



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

VOL 26 | NO. 3 | PAGES 36 | AUGUST 2022 | ₹50

The Chartered Accountant **STUDENT**

Your monthly guide to CA news, information and events



Final
Indirect Tax Laws



Intermediate
Accounting



Foundation
Business Laws



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Total Circulation: 2,81,729

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Cover Image Courtesy: www.shutterstock.com
Inside image: www.shutterstock.com

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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 Spenta Multimedia Pvt. Ltd., Plot 15,16 & 21/1, Village Chikhlohi, Morivali, MIDC, Ambernath (West), Dist. Thane

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SWACHH BHARAT - A STEP TOWARDS CLEANLINESS



Dear Students,

At the outset, I greet you all on this glorious occasion of the 75th anniversary of India's Independence. The day reminds us of the valiant freedom fighters who sacrificed their lives and the great statesmen who worked relentlessly to rebuild the nation. As the entire nation is celebrating and commemorating 75 years of progressive independent India through country wide Azadi ka Amrit Mahotsav (AKAM) celebrations, the ICAI, being a trusted partner in nation building, is also spearheading the AKAM celebrations across the nation with full ardour and fervour. As part of the AKAM initiative, we are propagating the financial and tax awareness amongst the masses. Regional councils and branches are planting trees across the nation and imparting knowledge to common people on preserving environment. On this momentous occasion, I would urge you all to imbibe and spread the feeling of patriotism throughout the nation and also strive towards building a self-reliant India - an Aatmanirbhar Bharat.

Results for May 2022 examinations declared

My heartiest congratulations to all the successful students of May 2022 Intermediate and Final examinations, especially the rank holders for their spectacular performance. Your earnest and persistent efforts have paid off. I welcome the new entrants to the fraternity of the profession constituting a robust and stupendous workforce committed to carry forward the pristine glory that the profession has so steadfastly built since inception.

Those of you who could not succeed this time should not lose heart. Always remember, success and failures are extraneous, your spirit to fight and move on is pertinent. One needs to have the determination and zeal to overcome the bottlenecks in achieving their goal. Always remember, winners never quit and those who quit do not win. Nothing is impossible in this world if you have strong will and high level of commitment to accomplish your set objectives.

"Never stop fighting until you arrive at your destined place - that is, the unique you. Have an aim in life, continuously acquire knowledge, work hard, and have the perseverance to realise a great life." - Dr. A.P.J. Abdul Kalam

Words of Appreciation from Hon'ble Prime Minister

On CA Day, our Hon'ble Prime Minister Shri Narendra Modi sent his message stating, "Over the years, ICAI has served the society with dedication and commitment. The Institute has strengthened its credentials as a leading organisation for professionals engaged in the field of Chartered Accountancy". Lauding the role of CAs, he highlighted that they "make an important contribution towards the economic growth of the nation. The fraternity is responsible for certifying entries in account books and preventing malpractices. Thus, CAs have a responsibility in ensuring that economic and financial systems remain in sound health. The financial skills of our CAs are appreciated the world over. It is important for institutions to leverage technology and innovate constantly". We acknowledge the appreciation which has been earned through the untiring and brilliant professional services of our fraternity in building the economy since independence.

Overwhelming response on new scheme of education and training

I apprised you in the last issue that the proposed scheme of education and training was hosted on the Institute's website seeking public comments. I feel pleased to inform you that we have received an overwhelming response on the new Scheme from the stakeholders. We thank them for participating in our endeavour to formulate a scheme which is futuristic and globally relevant. The new scheme of education and training is being developed taking into consideration the requirements of International Education Standards, international curriculum earlier released, significant features of National Education Policy, 2020 and best practices of education and training of other international accountancy bodies.

Live Coaching Classes - Interactive learning pedagogy

It has always been the foremost endeavour of the Institute to provide better and more responsive services to students. In order to bridge the distance learning gap as well as to corroborate the learning and preparation for examinations, the Board of Studies (Academic) conducts the free Live Coaching classes for the CA students. Since its inception, the delivery mechanism of classes has improvised owing to the emerging technologies and experiential learning techniques. These classes have received a promising response from the students who are fetching immense benefit from the same. Hitherto, more than 2.5 lakh students have registered themselves for the Live Coaching Classes at all levels. I would advise students to derive maximum benefit from the Fifth Batch of Live Coaching Classes for Foundation and Intermediate courses currently ongoing for November 2022 examinations.

Holistic personality development of CA students

In order to refine your skill sets and developing your overall personality, Students Skills Enrichment Board (Board of Studies-Operations) is organising Students' conferences across the country which play an instrumental role in facilitating your holistic development and knowledge enrichment. Considering the significance of practical training in developing professionally competent chartered accountants, SSEB is conducting a series of 'Practical Training Modules' every Sunday to augment the practical training being undertaken by the aspiring CAs which I am sure all of you must be attending.

In the words of Steve Jobs, *"If you are working on something that you really care about, you don't have to be pushed. The vision pulls you."*

Wish you all the best for your future endeavours!

Yours sincerely,

Debashis Mitra

CA. (Dr.) DEBASHIS MITRA
PRESIDENT, ICAI



My Dear Students,

ICAI has embarked on a journey towards transforming its curriculum as one of the best in world by developing competence of our students in accordance with the International Standards.

Let me begin by extending my heartfelt applause to the students successful in May 2022 examinations. It is always a delight to see our students accomplishing great things in life.

My special compliments to those who have secured ranks and found a place in the much-coveted rank list of the Institute. Your relentless efforts have borne fruits.

While your well-deserved success is surely a cause for celebration, it is the moment of exercising caution as well. We need to embrace the transition from being a student to a professional by being consistent in our study and not losing track of professional developments. This is the beginning of a long journey of your professional career. I would like to specifically address the students, who could not make it this time. You should not feel disheartened and keep working hard. With clear focus and dedicated efforts you shall definitely achieve your goal in life.

Please remember that **"Success is not built on success. It's built on failure and disappointments."**

75th Independence Day of Vibrant India: Celebration and Introspection

The month of August carries a pleasant reminiscence of the Independence struggle of our country. This year we are celebrating the 75th anniversary of our Independence achieved on 15th August 1947. This day reminds us of the sacrifices made by the martyrs and the great freedom fighters who laid down their lives for the nation. We have come a long way to become one of the fastest growing economies of the world. The progress made by our country on all fronts is simply invincible. India is poised to become a \$ 5 Trillion economy and has achieved unprecedented growth on all parameters ranging across various sectors viz manufacturing, education, services, etc. This tremendous growth has been recognised and appreciated across the world. However, it is also a moment to introspect our functioning and aim for inclusive development of the country.

Board of Studies, ICAI: Committed towards the growth of our students

The BoS of ICAI has been striving to improve the existing knowledge resources and services network simultaneously introducing new initiatives incrementally to ensure that our stakeholders always stay ahead on the learning curve. As you all may be aware that BoS, ICAI is working on the Proposed Scheme of Education and Training which is extremely futuristic and aims

to make our curriculum globally relevant. We assure you that the new scheme of education and training would be taken forward after taking due consideration of the feedback from various stakeholders.

ICAI-BOS Mobile App – Members: Enhanced with consistent upgradations

Since the launch of mobile application 'ICAI BOS' on 1st July 2021, it has become a vital instrument towards offering the learning resources to the students at the click of a button. Till date, more than 2.40 lakhs students have installed the ICAI BOS Mobile app and are gaining experiential learning.

The Mobile App is being further enhanced by providing the limited feature access to members of the ICAI like recorded lectures, educational contents, reference for quick revision, exam and BoS announcements, etc.

BOS Knowledge Portal- Facilitating Learning with Ease

The Board of Studies, Academic has upgraded the BoS knowledge portal. It is a repository of study content for students. The new BoS knowledge portal will provide all the information at one-page, easy access of live and recorded lectures, syllabus, announcement, study materials, revision test papers, mock test papers, schedule, important news, student journal, other portals, etc.

Students' Conferences: Perfect Platform to Build Professional Network for Life

Several Students' conferences were organised in the previous and current month by SSEB (BoS-Operations) at various places. I am sure it would have been an enriching experience for all student participants. Many such conferences are being scheduled in months to come. I advise you to attend these conferences as they offer a unique opportunity to interact with leaders from industry and veteran practitioners that shall help you to gain valuable insights into the matters of professional relevance.

"To succeed in life and achieve results, you must understand and master three mighty forces — desire, belief, and expectation."

– A.P.J. Abdul Kalam, *Wings of Fire*

Yours sincerely

CA. ANIKET SUNIL TALATI
VICE PRESIDENT, ICAI



My Dear Students,

JAI HIND....

At the outset, I would like to wish you all the 75th anniversary of remarkable occasion of our country's Independence Day. Through the series of events organised by the Government of India under *Azadi Ka Amrit Mahotsav (AKAM)* to commemorate this momentous occasion, we value the freedom that we cherish and pay our greatest gratitude towards the martyrs and freedom fighters who sacrificed their lives for it.

Our esteemed Institute, the ICAI, completed its glorious 73 years of existence and has evolved as one of the **Influential Partner in Nation Building** over the years. **Being a PATRIOT**, our profession has been playing a pivotal role in the development of sustained economic growth of India based on the **TRUST that we have Created**.

Let's again take a Pledge and Resolve to maintain the Independence and Trust with Highest Professional Integrity to witness India as a Global Power.

Result Declaration of May 2022 Final and Intermediate Examinations

Congratulations to all the students who cleared their final examination to become member of our great profession and fraternity. You are now at par with senior professionals in all authority, therefore it's important to understand your responsibility and discharge your duty.

"When a million things can bring you down, find one reason to keep you up."

My best wishes to those who have cleared any or both groups of their Intermediate examination. Now, you will have to focus on practical training that will help you appreciate the concepts, provisions etc., which is studied at Intermediate level. Practical training would offer you an excellent exposure and groom you for attempting your final examination and the professional career ahead. For those who could not achieve success this time, I would like to assure you that sometimes, the failure in our life helps in bringing out our best at the appropriate time.

You will face many defeats in life, but never let yourself be defeated." - Maya Angelou.

Progress under CRET for Revised scheme of Education and Training

I along with my Vice Chairman, CA. Vishal Doshi would like to thank our stakeholders for actively participating and providing their suggestions on the Proposed scheme of Education and Training through the survey uploaded on the Institute's website. 24,728 responses/suggestions were received

from various stakeholders through feedback form which were extensively deliberated in the Board meeting. Consequent to the detailed deliberations in the Board meeting, the changes were recommended in the proposed scheme. The scheme would now be taken to next level and shall be presented before the Council for its consideration and thereafter submitted to the Ministry of Corporate Affairs for its final approval. I would like to assure you that we shall certainly work towards safe-guarding and protecting your utmost interests in best possible manner while finalising the Transition scheme.

Further, BoS(A) has been receiving multiple queries for the clarification on the timeline of implementing the new scheme. It may kindly be noted that the entire process is time-bound based on the schedule mentioned above, therefore, I would request you all to focus on existing curriculum and not speculate and get into discussion of unknown.

Revamping of BoS Knowledge Portal

The BoS(A) has upgraded its knowledge portal from its previous version to the new version available on the link <https://boslive.icai.org/>. The new BoS knowledge portal provides a single platform for seamless access of study content to its students like syllabus, important announcements, study material, Revision Test Papers, Mock Test Papers, live and recorded lectures, Students' Journal, etc.

ICAI BoS Mobile App for Members

I feel delighted to inform you that the BoS Mobile App has been enhanced for members by providing them the limited feature access to recorded lectures, educational content, Referencer for quick revision, BoS announcements, etc.

Lastly but most importantly under celebration of **Azadi Ka Amrit Mahotsav**, let's all celebrate by having the **Pride to carry NATIONAL FLAG on Our Shoulders, Our Desks in offices, Our Vehicles** and ensure **HAR GHAR JHANDA** is a **Treat to the Eyes of the WORLD**.

JAAAAAAAAAAAAAAAAAAAAAAAAAAAAA HIND.....

CA. DAYANIWAS SHARMA
CHAIRMAN, BOARD OF STUDIES (ACADEMIC)



Dear Students,

I extend my heartiest greetings on the auspicious platinum jubilee celebrations of our 75th Independence Day. On this day let us remember the sacrifice of our freedom fighters and celebrate this day with pride. At this juncture, the role of accounting professionals is of great significance. We have to develop an ethical and value-based environment for accounting practices that has to be conducive for the progress of our nation and the profession as well. I can proudly say, The Institute of Chartered Accountants of India, being the partner in nation building, has meticulously played its role in the overall development of the country.

I wish to convey my heartiest congratulations to the students who have come out with flying colours in the recent examinations held for CA Courses. Your success reflects your passion, hard work and perseverance. I hope this success continues not only in your professional career but also touches your personal front as well. Those of you, who were not able to achieve the desired success and have to appear again in the upcoming examinations, must chart out your strategy and should prepare well by making full use of the various educational inputs provided in different subjects by ICAI. My special appreciation goes to the students who have secured the ranks at All India positions. All of you have every reason to rejoice and look forward for the challenges and opportunities awaiting you.

Few initiatives of the Students Skill Enrichment Board, Board of Studies – Operations are as follows:

Four Weeks Residential Programmes at Centre of Excellence Jaipur and Hyderabad

The Board is very happy to inform that we have already completed four batches of Four Weeks Residential Programme, successfully at CoE Jaipur and Hyderabad and two more batches of the Residential programmes have commenced from 4th July, 2022 at both the Centres of Excellence. This is an excellent opportunity to learn from the experts about the skills sets sought after by the global businesses. The next batch at Jaipur and Hyderabad will be starting from 8th August 2022. You are requested to visit ICAI website for more details.

Practical Training Modules for Article Students through Live Webinars

An initiative taken by the Board to aid and train the CA students on the important aspects required for the Practical Training. A series of live webinars are being organised every Sunday from 10.30 AM to 1.00 PM and first of such live webinar commenced on 8th May, 2022. Eleven such live webinars were organised till date. Eminent subject experts were invited to address the students on various topics such as GST Registration, All about PAN, GSTR1, Guided

Tour in Income tax portal, Input Tax Credit and Accounting Series, ITR1 – Salaries Part, Reconciliation of Input Tax credit on GSTR Portal, Income from House Property & other sources, GSTR 3B, ITR 3 Business Income and GST Refund were chosen for discussion. We have received an overwhelming response from the student fraternity w.r.t these training programmes. I call upon all students to join these webinars and enhance your technical knowledge.

Students Conferences

Recently, I had the chance of attending CA Students' Conferences at a number of places and was overwhelmed by the marvellous performance of the students. I wish more number of you would come forward to participate in the upcoming conferences and conventions, which would eventually help in your professional development by enhancing your presentation and communication skills. The extracurricular activities will definitely empower you to boost your confidence level and will offer the best platform to demonstrate your skills before the rest of the world. As you all are aware, the entire globe is converging and eventually creating a global culture. I think time is ripe for you to look outward for a wholesome development of your personality to achieve your goal and walk in to the bright future that beckons you. Some of the upcoming conferences are listed below:

Chennai	National Conference	19-20 August, 2022
Ghaziabad	Mega CA Students Conference	20-21 August, 2022
Chandigarh	Mega CA Students Conference	20-21 August, 2022
Vijayawada	Mega CA Students Conference	27-28 August, 2022

I am extremely confident that this course will be instrumental in invoking an innovative thought process and will render the much-needed exposure to our students, providing them with an excellent opportunity to broaden their perspective and widen their worldview. Since the whole world has set its eyes on India, we, as responsible and dutiful citizen, should hold our heads high and take proactive part in social mission and development initiatives started by the Government of India. Success and failures are both transient and temporary, what is permanent is the spirit, the attitude & wisdom to deal with both.

I would like to end my message with a quote of famous filmmaker, Walt Disney, "All our dreams can come true, if we have the courage to pursue them." So dream big and work hard to make those dreams come true!

Finally, I believe that for success of any organisation a strong feedback mechanism is very important. Accordingly, you are welcome to send your opinion on various issues for improvement of services and organisational processes.

Regards,

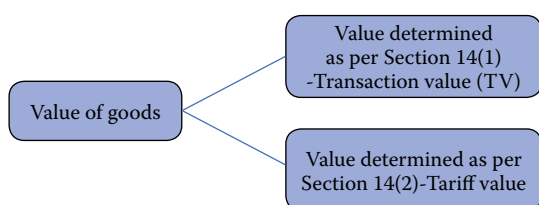
CA SUSHIL KUMAR GOYAL
CHAIRMAN, STUDENTS SKILLS ENRICHMENT BOARD
(BOARD OF STUDIES-OPERATIONS)

CA FINAL - PAPER 8 - INDIRECT TAX LAWS

It has always been the endeavour of Board of Studies to provide quality academic inputs to the students of Chartered Accountancy Course. Keeping in mind this objective, BoS has come up with a crisp and concise capsule on Part II: Customs & FTP of Paper 8: Indirect Tax Laws of Final Course to facilitate students in quick revision before examination. The Capsule makes use of diagrams, tables, flow charts, etc., to facilitate recap of select Chapters of Customs law namely- Chapter 4: Valuation under the Customs Act, 1962 and a part of Chapter 5: Importation, Exportation and Transportation of goods. The capsule is based on the Customs law as amended by the Finance Act, 2021 and significant notifications/circulars issued till 30th April, 2022 and is thus, relevant for students appearing in November, 2022 examination. Students may note that this capsule is a tool for quick revision and thus, should not be taken as a substitute for the detailed study of the subject. Students are advised to refer to the October 2021 Edition of Final Course Study Material along with statutory updates for November, 2022, which has been hosted on the ICAI website for comprehensive study and revision.

PART II – CUSTOMS & FTP VALUATION UNDER THE CUSTOMS ACT, 1962

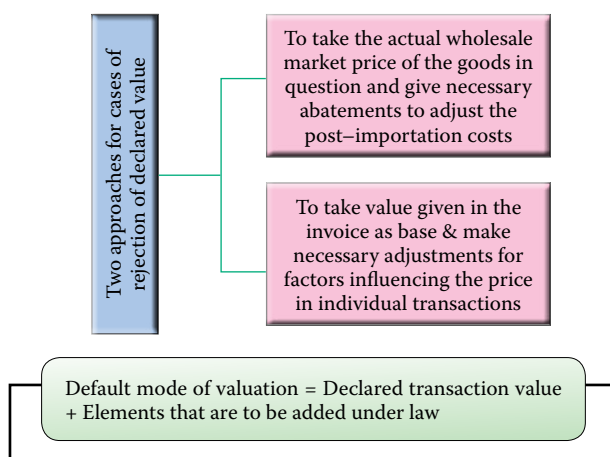
VALUE OF GOODS [SECTION 2(41) OF THE CUSTOMS ACT]



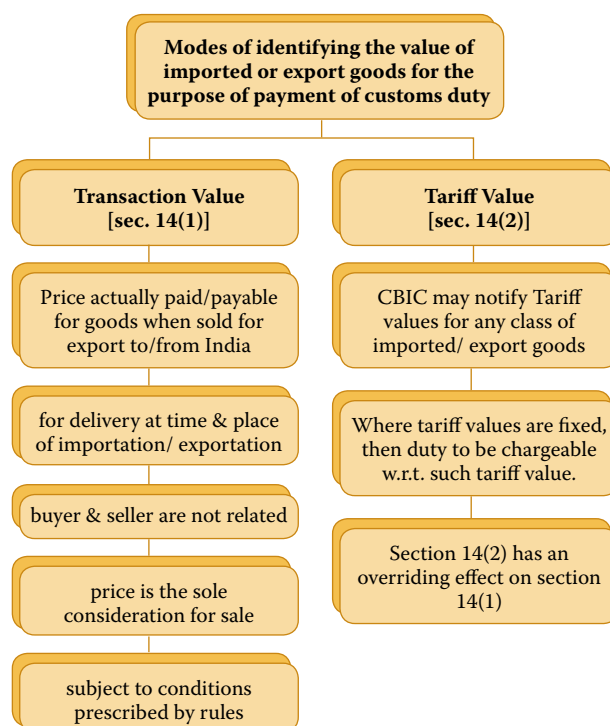
TECHNICAL TERMS RELATING TO VALUE IN THE COURSE OF IMPORT OR EXPORT – INTERNATIONAL COMMERCIAL (INCO) TERMS

Ex-Factory Price	Price of the goods at the factory gate
F.O.B.	Cost at which the goods are placed on board the conveyance carrying the vessel
C.I.F	Cost at which the goods are delivered at the Indian port

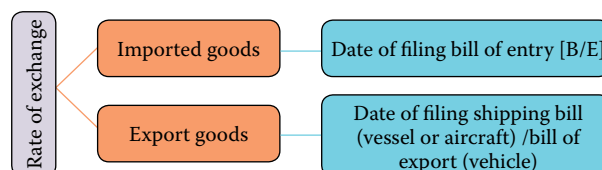
TWO APPROACHES FOR COMPUTING THE ASSESSABLE VALUE



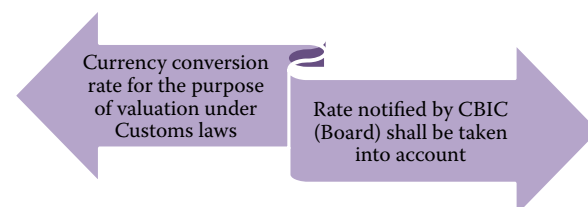
VALUATION OF GOODS BASED ON SECTION 14



CONVERSION DATES

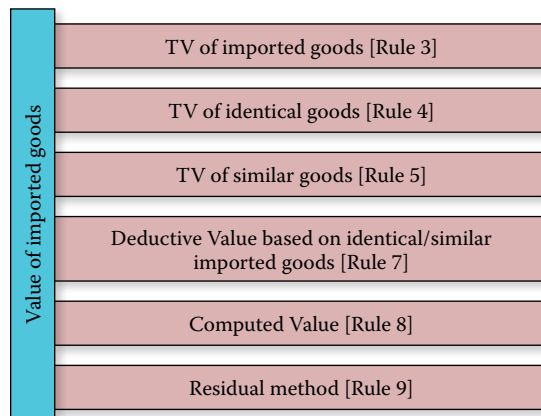


CURRENCY CONVERSION RATE

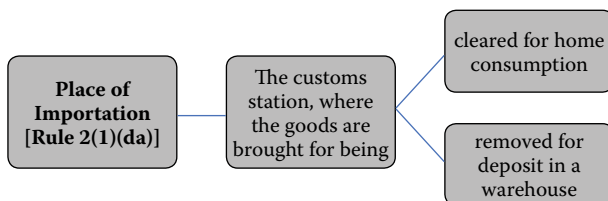


INDIRECT TAX LAWS ||

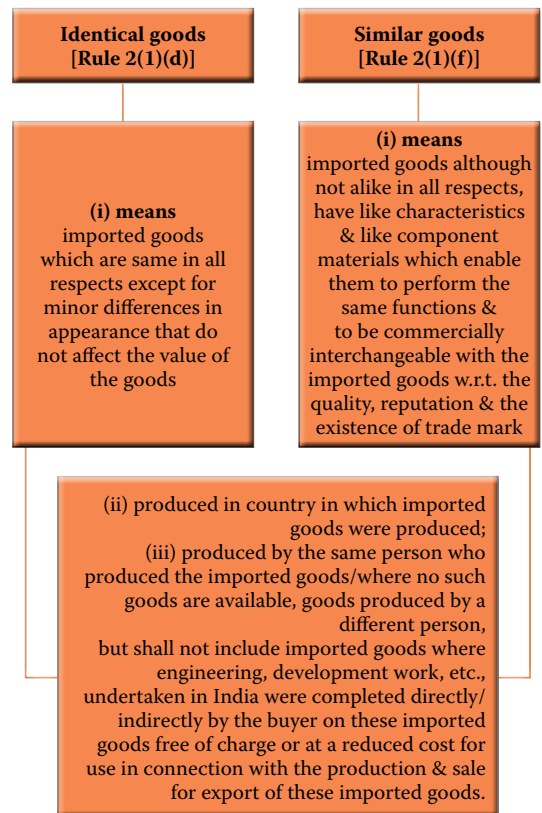
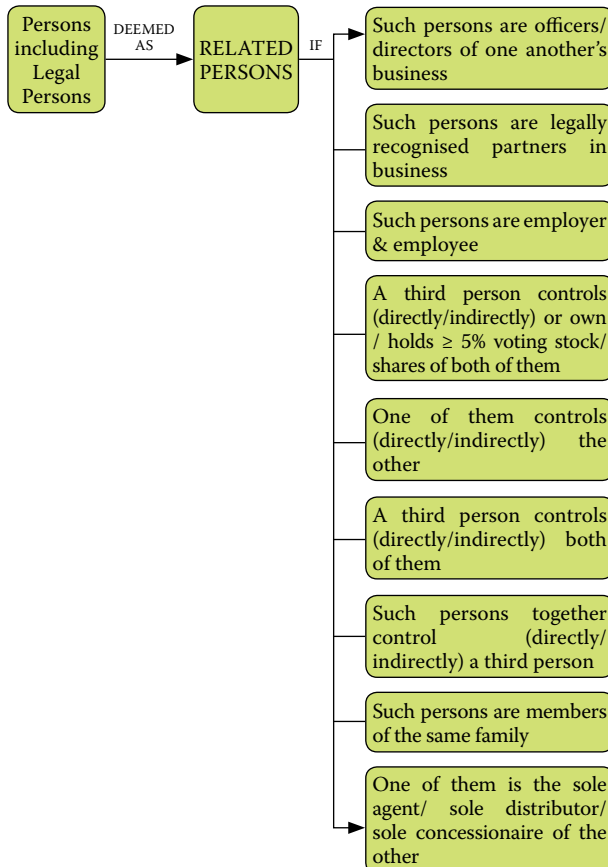
CUSTOMS VALUATION (DETERMINATION OF VALUE OF IMPORTED GOODS) RULES, 2007



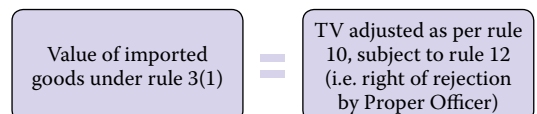
RULE 2 – DEFINITIONS



Related Persons [Rule 2(2)] [same as in GST]



RULE 3 – DETERMINATION OF THE METHOD OF VALUATION

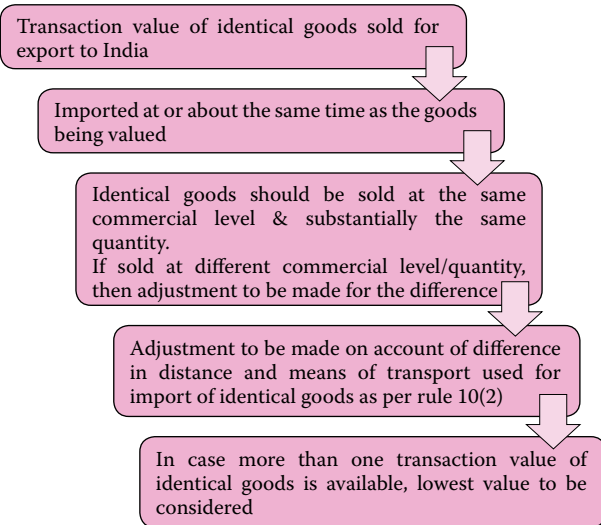


- Such TV shall be accepted provided that -
- No restriction on buyer for disposal of goods
 - Sale/Price is not subject to conditions/ consideration for which value cannot be determined
 - No further consideration will accrue to seller which is not adjustable as per rule 10
 - Buyer & seller are unrelated

If buyer & seller are related, then also TV is accepted

- When relationship didn't influence price &
- Importer proves that price is close to TV of identical/ similar goods, in sales to unrelated buyers; deductive/ computed value of identical/similar goods

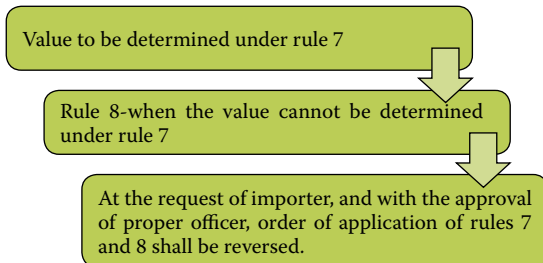
RULE 4 – TRANSACTION VALUE OF IDENTICAL GOODS



RULE 5 – TRANSACTION VALUE OF SIMILAR GOODS

The principles of valuation of identical goods also apply to valuation of similar goods

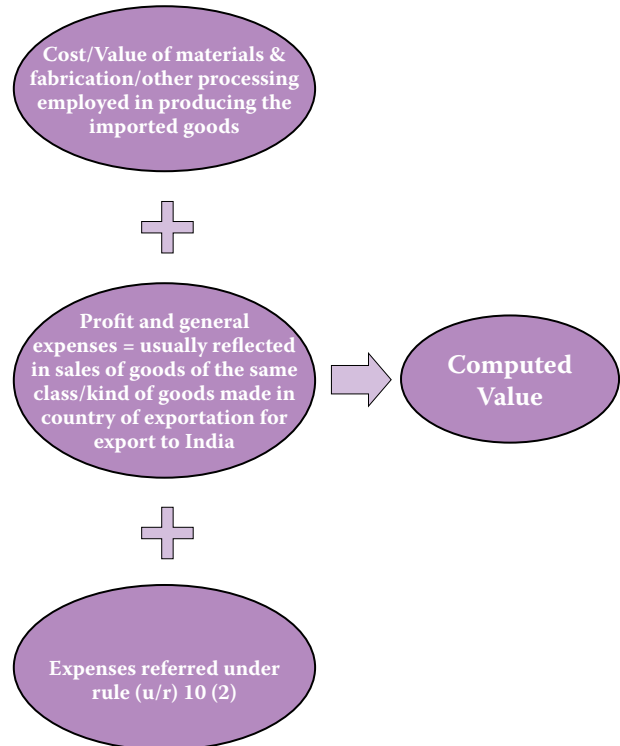
RULE 6 – DETERMINATION OF VALUE WHERE VALUE CAN NOT BE DETERMINED UNDER RULES 3, 4 AND 5



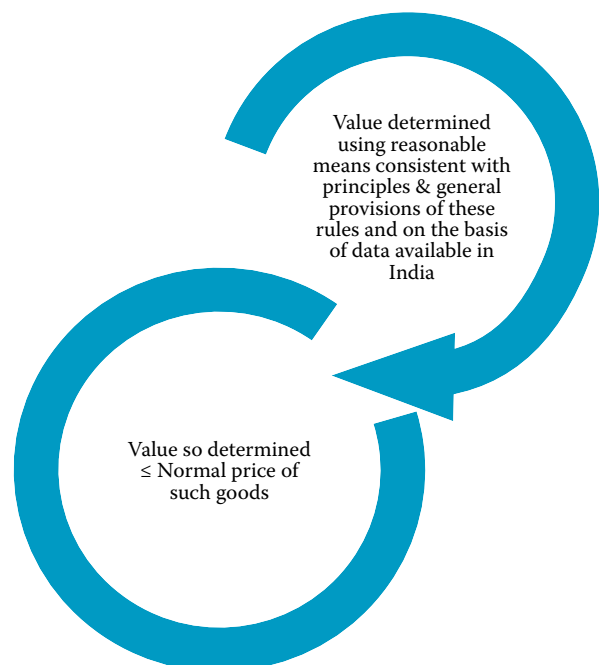
RULE 7 – DEDUCTIVE VALUE

Unit price at which imported/identical/similar imported goods are sold in greatest aggregate quantity to unrelated persons in India.	Commission, profit & general expenses relating to sales in India Transport, insurance costs & associated costs within India Customs duties & other taxes payable in India
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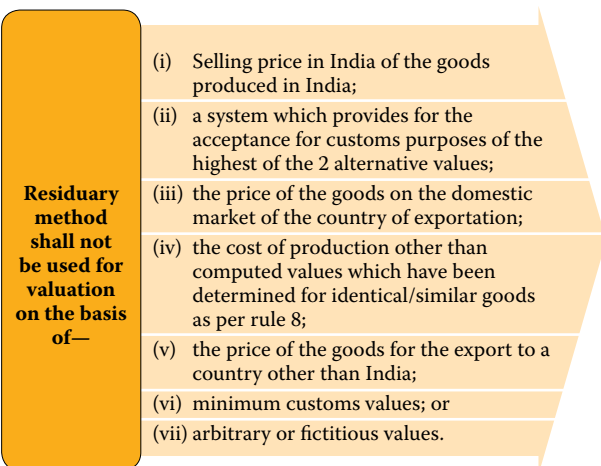
RULE 8 – COMPUTED VALUE



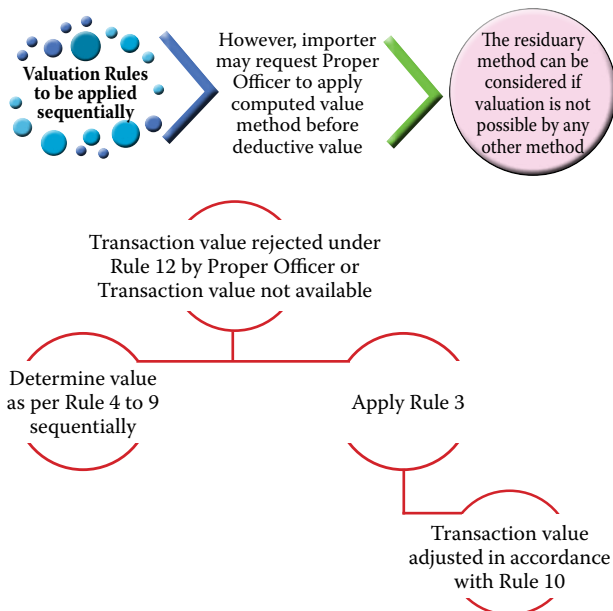
RULE 9 – RESIDUAL METHOD



INDIRECT TAX LAWS ||



METHOD OF APPLICATION OF VALUATION RULES

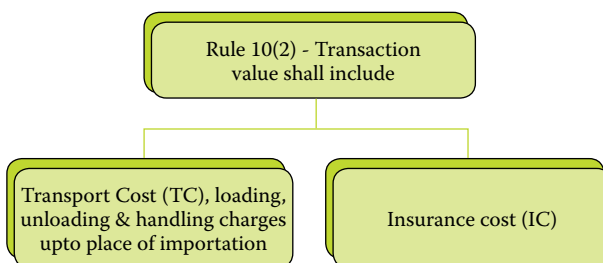


RULE 10 – COST AND SERVICES

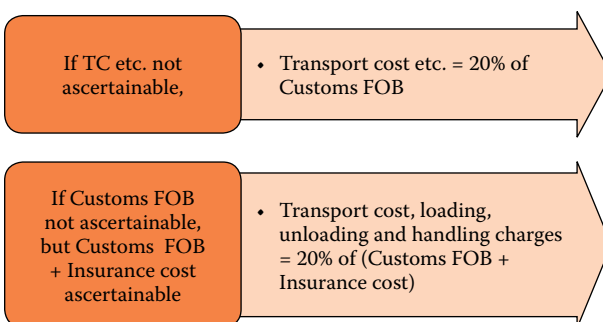
Rule 10(1) - Costs to be added if not included:

- i) commissions etc. **except buying commissions**, cost of containers/ packing
- ii) engineering, design work, etc., **undertaken elsewhere in India**, materials, tools, dies, consumables, etc., used in production of imported goods - supplied free of charge/ at reduced cost
- iii) royalties & license fees as condition of sale
- iv) Proceeds of any subsequent sale accruing to seller
- v) all other payments as condition of sale

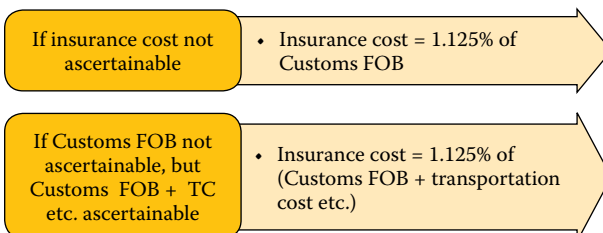
RULE 10(2)



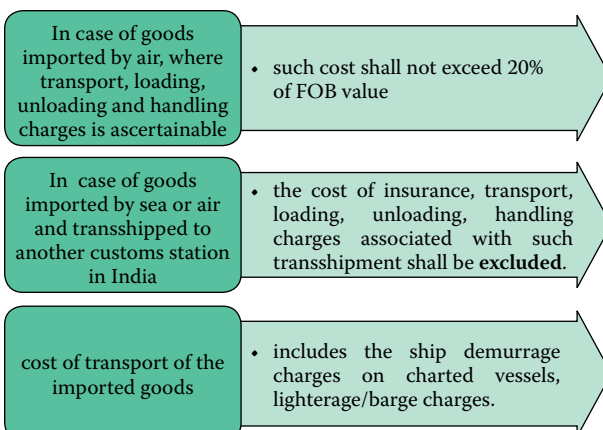
TRANSPORT COST (TC)



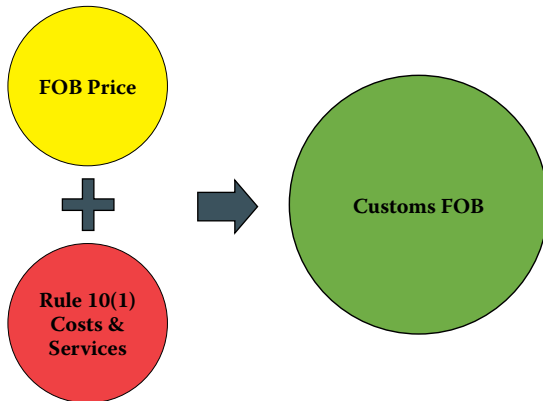
INSURANCE COST



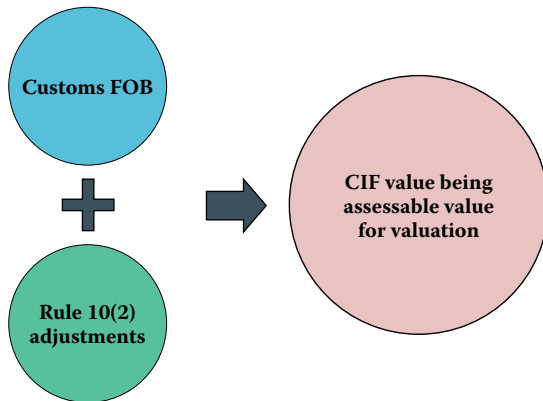
KEY POINTS REGARDING TRANSPORTATION COST



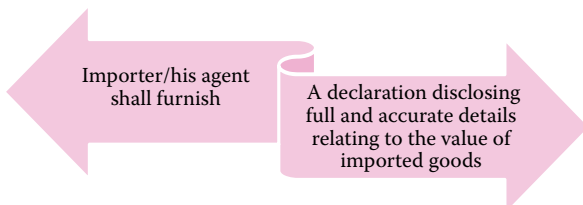
CUSTOMS FOB



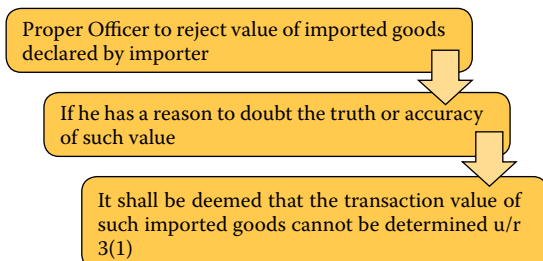
ASSESSABLE VALUE



RULE 11 – DECLARATION BY THE IMPORTER



RULE 12 – REJECTION OF DECLARED VALUE

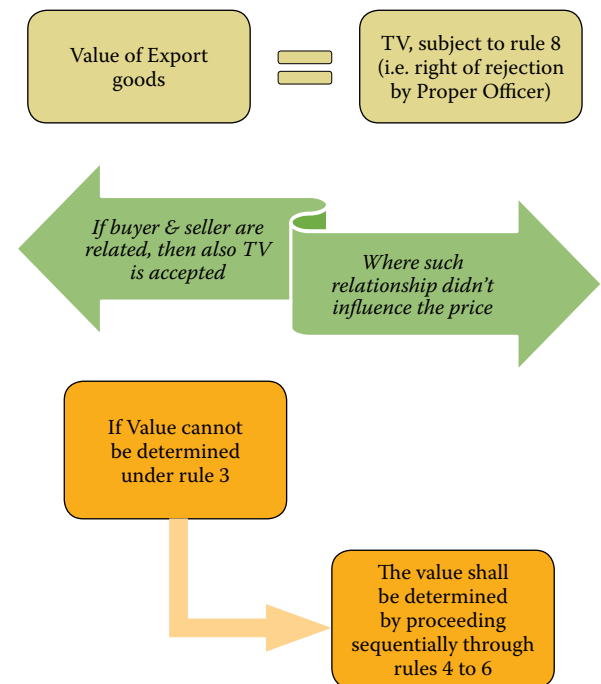


CUSTOMS VALUATION (DETERMINATION OF VALUE OF EXPORT GOODS) RULES, 2007

RULE 2 – DEFINITIONS

Goods of like kind and quality [Rule 2(1)(a)]	Export goods which are identical/similar in physical characteristics, quality & reputation as the goods being valued and; Perform the same functions/are commercially interchangeable with the goods being valued, produced by the same person/a different person
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RULE 3 - DETERMINATION OF THE METHOD OF VALUATION

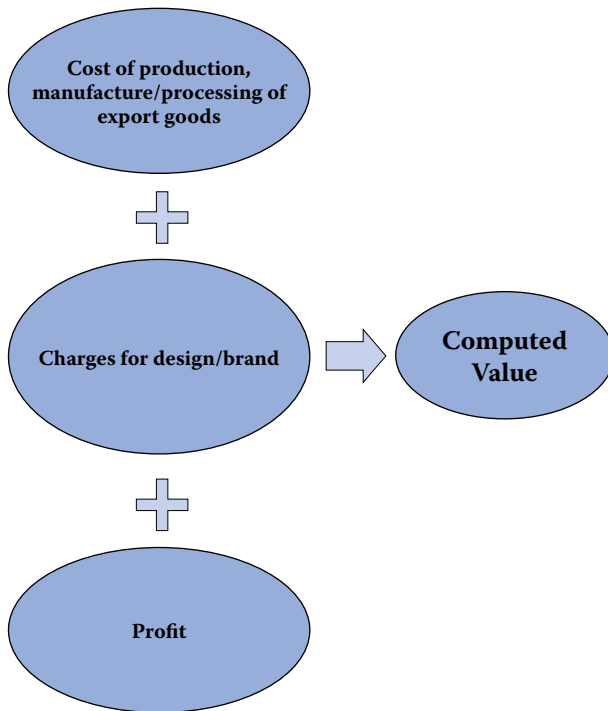


RULE 4 - DETERMINATION OF EXPORT VALUE BY COMPARISON

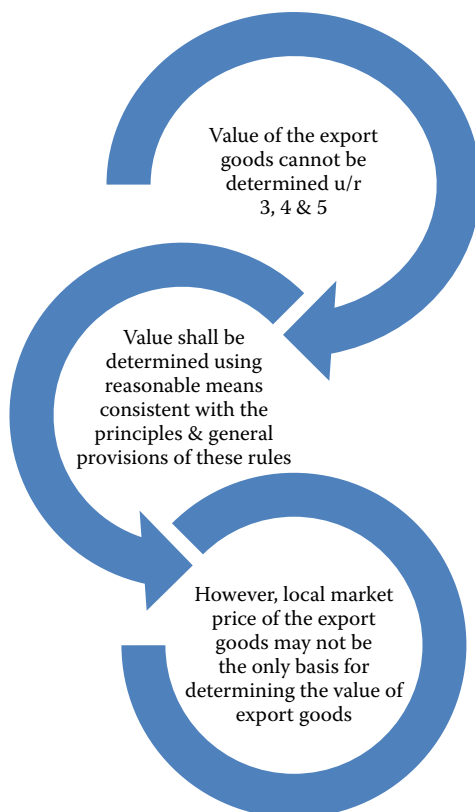
Value = Transaction value of "goods of like kind and quality" exported at/about the same time to other buyers in the same destination country of importation/in its absence another destination country of importation adjusted by proper officer considering relevant factors, including -

- difference in the dates of exportation
- difference in commercial levels & quantity levels
- difference in composition, quality & design
- difference in domestic freight & insurance charges

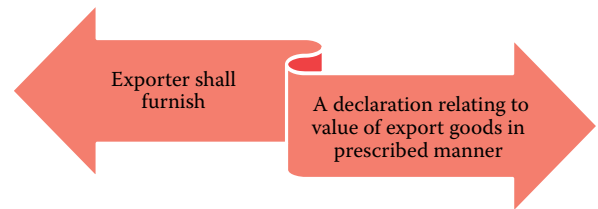
RULE 5 - COMPUTED VALUE METHOD



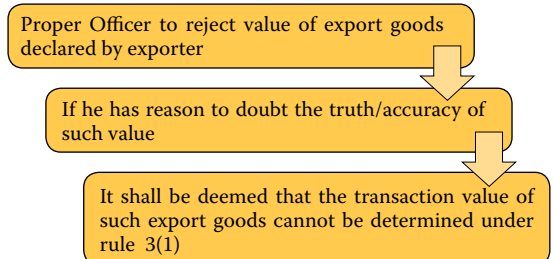
RULE 6 - RESIDUAL METHOD



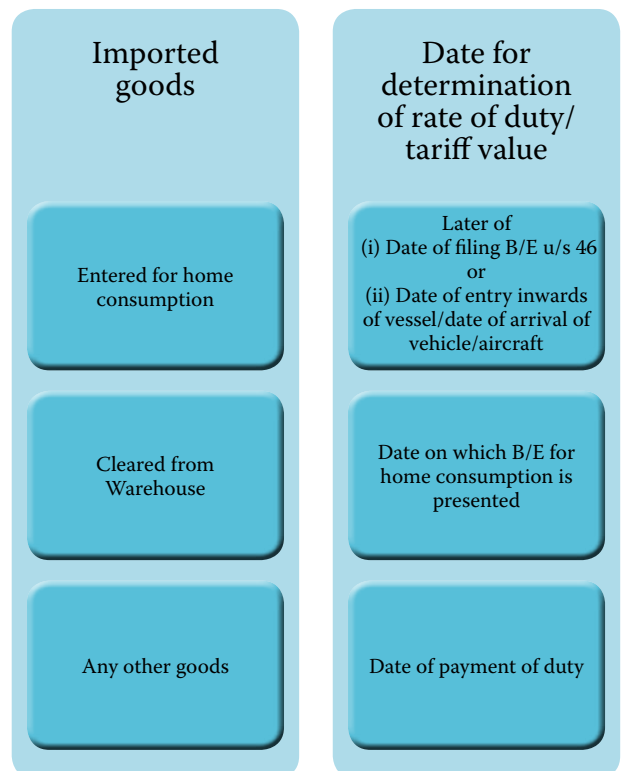
RULE 7 - DECLARATION BY THE EXPORTER



RULE 8 - REJECTION OF DECLARED VALUE



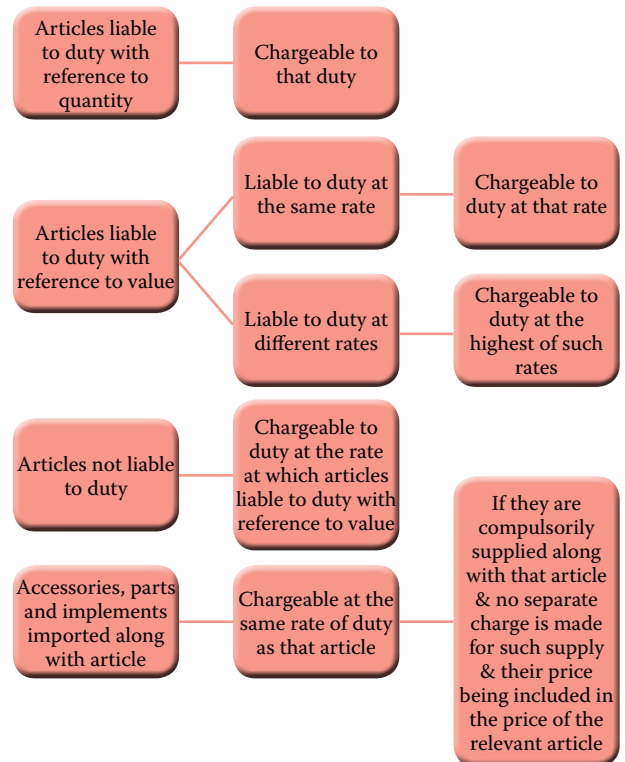
DATE FOR DETERMINATION OF RATE OF DUTY & TARIFF VALUATION OF IMPORTED GOODS [SECTION 15]



DATE FOR DETERMINATION OF RATE OF DUTY & TARIFF VALUATION OF EXPORT GOODS [SECTION 16]

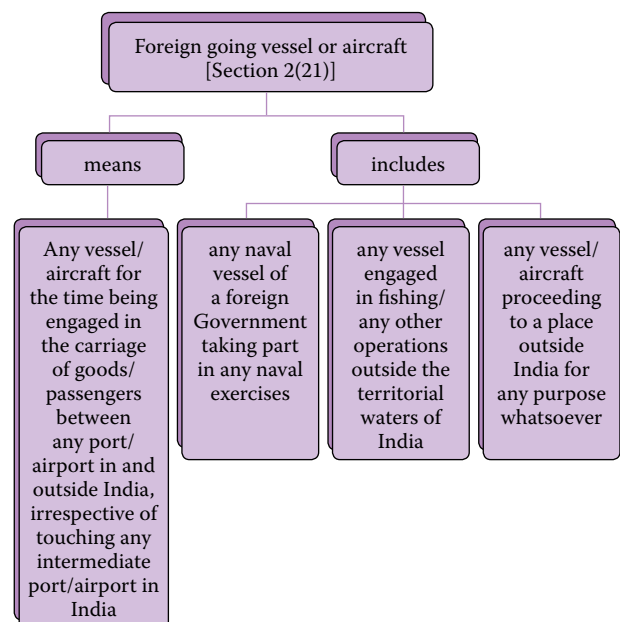
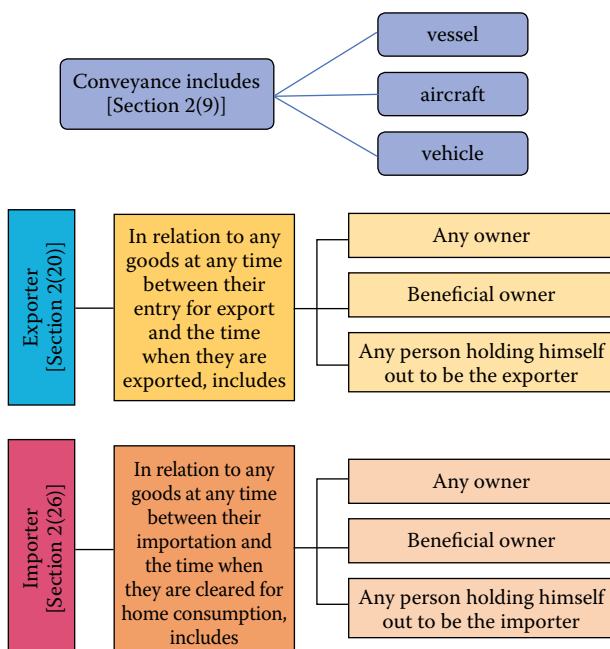


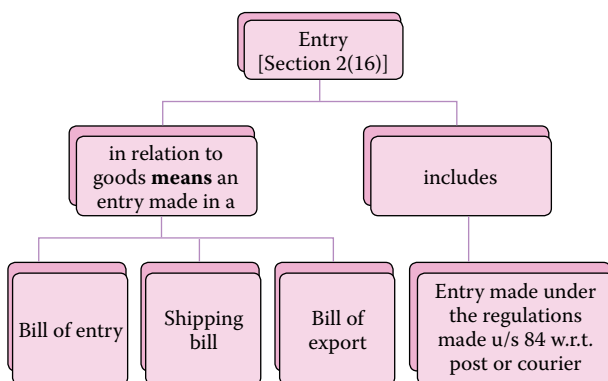
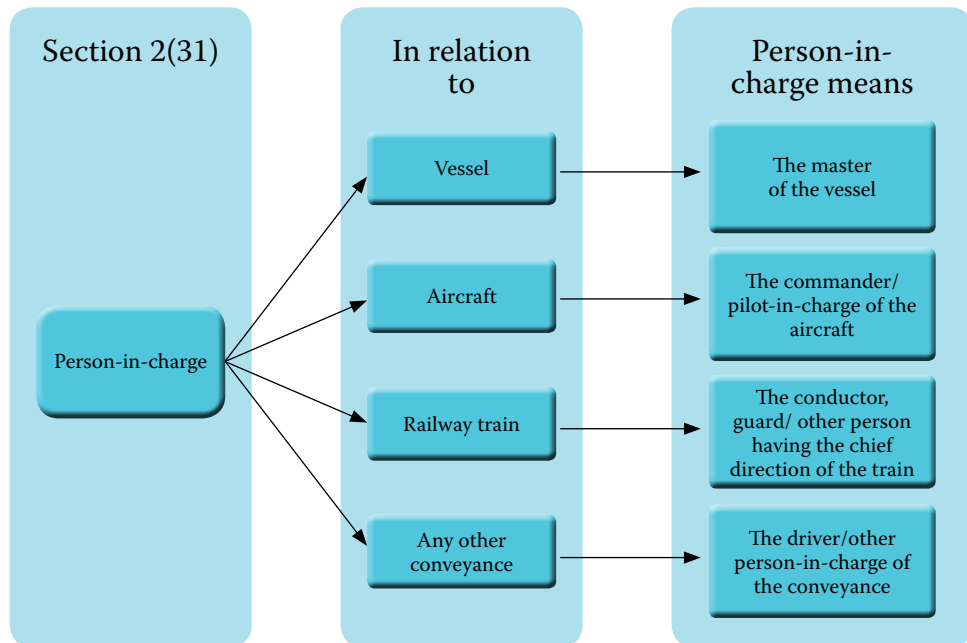
DETERMINATION OF DUTY WHERE GOODS CONSIST OF ARTICLES LIABLE TO DIFFERENT RATES OF DUTY [SECTION 19]



IMPORTATION, EXPORTATION AND TRANSPORTATION OF GOODS

IMPORTANT DEFINITIONS





Obligations of person-in-charge of such vessel/ aircraft:-

- (i) To report arrival of vessel/landing of aircraft to the nearest customs officer/officer in charge of police station & produce log book if demanded
- (ii) W/o consent of such officer - not permit unloading of goods & any passengers/crew to leave the vicinity of vessel/aircraft
- (iii) Comply with all the directions given by such officer

Exception:- Goods can be unloaded or passengers/crews can leave w/o consent due to health, safety/preservation of life or property

ARRIVAL OF VESSELS AND AIRCRAFTS IN INDIA [SECTION 29]

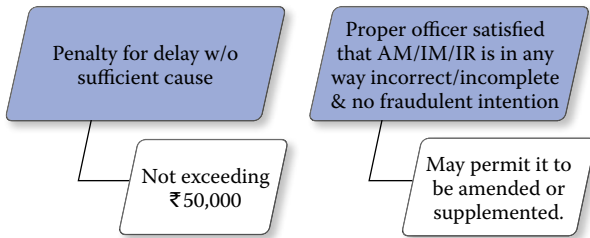
Person-in-charge of vessel/ aircraft entering India not to permit the vessel/ aircraft to call/ land at any place other than customs port/ customs airport for the first time after arrival in India or at any time while carrying passengers/ cargo unless permitted by the Board

Allowed to call/ land at other place if compelled by accident, stress of weather/ other unavoidable cause

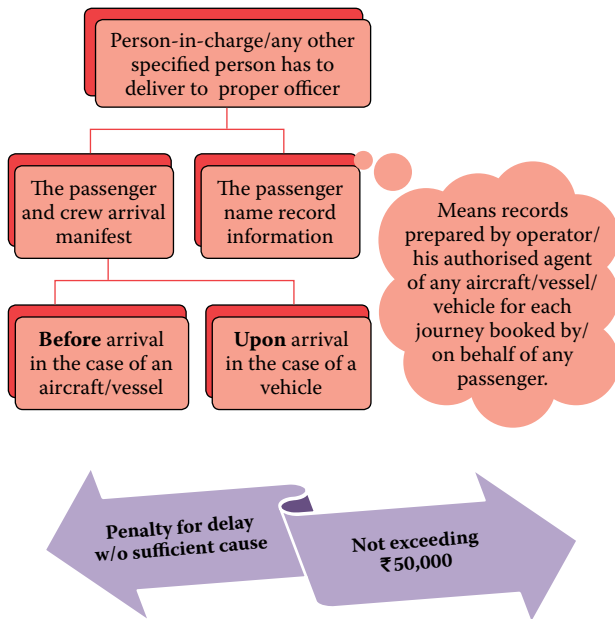
DELIVERY OF ARRIVAL MANIFEST/ IMPORT MANIFEST/ IMPORT REPORT [SECTION 30]

Imported goods brought in	Import Document to be presented by person-in-charge	Time limit for presentation of IM/IR	Mode of presentation
Vessel/ Aircraft	Arrival manifest (AM)/ import manifest (IM)	Any time prior to its arrival	Electronic filing
Vehicle	Import Report (IR)	Within 12 hours after its arrival	Prescribed manner

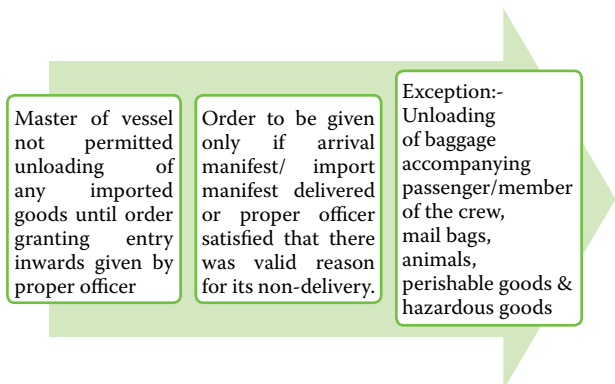
Principal Commissioner/ Commissioner of Customs may allow AM/IM to be delivered in any other manner, if not feasible to present electronically.



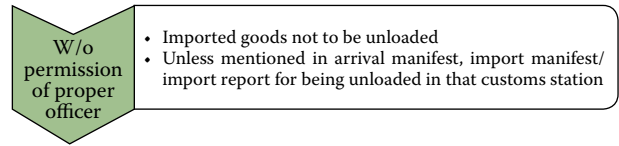
PASSENGER AND CREW ARRIVAL MANIFEST AND PASSENGER NAME RECORD INFORMATION [SECTION 30A]



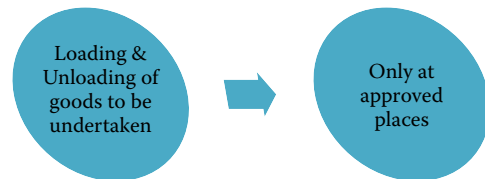
IMPORTED GOODS NOT TO BE UNLOADED FROM VESSEL UNTIL ENTRY INWARDS GRANTED [SECTION 31]



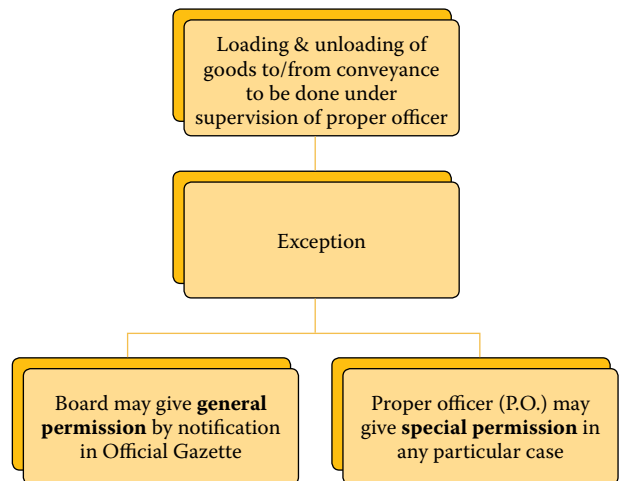
IMPORTED GOODS NOT TO BE UNLOADED UNLESS MENTIONED IN ARRIVAL MANIFEST OR IMPORT MANIFEST OR IMPORT REPORT [SECTION 32]



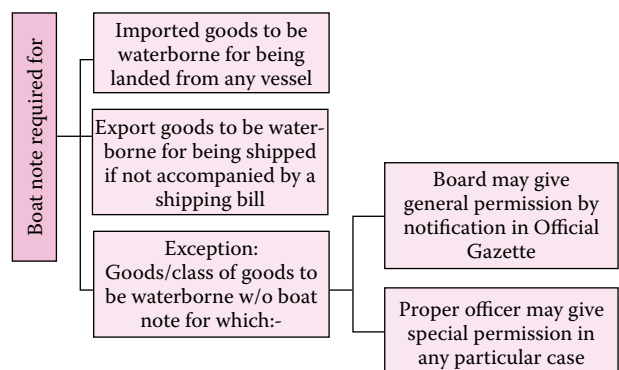
LOADING AND UNLOADING OF GOODS AT APPROVED PLACES ONLY [SECTION 33]



GOODS NOT TO BE LOADED OR UNLOADED EXCEPT UNDER THE SUPERVISION OF CUSTOMS OFFICER [SECTION 34]



RESTRICTIONS ON GOODS BEING WATER-BORNE [SECTION 35]



In a pursuit to provide quality academic inputs to the students to help them in grasping the intricate aspects of the subject, Board of Studies has decided to bring forth a crisp and concise capsule on Paper 1 'Accounting' at Intermediate level. The significant points of the topic "Accounting for Branches Including Foreign Branches" has been covered in this Capsule through pictorial presentations. This capsule, though, facilitates the students in undergoing quick revision, under no circumstances, such revisions can substitute the detailed study of the material provided by the Board of Studies.

Chapter 13: Accounting for Branches (including Foreign Branches)

A branch can be described as any establishment carrying on either the same or substantially the same activity as that carried on by head office of the company. It must also be noted that the concept of a branch means existence of a head office; for there can be no branch without a head office - the principal place of business. Branch offices are of a great utility in the sense that they allow business to expand closer to the clients and hence they facilitate face to face interaction with customers. Branch accounting provides better accountability and control since profitability and efficiency can be closely tracked for each location.

For finding out the trading results of branch, it is assumed that the branch is an entity separate from the head office.

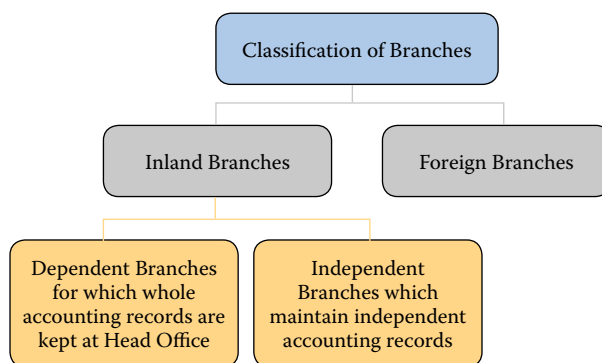
On this basis, a Branch Account is stated in the head office books to which the price of goods or services provided or expenses paid out are debited and correspondingly, the value of benefits and cash received from the branch are credited.

Distinction Between Branch Accounts and Departmental Accounts

	Basis of distinction	Branch Accounts	Departmental Accounts
1.	Maintenance of accounts	Branch accounts may be maintained either at branch or at head office.	Departmental accounts are maintained at one place only.
2.	Apportionment of common expenses	As expenses in respect of each branch can be identified, so the apportionment problem never arises.	Common expenses are distributed among the departments concerned on some equitable basis considered suitable in the case.
3.	Reconciliation	Reconciliation of head office and branch accounts is necessary in case of Branches maintaining independent accounting records at the end of the accounting year.	Such problem never arises.
4.	Conversion of foreign currency figures	At the time of finalisation of accounts, conversion of figures of foreign branch is necessary.	Such problem never arises.

Classification of Branches

From the accounting point of view, branches may be classified as follows:

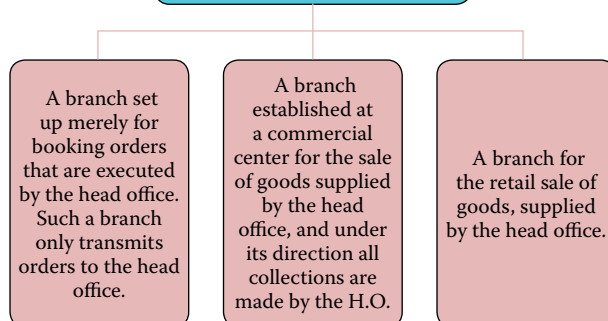


Dependent Branches

When the business policies and the administration of a branch are wholly controlled by the head office and its accounts also are maintained by it, the branch is described as Dependent branch.

Branch accounts, in such a case, are maintained at the head office out of reports and returns received from the branch.

Some of the significant types of branches that are operated in this manner are described below:



Accounting in the case of first two types is simple. Only a record of expenses incurred at the branch has to be maintained.

But however, a retail branch is essentially a sale agency that principally sells goods supplied by the head office for cash and, if so authorised, also on credit to approved customers.

Generally, cash collected is deposited into a local bank to the credit of the head office and the head office issues cheques or transfers funds thereon for meeting the expenses of the branch.

In addition, the Branch Manager is provided with a 'float' for petty expenses which is replenished from time to time on an imprest basis.

If, however, the branch also sells certain lines of goods, directly purchased by it, the branch retains a part of the sale proceeds to pay for the goods so purchased.

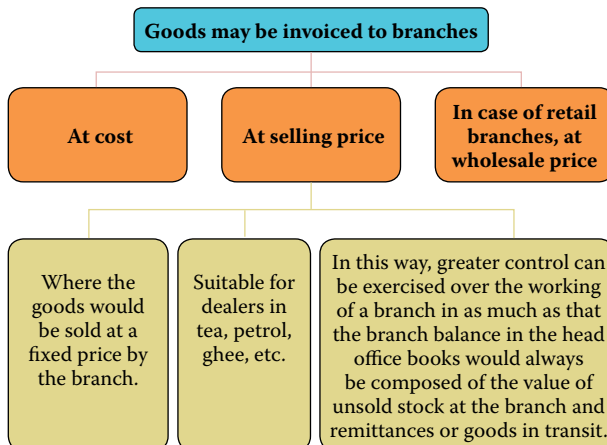
If the branch is allowed to make small purchases of goods locally as well as to incur expenses out of its cash receipts, it will be necessary for the branch to supply to the head office a copy of the Cash Account, showing details of cash collections and disbursements.

To illustrate the various entries which are made in the Branch Account, the proforma of a Branch Account is shown below:

Proforma Branch Account

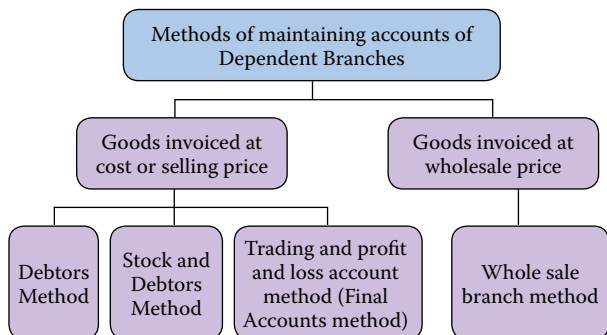
To Balance b/d	By Bank A/c (Cash remitted)
Cash	By Return to H.O.
Stock	
Debtors	By Balance c/d
Petty Cash	Cash
Fixed Assets	Stock
Prepaid Expenses	Debtors
To Goods sent to Branch	Petty Cash
To Bank A/c	Fixed Assets
Salaries	Prepaid Expenses
Rent	By Profit and Loss A/c—Loss
Sundry Expenses	(if debit side is larger)
To Profit & Loss A/c—Profit	
(if credit side is larger)	

Methods of Charging Goods to Branches



Accounting for Dependent Branches

Dependent branch does not maintain a complete record of its transactions. The Head office may maintain accounts of dependent branches by any of the following methods:



When goods are invoiced at cost

(i) Debtor method

It is suitable for small sized branches.

Separate branch account is maintained for each branch to compute profit or loss made by each branch.

Note

Having credited the Branch Account by the actual cash received from debtors, it would be incorrect to debit the Branch Account, in respect of discount or allowances to debtors.

The accuracy of the trading results as disclosed by the Branch Account, so maintained, if considered necessary, can be proved by preparing a Memorandum Branch Trading and Profit & Loss Account, in the usual way, from the balances of various items of income and expenses contained in the Branch Account.

(ii) Stock and Debtors method:

The accounts of the branch are maintained under this method

- to exercise a more detailed control over the working of a branch.

Accounts maintained by the Head Office:

	Account	Purpose
1.	Branch Stock Account (or Branch Trading Account)	Ascertainment of shortage or surplus
2.	Branch Debtors Account	Ascertainment of closing balance of debtors
3.	Branch Expenses Account	Ascertainment of total expenses incurred
4.	Goods sent to Branch Account	Ascertainment of cost of goods sent to branch
5.	Branch Cash / Bank Account	Know about cash flow at branch (eg: where branch is allowed to incur expenses locally)
6.	Branch Fixed Asset Account	Control over branch Fixed Assets
7.	Branch Profit and Loss Account	Calculation of net profit or loss

ACCOUNTING

The manner in which entries are recorded in the above method is shown below:

Transaction	Account debited	Account credited
Cost of goods sent to the Branch	Branch Stock A/c	Goods sent to Branch A/c
Remittances for expenses	Branch Cash A/c	Cash A/c
Any asset (e.g. furniture) provided by H.O.	Branch Asset (Furniture) A/c	Asset A/c
Cost of goods returned by the branch	Goods sent to Branch A/c	Branch Stock A/c
Cash Sales at the Branch	Branch Cash A/c	Branch Stock A/c
Credit Sales at the Branch	Branch Debtors A/c	Branch Stock A/c
Return of goods by debtors to the Branch	Branch Stock A/c	Branch Debtors A/c
Cash paid by debtors	Branch Cash A/c	Branch Debtors A/c
Discount & allowance to debtors, bad debts	Branch Expenses A/c	Branch Debtors A/c
Remittances to H.O.	Cash A/c	Branch Cash A/c
Branch Expenses directly paid by H.O.	Branch Expenses A/c	Cash A/c
Expenses met by Branch	Branch Expenses A/c	Branch Cash A/c

Closing Stock: Credit the Branch Stock Account with the value of closing stock at cost.

It will be carried down as opening balance (debit) for the next accounting period. The Balance of the Branch Stock Account, (after adjustment therein the value of closing stock), if in credit, will represent the gross profit on sales and vice versa.

Other Steps

Balance of Branch Stock Account will be transferred to the Branch Profit and Loss Account.

Balance of Branch Expenses Account will be transferred to the debit of Branch Profit & Loss Account.

The balance in the Branch P&L A/c will be transferred to the (H.O.) Profit & Loss Account.

The credit balance in the Goods sent to Branch Account is afterwards transferred to the Head Office Purchase Account or Trading Account (in case of manufacturing concerns), it being the value of goods transferred to the Branch.

(iii) Trading and Profit and Loss Account (Final Accounts Method)

Trading and Profit and Loss accounts are prepared

considering each branch as a separate entity.

The main advantage

It is easy to prepare and understand.

It also gives complete information of all transactions which are ignored in the other methods.

It is merely a memorandum account and therefore,

the entries made do not have double entry effect.

When goods are invoiced at selling price

Whenever, goods sent to branch are invoiced at selling price:

(a) It would be obvious that, if Branch Account is debited with the sales price of goods and subsequent to the debit being raised there is a change in the sale price, the amount of debit either has to be increased or reduced on a consideration of the quantity of unsold stock that was there at the branch at the time the change took place. Such an adjustment will be necessary as often as the change in sale price occurs.

(b) Moreover, the amount of anticipatory or unrealised profit, included in the value of unsold stock with the branch at the close of the year will have to be **eliminated** before the accounts of the branch are incorporated with that of the head office. This will be done by creating a reserve.

(c) It may also be necessary to adjust the value of closing stock on account of the physical losses of stock due to either pilferage or wastages which may have occurred during the year. This adjustment is made by debiting the cost of such goods to Goods Lost Account and the amount of loading (included in the lost goods), to the Branch Adjustment Account.

The three different methods that are usually adopted for maintaining accounts on this basis are described below:

(i) Debtor method

Under this method, the principal accounts that will be maintained are:

The Branch Account;

The Goods Sent to Branch Account; and

The Stock Reserve Account.

Entries in these accounts will be made in the following manner:

	Transaction	Account debited	Account credited
(a)	Goods sent to Branch at selling price	Branch A/c	Goods Sent to Branch A/c
(b)	'Loading' being the difference between selling price and cost of goods	Goods Sent to Branch A/c	Branch A/c
(c)	Returns to H.O. at selling price	Goods Sent to Branch A/c	Branch A/c
(d)	'Loading' in respect of goods returned to H.O.	Branch A/c	Goods Sent to Branch A/c
(e)	'Loading' included in the opening stock to reduce it	Stock Reserve A/c	Branch A/c
(f)	Closing stock at selling price	Branch Stock A/c	Branch A/c
(g)	'Loading' included in closing stock to reduce it to cost	Branch A/c	Stock Reserve A/c

Hence, the Branch Account will not correctly show the trading profit of the Branch unless these amounts are adjusted to cost. Such an adjustment is affected by making contra entries in 'Goods Sent to Branch A/c' and 'Stock Reserve Account'.

In respect of closing stock at branch for the purpose of disclosure in the Balance Sheet, the credit balance in the 'Stock Reserve Account' at the end of the year will be deducted from the value of the closing stock, so as to reduce it to its cost; it will be carried forward as a separate balance to the following year, for being transferred to the credit of the Branch Account.

(ii) Stock and Debtors Method

One additional account i.e. 'Branch Adjustment account' is also prepared

in addition to all the accounts which are maintained under stock and debtors method on cost basis.

Journal Entries

	Transaction	Account debited	Account credited
(a)	Sale price of the goods sent from H.O. to the Branch	Branch Stock A/c (at selling price)	(i) Goods sent to Branch A/c at cost. (ii) Branch Adjustment A/c (with the loading i.e., difference between the selling price and cost price).
(b)	Return of goods by the Branch to H.O.	(i) Goods sent to Branch A/c (with the cost of goods returned). (ii) Branch Adjustment A/c (with the loading)	Branch Stock A/c
(c)	Cash sales at the Branch	Branch Cash/Bank A/c	Branch Stock A/c
(d)	Credit Sales at the Branch	Branch Debtors A/c	Branch Stock A/c
(e)	Goods returned to Branch by customers	Branch Stock A/c	Branch Debtors A/c (at selling price)
(f)	Goods lost in transit or stolen	(i) Goods Lost in Transit A/c or Goods Stolen A/c (with cost of the goods) (ii) Branch Adjustment A/c (with the loading)	Branch Stock A/c

Closing Stock

The balance in the Branch Stock Account at the close of the year normally should be equal to the unsold stock at the Branch valued at sale price.

But quite often the value of stock actually held at the branch is either more or less than the balance of the Branch Stock Account.

In that event balance in the Branch Stock Account is increased or reduced by debit or credit to Goods Lost Account (at cost price of goods) and Branch Adjustment Account (with the loading).

The Stock Account at selling price, thus reveals loss of stock (or surplus) and serves as a check on the branch in this respect.

The discrepancy in the amount of balance in the Branch Stock Account and the value of stock actually in hand, valued at sale price, may be the result of one or more of the under-mentioned factors:

An error in applying the percentage of loading.	Goods having been sold either below or above the established selling price.	A Commission to adjust returns or allowances.	Physical loss of stock due to natural causes or pilferage.	Errors in Stock-taking.
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Rebates and allowances

Rebates and allowances allowed to customers debited to P&L A/c & credited to debtors A/c.

In the Goods Sent to Branch Account, the cost of the goods sent out to a branch for sale is credited by debiting Branch Stock Account.

Conversely, the cost of goods returned by the branch is debited to this account. As such the balance in the account at the end of the year will be the cost of goods sent to the branch; therefore, it will be transferred either to the Trading Account or to Purchases Account of the head office.

The amount of profit anticipated on sale of goods sent to the branch is credited to the Branch Adjustment Account and conversely, the amount of profit not realised in respect of goods returned by the branch to head office or that in respect to stock remaining unsold with the branch at the close of the year is debited to Branch Adjustment Account.

The balance in this account, at the end of year thus will consist of the amount of Gross Profit earned on sale by the branch.

On that account, it will be transferred to the Branch Profit and Loss Account.

Elimination of unrealised profit in the closing stock

The balance in the Branch Stock account would be at the **sale price**; therefore, it would be necessary to eliminate the element of profit included in such closing stock.

This is done by creating a reserve against unrealised profit, by debiting the Branch Adjustment Account and crediting Stock Reserve Account with an amount equal to the difference in the cost and selling price of unsold stock.

Sometimes instead of opening a separate account in respect of the reserve, the amount of the difference is credited to Branch Stock Account. In that case, the credited balance of such a reserve is also carried forward separately, along with the debit balance in the Branch Stock Account; the difference between the two would be the value of stock at cost. In either case, the credit balance will be deducted out of the value of closing stock for the purpose of disclosure in the balance sheet, so that the stock is shown at cost.

ACCOUNTING ||

An Alternative method of elimination of unrealised profit in closing stock

Where the gross profit of each branch is not required to be ascertained separately, although the selling price is uniform, the amount of goods sent to the branch is recorded only in two accounts namely - Branch Stock Account and Goods Sent to Branch A/c.

In this method, at the end of the year the Branch Stock Account is closed by transfer of the balance representing the value of closing stock, at sale price, to the **Goods Sent to Branch Account**.

This has the effect of altogether eliminating from the books the value of stock at the branch. The balance of Goods sent to Branch Account is afterwards transferred to the **Trading Account** representing the net sale price of goods sold at the branch. In that case, the value of closing stock at the branch at cost will be subsequently introduced in the Trading Account together with that of closing stock at the head office.

(iii) Trading and Profit and Loss Account (Final Accounts) Method:

All items of memorandum Branch Trading and Profit and Loss Account are to be converted into cost price if the goods are invoiced to branch at selling price.

Other points will remain same as already discussed under this method when goods are invoiced at cost.

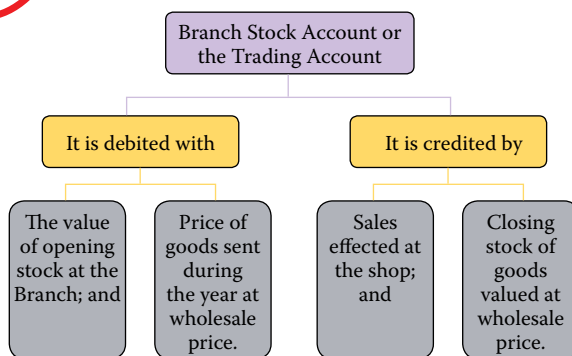
Goods invoiced at wholesale price to retail branches

Under this method, the Head Office (particularly, the manufacturing concern) supplies goods to its retail branches at wholesale price which is cost plus wholesale profit.

Profit of branch = Sale proceeds at shop - wholesale price of the goods sold.

For this purpose, it is assumed that Manufacturer would always be able to sell the goods on wholesale terms thereby Manufacturer profit = Wholesale price - Cost.

Many concerns, therefore, invoice goods to such shops at wholesale price and determine profit or loss on sale of goods on this basis.



The value of goods lost due to accident, theft etc., also is credited to the Branch Stock Account or Trading Account calculated at the **wholesale price**. At this stage, the Branch Stock or Trading Account will reveal the amount of gross profit (or loss). It is transferred to the Branch Profit and Loss Account. On further being debited with the expenses incurred at the shop and the wholesale price of goods lost, the Branch Profit and Loss Account will disclose the net profit (or loss) at the shop.

Since the closing stock at the branch has to be valued at wholesale price, it would be necessary to create a stock reserve equal to the difference between its wholesale price and its cost (to the head office) by debiting the amount in the Head Office Profit and Loss Account. This Stock Reserve is carried forward to the next year and then transferred to the credit of the (Head Office) Profit and Loss Account.

Accounting for Independent Branches

Salient features of accounting system of an Independent Branch are as follows

- Branch maintains its entire books of account under double entry system.
- Branch opens in its books a Head Office account to record all transactions that take place between Head Office and branch. The Head Office maintains a Branch account to record these transactions.
- Branch prepares its Trial Balance, Trading and profit and loss Account at the end of the accounting period and sends copies of these statements to Head Office for incorporation.
- After receiving the final statements from branch, Head Office reconciles between the two - Branch account in Head Office books and Head Office account in Branch books.
- Head office passes necessary journal entries to incorporate branch trial balance in its books.

The Head Office Account in branch books and Branch Account in head office books is maintained respectively.

(i)	Dispatch of goods to branch by H.O.	Branch A/c To Good sent to Branch A/c	Dr.	Goods received from H.O. A/c To Head Office A/c	Dr.
(ii)	When goods are returned by the Branch to H.O.	Goods sent to Branch A/c To Branch A/c	Dr.	Head Office A/c To Goods received from H.O. A/c	Dr.
(iii)	Branch Expenses are paid by the Branch	No Entry		Expenses A/c To Bank or Cash A/c	Dr.
(iv)	Branch Expenses paid by H.O.	Branch A/c To Bank or Cash A/c	Dr.	Expenses A/c To Head Office A/c	Dr.
(v)	Outside purchases made by the Branch	No Entry		Purchases A/c To Bank (or) Creditors A/c	Dr.
(vi)	Sales effected by the Branch	No Entry		Cash or Debtors A/c To Sales	Dr.
(vii)	Collection from Debtors of the Branch recd. by H.O.	Cash or Bank A/c To Branch A/c	Dr.	Head office A/c To Sundry Debtors A/c	Dr.
(viii)	Payment by H.O. for purchase made by Branch	Branch A/c To Bank A/c	Dr.	Purchases (or) Sundry Creditors A/c To Head Office	Dr.
(ix)	Purchase of Asset by Branch	No Entry		Sundry Assets To Bank (or) Liability	Dr.
(x)	Asset purchased by the Branch but Asset A/c retained at H.O. books	Branch Asset A/c To Branch A/c	Dr.	Head office To Bank (or) Liability	Dr.
(xi)	Depreciation on (x) above	Branch A/c To Branch Asset A/c	Dr.	Depreciation A/c To Head Office A/c	Dr.
(xii)	Remittance of funds by H.O. to Branch	Branch A/c To Bank A/c	Dr.	Bank A/c To Head Office A/c	Dr.
(xiii)	Remittance of funds by Branch to H.O.	Reverse entry of (xii) above i.e.		Reverse entry of (xii) above	
(xiv)	Transfer of goods from one Branch to another branch	(Recipient) Branch A/c To (Supplying) Branch A/c	Dr.	<u>Supplying Branch</u>	Dr.
				H.O. A/c To Goods sent to H.O. A/c	
				<u>Recipient Branch</u> Goods Received from H.O. A/c To Head Office A/c	

The final result of these adjustments will be that so far as the Head Office is concerned, the branch will be looked upon either as a debtor or creditor, as a debtor if the amount of its assets is in excess of its liabilities and as a creditor if the position is reverse.

A debit balance in the Branch Account should always be equal to the net assets at the branch.

Adjustment and Reconciliation of Branch and Head Office Accounts

If the branch and the head office accounts, converse of each other, do not tally, these must be reconciled before the preparation of the final accounts of the concern as a whole.

Reasons for Disagreement

Following are the possible reasons for the disagreement between Branch A/c in Head office books and Head office A/c in Branch books on the closing date:

Goods dispatched by the Head office not received by the branch. These goods may be in transit or loss in transit.

Goods returned by the branch to Head Office not received by the H.O. Again, these goods may be in transit or lost in transit.

Amount remitted by Head office to branch or vice versa remaining in transit on the closing date.

Receipt of income or payment or expenses relating to the Branch transacted directly by the head office or vice versa, hence not recorded at the respective ends wherein they are normally to be recorded.

Important Points to be noted:

- The balance of Head Office A/c in Branch books and Branch A/c in Head Office books have tallied.
- Adjustment are made only at the point:
 - Where the recording has been omitted, and
 - Other than the point where action has already been effected.

Other points

Inter-Branch Transactions

- Inter-branch transactions (i.e. transaction between two branches) are usually adjusted as if they were entered into only with the head office. It is a very convenient method of treating such transaction especially where the number of branches are large.

*If we did all the things we are capable of,
we would be amazed
- Thomas Edison*

ACCOUNTING ||

Fixed Assets

- Often the accounts of fixed assets of a branch are kept in the head office books; in such a case, at the end of the year, the amount of depreciation on the assets is debited to the branch concerned by recording the following entry by head office:

Dr.
To Branch Asset Account

The branch will pass the following entry:

Dr.
To Head Office Account

Head office Expenses charged to Branch

- Usually the head office devotes considerable time in attending the affairs of the branch; on that account, it may decide to raise a charge against the branch in respect of the cost of such time. In such a case the amount is debited to the branch (being receivable from branch) and is credited to appropriate expense head such as Salaries Accounts, General Charges Account, Entertainment Account, etc. (i.e. reducing the expense in head office books). The branch credits the H.O. Account and debits Expenses Account.

Incorporation of Branch Balance in Head Office Books

The method that will be adopted for incorporating the trading result of the branch with that of the head office would depend on whether it is desirable to prepare

- Standalone P&L & Balance Sheet for each Branch, or
- Consolidated statement of Branch & H.O.

Method I: Separate P&L & Balance Sheet for each Branch

Amount of P&L is shown by Branch and is transferred to H.O. in Branch books & converse entry is passed in H.O. Books as:

The Branch Balance Sheet would show the amount advanced by H.O. to it as 'Capital'.

In H.O. Books, such amount would be shown as "Advance to Branch"

Method II: Prepare a consolidated Profit & Loss Account and Balance Sheet

Individual balances of all the revenue accounts would be separately transferred to the H.O. by debit or credit in the branch books and the converse entries would be passed in the H.O. books.

Amount of net profit or loss of the branch having been transferred since it would be composed of the balances that have been transferred.

In case it is also desired that consolidated balance sheet of the branch and the head office should be prepared, it will also be necessary to transfer the balance of assets and liabilities of the branch to the head office.

The adjusting entries that would be passed in this respect in the books of branch are shown below:

- Head Office Account Dr.
To Asset (Individual) Account
- (Individual) Liability Account Dr.
To Head Office Account

Converse entries are passed in the head office books.

It is obvious that after aforementioned entries have been passed, the Branch Account in the head Office books and Head Office Account in the branch books will be closed and it will be necessary to restart them at the beginning of the next year.

- In consequence, at the beginning of the following year, the under-mentioned entry is recorded by the branch:

Dr.
Asset Account (In Detail)
To Liability Accounts (In Detail)
To H.O. Account (The difference between assets and liabilities)

Incomplete Information In Branch Books

If it is desired that profitability of the branch should be kept secret from the branch staff, the head office would hold back some key information from the branch, e.g., amount of opening stock, cost of goods sent to the branch, etc. The head office, in such a case would maintain a record of goods sent to the branch by passing the entry:

Dr.
Goods Supplied to the Branch Account
• To Purchases Account

The value of the closing stock will also be adjusted only in head office books.

In such a case, for closing its books at the end of the year, the branch will simply transfer various revenue accounts to the head office without drawing up a Trading and Profit & Loss Account.

On that basis, supplemented by the record of transactions maintained at the head office, it will be possible to construct the Trading and Profit & Loss Account of the branch.

FOREIGN BRANCHES

Foreign branches generally maintain independent and complete record of business transacted by them in currency of the country in which they operate.

Thus, problems of incorporating balances of foreign branches relate mainly to translation of foreign currency into Indian rupees.

This is because exchange rate of Indian rupee is not stable in relation to foreign currencies due to international demand and supply effects on various currencies.

The accounting principles which apply to inland branches also apply to a foreign branch after converting the trial balance of the foreign branch in the Indian currency.

ACCOUNTING FOR FOREIGN BRANCHES

For the purpose of accounting, AS 11 (revised 2003) classifies the foreign branches may be classified into two types:

- Integral Foreign Operation;
- Non- Integral Foreign Operation.

Two types of foreign branches

- **Integral Foreign Operation (IFO)**
It is a foreign operation, the activities of which are an integral part of those of the reporting enterprise. The business of IFO is carried on as if it were an extension of the reporting enterprise's operations. For example, sale of goods imported from the reporting enterprise and remittance of proceeds to the reporting enterprise.
- **Non-Integral Foreign Operation (NFO)**
It is a foreign operation that is not an Integral Foreign Operation. The business of a NFO is carried on in a substantially independent way by accumulating cash and other monetary items, incurring expenses, generating income and arranging borrowing in its local currency. An NFO may also enter into transactions in foreign currencies, including transactions in the reporting currency. An example of NFO may be production in a foreign currency out of the resources available in such country independent of the reporting enterprise.

The following are the indicators of Non- Integral Foreign Operation-

- Control by reporting enterprises - While the reporting enterprise may control the foreign operation, the activities of foreign operation are carried independently without much dependence on reporting enterprise.

- Transactions with the reporting enterprises are not a high proportion of the foreign operation's activities.

- Activities of foreign operation are mainly financed by its operations or from local borrowings. In other words, it raises finance independently and is in no way dependent on reporting enterprises.

- Foreign operation sales are mainly in currencies other than reporting currency.

- All the expenses by foreign operations are primarily paid in local currency, not in the reporting currency.

- Day-to-day cash flow of the reporting enterprises is independent of the foreign enterprises cash flows.

- Sales prices of the foreign enterprises are not affected by the day-to-day changes in exchange rate of the reporting currency of the foreign operation.

- There is an active sales market for the foreign operation product.

These are only indicators and not decisive/conclusive factors to classify the foreign operations as non-integral, much will depend on factual information, situations of the particular case and, therefore, judgment is necessary to determine the appropriate classification.

TECHNIQUES FOR FOREIGN CURRENCY TRANSLATION

Items	Integral Foreign Operations	Non-Integral Foreign Operations
Monetary Items (Cash, Bank Balance, Debtor, Creditor, Loans, Bills receivable, Bills Payable)	Closing rate	Closing rate
Non-Monetary Items (Fixed Assets)	Rate on date of purchase	Closing rate
Inventory	Generally, closing rate (but if rate on the date of purchase of inventory is available, then that rate)	Closing rate
Profit and Loss items (revenue items)	Average rate (but if rate on the date of transaction is available, then that rate)	Average rate (but if rate on the date of transaction is available, then that rate)
Exchange Difference	Charge to P&L account.	Accumulated in Foreign Currency Translation reserve.

CHANGE IN CLASSIFICATION

When there is a change in classification, accounting treatment is as under-	
Integral to Non-Integral (i) Translation procedure applicable to non-integral shall be followed from the date of change. (ii) Exchange difference arising on the translation of non-monetary assets at the date of re-classification is accumulated in foreign currency translation reserve.	Non-Integral to Integral (i) Translation procedure as applicable to integral should be applied from the date of change. (ii) Translated amount of non-monetary items at the date of change is treated as historical cost. (iii) Exchange difference lying in foreign currency translation reserve is not to be recognised as income or expense till the disposal of the operation even if the foreign operation becomes integral.

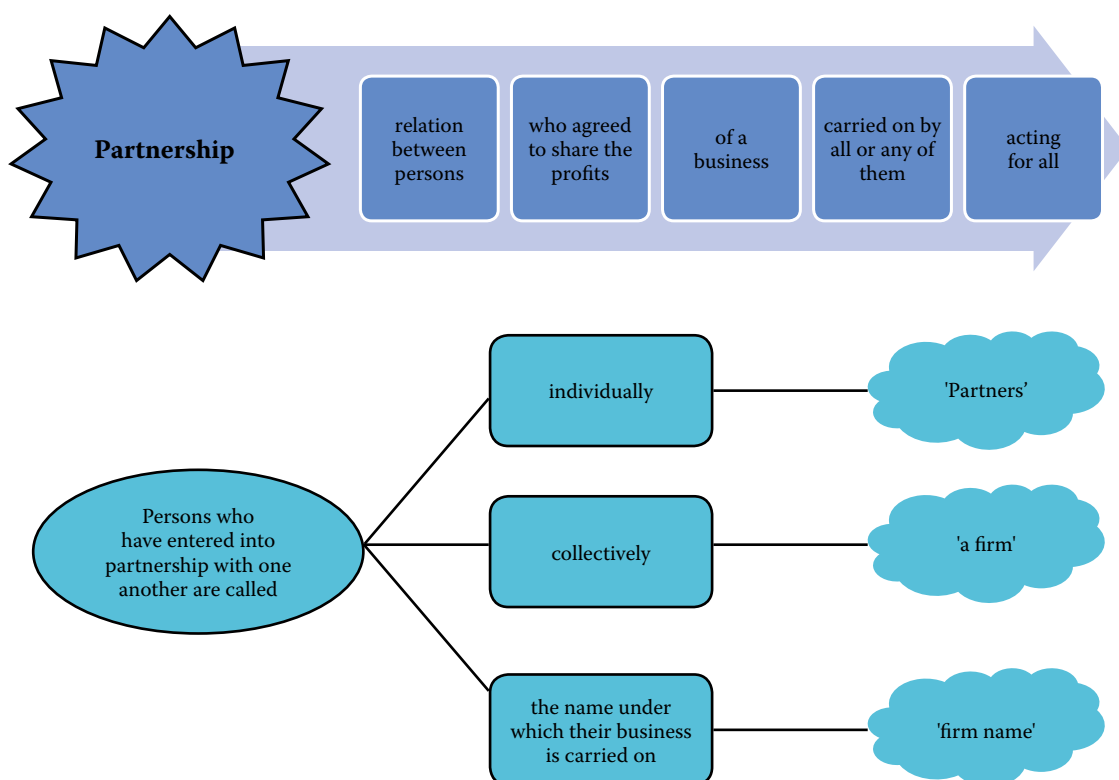
Your character is formed by the challenges you face and overcome
- Anonymous

CA FOUNDATION - PAPER 2A - BUSINESS LAWS

This capsule on Paper 2A: Business Laws at Foundation level covers the concepts of Unit 1 of the Indian Partnership Act, 1932 which is Chapter 3 of this paper. It covers significant concepts explained in a graspable manner for rational understanding of legal provisions. This will help the student to understand and retain the important aspects of the legal provisions. This capsule in fact, is in short notes which aids to revise the subject in the examination condition and can be referred a day before examination. This is relevant for the November 2022 examination.

CHAPTER 3: THE INDIAN PARTNERSHIP ACT, 1932 UNIT 1: GENERAL NATURE OF PARTNERSHIP

1. Definition of 'Partnership', 'Partner', 'Firm' and 'Firm name'



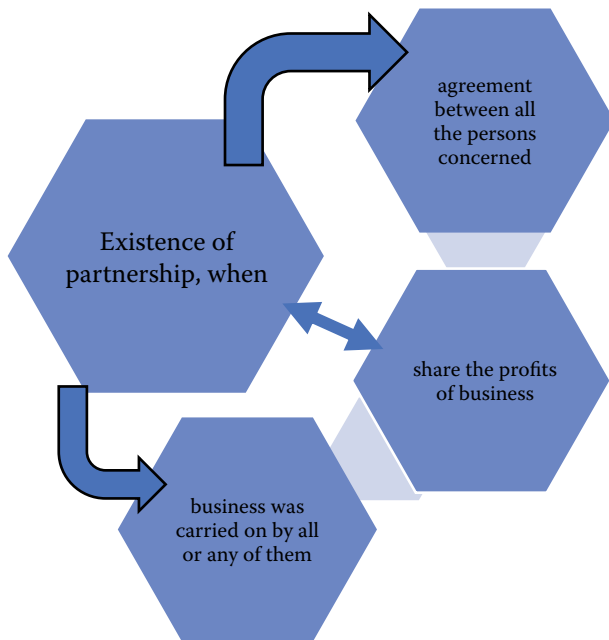
2. Elements of Partnership

ASSOCIATION OF PERSONS	• association of 2 or more persons • persons recognised by law can enter into an agreement of partnership
AGREEMENT	• partnership must be the result of an agreement • Agreement may be express or implied • Agreement may be oral or in writing
BUSINESS	• Existence of business • Acquisition of gains

AGREEMENT TO SHARE PROFITS	• Sharing of profits is must
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BUSINESS CARRIED ON BY ALL OR ANY OF THEM ACTING FOR ALL	• Binding contract of mutual agency between the partners • Partner is the principal as well as the agent for all other partners.
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3. True Test of Partnership



4. Partnership distinguished from other forms of Organisation

I. Partnership Vs Joint Stock Company

Basis of difference	Partnership	Joint Stock Company
Legal status	Not a legal entity	Is an artificial legal person. (<i>Saloman Vs Saloman</i>)
Agency	Partner is an agent of firm and other partners.	A member is not an agent of company or of other members.
Distribution of profits	The profits of the firm are distributed as per the Partnership Deed.	There is no such compulsion to distribute the profits among the members. Dividend is declared out of profits.
Extent of liability	Liability of members is unlimited.	Liability of the members can be limited by shares or by guarantee. There can be unlimited liability also.
Property	The firm's property is the "Joint Estate" of all the partners.	Company's property is separate from that of its members who can receive it back only in the form of dividends or refund of capital.
Transfer of shares	A share in Partnership cannot be transferred without the consent of all the partners.	Shares of a private limited company can be transferred with ease.
Management	Partners can take part in management of a firm.	Only director members can take part in management.

Basis of difference	Partnership	Joint Stock Company
Registration	For a partnership, firm registration is not compulsory.	Company is created by registration under Companies Act, 2013.
Winding up	A partnership may be dissolved by any partner at any time if all the partners agree.	A Company is wind up by NCLT or its name is struck off by the ROC.
Number of membership	Number of partners: maximum-100 (As per Section 464 of the Companies Act, 2013) Present limit is 50 [As per Companies (<i>Miscellaneous</i>) Rules, 2014]	Private company: minimum- 2, maximum- 200 Public Company: minimum- 7, maximum- No limit One person company: 1
Duration of existence	Firm does not have perpetual succession.	Company has perpetual succession.

II. Partnership Vs Club

Basis of Difference	Partnership	Club
Objective	Profit	Not profit
Relationship	Partners	Members
Interest in the property	Yes	No
Dissolution	Change in partners affect existence	Change in members don't affect existence

III. Partnership Vs Hindu Undivided Family (HUF)

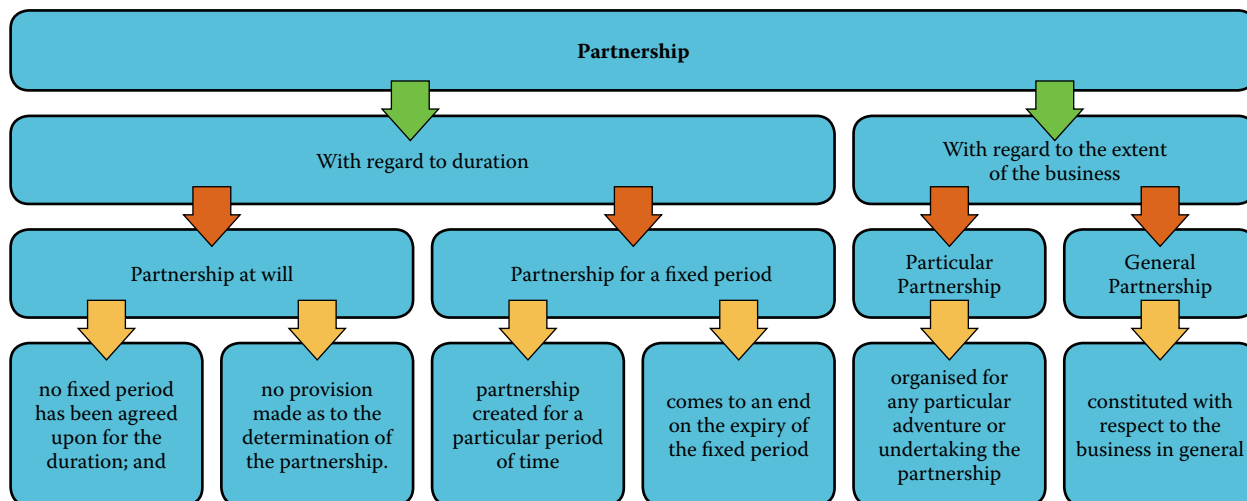
Basis of difference	Partnership	HUF
Mode of creation	An agreement.	Status means its creation by birth in the family.
Death of a member	Ordinarily leads to the dissolution of partnership.	Does not give rise to dissolution of the family business.
Management	All the partners are equally entitled to take part.	Generally vests in the Karta, the governing male member or female member of the family.
Authority to bind	Every partner can, by his act, bind the firm.	The Karta or the manager, has the authority to contract for the family business and the other members in the family.
Liability	Liability of a partner is unlimited.	Only the liability of the Karta is unlimited, and the other coparcener are liable only to the extent of their share in the profits of the family business.
Calling for accounts on closure	A partner can bring a suit against the firm for accounts, provided he also seeks the dissolution of the firm.	On the separation of the joint family, a member is not entitled to ask for account of the family business.

Basis of difference	Partnership	HUF
Governing Law	Governed by the Indian Partnership Act, 1932.	Governed by the Hindu Law.
Minor's capacity	A minor cannot become a partner, though he can be admitted to the benefits of partnership, only with the consent of all the partners.	A minor becomes a member of the ancestral business by the incidence of birth. He does not have to wait for attaining majority.
Continuity	Subject to a contract between the partners, gets dissolved by death or insolvency of a partner.	Has the continuity till it is divided. The status of HUF is not thereby affected by the death of a member.
Number of Members	Should not exceed 50.	Unlimited in number.
Share in the business	Each partner has a defined share by virtue of an agreement between the partners.	No coparceners have a definite share.

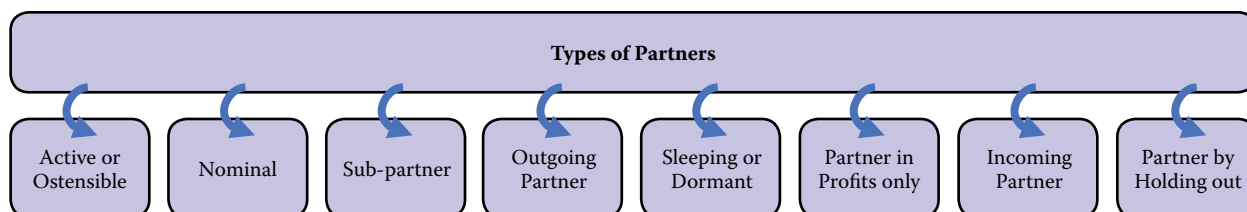
IV. Partnership Vs Co-Ownership or joint ownership

Basis of difference	Partnership	Co-ownership
Formation	It arises out of a contract.	Arise either from agreement or by the operation of law, such as by inheritance.
Implied agency	A partner is the agent of the other partners.	A co-owner is not the agent of other co-owners.
Nature of interest	There is community of interest which means that profits and losses must have to be shared.	Co-ownership does not necessarily involve sharing of profits and losses.
Transfer of interest	A share in the partnership is transferred only by the consent of other partners.	A co-owner may transfer his interest or rights in the property without the consent of other co-owners.

5. Kinds of Partnership



6. Types of Partners



Active or Actual or Ostensible partner	Sleeping or Dormant Partner	Nominal Partner	Partner in profits only	Incoming partner	Outgoing partner	Partner by holding out
become a partner by agreement, and	a partner by agreement, and	Lend his name to the firm	Entitled to share the profits only	admitted as a partner into an already existing firm with the consent of all the existing partners.	A partner who leaves a firm in which the rest of the partners continue to carry on business.	When a person represent himself, or
actively participates in the conduct of the partnership	does not actively take part in the conduct of the partnership business	Without having any real interest in firm	Not liable for the losses	Not liable for any act of the firm done before his admission as a partner.	remains liable to third parties for all acts of the firm until public notice is given of his retirement.	Knowingly permits himself,
		Not entitled to share the profits				to be represented as a partner in a firm (when in fact he is not)
		Does not take part in the conduct of the business	Liable to the third parties for all acts of the profits only			he is liable, like a partner in the firm
		Liable to third parties for all acts of the firm				to anyone who on the faith of such representation has given credit to the firm.

FINANCE UPDATES

SEBI 'lens on retail participation in the Futures & Options segment

Worried about the rising retail participation in the Futures and Options (F&O) segment, the Securities and Exchange Board of India (SEBI) has undertaken a study internally to gauge the extent of retail presence in this segment. The outcome of the study could lead to regulatory intervention if required.

<https://www.thehindubusinessline.com/news/sebi-lens-on-retail-participation-in-the-f-o-segment/article65426666.ece>

SEBI, RBI examining possible relaxation for rating companies

Regulators including the SEBI and the Reserve Bank of India (RBI) are examining a possible relaxation in the time period that rating companies are provided to upgrade a firm following a downgrade.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-rbi-examining-possible-relaxation-for-rating-cos/articleshow/75297567.cms>

SEBI unveils new framework for ETFs, index funds

The SEBI announced a new framework for managing passive funds—Exchange Traded Funds (ETFs) and Index Funds—amid growing popularity of such funds as an investment product for retail investors. It has also allowed mutual funds to launch passively managed Equity-Linked Savings Schemes (ELSS) to save taxes under Section 80C of the Income-tax Act. Under the framework, SEBI has laid down norms for debt ETFs and index funds, its constitution, market making framework for ETFs, investor education and awareness charges, disclosure guidelines and other provisions.

<https://indianexpress.com/article/business/sebi-unveils-new-framework-for-etfs-index-funds-7932590/>

Banks to Stop Collateral-Free Intra-day funding to Brokers

Banks are being told by the regulator to end the decades-long practice of financing stock brokers during the day without collaterals.

<https://economictimes.indiatimes.com/markets/stocks/news/banks-to-stop-collateral-free-intra-day-funding-to-brokers/articleshow/91731697.cms>

SEBI readying framework for SPACs listing

Soon India may have its own version of a “blank cheque company.” Like in the US, market regulator SEBI is likely to allow the listing of Special Purpose Acquisition Companies (SPAC).

<https://www.thehindubusinessline.com/markets/sebi-readies-framework-for-spac-listing-in-india/article65430748.ece>

CRISIL starts sub-category benchmarks for local AIFs

CRISIL Research recently launched sub-category-level benchmarks for the domestic alternative investment fund (AIF) industry. The move will likely help investment decision-making by stakeholders in the fast growing industry, based on due comparison of equivalent funds.

<https://economictimes.indiatimes.com/markets/stocks/news/crisil-launches-benchmarks-for-alternative-investment-funds/articleshow/92103433.cms>

SEBI tells mutual fund houses to report cyber breach incident within six hours

Market regulator SEBI has asked mutual fund houses to report all cyber-attacks, threats, cyber-incidents, and breaches within six hours of noticing such incidents.

<https://economictimes.indiatimes.com/mf/mf-news/sebi-asks-amcs-to-report-cyber-attacks-within-6-hours/articleshow/92119841.cms>



14th July, 2022

IMPORTANT ANNOUNCEMENT

No. 13-CA (EXAM)/November/2022: In pursuance of Regulation 22 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India is pleased to announce that the next Chartered Accountants Intermediate and Final Examinations will be held on the dates and places which are given below, provided that sufficient number of candidates offer themselves to appear from each of the below mentioned places.

Similarly, Examinations in Post Qualification Course under Regulation 204, viz.: International Taxation – Assessment Test (INTT – AT) and Insurance and Risk Management (IRM) Technical Examination (which is open to the members of the Institute) will be held on the dates and places (centres in India only) which are given below provided that sufficient number of candidates offer themselves to appear from each of the below mentioned places.

INTERMEDIATE COURSE EXAMINATION

[As per syllabus contained in the scheme notified by the Council under Regulation 28 G (4) of the Chartered Accountants Regulations, 1988.]

Group-I:	2 nd , 4 th , 6 th & 9 th November 2022
Group-II:	11 th , 13 th , 15 th & 17 th November 2022

FINAL COURSE EXAMINATION

[As per syllabus contained in the scheme notified by the Council under Regulation 31 (iv) of the Chartered Accountants Regulations, 1988.]

Group-I:	1 st , 3 rd , 5 th & 7 th November 2022
Group-II:	10 th , 12 th , 14 th & 16 th November 2022

MEMBERS' EXAMINATION

INTERNATIONAL TAXATION – ASSESSMENT TEST (INTT – AT)

1 st & 3 rd November 2022

INSURANCE AND RISK MANAGEMENT (IRM) TECHNICAL EXAMINATION

Modules I to IV	1 st , 3 rd , 5 th & 7 th November 2022
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No examination is scheduled on 8th November 2022 (Tuesday) on account of Guru Nanak's Birthday; being a compulsory (gazetted) central government holiday as per F. No. 12/5/2021-JCA-2 dated 8.06.2021 issued by Ministry of Personnel, Public Grievance and Pensions, Government of India.

It may be emphasised that there would be no change in the examination schedule in the event of any day of the examination schedule being declared a Public Holiday by the Central Government or any State Government / Local Holiday.

Candidates may note that Paper - 6 of Final Examination is of 4 hours. However, all other examinations are of 3 hours duration, and the examination wise timing(s) are given below:

Examination	Paper(s)	Exam. Timings (IST)	Duration
Intermediate	All Papers	2 PM to 5 PM	3 Hours
Final	Paper 1 to 5 & Paper 7 & 8.	2 PM to 5 PM	3 Hours
	Paper 6 (Elective)	2 PM to 6 PM	4 Hours
Post Qualification Course Examinations* i.e. International Taxation (INTT – AT) and Insurance and Risk Management (IRM) Technical Examination	ALL	2 PM to 5 PM	3 Hours

*In all papers of Post Qualification Course Examination there will not be any advance reading time, whereas in all other papers / exams mentioned above, an advance reading time of 15 minutes will be given from 1.45 PM (IST) to 2 PM (IST).

Further, in case of composite papers having both MCQs based and Descriptive Question Papers, seal of MCQs based Question Paper shall be opened at 2 PM (IST), in other words there will be no prior reading time for MCQs based Question Papers.

PLACES OF EXAMINATION CENTRES:

The Chartered Accountants Examinations, November 2022 will be held in the following Indian cities:

Name of the State (No. of Cities)	Name of the Examination City
Andaman and Nicobar Islands (1)	Port Blair
Andhra Pradesh (14)	Anantapur, Eluru, Guntur, Kadapa, Kakinada, Kurnool, Nellore, Ongole, Rajamahendravaram, Srikakulam, Tirupati, Vijayawada, Visakhapatnam and Vizianagaram
Assam (5)	Dibrugarh, Guwahati, Jorhat, Silchar and Tinsukia
Bihar (12)	Begusarai, Bhagalpur, Darbhanga, Gaya, Madhubani, Motihari, Muzaffarpur, Patna, Purnea, Samastipur, Sitamarhi and Siwan
Chattisgarh (5)	Bilaspur, Durg, Raigarh, Raipur and Rajnandgaon
Chandigarh (1)	Chandigarh
Delhi / New Delhi (1)	Delhi / New Delhi
Goa (2)	Mapusa and Margao
Gujarat (20)	Ahmedabad, Anand, Bharuch, Bhavnagar, Bhuj, Gandhidham, Gandhinagar, Himatnagar, Jamnagar, Junagadh, Mehsana, Nadiad, Navsari, Palanpur, Porbandar, Rajkot, Surat, Surendranagar, Vadodara and Vapi
Haryana (18)	Ambala, Bahadurgarh, Bhiwani, Faridabad, Fatehabad, Gurgaon (Gurugram), Hisar, Jind, Kaithal, Karnal, Kurukshetra, Narnaul, Panipat, Rewari, Rohtak, Sirsa, Sonapat and Yamuna Nagar
Himachal Pradesh (1)	Shimla
Jammu & Kashmir (2)	Jammu and Srinagar
Jharkhand (7)	Bokaro Steel City, Deoghar, Dhanbad, Hazaribagh, Jamshedpur, Ramgarh and Ranchi
Karnataka (23)	Bagalkot, Belgaum, Bellary, Bengaluru, Chikkaballapur, Chitradurga, Davangere, Gadag, Hassan, Haveri, Hubli, Kalaburgi (Gulbarga), Kolar, Koppal, Mandya, Mangalore, Mysore, Raichur, Shimoga, Sirsi, Tumakuru, Udupi and Vijayapura
Kerala (14)	Adoor, Alappuzha, Ernakulam, Idukki, Kalpetta, Kannur, Kasaragod, Kollam (Quilon), Kottayam, Kozhikode, Malappuram, Palakkad, Thiruvananthapuram and Thrissur
Madhya Pradesh (15)	Bhopal, Burhanpur, Chhindwara Gwalior, Indore, Jabalpur, Katni, Khandwa, Mandsaur, Neemuch, Ratlam, Rewa, Sagar, Satna and Ujjain
Maharashtra (36)	Ahmednagar, Akola, Amravati, Aurangabad, Badlapur, Beed, Bhiwandi, Khamgaon (Buldhana), Chandrapur, Dhule, Gondia, Ichalkaranji, Jalgaon, Jalna, Kolhapur, Latur, Mumbai, Nagpur, Nanded, Nandurbar, Nasik, Navi Mumbai, Palghar, Panvel, Parbhani, Pimpri-Chinchwad, Pune, Ratnagiri, Sangli, Satara, Sindhudurg, Solapur, Thane, Vasai, Wardha and Yavatmal
Meghalaya (1)	Shillong
Odisha (8)	Balangir, Berhampur (Brahmapur), Bhubaneswar, Cuttack, Jharsuguda, Rayagada, Rourkela and Sambalpur
Puducherry (1)	Puducherry
Punjab (8)	Amritsar, Bathinda, Jalandhar, Ludhiana, Mandi Gobindgarh, Pathankot, Patiala and Sangrur
Rajasthan (22)	Ajmer, Alwar, Banswara, Beawar, Bharatpur, Bhilwara, Bikaner, Bundi Chittorgarh, Churu, Jaipur, Jhunjhunu, Jodhpur, Kishangarh, Kota, Nagaur, Pali - Marwar, Rajsamand, Sikar, Sirohi, Sri Ganganagar and Udaipur
Sikkim (1)	Gangtok
Tamil Nadu (27)	Chennai, Coimbatore, Cuddalore, Dharmapuri, Dindigul, Erode, Hosur, Kancheepuram, Karaikudi, Karur, Kumbakonam, Madurai, Nagapattinam, Nagercoil, Namakkal, Pudukkottai, Salem, Sivakasi, Theni, Tiruchirapalli, Tirunelveli, Tirupur, Tiruvallur, Tiruvannamalai, Tuticorin, Vellore and Villupuram
Telangana (8)	Adilabad, Hyderabad, Karimnagar, Khammam, Mahabubnagar, Nalgonda, Nizamabad and Warangal
Tripura (1)	Agartala
Uttar Pradesh (18)	Agra, Aligarh, Allahabad (Prayagraj), Bareilly, Bulandshahr, Firozabad, Ghaziabad, Gorakhpur, Jhansi, Kanpur, Lucknow, Mathura, Meerut, Moradabad, Muzaffarnagar, Noida, Saharanpur and Varanasi
Uttarakhand (4)	Dehradun, Haldwani, Haridwar and Kashipur
West Bengal (7)	Asansol, Durgapur, Hooghly, Kharagpur, Kolkata, Raniganj and Siliguri

EXAMINATION ||

PLACES OF EXAMINATION CENTRES OVERSEAS: [FOR INTERMEDIATE AND FINAL EXAMINATIONS ONLY]

The November 2022 Examinations will also be held at the 8 (Eight) overseas examination centres, namely

Overseas (8)	Abu Dhabi, Bahrain, Thimphu (Bhutan), Doha, Dubai, Kathmandu (Nepal), Kuwait and Muscat
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The examination commencement timings at Abu Dhabi, Dubai and Muscat Centres will be 12.30 PM i.e. Abu Dhabi, Dubai and Muscat local time corresponding / equivalent to 2 PM. (IST). The examination commencement timing at Bahrain, Doha, and Kuwait Centre will be 11.30 AM i.e. Bahrain / Doha / Kuwait local time corresponding / equivalent to 2 PM. (IST). The examination commencement timing at Kathmandu (Nepal) Centre will be 2.15 PM Nepal local time corresponding / equivalent to 2 PM (IST). The examination commencement timing at Thimphu (Bhutan) Centre will be 2.30 PM Bhutan local time corresponding / equivalent to 2 PM (IST).

The Council reserves the right to withdraw any city / centre at any stage without assigning any reason.

Online filling up of examination forms:

As a part of automation and platform consolidation, ICAI is pleased to announce that all candidates in respect of Intermediate & Final Examinations will be required to apply online at <https://eservices.icai.org> (Self Service Portal - SSP) for November 2022 Exam onwards and also pay the requisite examination fee online. These forms are based on your eligibility of your course based on announcements and regulations. These forms will be available on SSP, and you are requested to login with your credentials (Username <SRN@icai.org> and password). These exam forms will be available in SSP effective designated dates, as would be announced on www.icai.org.

Kindly Note: If you have never registered as a user in SSP, Kindly open the following URL: <https://eservices.icai.org/EForms/configuredHtml/1666/57499/Registration.html?action=existing>

Please use forgot password option in case you have forgotten or lost your password. Students are also requested to Create User Name, Register Course, Convert Course, Revalidate, Update Photo, Signature and Address on SSP only.

Members desirous to apply for Post Qualification Course Examinations i.e. International Taxation – Assessment Test (INTT – AT) and Insurance and Risk Management (IRM) Technical Examination (which is open to the members of the Institute) are required to apply on-line at pqc.icaexam.icai.org

Examination fee can be remitted online by using VISA or MASTER or MAESTRO Credit / Debit Card / Rupay Card / Net Banking / Bhim UPI.

Opening and Closing of online window for submission of examination application forms.

The following dates(s) may be noted:

Details	For Final, Intermediate & PQC Exams [November 2022]
Commencement of submission of online examination application forms	21st July 2022 [Thursday]
Last date for submission of online examination application forms (without late fees)	10th August 2022 [Wednesday]
Last date for submission of online examination application forms (with late fees of ₹ 600/- or US \$ 10)	17th August 2022 [Wednesday]

Examination Fee

The examination fee(s) for various courses are as under:--

Intermediate Course Examination	
For Indian Centre(s)	
Single Group / Unit 4A to 10 (except Unit 8A & 9A)	₹ 1500/-
Both Groups / Unit 8A / Unit 9A	₹ 2700/-
For Overseas Centre(s) – Excluding Kathmandu & Bhutan Centre	
Single Group / Unit 4A to 10 (except Unit 8A & 9A)	US\$ 325
Both Groups / Unit 8A / Unit 9A	US\$ 500
For Bhutan & Kathmandu Centre(s)	
Single Group / Unit 4A to 10 (except Unit 8A & 9A)	INR ₹ 2200
Both Groups / Unit 8A / Unit 9A	INR ₹ 3400
Final Course Examination	
For Indian Centre(s)	
Single Group	₹ 1800/-
Both Groups	₹ 3300/-
For Overseas Centre(s) – Excluding Kathmandu & Bhutan Centre	
Single Group	US\$ 325
Both Groups	US\$ 550
FOR BHUTAN & KATHMANDU CENTRE(S)	
Single Group	INR ₹ 2200
Both Groups	INR ₹ 4000
INTERNATIONAL TAXATION – ASSESSMENT TEST	₹ 2000/-
INSURANCE & RISK MANAGEMENT (IRM)	₹ 2000/-

The late fee for submission of examination application form after the scheduled last date would be ₹ 600/- (for Indian / Kathmandu / Bhutan Centres) and US \$ 10 (for Abroad Centres) as decided by the Council.

OPTION TO ANSWER PAPERS IN HINDI:

Candidates of Intermediate and Final Examinations will be allowed to opt for English / Hindi medium for answering papers. Detailed information will be found in guidance notes hosted at <https://www.icai.org/>. However the medium of Examinations will be only English in respect of Post Qualification Course viz.: International Taxation – Assessment Test (INTT – AT) and Insurance and Risk Management (IRM) Technical Examination.

The candidates are advised to note the above and stay in touch with the website of the Institute, www.icai.org.

(S. K. GARG)

ADDITIONAL SECRETARY (EXAMINATIONS)

*Youth is the time to study wisdom; the old age,
that of practicing it
- Jean Jacques Rousseau*

NATIONAL CONFERENCE - CHENNAI

Dates: 19th & 20th August, 2022
Venue: Kalaivanar Arangam, Chennai
Organised by: SSEB, Board of Studies-(Operations), ICAI
Hosted by: SIRC of ICAI & SICASA of ICAI
Theme: "PRAJNA – A LEAP INTO FUTURE"

Day 1	
10.00 AM to 10.30 AM	Inaugural Session
10.30 AM to 12.15 PM	Technical Session I: Topic: Future of Sustainability – ESG and Sustainability Reporting; Past, Present and Future; Future of E-Mobility in India: Strategies to Drive Demand; NET Zero Carbon Emissions By 2050 - Roadmap to India's Vision.
12.15 PM to 1.15 PM	Special Session: I: Interaction with Chairman and Vice Chairman, SSEB, Board of Studies-(Operations), ICAI.
01.15 PM to 02.00 PM	Special Session: II: Motivational Session for students.
03.00 PM to 04.15 PM	Technical Session: II: Topic: Accounting and Auditing- Current Transfer Pricing Challenges? What Steps Could Be Taken; BFSI (Banking Financial Services Insurance) in 2025: Strengthening the future; ABCD (AI, Blockchain, Cyber Security, Data Analytics) - Future of Audit Profession.
04.15 PM to 06.00 PM	Special Session: I: Imperium - A Strategy Decision Maker Case Study Event: A Short-Case Will Be Provided to The Teams, And They Have to Come Up with Feasible Business Strategies for The Same.
Day 2	
10.00 AM to 11.30 AM	Technical Session: III: Topic: Fintech Decoded- Stock Market Outlook 2022: A Close Battle Between Bulls and Bears; NFT And Metaverse- Are They Future Ready?; CBDCs (Central Bank Digital Currency)- Bridging the Gap in Innovation.
11.30 AM to 1.30 PM	Chaitanya - Leadership Skills Event
2.30 PM to 4.00 PM	Technical Session: IV: Topic: Legislative Challenges/Suggestions Under Taxation And GST- GST: Litigation Issues: A New Dawn Under GST; The GST of the Future - What Changes Does India Inc. Want; Tax: Income Tax Vs Expenditure Tax - Can India Replace Income Tax.
4.00 PM to 5.00 PM	Motivational Session: Azadi ka Amrit Mahotsav.

Students Eligible to attend the Students Conference: Students who have registered as Intermediate Students/ Students who are pursuing their Articleship training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (CPT Students and Students who have completed one year beyond their Articleship training will not be eligible to register for these Conferences).

Registration fees	Rs. 750/- per student	Accommodation (if required) @ Rs. 1500 per student per day.	Payment Mode	www.bosactivities.icai.org
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CA. Sushil Kumar Goyal, Conference Chairman & Chairman, SSEB, BOS-O; **CA. Sridhar Muppala**, Conference Co-Chairman & Vice-Chairman, SSEB, BOS-O; **CA. K. Sriprya**, Conference Director, Central Council Member, ICAI; **CA. China Masthan Talakayala**, Chairman, SIRC of ICAI & **CA. Satheesan P**, Chairman, SICASA of ICAI, Conference Coordinators.

MEGA CA STUDENTS CONFERENCE - VIJAYAWADA

Dates: 27th & 28th August, 2022
Venue: Sesha Sai Kalyana Mandapam, M G Road, Vijayawada
Organised by: SSEB, Board of Studies-(Operations), ICAI
Hosted by: Vijayawada Branch of SIRC of ICAI & Vijayawada Branch of SICASA of ICAI
Theme: "Navasakam - GenNxt Wizard"

Day 1	
10.00 AM to 10.30 AM	Inaugural Session
10.30 AM to 11.30 AM	Special Session: I: Interaction with Chairman and Vice Chairman, SSEB, Board of Studies- (Operations), ICAI.
11.30 AM to 1.15 PM	Technical Session: I: Topic: Technology- Artificial Intelligence; Block chain; Office Automation.
02.00 PM to 03.00 PM	Special Session: II: Topic: Azadi ka Amrit Mahotsav – Achievements@75 - JP
03.00 PM to 04.30 PM	Technical Session: II: Topic: Leadership- Role of CFO; Pyramid Management; Standard Operating Practices.
04.30 PM to 05.30 PM	Motivational Session: I: Topic: Glory of CA
Day 2	
10.00 AM to 11.30 AM	Technical Session: III: Topic: Accounting Fantasy- Accounting in Procure to Pay Cycle; Inflation Accounting; Concept of Robotic Accounting.
11.30 AM to 01.00 PM	Motivational Session: II: Topic: How to Face CA Exams
02.00 PM to 03.30 PM	Technical Session: IV: Topic: International Touch Base- Double Taxation Treaty; Ind AS Vs IFRS; Tax Haven Nations.
03.30 PM to 04.30 PM	Special Session: III: Topic: Road Map to Success.

Students Eligible to attend the Students Conference: Students who have registered as Intermediate Students/ Students who are pursuing their Articleship training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (CPT Students and Students who have completed one year beyond their Articleship training will not be eligible to register for these Conferences).

Registration fees	Rs. 500/- per student	Payment Mode	www.bosactivities.icai.org
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CA. Sushil Kumar Goyal, Conference Chairman & Chairman, SSEB, BOS-O; **CA. Sridhar Muppala**, Conference Co-Chairman & Vice-Chairman, SSEB, BOS-O; **CA. Prasanna Kumar D**, Conference Director & Central Council Member, ICAI; **CA. G Sritha Shireen**, Chairperson, Vijayawada Branch of SIRC of ICAI & **CA. Jayanth Uppuluri**, Chairman, Vijayawada Branch of SICASA OF ICAI.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

PRACTICAL TRAINING MODULES

(An initiative to aid and standardise the practical aspects of training for students undergoing Articleship)

30 Minutes Q&A Session

<https://live.icai.org/>



Series of Live Webcast on Sundays' from 10:30 AM to 1:00 PM for CA Students

These webinar will enhance your practical exposure on :



Direct Tax

- All About PAN ,
- Guided Tour on Income Tax Portal
- Filing & Preparing various Tax Returns
- Income from House Property and Other Sources
- ITR - 3 - Business Income
- Business Income
- Drafting & Filing of responses to notice u/s 143(2), 142(1), 156 etc



Indirect Tax

- GST Registration
- GSTR1
- Filing returns of GST
- Preparing & filing of annual returns
- Input Tax Credit & Accounting Series
- Reply to various notices
- Reconciliation of Input Tax Credit on GSTR Portal.,
- GSTR 3B
- Filing of appeals, Preparing of appeals, Case for opinion under GST, Drafting Grounds of Objections.



Accounting

- Book keeping of Corporate/Non Corporate entities
- Preparation of financial Statements
- Practical Application of Accounting Standards etc.



Auditing

- Development of Audit Programme for Proprietorship
- Partnership Firms
- Charitable trust
- Online Audit
- Bank Audits
- Audit of Sale of Products & services via Comprehensive case studies etc.



Corporate Laws

- Guided Tour on MCA Portal
- How to File Annual Filing of LLP
- How to apply for DIN, Compliance relating to conducting of AGM
- Financial statement
- Guided Tour on RBI portal
- Compliance responsibility for Implementing and Reporting of CSR
- Compliance related to Insolvency & Bankruptcy, SEBI etc.

Organised by
Students Skills Enrichment Board (Board of Studies-Operations)

RECORDED WEBINAR WILL BE AVAILABLE ON DLH PLATFORM



FOR MORE DETAILS CONNECT





The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

ORGANISED BY

STUDENTS SKILLS ENRICHMENT BOARD, (BOARD OF STUDIES - OPERATIONS)

FOUR WEEKS RESIDENTIAL PROGRAMME ON PROFESSIONAL SKILLS DEVELOPMENT AT CENTRE OF EXCELLENCE HYDERABAD (FOR GIRLS) AND JAIPUR (FOR BOYS)



Boys Jaipur

<https://bit.ly/3oeVP4O>



Girls Hyderabad

<https://bit.ly/3RJ6YbM>

VENUE Centre of Excellence (CoE), Jaipur

PARTICIPANTS Boys (CA Students)

FEES Rs. ~~48,000/-~~ Rs. 12,000/-

DATE (FROM & TO) 8th August, 2022 to 3rd September, 2022

VENUE Centre of Excellence (CoE), Hyderabad

PARTICIPANTS Girls (CA Students)

FEES Rs. ~~48,000/-~~ Rs. 12,000/-

DATE (FROM & TO) 8th August, 2022 to 3rd September, 2022

FOR REGISTRATION

<https://www.icai.org/category/four-weeks-residential-programme>



Learning Outcomes

- Articulation Skills
- Leadership Qualities
- Art of Negotiation
- Personality Development
- Open-Mindedness
- Effective Communication Skills
- Interpersonal Managerial Skills



Salient Features

- Waiver of Payment of Fees to Top 10 Rank Holders of Intermediate Exam
- Part of Practical Training
- Exemption from Management and Communication Skills (MCS) forming part of AICITSS

Eligibility : CA students who have completed one year of articleship are eligible to join the course.

Registration on First come first basis and batches will be allotted as per eligibility.

Disclaimer : The scheme of Four weeks Residential Program may be modified or altered at any time. All decisions about the aforesaid scheme shall be at the sole discretion of ICAI and binding on all. ICAI reserves the right to change the dates and other modalities as per the requirement.

Contact Details

For further assistance please contact :
Mobile No. 9958121521
Email Id- smita.taneja@icai.in

Congratulations!

TOPPERS OF CHARTERED ACCOUNTANTS FINAL MAY EXAMINATION-2022

FINAL NEW SCHEME

AIR-1



MEET ANIL SHAH
MUMBAI

AIR-2



AKSHAT GOYAL
JAIPUR

AIR-3



SHRUSHTI KEYURBHAI SANGHAVI
SURAT

INTERMEDIATE MAY EXAMINATION-2022

INTERMEDIATE NEW SCHEME

AIR-1



RAJAN KABRA
AURANGABAD

AIR-2



NISHTHA BOTHRA
GUWAHATI

AIR-3



KUNAL KAMAL HARDWANI
KAMPTEE-NAGPUR

CROSSWORD SOLUTION – JUNE 2022

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CROSSWORD - AUGUST 2022

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ACROSS

- A financial statement that reports a company's assets, liabilities, and shareholder equity.
- The possibility of something bad happening.
- An institution of excellence and national importance.
- Legal tender that can be used to exchange goods, debt, or services.
- A for-profit private higher education in the United Kingdom.
- An identifying number that is associated with a specific computer or computer network.
- A contract to buy or sell mortgage-backed securities (MBS) on a specific date.
- Abbreviation: African Educational Research Network.
- An organisation that serves those who use industrial refrigeration technology through education and advocacy.
- Abbreviation: National Treatment.
- The official currency of the European Union.
- An environmental, health and safety consulting firm head-quartered in RTP, North Carolina.
- _____ works to achieve sustainable growth and prosperity for all of its 190 member countries.
- _____ Corp is the US industry leader in high-performance tactical Night Vision and Thermal Imaging optics.
- _____ Industries is a manufacturer of world-class cricket equipment.
- A basket of securities that tracks an underlying index.
- A fixed payment amount made by a borrower to a lender at a specified date each calendar month.
- Affected by physical or mental illness.
- _____ is based on four pillars which are Access, Equity, Quality, and Accountability.
- _____ codes, accepted by the majority of nations around the world, are identification codes given to goods for use in international trade.
- A thing that is known or proved to be true.
- An anti-tax avoidance law in India to curb tax evasion and avoid tax leaks.

- A multidimensional social security scheme for the workers of India.
- A vital input in the infrastructure & building industry.
- _____ is a register containing names of all genuine Indian citizens.
- _____ shows return that a company is earning in monetary terms.
- An Android developer.
- Abbreviation: Supply Chain.
- A command-line interface used to execute commands in the Windows operating system.
- A technology used to verify the legitimacy or originality of paper documents, especially checks.
- Abbreviation: Certificate of Practice.
- The state of being legally responsible for something.
- _____ theory implies that there is a form of (in)efficiency which is not allocative.

DOWNWARD

- An act of giving financial assistance to a failing business or economy to save it from collapse.
- Any resource owned or controlled by a business or an economic entity.
- The apex body in India for the formulation, coordination and promotion of biomedical research.
- A right to keep possession of property belonging to another person until a debt owed by that person is discharged.
- To put or come together to form a single unit.
- _____ is the limiting of goods or services that are in high demand and short supply.
- _____ brings together a powerful network of marketers with common interests and gives a single voice to advocacy for the improvement of the industry.
- _____ represents a unit of equity ownership in a company.
- Abbreviation: Information Resources and Technology Management.
- An elective monarchy formed from a federation of seven emirates.
- _____ is the safety plan of the Engineering Division.
- A member of the World Bank Group,

- is the largest global development institution focused exclusively on the private sector in developing countries.
- Abbreviation: frequency modulation.
- An American fast food restaurant chain.
- Abbreviation: European Article Number.
- A person or thing that combines contradictory features or qualities.
- An Indian analytical company providing ratings, research, and risk and policy advisory services.
- A symbol to indicate that the preceding mark is a trademark, specifically an unregistered trademark.
- A document that proves your vehicle is registered with the Regional Transport Office.
- The governing body of world tennis.
- A collection of electronic components - resistors, transistors, capacitors, etc.
- Abbreviation: Election commission of India.
- The chief national competition regulator in India.
- _____ is the extra cost incurred when one extra unit of output is produced.
- _____ Account is an authentication method used for Xiaomi devices.
- _____ is the first Russian 24/7 English-language news channel.
- _____ ratio is one of the most popular valuation metric of stocks.

If undelivered, please return to: The
Institute of Chartered Accountants of
India, ICAI Bhawan, Indraprastha Marg,
New Delhi-110002