation skills. We have to work together to create a synergistic learning environment that fosters a holistic development through simultaneous and gradual enhancements in knowledge and skills. This would require you to be active by providing your valuable feedback at kotacicasa@gmail.com on various procedures, initiatives and services so that we can make necessary changes and improvements to provide you with the best learning facilities and infrastructure. We hope that with your active participation, we will be able to bring many more key initiatives and implement measures towards your larger interest. We look forward to working for you all for the betterment of our profession. Wishing you all a very happy and prosperous year!

**CA Anjali Jain
CA Priyank Kabra**

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Chairperson's Message...



Dear Future of the Nation,

I extend my best wishes for a productive and blissful New Year 2020. I wish that this New Year brings vitality and determination in you to accomplish all your dreams and aspirations for bright future.

I hope your hard work and labour is well paid off and you all achieve your dreams, with beautiful smiles on your faces and a feeling of accomplishment in your eyes. As Swami Vivekananda said "No great work can be achieved by humbug. It is through love, a passion for truth, and tremendous energy, that all undertakings are accomplished."

We at ICAI, your dream organization have always stood by you and has taken steps in direction which are proactive and fruitful for your continuous learning through lectures, seminars and mentoring sessions. ICAI being the largest accountancy education body in the world is compliant with the principles and continuously put its efforts for betterment of members and students.

We at Kota Branch is always committed for our students and their facilities, as our Prime Minister rightly said we are partners in Nation Building so we accept the same with you also. We wish you to complete your course with new benchmarks and achieve great heights in your future.

We are entering into a new decade. I believe the upcoming 2020s decade will build up on the past decade and create new transformations. The last few years have seen entire new economies created on the back of a digital evolution and revolution. This digital decade has changed the way we function professionally and personally and this will continue on all fronts. Our expertise and skills will need to evolve in the way that digital and data technology are being implemented. Kota Branch has always been at the cutting edge of technology in terms of educating its members and students.

I am confident that we will continue this tradition in this new decade and continue to create tremendous opportunities for our members and students across the branch.

Once again Wish you Happy New Year.

CA Nitu Khandelwal
Chairperson
ICAI Kota Branch

CICASA Chairman Message...



Dear Students,

I am delighted to share that first issue of monthly newsletter "Forum" is being released for the benefit of students. It is a great step towards knowledge sharing. Over the years, our profession has grown globally and we have earned great respect and trust through our positive contributions to the society. Major part of who we really are comes from our education and training only. "With power comes responsibility" and in today's highly competitive and dynamically changing professional environment, it is imperative to be aware of the latest developments in the profession in order to remain relevant. This monthly newsletter will also help developing fellowship and a way to connect and knowledge sharing. Every professional has to be first a student as learning has to be a non-stop process so let's take an oath that there will be some, no matter big or small, value addition to our knowledge with each day that passes. At last I would like to describe the purpose of knowledge in the words of Malcolm Stevenson Forbes - "Education's Purpose is to Replace an Empty Mind with an Open One."

CA. Tushar Dhingra
CICASA Chairman

STRETCH YOUR BRAIN - PORTMANTEAU

A portmanteau is a word that is formed by combining two different terms to create a new entity. Through blending the sounds and meanings of two existing words, a portmanteau creates a new expression that is a linguistic blend of the two individual terms. Portmanteau words are extremely popular in modern-day English and new word combinations are regularly popping up. Below you will find few examples of portmanteau.

Brunch (breakfast + lunch): A meal that is eaten after breakfast but before lunch.

chillax (chill/relax): Calm down, rest.

cineplex (cinema/complex): A movie theatre with several screens.

emoticon (emotion/icon): The use of keyboard characters to represent a facial expression.

internet (international/network): A global system of interconnected computer networks. You can access our proofreading service via the Internet.

malware (malicious/software): Computer programs that are designed to damage or disable computer systems.

modem (modulation/demodulation): An electronic device that makes possible the transmission of data to or from a computer via telephone or other communication lines.

Compiled by :
CA Anjali Jain

Fragmentationthe success mantra in lifethe success mantra in examination



You are lost in your oceanous syllabus ,time seems to be very less, course seems to be very huge ; restlessness , anxiety, worry, expectation ,fear are common feelings as your exams are getting close . In my this article I am going to share a success mantra which is not only useful in your studies but also in your daily lives.

Fragmentation ...

When you look at your syllabus as such, it seems to be very huge but when you systematically fragment it into attainable targets, say monthly targets; further fragmented into weekly targets and again into daily targets and then into hourly targets, it seems to be achievable. Don't just let it happen, you need to make it happen and for this you need to be systematic and need to periodically visit your larger targets and then fragment it into smaller pieces of achievable targets . Lets say your today's target was to complete your one chapter of Law and 6 exercises of Accounts which you have comfortably fragmented into hourly targets. And now when your smallest target of 2 hours got achieved, you need to reward yourself for your efforts and success.

Yes, you need to celebrate for your smallest success. This small celebration can be by means of a bottle of Coke or a little dance with your sibling or friend or by visiting with your friend to a nearby Ice-cream Corner for hanging out for a while..... anything that interests

you .This will keep you live and moving and you will not be lost in your oceanous syllabus . These little achievements will make you achieve your ultimate goal very soon .Therefore it is very important is to plan and then fragment.

But in this run, sometimes when your goals are not attained you need not be depressed and afraid .Do you know that the phrase 'do not be afraid' is written as many as 365 times in Bible - that's a daily reminder of God to live everyday fearless. Remember that whether you pass or fail ,you are in a continuous learning process of learning in your life . This reminds me of the following words of Sir Mark Twain

'Continuous improvement is better than delayed perfection'

If you practise this principal of fragmentation in your daily lives also, you will find that lot of problems in your life have come to an end .Fragment your egos and fragment them so ruthlessly and you will find that your glithes with your friends, parents ,siblings at home, colleagues in office have all come to an end . Your relationship has become pure .Try and fragment your piece of cake and distribute the fragmented portions in your loved ones .The satisfaction attained is immense and multiple times more than you could have attained by eating the whole cake alone. Believe me...Practice fragmentation and you will land into a world of peace blissfulness and success.

Compiled by :
CA Nimisha Meghwani

Stay Healthy

Trikonasan



Technique:

Stand on the asan. Keep the feet apart at a distance more than the shoulders. Raise the right hand up, keeping it close to the right ear and while inhaling, stretch it towards the sky. The left hand should be stretched downwards.

Exhaling, stretch the left hand slowly towards the ground till the palm touches the earth. The palm of the right hand should be pointed downwards and hand parallel to the earth. Stay in this pose as per the capacity. Inhaling, return to the original position with ease. Now repeat the same process on the other side.

Point of Concentration: Manipur Chakr

- Body becomes light. Spine and its adjoining muscles are strengthened, hands, feet, back and neck, all become strong.
- It reduces the excess fat accumulated on the stomach and the back.
- It activates all the organs located in the abdominal region.
- Liver, kidneys, pancreas and colon – all these organs are equally benefited by this asan.
- It enhances the capacity of holding breath for a longer duration in the lungs.

Source :
Bhartiya Yog Sansthan



Investment: Decision Making and Risk



The aim of the paper is to present how investment decisions are made and what investment risk is, what role it has in the investment decision. The decision itself is a subjective act, but it is based on both subjective and objective factors. Risk is an important component of every investment, thus it is necessary to analyze it as both, the objective component of the investment, and as the subjective factor of the investment decision making.

The decision of the investor to invest is subjective. His decision depends on the expected costs, his knowledge of the improved techniques and his risk perception, which is entirely a subjective factor. Businessmen want to know the investor project's pay-off period to decide whether they actually will make the investment expenditure or not.

Investment is an allocation of resources for medium or long term and the expected effect is to recover the investment costs and have a high profit. The economic and financial environments influence investments, so expected results are uncertain. One of the basic factors that influence the decision is the risk factor of the investment. This risk exists because it is uncertain that the cost of the investment will be recovered and a profit will be gained. To understand investment behavior and investment decision, it is necessary to study the theory of these and to analyze investment processes in practice.

The investment decision maker has to decide, whether to act immediately or wait without knowing whether the additional information will confirm the level of risk or not. The real and financial options make it possible that the owner can benefit from the potential of an opportunity and in that time can control the risks. This way, investments are more dynamic, because the investment decisions today make follow-on investments possible in the future. The decision should be wide, so that investments will be more flexible and this way, in a longer period of time, the investor has the possibility to change his mind several times; if losses happen, those are limited to the initial investments, so there is the possibility for follow-on investments.

The risk of an investment is smaller, if that investment is made with analyzing and measuring risk in a proper way, because even if the unpleasant outcome will happen, there is a possibility for follow-on investments. In this case, the loss is not as big as if it was a traditional investment decision. The flexible effect of the first investment decision makes the going on possible, because the investment can be continued by new investment decisions, depending on the additional information regarding the risks.

Decision analysis in the economic theory shows that the decision making process is based on: (i) an objective, punctual analysis of the investment and its possible outcomes and its calculated payoff; but also (ii) on the subjective perspective of the investor. Investments, in most cases, have smaller or bigger risks. Risk and uncertainty is subjectively perceived and it involves psychological and emotional factors.

What makes an investment decision a good one is having a well-reasoned, bias-free process for making it and one that can be replicated. There is need for further research on investment decisions risks, and on the perception of risk in the decision making process, since it is the risk perception which will actually influence the decision.

Compiled by :
Neha Gupta
CRO0615634

Mind Teasers

Riddles

1. A man stands on one side of a river, his dog on the other. The man calls his dog, who immediately crosses the river without getting wet and without using a bridge or a boat. How did the dog do it?
2. A sundial has the fewest moving parts of any timepiece. Which has the most?
3. What is unusual about the following words: revive, banana, grammar, voodoo, assess, potato, dresser, uneven?
4. What makes this number unique -- 8,549,176,320?

Find the missing Number

72	24	6
96	16	12
108	?	18

Find the missing Letter

A	D	G
D	I	N
I	P	?

You may please take the printout and fill the same, and scanned copy may please be sent at the Mail id: kotacicasa@gmail.com by 15th of March, 2020. Answers along with first two correct entries shall be published in next news letter with names of the members and a surprise gift is also ready for you.

Compiled by :
CA Anjali Jain

Transfer Pricing : Introduction and Purpose



A separate code on transfer pricing under Sections 92 to 92F of the Indian Income Tax Act, 1961 (the Act) was introduced via Finance Act 2001 which covers intra-group cross-border transactions and specified domestic transactions (applicable from April 1, 2012). Since the introduction of the code, transfer pricing has become the most important international tax issue affecting

multinational enterprises operating in India. The regulations are broadly based on the Organisation for Economic Co-operation and Development (OECD) Guidelines and describe the various transfer pricing methods, impose extensive annual transfer pricing documentation requirements, and contain harsh penal provisions for noncompliance.

OECD was established in 1948 to run the US-financed Marshall Plan for reconstruction of Europe after World War II. Today, there are 34 OECD member countries worldwide. India is not a member of OECD but holds 'Observer' status. India is a part of G20 group, which along with OECD is formulating new measures to curb tax evasion (e.g., BEPS action plans).

The OECD has issued transfer pricing guidelines for multinational enterprises (MNEs) based on which various legislations in several countries have been formed. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. They work with governments to understand what drives economic, social and environmental change. They set international standards on a wide range of things, from agriculture and tax to the safety of chemicals.

Lets throw some light on the question of what is transfer pricing and its significance is sacrosanct for a clear understanding of the TP provisions.

Transfer pricing is the general term for the pricing of cross-border, intra-firm transactions between related parties. "Transfer pricing" therefore refers to the setting of prices for transactions between associated enterprises. Literally speaking, Transfer Pricing in itself does not mean tax avoidance or tax evasion.

The significance of transfer pricing can be understood from following example:

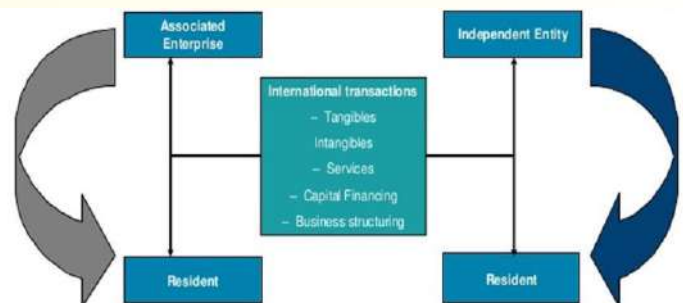
X Limited is a Company incorporated in USA, which is involved in selling of pens. It has a subsidiary, Y Limited, in India, which manufactures pens for X Limited. X purchases pens from Y and pays an amount for this purchase. The amount paid by X to Y here is the transfer price. The amount received by Y from the sale of pen forms part of its income, which consequentially forms part of its profit.

On this profit, Y limited pays its taxes. Hence, in this example, the transfer price becomes a key element in determining the

profitability and consequently the taxes which Y Limited pays in India. Now that X and Y are related parties, there is a possibility that the transfer price is lower than what it should be, as related entities exercise greater control to influence transactions taking place among themselves (for example holding Company can exercise control over its subsidiary). This would lead to lower income for Y, which in turn will lead to lower profits and ultimately lower taxes.

Hence, to protect its tax base, India has its own transfer pricing regulations in place.

The Indian Transfer Pricing Code prescribes that income arising from international transactions or specified domestic transactions between associated enterprises should be computed having regard to the arm's-length price. It has been clarified that any allowance for an expenditure or interest or allocation of any cost or expense arising from an international transaction or specified domestic transaction also shall be determined having regard to the arm's-length price. The Act defines the terms 'international transactions', 'specified domestic transactions', 'associated enterprises' and 'arm's-length price'.



The term 'arm's-length price' is defined by Section 92F of the Act to mean a price that is applied or is proposed to be applied to transactions between persons other than AEs in uncontrolled conditions. The following methods have been prescribed by Section 92C of the Act for the determination of the arm's-length price:

- Comparable uncontrolled price (CUP) method.
- Resale price method (RPM).
- Cost plus method (CPM).
- Profit split method (PSM).
- Transactional net margin method (TNMM).
- Such other methods as may be prescribed.

This methods need discussion in a seperate paper.

Sleep Hygiene



What is sleep hygiene?

Sleep hygiene is a variety of different practices and habits that are necessary to have good nighttime sleep quality and full daytime alertness. Obtaining healthy sleep is important for both physical and mental health. It can also improve productivity and overall quality of life. Everyone, from children to older adults, can benefit from practicing good sleep habits.

- Stay away from stimulants. Avoid caffeinated beverages (coffee, many teas, chocolate, and some soft drinks) after 1 or 2 p.m. — or altogether, if you're especially caffeine-sensitive. Caffeine blocks the effects of adenosine, a brain chemical thought to promote sleep.
- Don't nap if you can avoid it. If you can't stay awake in the afternoon, take a 15- to 20-minute nap — that's usually long enough to improve alertness but not so long that you feel groggy afterward. Don't nap at all in the evening before you go to bed.
- Exercise. Getting regular aerobic exercise such as walking, jogging, or swimming can help you fall asleep faster, get more deep sleep, and awaken less often during the night. But avoid exercise within a few hours of bedtime.
- Set a sleep schedule. A regular sleep schedule helps synchronize your sleep/wake cycle. Once you determine how much time in bed you need, go to bed each night and get up each morning at the same time.
- Finish dinner several hours before bedtime. If you need a snack in the evening, eat a small serving of something you know won't disturb your digestion, such as yogurt, cereal and milk,
- Establish a relaxing routine before bedtime. Consider meditation, a warm shower, listening to quiet music, or some simple stretches to loosen muscles. Avoid activities that might cause stress,
- Limit fluids before bedtime. To minimize nighttime trips to the bathroom, don't drink anything during the two or three hours before bedtime

Compiled by :
CA Anjali Jain

Glimpses of Students Activities



All set to go for RRC at Ranthambore



Plantation at ICAI Kota Branch Premises



CA students during Quiz, Elocution, Music, Nukkad Natak Competition



Nukkad Natak by CA Students

Editorial Board:

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