



**ERNAKULAM BRANCH OF SOUTHERN INDIA  
CHARTERED ACCOUNTANTS STUDENTS'  
ASSOCIATION (SICASA)**

**OF**

**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA**

***CAPTURE***



The Institute of Chartered Accountants of India

# 2018

## CA STUDENTS' CONFERENCE

Organised by BOS

Hosted: Ernakulam Branch os SIRC & SICASA

**ON 6TH AND 7TH  
JULY, 2018**

**AT THE FINE ARTS HALL,  
ERNAKULAM**





## Chairman's Message

Dear Young Friends,

The 13<sup>th</sup> of May is celebrated as Mother's day world over, Mother's Day cherishes the foundation of motherhood, sacrifice and love. Mother is an epitome of sacrifice. A mother's love is deemed the purest of all, a truly selfless and unconditional, which only she is capable of giving. We dedicate this newsletter to all mothers and the spirit of motherhood. This edition of 'Capture' showcases the winner of the photography competition for the month of May, the topic given was 'Motherhood'. I extend my congratulations to Dhanesh H Kamath for his beautiful entry that captured the essence of the topic.

The SICASA Ernakulam hosted the CA Students Talent Search, 2018, this event aimed at improving the communication and presentation skills and enhance the personalities of the students. It involved competitions like Quiz, Elocution, Instrumental Music and Nukkad Drama organized by Board of studies of The Institute of Chartered Accountants of India.

I am delighted to inform you all about Ernakulam branch hosting the Board of Studies (BOS), CA students conference on the 6<sup>th</sup> and 7<sup>th</sup> of July 2018, Ernakulam SICASA has always considered it as a priority to encourage, develop and nurture talents within among our students, I encourage you all to send papers and consider it as a great opportunity to present paper at a national level conference and share stage with the best of student speaker from across the country. I also look forward to your full support and cooperation to make this event a great success.

The month of May might be the hottest month of year, but for most CA students May heat is all about the exam heat. As you read this, I am sure most of you would be taking that well deserved break and relaxing after months of toil and hard work. May I wish, for all your hard work, may the almighty shower his abundant blessing in June and may the fruits of harvests in July be as sweet as nectar.

Wish you all the success in life.

CA. Paulose Paul  
Chairman,  
SICASA Ernakulam Branch



## Secretary's Message

Dear Friends, It's coming to the end of a tiring month and I hope everyone is satisfied with the efforts you put in, in your respective exams. Though the last few days of this month is a relaxation time for most of the students, our SICASA Team has worked hard to bring out the Forth Edition of our E-Newsletter "CAPTURE".

The focus point of this edition is "Mother's Day". Mother's Day is special for each one of us and is celebrated everywhere across the globe. I guess, it's true to say that the relationship between a mother and a child is the most beautiful and inseparable bond that we experience in this world. For me she is the person who taught me how to stand on my own feet by holding my hand and it was she who taught me how to learn from my mistakes. Each and everyone's mother is special for them and its not just because of the bond we have with them, the reason remains a mystery.

So in this Edition of our Newsletter the editorial team of SICASA have tried to give utmost importance to the Special day by Inviting Photos for the Photography Competition on the topic " Motherhood" as well as incorporated an adorable letter to Mom as a non-technical Article.

Even though we faced less participation during this hectic time of exams, the usual activities of SICASA went quite smoothly.

The biggest calendar event of SICASA "The CA students Conference " is around the corner and the dates for the same have been announced. The team will be focusing on the event in the next months and we expect a good response from all the students as well.

Sarath M R  
Secretary



## Editor's Message

Dear friends,

I'm proud to bring to you the May edition of our E-newsletter 'Capture', along with my colleagues and co-editors Namitha and Tess. It brings me profound joy on seeing the response to the photography competition, and I congratulate the winners so far, special congratulations to Dhanesh H Kamath for such a well composed photograph, for this month's theme, which was 'Motherhood' .

As you all know, the theme of the newsletter for this month is 'Motherhood', and i believe that it's the one relationship we should all cherish, instead of taking for granted. So, we at the editorial committee, with a view to show respect to moms everywhere, thought of writing 'a letter to mom', which i think in some way all of us can relate to. Special thanks to Namitha for the same.

The participation in both the Talent Hunt contests and the Indoor Sports events organized by SICASA Ernakulam are other events from this month, to which I'd like to drive your notice to.

The CA students Conference right now is the priority of every committee member at SICASA Ernakulam, and we plan on making it big, so, like every other endeavour we, the committee have undertaken, we hope for the continued support from all the students.

Since the exams just got over, I'd like to remind everyone, especially the pluviophiles out there, Monsoon is about here, so enjoy the rain and relax, and with that I present to you the May Edition of our E-newsletter.

Harikrishnan R  
Editor

# To Mom

That day you came to my school all those years ago to dress me up for the dance competition. I was so well prepared and ready for my performance but as soon as the curtain went up tears came rolling down my cheek. I cried a lot and gave up. I couldn't handle the pressure but it was you who picked me up. I do realize that the same competition was held next year I bagged the first position and it was magic and i realize you were the magician my dear mom.

Thank you so much.

Thank you for always being there for me, Thank you for all the support you've given me and most of all, thank you for giving me this life, i exist and survive because of you, and with this letter i'd like to apologize for every time I've hurt you and every time I've disobeyed you.

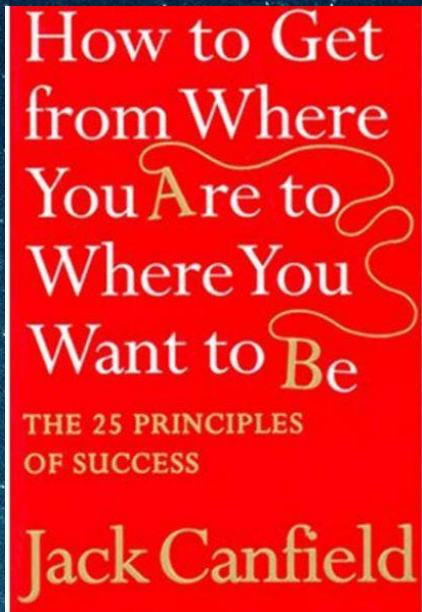
Maybe you don't realize this and i know i don't tell you this as much as i should, but in my life, where there exists so many people, there's only one whom

All Love forever, from Birth till Death, and that's you.

I Love You Mom, thank you for being there for me, thank you for being the 'perfect fan'.



## Book In Focus



The Book, written by Jack Canfield, titled 'How to get from where you are to where you want to be', even though it's a mouthful, is a very pleasant read, it's motivating and captivating at the same time.

It's worth a read if you feel that you're stuck in the same place you've been in, and that too for some time.

It helps one in learning how to prioritize and get things done. Basically the book consists of 25 principles, which the author believes are stepping stones to success, and no, failure isn't one of them.

The reason this book is the one in focus this month is because

A few of our friends have been feeling lost, especially after the exams.



# 3CD Disallowance

Paper Prepared by,  
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SRO 0490842

## Section 14A of the Income tax act

For the purposes of computing the total income, no deduction shall be allowed in respect of expenditure incurred by the assessee in relation to income which does not form part of the total income under this Act.

- Section 14A deals with expenses incurred by an individual to earn an exempt income. Such expenses are not deductible from one's gross total income and are disallowed. Therefore, if expenses to earn such exempt incomes are shown in an assessee's income statement, then the tax authorities will disallow such expenses.
- In CIT Vs. Rajendra Prasad Moody 115 ITR 522 it was held that Section 14 comes into play only when the income received or receivable does not form part of total income and not otherwise.

## Section 37

Section 37(1) says that any expenditure

- Not being expenditure of the nature described in sections 30 to 36
- Not being in the nature of capital expenditure or personal expenses of the assessee or prohibited by law
- Laid out or expended wholly and exclusively for the purposes of the business or profession

Shall be allowed in computing the income chargeable under the head, "Profits and Gains of Business or Profession".



## Section 40

Provisions of this section shall apply not withstanding anything contained from Section 30 to 38 while computing income from business/profession.

### Section 40(a)(i)

Any interest, royalty, fees for technical services or other sum chargeable under the act, payable outside India or in India to a non-resident,

- on which is tax is deductible but not deducted;
- tax deducted during the year, but not remitted within the due date u/s 139(1)

is inadmissible.

**Proviso:** Provided that the tax is deducted in the subsequent year or tax deducted during the year but remitted after due date, the same shall be deductible in the previous year in which the tax is remitted.

## Section 40(a)(ia)

30% of any sum payable to a resident,

- on which tax is deductible but not deducted;
- tax deducted but not remitted within the due date u/s 139(1)

is inadmissible.

**Proviso:** Provided that the tax is deducted in the subsequent year or tax deducted during the year but remitted after due date, then 30% of such sum shall be deductible in the previous year in which the tax is remitted.

## Section 40(b)

- Firm can pay interest/remuneration only if it is authorised by the deed. Interest/remuneration can be paid only from the date on which the deed is entered and hence no retrospective effect can be given for making such payments.
- Interest on capital – restricted to maximum of 12% or rate as per deed; lower
- Can be paid only to working partners
- If the firm pays interest to the partner and the firm charges interest on drawings, it shall not be netted off.
- Bonus/Salary/Remuneration:
  - I. In case of book profit up to Rs.3 Lakhs or in case of any loss – Rs. 1.5 Lakhs or 90% of book profit; lower
  - II. Balance book profit – 60% of balance book profits
  - Partner in representative capacity-

All the above norms in respect of remuneration and interest for income tax purposes apply to all firms irrespective of whether they are registered or unregistered.



## Section 40A

1. The provisions of this section shall have effect notwithstanding anything to the contrary contained in any other provision of this Act relating to the computation of income under the head "Profits and gains of business or profession".
2. Payments made to specified person shall be disallowed to the extent unreasonable.
3. Where assessee incurs any expense for which payment or aggregate of payment made on a single day other than by way of account payee cheque/draft, to a person exceeds Rs.10,000, then no deduction shall be allowed in respect of such expenditure.

3(A).Where assessee incurs any expense for which any liability is incurred, and subsequently payment or aggregate of payment made on a single day other than by way of account payee cheque/draft, to a person exceeds Rs.10,000, then no deduction shall be allowed in respect of such expenditure.

**Proviso:** In case of freight charge to transporter of goods, limit is Rs.35,000.

**Exceptions under Rule 6DD:** Some of the exceptions to the said section are as follows,

- Payments to RBI and other banks
- Payments by way of LC, TT, ECS, Debit/Credit card
- Payment in the nature of adjustment by way of book entry
- Payment on a day on which banks are closed due to holiday or strike
- Payment made to Government, where it is required to be made by legal tender

### **Section 40A (7)**

Provision for gratuity is an inadmissible expenditure and deduction can be claimed only if deposited as per 36(1)(v).Else, can be deducted only on actual payment basis.

Also refer **Section 43B**



# Memories from the CA Students Talent Search 2018





# Memories from IMPETUS – Indoor Sports Tournament





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