



NAGPUR BRANCH OF WICASA OF ICAI

Speak Up!

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



**E-Newsletter
March 2017**



BRANCH CHAIRMAN's COMMUNICATION

Dear Students,

At the outset I extend my heartfelt congratulations to the team WICASA Nagpur Branch for the wonderful start of the tenure. Going with the theme "Believe in Yourself" the team is doing exceptionally well in upbringing the future of this profession by organizing variety of Activities.

Last Year under the able leadership of CA. Kirit Kalyani, WICASA team has organized a wonderful year for the benefit of budding Chartered Accountants. Crossing the benchmark will be a big challenge but keeping and going with the theme "Believe in Yourself" I am confident that the team will make the fraternity proud.

The Newsletter is an effective tool of communication with the students. This is not only a platform to gain knowledge but also a platform from where we can share the expertise we have gained and at the same time develop the writing skills which is again very important in every profession.

Have you ever thought who is the most important person for you in this universe. Have you ever thought about an individual who is your best friend, best companion and without whom you cannot think of anyone. Many of you might be thinking that the answer to this question is your parents, your siblings or your best friend. But, you will be surprised to know that the most important person for any Individual is "You" Yourself. If you do not believe this then you can take simple test. Just talk on any topic with any person for 5 minutes without using the word I, me, myself, etc and you will realize the power of "You".

When you are so important and precious to yourself it's important that you should believe in yourself before the world believes in you and if you really want that the world should believe in you. It is

important to "Speak Up". This is the theme for Nagpur Branch of WICASA Newsletter for the year 2017-18.

Today when I am talking to all of you through this newsletter, I recollect the memories when I was a student and had a dream to be a part of WICASA and Nagpur Branch Managing Committee. The only thing which I was told by my "Guru" was "Believe in yourself" and one day you will achieve your goal and that "Guru Mantra" is something which I can never forget. Let us Dream Big, Let us Think Big. With this when we mix our confidence, nothing will be impossible for us.

This year is going to be a challenging year for all of us. This year our economy will be getting a new shape wherein a new law will be implemented in the form of Goods & Service Tax. By this new law we are not only bound to study this new law and help our clients to adopt this law but at the same time it's our responsibility to help the society for smoother implementation of this new law. As a true partner in Nation Building we should accept it as a duty to work not only as professionals but also a social contribution because success of this law will have long lasting positive impact to the economy of this country. Though it is a big task but we are known for accepting challenges and proving them.

So friends all I can say is "Believe in yourself and believe in magic". Let's have confidence on ourselves and "Speak Up" in whatever language we want and in whichever language we find comfort.

With this I extend my Best wishes to all of you with the confidence that you will "Believe in Yourself"

With Kindest Regards,
CA. Sandeep Jotwani
Chairman, Nagpur Branch of ICAI



WICASA CHAIRMAN's COMMUNICATION

Greetings and good wishes to all my Dear Student Friends!

It is my absolute pleasure and delight to communicate to the FCAs - Future Chartered Accountants, through this novel platform, **'Speak - Up'**

To interpret and analyze is not the only expectation; putting your words into action is equally important. He who does what he is expected to do will only bring the best satisfaction. Chartered Accountant Students are a complete blend of application and adaptation (while preparing for CPT and IPCC) followed by learning and interacting (while doing articleship) and finally hard work and perseverance (while appearing for CA Finals). CA Students of Today have unmatched energy and grand imagination, which when channelized, can do wonders. The youth today is so ambitious and capable that each one can rise up as a unique individual with the benefit of combined synergies. This is because; you my friends cannot see ordinary dreams. You can go much beyond a defined curriculum because you have faith in your abilities.

Celebrating this spirit of self confidence and motivation, WICASA 2017 Nagpur has chosen its theme as **'Believe in Yourself'**. Give a thumping belief to yourself; Just "Be You" and you would be the Best.

This E Newsletter titled 'Speak - Up' also endorses the same spirit and through this, I wish that talented CA students rise beyond the nutshell of the curriculum and explore their true talents. This being the Year of Change with so many new laws and provisions coming, contribute in any manner for this "Speak Up" and my friends you will achieve the objective of WIRC for this year **"Rise Up Scale Up"**

WICASA has also designed a lot of events and activities for students so as to add a flavour of practicality to the students' life. Seminars on How to go about Articleship, interactive meet with CA Dr Girish Ahuja, the all important Bank Branch Audit, GST and Finance Bill followed by one day revisionaries and Mock test series have been taken up by WICASA for the benefit by students. The colours have been added by Holi celebrations at Branch and the courage has been depicted through Women's Day Video drive. Our tenure is packed with many more such activities and I seek your support throughout the year.

"A Journey of thousand miles begins with a single step"

I appeal, Let's take this step forward and contribute for our own Newsletter.

With Warm Regards,
CA Saket Bagdia
Chairman WICASA, Nagpur.



REGIONAL COUNCIL MEMBER's MESSAGE

It gives me immense pleasure to pen down message for first newsletter of team WICASA 2017.

Dr. A.P.J. Abdul Kalam has rightly pointed that the progress of the nation is in the hands of youth. The students are the future of our profession and it is through their minds one can see the rising sun on the horizon of a professional dawn. A student's mind is always full of innovative ideas on different aspects. To convert these ideas into reality a leap is necessary with proper direction. The wings required for the leap can be added by interaction and participation in various WICASA activities. These activities will not only result into innovation through interaction but also **converting dreams into reality and ambition into success.**

I wish the entire team WICASA-2017 lead by young and dynamic CA Saket Bagadia all the best and I am sure they ensure taking the students activities by raising the bar further.

CA. Abhijit Kelkar



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"The more that you read, the more you will know,
The more you learn, the more places you will go."

In the light of these wise words by Dr. Seuss, Nagpur Branch of WICASA 2017 has taken up an initiative to connect CA Students to the practical world, to their own offbeat talents and to the fellow members of the fraternity, and it is called 'Speak – Up'.

Through the forum of this monthly e-newsletter, we wish to empower and inspire CA Students to voice their opinions.

I would like to extend my heartfelt gratitude to the Nagpur Branch of WIRC and Nagpur Branch of WICASA for helping us mediate through this platform, under their able guidance.

As the Joint – editor of Nagpur Branch of WICASA, I take this as my humble privilege and commit to serve my fellow student friends in the fullest of my capacity and look forward to your valuable support, dear friends, throughout the upcoming year, where we all would learn together, grow together and create memories that we all would cherish forever.

Warm regards,
Gurbani Kaur Bhasin
Joint editor
Nagpur Branch of WICASA of ICAI



Hello Friends

I feel delighted to communicate with you all through this platform. I am immensely happy to be a part of Nagpur WICASA. It feels proud to be elected as Joint Editor of Nagpur WICASA. I thank Nagpur Branch of WIRC and Nagpur Branch of WICASA for providing me the opportunity to learn

and serve.

Every new project involves a journey that begins with the seed of an idea and travels its own unique part of innovation till its final creation.

I am looking forward to work for whole student fraternity & shoulder all the responsibilities which comes my way and fulfil them to best of my abilities. I hope the contribution from your side will continue this year also as you cannot fail without your consent and you cannot succeed without your participation. I wish you all good health, happy learning and happy minds.

Warm Regards,
Sonali Vinod Raut
Joint Editor
Nagpur Branch of WICASA of ICAI



Shimona Shashi
WRO0524575

MERGERS AND ACQUISITIONS

INTRODUCTION

Mergers and acquisitions (M&A) are transactions in which the ownership of companies, other business organizations or their operating units are transferred or combined. As an aspect of strategic management, M & A can allow enterprises to grow, shrink, and change the nature of their business or competitive position. From a legal point of view, a merger is a legal consolidation of two entities into one entity, whereas an acquisition occurs when one entity takes ownership of another entity's stock, equity interests or assets.

Corporate acquisitions can be characterized for legal purposes as either "asset purchases" in which the seller sells business assets to the buyer, or "equity purchases" in which the buyer purchases equity interests in a target company from one or more selling shareholders. Asset purchases are common in technology transactions where the buyer is most interested in particular intellectual property rights but does not want to acquire liabilities or other contractual relationships. An asset purchase structure may also be used when the buyer wishes to buy a particular division or unit of a company which is not a separate legal entity.



Structuring the sale of a financially distressed company is uniquely difficult due to the treatment of non-compete covenants, consulting agreements, and business goodwill in such transactions.

Mergers, asset purchases and equity purchases are each taxed differently, and the most beneficial structure for tax purposes is highly situation-dependent. One hybrid form often employed for tax purposes is a triangular merger, where the target company merges with a shell company wholly owned by the buyer, thus becoming a subsidiary of the buyer. In a "forward triangular merger", the buyer causes the target company to merge into the subsidiary; a "reverse triangular merger" is similar except that the subsidiary merges into the target company. Under the U.S. Internal Revenue Code, a forward triangular merger is taxed as if the target company sold its assets to the shell company and then liquidated, whereas a reverse triangular merger is taxed as if the target company's shareholders sold their stock in the target company to the buyer.

The five most common ways to value a business are

- Asset Valuation,
- Historical Earnings Valuation,
- Future Maintainable Earnings Valuation,
- Relative Valuation (Comparable Company And Comparable Transactions),
- Discounted Cash Flow (DCF) Valuation

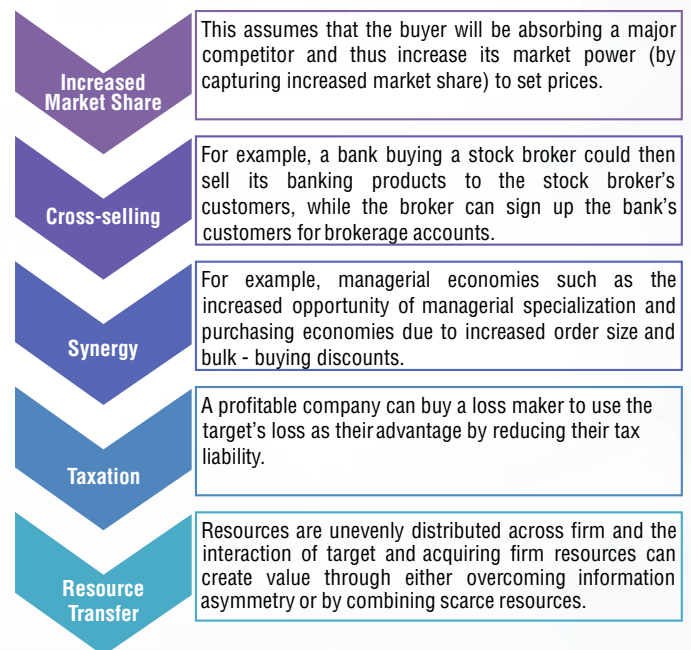


Professionals who value businesses use combination of method order to obtain a more accurate value. Accurate business valuation is one of the most important aspects of M&A as valuations like these will have a major effect on the price that a business will be sold for. Most often this information is expressed in a Letter of Opinion of Value (LOV) when the business is being valued for interest's sake.

MOTIVATION

Improving financial performance or reducing risk

The dominant rationale used to explain M&A activity is that acquiring firms seek improved financial performance or reduce risk. The following motives are considered to improve financial performance or reduce risk:





STUDENT's ARTICLE

Impact of Mergers and Acquisitions

Employees

In the event when a new resulting company is efficient business wise, it would require less number of people to perform the same task.

Management at the top

The new set up the manager may be asked to implement such policies or strategies, which may not be quite approved by him.

Shareholders

The shareholders of the acquired company benefit the most. The reason being, it is seen in majority of the cases that the acquiring company usually pays a little excess than it what should.

How Indian economy paved its way through mergers and acquisitions...

Top Merger & Acquisition Deals in India

- 1. TATA STEEL-CORUS:** Tata Steel is one of the biggest ever Indian's steel company and the Corus is Europe's second largest steel company. In 2007, Tata Steel's takeover European steel major Corus for the price of \$12.02 billion, making the Indian company, the world's fifth-largest steel producer. The acquisition was intended to give Tata steel access to the European markets and to achieve potential synergies in the areas of manufacturing, procurement, R&D, logistics, and back office operations.
- 2. VODAFONE-HUTCHISON ESSAR:** Vodafone India Ltd. is the second largest mobile network operator in India by subscriber base, after Airtel. Hutchison Essar Ltd (HEL) was one of the leading mobile operators in India. Vodafone's purchase of 52% stake in Hutch Essar for about \$10 billion. Essar group still holds 32% in the Joint venture.
- 3. HINDALCO-NOVELIS:** The Hindalco Novelis merger marks one of the biggest mergers in the aluminum industry. Hindalco

industries Ltd. is an aluminum manufacturing company and is a subsidiary of the Aditya Birla Group and Novelis is the world leader in aluminum rolling, producing an estimated 19 percent of the world's flat-rolled aluminum products.

- 4. RANBAXY-DAIICHI SANKYO:** Ranbaxy Laboratories Limited is an Indian multinational pharmaceutical company that was incorporated in India in 1961 and Daiichi Sankyo is a global pharmaceutical company, the second largest pharmaceutical company in Japan.
- 5. MAHINDRA & MAHINDRA - SCHONEWEISS:** Mahindra & Mahindra Limited is an Indian multinational automobile manufacturing corporation headquarters in Mumbai, India. It is one of the largest vehicles manufacturers by production in India. Mahindra & Mahindra acquired 90 percent of Schoneweiss, a leading company in the forging sector in Germany.
- 6. TATA MOTORS-JAGUAR LAND ROVER:** Tata Motors Limited (TELCO), is an Indian multinational automotive manufacturing company headquartered in Mumbai, India and a subsidiary of the Tata Group and the Jaguar Land Rover Automotive PLC is a British multinational automotive company headquarters in Whitley, Coventry, United Kingdom, and now a subsidiary of Indian automaker Tata Motors.



"As you know we've made a lot of acquisitions lately, and the last one we made seems to have resulted in us buying ourselves."



Yash Budhwani
WR00417037

RANSOMWARE

Introduction



Virus the term we use frequently when the information systems do not work properly. The term Virus itself is abbreviation of Vital Information Resource Under Seize, it means that some vital information of the system is seized by some unauthorized users with a malice motive to use it for wrong purposes. With the advent of technology and increase use of it in today's world there is also increase in Cyber Attacks. Recently the most dangerous type of malware which has been created for Cyber Attack is Ransomware.

Ransomware

Ransomware is a Computer Malware that installs covertly on victim's computer executes a cryptovirology (a field that studies how to use cryptography to design powerful malicious software) attack that adversely affects it, and demands a ransom (ransom is the practice of holding a prisoner or item to extort money or property to secure their release) payment to decrypt it or not to publish it. Hence the term Ransomware has been coined with addition of Ransom + Malware. This Malware has no Antidote yet as it encrypts all the files of the system and demands money to decrypt it. Not only files it has a power to encrypt all your Master File Table and your Hard Disk too. Thus the ransomware is the denial of access attack that prevents computer users from accessing files. In June 2013 McAfee a security software vendor had released data showing that it had collected over 250000 unique samples of ransomware.

Types of Ransomware:

There are two types of Ransomware

1. **Lockscreen ransomware**
2. **Encryption ransomware**

Ransomware has some key characteristics that set it apart from other malware:

- Unbreakable encryption
- Has ability to encrypt all types of files
- Can Scramble your files names
- Add a different extension to your file

- An image or a message
- It requests payment in Bitcoins, because this cryptocurrency cannot be tracked by cyber security researchers or law enforcements agencies
- The ransom payment has time limit
- It uses a complex set of evasion techniques to go undetected from traditional Anti-Virus
- It can spread to other PC's connected in Local Network

How do Ransomware Infection Happens?

Though the infection phase is slightly different for each ransomware version, the key stages are the following:

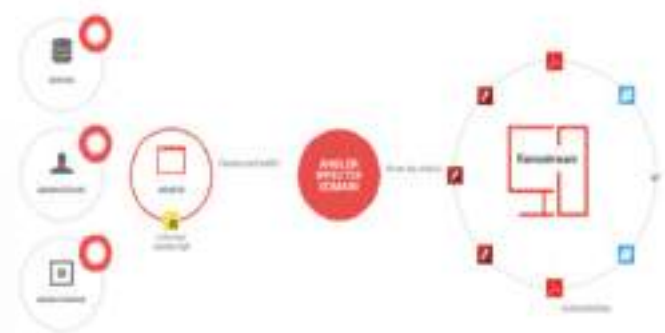


Why Ransomware often goes Undetected by Antivirus?

Crypto-ransomware attacks employ a subtle mix of technology and psychological manipulation.

These attacks get more refined by the day, as cyber criminals learn from their mistakes and tweak their malicious code to be stronger, more intrusive and better suited to avoid cyber security solutions.

That's why each new ransomware variant is a bit different from its forerunner. Malware creators incorporate new evasion tactics and pack their "product" with piercing exploit kits, pre-coded software vulnerabilities to target and more.





STUDENT's ARTICLE

Common Methods to used by Cybercriminals to Spread Ransomware:

- Spam Email Campaigns
- Vulnerable software
- Internet traffic redirects to malicious websites
- Drive by downloads
- Malvertising campaigns
- SMS Messages

The Above mentioned are the evasion tactics that ransomware uses more than once. This collection of technical methods ensures that crypto-ransomware infections can stay below the radar and:

- Not get picked up by antivirus products
- Not get discovered by cyber security researchers
- Not get observed by law enforcement agencies and their own malware researchers.

MOST DANGEROUS RANSOMWARE FAMILIES:

- **RENETON**
- **CRYPTOLOCKER**
- **CRYPTOWALL**
- **CTB LOCKER**
- **TORRENTLOCKER**
- **TESLA CRYPT**
- **LOCKY**

CONCLUSION:

Chartered Accountant plays an important role in today's technology driven world. In case of India with the dream of our Honorable prime minister Shri Narendra Modi of Digital India and with the demonetisation held recently due to which our economy is heading towards cashless economy which ultimately leads to E-transactions and which lead to increase in cyber crimes and where the knowledge of ransomware type malwares plays an important role too. Ransomware brought extortion to a global scale, and it's up to all of us, users, business-owners and decision-makers, to disrupt it. We also know that we're not powerless and there's a handful of simple things we can do to avoid ransomware. Cyber criminals have as much impact over your data and your security as you give them. As a Chartered Accountant we can act as IS Auditor where we also detect the leakage in the systems where we must need to think like a hacker but for ethical purpose and must also be aware of new attacks like ransomware. The Ransomware can be very destructive for the confidential data which a Chartered Accountant maintain as, many of Chartered Accountants are victims of it.



AMAZING CORNER

Guru - A Gallant Guide of our Galleon

Our Teacher is the captain of our ship,
Who teaches us that work is the only worship,
To overcome life's all hardships,
He enriches us with the required stewardship.

He is the creator of our destiny,
A persistent guide for life's non-ending journey,
An extensive gardener propagating a nursery,
Which is an agglomeration of chromatic efflorescence
and greenery.

It's a renowned and known history,
That mother's womb is the first and biggest university,
So our mother is our first mentor, preceptor and supervisor,
Who is always there with us whether we are in agony, strain or
shower.

Teaching us life's lessons,
And directing us to follow our passion,
By ameliorating our every action,
And holding our hand towards the path of perfection,
Rejuvenating us for self-realization and introspection,
To Ask-

What is life's equation?
Which is a million dollar question,
And searching for its solution,

Is the major cause for today's tension.
Because no one realizes that every individual has a different
paper,

For which they are trying to give the same answer,
One who understands the mystery,
Becomes the creator of history,
His life then becomes poetry !
Who then enjoys the long-discovered treasury,
And becomes the so called.....
Lucky, fateful and destined beneficiary.

In this life's movie, though we are the actor,
But the entire credit goes to the director,
Who is none other than our teacher, mentor, guide and
philosopher,
For making our film a blockbuster.

A sincere token of gratitude to all the teachers for their selfless
service,

For all their valuable advice,
For making us self-reliant and augmenting us with poise,
For making us a companion of our own inner voice,
For making our emotions exercise
to the tune of our choice.
Thus completing us in all respects with their flamboyant and
influential device.

Thank You SIR for making our life a rejoice.

- By **Bhavika Lal**
WR00483470



- By **Mohammed Vali**
WR00549440



GLIMPSES OF PAST EVENTS

Articleship – Journey Towards Professionalism



Interactive Meet With CA Dr Girish Ahuja



Full Day Seminar on Finance Bill 2017 and Roadmap Towards Goods and Service Taxes





GLIMSES OF PAST EVENTS

Full Day Seminar on Bank Branch Audit



Holi Milan



One Day Revisionary Classes for IPCC & Final Students



1st Round of Test Series for IPCC & Final Students





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