



E-NEWSLETTER OF SICASA CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

April 2023

Vol VII/No.7

**May this financial year bring to you more
success and boundless achievements**

**HAPPY
FINANCIAL
NEW YEAR
1ST APRIL**

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SICASA OF CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

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SICASA OF CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

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SICASA OF CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

**FROM THE SICASA CHAIRMAN'S
DESK TO STUDENTS**

Dear Students

What happens to us is less important than what we make happen.

Swami Vivekananda's word on Divinity

All power is within you; you can do anything and everything. Believe in that, Don't believe that you are weak; Don't believe that you are half-crazy lunatics, as most of us do nowadays.

You can do anything and everything, without even the guidance of anyone.

Stand up and express the divinity within you.

Best Wishes

CA Aanand P

SICASA Chairman

01st April 2023



SICASA OF CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

FROM THE BRANCH CHAIRMAN'S DESK
TO STUDENTS



My dear beloved Students (future CAs),

I wholeheartedly thank SICASA Team, Students Development Committee & Class Coordination Committee who made me feel that we could also be able to try to serve the CA students of the Branch, through conducting many more programmes/ Classes for the benefit of the students. And also we congratulate Students for their support by large participation in the month of March 2023.

As April 2023 is a month for Bank Audit, in which all the CAs are busy in auditing the Bank Branches, the CA students, working as Articled Assistants, will be major helping hands for the Auditor-Employers. We believe that the seminar conducted in the Branch on Bank Audit will be very much helpful for the students.



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There is nothing to doubt that once a student gets more knowledge in his/her Articles Period, he/she would become a most successful CA, in his/her professional life. Hence, learn sincerely.

Some students may be on study leave for May 2023 examinations. Those students are advised not to waste their precious time. Sketching out a good plan for study is a must. Try to devote more hours of effective study, daily. If you are able to study your subjects in an effective and dedicated manner, success will be yours, the three hours of exam will be easy going with breezy winds and will be felt as delighted time of your life. At the same time, at the cost of studying, you should not leave your mental and physical health unattended. Take care of your health also.

I wish to hereby conclude this letter by once again thanking all the good hearts, which will help us do great things in the coming month.

Best wishes,

CA T SIVAGURUNATHAN

Chairman

Chengalpattu District Branch of SIRC of
ICAI



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SICASA Schedule for the month of April 2023

S.NO	DATE	EVENT
1	08-04-2023	How to pass CA- Strategies and Successful ways of passing CA Exams



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STUDENTS ARTICLES FOR THE MONTH OF APRIL 2023

1.BANK AUDIT DOCUMENTATION

Documentation – Pre Commencement Work

Appointment Letter

Compliance with Companies Act (Qualifications)

Communication to the previous Auditor

Audit Planning and Pre Audit Briefing

Pre Audit discussion with Branch Manager

Engagement Letter under SA 210

Overview of relevant Banking Terminology and schemes

Guidance note on audit of Banks by ICAI would provide valuable guidance

Long Form Audit Report – Reporting Requirements



Understanding the Banking Business

- Special Features of Banking Business (events, transactions, practices and regulatory norms etc.
- Special audit considerations in bank branch audits
- Important Circulars of RBI.....
- Internal controls in banks
- Additional Controls for Computerised Environment
- Accounting System and Standards applicable
- Formats of Financial Statements (as per Schedule III section 29 of the Banking Regulation Act, 1949)

Sources for Information

- Bank's annual report to shareholders
- Internal financial management reports
- Previous year audit working papers
- Discussion with Bank Branch Manager



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- Bank policy and procedures manual
- RBI circulars
- Previous and current audit reports (concurrent, internal, revenue, inspection, RBI AFI)

Usage of Information

- To develop an overall Audit Plan
- To decide on Critical Areas
- To identify areas of Special Audit Consideration
- To evaluate the Reasonableness of Accounting Estimates
- To evaluate Management Representations
- To make Judgements regarding the appropriateness of accounting policies and disclosures.



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GUIDANCE ON DOCUMENTATION

Letter Seeking Information

- Organisational chart of Bank and Bank Branch, along with name of head of the department
- Authority and Responsibility of each officer in the Bank
- Special feature of each Banking Product
- Areas where work has been outsourced to Outsiders
- Copies of last year Annual Accounts and Current year quarterly/ half-yearly accounts
- Details of Concurrent/ other audits/ inspections.
- Information about Top Borrowers
- HO instructions for closing of Accounts
- Details of Software used by the Bank
- List of Reports generated by the Software
- Accounting Policy followed by the Bank.



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Documentation of Internal Control in Branch

- System of supervision/ checking of work of one staff member by another staff member, irrespective of the nature of work.
- System of Job Rotation
- The Financial and Administrative powers of officials are fixed/ communicated to all the persons concerned.
- System for periodic reporting by Branch managers to their controlling authority on compliance of the laid down systems and procedures.
- System for Reporting to Controlling Authority of exceeding of Delegated Powers.
- System for Periodical Balancing of Books and Records
- System for Expenditure reporting of lost Security forms to Controlling Authority.
- Currency and Security forms are in Joint Custody of at least two officials and are periodically verified.
- System for Periodic Inspection/ Concurrent Audit/ Other Audits.
- System regarding Operation of Inoperative Accounts.



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Documentation of Controls in Computerised Environment

- The System maintains a record of all Log-ins and Log-outs.
- System of Posting Transaction to an Inoperative Account – Requirement of Supervisory password.
- The System check on whether the amount to be withdrawn is within the Drawing Power.
- System alerts. For ex: The balance in the lien account falls below the lien amount.
- Whether the Transactions are permitted in an Inoperative Account
- Access to the system is available only between Stipulated hours and Specified days only.
- Individual users can access only Stipulated Directories and Files.
- Exceptional Situations are handled with a requirement of Supervisory level of password. For
- example: limit excess, reactivating dormant accounts.
- User Timeout
- Once the end of the day operations are over, the ledgers cannot be accessed without a supervisory level of password



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Guidelines for Documentation

- Maybe recorded on Paper or an Electronic or Other Media.
- Timely Audit documentation to be concurrent
- Enhance the quality of the audit
- Facilitate effective review and evaluation of audit evidence.
- Documentation prepared after the audit work is likely to be less accurate than done while performing audit.
- Record all aspects of Audit in a single document, with cross references to supporting working papers (Summary of Observations)

Engagement Documentation

- Assembly of the Final Audit File
- The Final Audit file is to be assembled within 60 days of the date of the Auditor's Report.
- Only administrative may be made during the final assembly process (like deleting or discarding superseded documentation, sorting, collating and cross referencing working papers, signing off on completion checklists relating to the file assembly process and documenting audit evidence obtained, discussed and agreed before the date of the Auditor's Report.)



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- The retention period for Audit engagements ordinarily is not less than seven years from the date of the Auditor's Report.

LFAR – A Tool for Planning & Documentation

- Introduced by RBI to overcome the shortfall in Statutory in Audit Report to communicate lacunae in Operations and Internal Control Systems.
- It was introduced in 1985 and the reporting format last amended in 2003.
- LFAR is a questionnaire prescribed by RBI for reporting Systemic Deficiencies, on the internal control systems of various operations of the bank
- Main Statutory Audit Report (SAR) and LFAR are two independent unrelated reports.
- LFAR is a report for the limited use of Management and the Regulator (RBI).
- Comments/ Qualifications in LFAR not to be related to Main Report or vice versa– Avoid Cross Referencing.
- Any adverse comment in the LFAR may not necessarily lead to a qualification in the Main Audit Report.
- However, if there are any observations in LFAR which impacts the true and fair view, it should be reported in the Main Audit Report also.



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- Branch LFARs are reviewed and consolidated by the SCA and draft the LFAR for the Bank as a whole.
- Discuss the contents of the report with Branch Head to avoid any factual errors.
- It would be advisable to also review the LFAR of the previous year and reports if any RBI AFI, Inspections, concurrent audit, etc.
- Call for the relevant information from the Branch in advance.
- The compilation of answers to LFAR questions during the course of audit will effectively compliment the audit process.



Gokulalakshmi. R

SRO00731567



2. BANK AUDIT PLANING

Need For Plan

- Primary **Objective of Audit** – to ensure that Annual Accounts of the bank give a True and Fair View.
- Help auditors identify and resolve **potential problems** on timely basis
- Help auditors to devote **appropriate attention** to important areas (NPA, CRR, SLR)
- Facilitating **direction and supervision** of engagement team members and the review of their work
- Assisting **where applicable**, in coordination of work done by auditors of components and **experts**

Bank Audit Process

- Pre-commencement Work
- Understanding the business of Bank Branch
- Effective Audit Planning
- Audit Procedures
- Reporting



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PRE COMMENCEMENT-WORK

- Audit Planning starts with the **Receipt of Appointment Letter**
- Check the **compliance** with regard to qualifications/disqualifications.
- **Decision** for Acceptance or Refusal of Audit Assignment.
- Communication with **Previous Auditors**
- **Expected Date** of Submission of Reports
- Finding out the **Scope** of Work.
- Issue Engagement Letter under **SA 210**- “Agreeing the terms of Audit Engagements”.

Understanding The Business Of Bank

- Type of Bank and Nature of Business handled by the Bank and its branch.
- **Laws** applicable to Bank*
- Accounting **Standards** applicable to Bank*
- Obtain management representation letter for each type of report like - LFAR, Tax Audit Report.



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- Computerization System – software
- Internal Control – Risk Assessment
- Risk Management – Back up system
- Obtain previous year audit reports
- RBI inspection reports, Internal Inspection/
Concurrent audit reports
- Attend the Meeting of Statutory Auditors and Bank
Audit seminar.

What is to be done

- Obtain declaration of willful defaulter, indebtedness
and fidelity and secrecy form all the partners
- Submit the required declarations along with
acceptance to the bank
- Ensure that your firm's policies and procedures
addressing the following are up to date
- Leadership Responsibilities for quality within the firm.
- Ethical Requirements
- Acceptance and continuance of client relationships
and specific engagements
- Human Resources
- Engagement performance
- Monitoring



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- If the appointment letter **does not contain the names and addresses of the previous auditors**, Contact the branch and obtain the same.
- Dispatch letters to the previous auditors **seeking No objection**
- **Similarly reply** to the letters from the auditors of the branches audited by you previously
- Draft an **engagement letter in line with SA 210**
- Send the letter asking for information on the branch to **help your time plan your resources**
- Plan your **travel Itinerary** based on the location of the branches
- Compile a **list of all the reports and certificates** that need to be attested and the number of copies to be certified
- **List of persons** to whom the reports and certificates need to be sent.
- It is practical to **keep a document showing the information requested, the person who was requested and the date and time when the information was received**
- Keep the team members abreast of the **relevant RBI circulars** and the closing circulars of the bank



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Contents of an Audit Plan

(a) The nature, timing, and extent of planned risk assessment procedures, as determined under SA 315 **'Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment'**

(b) The nature, timing, and extent of planned further audit procedures at the assertion level, as determined under SA 330 **'The Auditor's Responses to Assessed Risks'**

(c) **Other planned audit procedures** required to be carried out so that the engagement complies with SA

Relevant SAs which impact development of audit plan

- **SA 200** 'Overall objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards of Auditing'
- **SA 210** 'Agreeing the Terms of Audit Engagements'
- **SA 220** 'Quality Control for an Audit of Financial Statements'
- **SA 230** 'Audit Documentation'
- **SA 240** 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'
- **SA 250** 'Consideration of Laws and Regulations in an Audit of financial statements'
- **SA 260** 'Communications with Those Charged with Governance'



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- **SA 265** ‘Communicating Deficiencies in Internal Control to Those Charged with Governance and Management’
- **SA 299** ‘Responsibility of Joint Auditors’
- **SA 315** ‘Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment’
- **SA 320** ‘Materiality in Planning and Performing an Audit’
- **SA 330** ‘The Auditor’s Responses to Assessed Risks’
- **SA 402** ‘Audit Considerations Relating to an Entity Using a Service Organisation’
- **SA 450** ‘Evaluation of Misstatements Identified During the Audit’
- **SA 500** ‘Audit Evidence’
- **SA 501** ‘Audit Evidence – Specific Considerations for Selected Items’
- **SA 505** ‘External Confirmations’
- **SA 510** ‘Initial audit Engagements – Opening Balances’
- **SA 520** ‘Analytical Procedures’
- **SA 530** ‘Audit Sampling’
- **SA 540** ‘Auditing Accounting Estimates including Fair Value Accounting Estimates and Related Disclosures’



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- **SA 550** 'Related Parties'
- **SA 560** 'Subsequent Events'
- **SA 570** 'Going Concern'
- **SA 600** 'Using the Work of Another Auditor'
- **SA 610** 'Using the Work of Internal Auditors'
- **SA 620** 'Using the Work of an Auditor's Expert'
- **Other Factors to be considered for audit planning**
 - Size and Complexity of audit
 - Qualification and Experience of Audit Team in bank audit work.
 - Knowledge of Bank's Business- Type of Business handled by the Branch.
 - Powers of Bank Manager



Uma Maheshwari G

SRO0547571



3. THE CONCEPT OF MONEY DEMAND: IMPORTANT THEORIES

A warm greeting my friends! This is one of my immersive opportunity to share my knowledge with you all. I hope that this article will capture all knowledge in an effective way.

Introduction:

Money is the focal point of every economic transaction and has a significant impact on all economies. In simple terms, money refers to **assets** which are commonly used and accepted as a **means of payment** or as a **medium of exchange** or **for transferring purchasing power**. For policy purposes, money may be defined as the set of **liquid financial assets**, the variation in the stock of which will have an impact on the aggregate economic activity. As a statistical concept, money could include certain liquid liabilities of a particular set of financial intermediaries or other issuers (RBI, 2007).

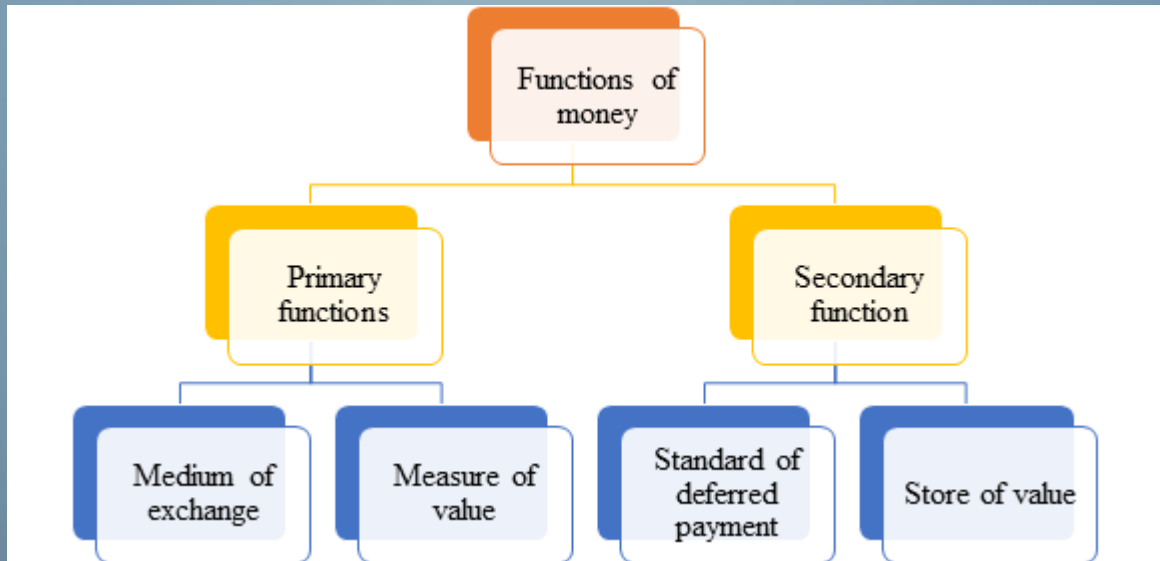
Money represents a certain value, but currency which represents money does not necessarily have intrinsic value. When money takes the form of a commodity with intrinsic value, it is called commodity money. For e.g., gold, silver or any other such elements may be used as money.

‘There is no unique definition of money’, either as a concept in economic theory or as measured in practice. Money can be defined for policy purposes as the set of liquid financial assets, the variation in the stock of which could impact on aggregate economic activity. As a statistical concept, money could include certain liquid liabilities of a particular set of financial intermediaries or other issuers.



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Functions :



Demand for money:

Demand for money

The demand for money is a decision about how much of one's given stock of wealth should be held in the form of liquid currency rather than as other non-liquid assets such as bonds. Demand for money is actually demand for liquidity and a demand to store value.

Demand for money is in the nature of derived demand; it is demanded for its purchasing power. Basically people demand money because they wish to have command over real goods and services with the use of money.

Demand for money has an important role in the determination of interest, prices, and income in an economy.



Theories of Demand for Money :

Theories		
Classical Approach: The Quantity theory of Money	Neo Classical Approach: The Cambridge Approach	The Keynesian Theory

1. Quantity Theory of Money:

- Propounded by **Irving Fisher** of Yale University in his book ‘The Purchasing Power of Money’ published in 1911.
- Strong relationship between **money and price level** and the quantity of money is the main determinant of the price level or the value of money.
- **Fisher’s version of equation**

Equation of exchange of transaction approach: $MV = PT$

Where, M=the total amount of money in circulation in an economy.



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V= transaction velocity of circulation.

P=price of the product.

T=the total number of transactions.

➤ **Fisher's Extended version:**

Equation of exchange to include demand(bank) deposits(M') and velocity (V') the total supply of money.

$$MV+M'V'=PT$$

2. Cambridge Approach:

In the early 1900s, Cambridge Economists

- Alfred Marshall,
- A.C. Pigou,
- D.H. Robertson and
- J.M. Keynes

put forward a fundamentally different approach to quantity theory, known as cash balance approach.



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Main points of the theory:

This approach holds that money increases in value either due to

- Enabling the possibility of split up of sale and purchase to two different points of time rather than being simultaneous (Transaction Motive) or
- Being a hedge against uncertainty (Precautionary Motive)

Equation: $M_d = k P Y$

Where, M_d = Demand for money

P = Price level

Y = Real income.

3. Keynesian Theory of Demand for Money:

- Propounded by John Maynard Keynes in his book 'The General Theory of Employment, Interest and Money' in 1936.



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Three motives to hold money:



Transaction Motive:

The Transaction motive for holding cash relates to the need for cash for current transactions.

$$L_r = k Y$$

Where, L_r is the transaction demand for money,

k is the ratio of earnings which is kept for transactions purposes,

Y is the earnings.

Precautionary Motive:

- Many unexpected and unpredictable eventualities involving a payment of money occur in our daily lives.
- Individuals as well as businesses keep a portion of their income to finance such unanticipated expenditures.



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Speculative Motive:

The speculative motive reflects people's desire to hold cash in order to be equipped to exploit any attractive investment opportunity requiring cash expenditure. The speculative demand for money and interest are inversely related. People demand to hold money balanced to take advantage of the future changes in the rate of interest.

At the high current rate of interest, people will convert their cash balanced into bonds to earn high rate of returns on bonds and capital gains.

If current interest rate is low, people would have an incentive to hold their wealth in the form of liquid cash rather than bonds to avoid capital losses and earn higher return by investing in future.

Conclusion:

We have discussed the important theories pertaining to demand for money. All the theories have provided significant insights into the concept of demand for money. While the transactions version of Fisher is focused on the supply of money as determining prices, the cash balance approach of the Cambridge University economists established the formal relationship between demand for real money and the real income. Keynes developed the money demand theory based on the explicit motives for holding money and formally introduced the interest rate as an additional explanatory variable that determines the demand for real balances.



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- The post Keynesian economists developed a number of models to provide alternative explanations to confirm the formulation relating real money balances with real income and interest rates. However, we find that these theories establish a positive relation of demand for money to real income and inverse relation to the rate of return on earning assets, i.e., the interest rate. However, the propositions in these theories need to be supported by empirical evidence. As countries differ in respect of various determinants of demand for money, we cannot expect any uniform pattern of behaviour. Broadly speaking, real income, interest rates and expectations in respect to inflation are significant predictors of demand for money.



Akash S

SRO0819296



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Industrial visit to Wheels India Limited

"Learn everything you can, anytime you can, from anyone you can - there will always come a time when you will be grateful you did." Bearing this thought in my mind, I was very eager to learn something new from the industrial visit to Wheels India Limited, Padi.

The CFO of WIL Car Wheels Limited (subsidiary of Wheels India Limited) CA Venkatesh sir threw a light on the umpteen number of opportunities available for CAs, CMAs and CSs in manufacturing industries. He gave us a high-level overview on the reporting requirements to be adhered by a listed company. He also explained how the theoretical knowledge we gain through our course could be practically applied at the workplace. He said that the vision of the company is "The company believes that its future lies in partnering OEM's in their growth and providing world class products and services." And he was sure that the company would achieve its goal with its strongly built mission "Accelerating progress through engineering innovation."

Then the head of the Safety department, Mr. Vishnu Ram gave a brief note on the general safety measures to be followed by us in our workplace. He also explained how "Safety month - March 2023" was being celebrated in their company in a very unique manner by visiting the homes of nominated employees, inspecting the safety measures taken by them and providing inputs on how to improve them.

Then we had the factory visit for which we were made to wear helmets, goggles, metal toes and ear plugs for safety reasons. At the entrance of the factory, there was a display of different types of wheels manufactured by the company. Few of the employees accompanied us and explained how a sheet of metal was being converted into a rim, disc and then the ultimate product wheel.



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The factory had posters displaying their aim "Zero waste, No scrap" at various places which serves as a motivation for the workers to work for utmost productivity. The factory also had "Kaizen gallery" where the employees were rewarded for continuous improvement and operational excellence. Mr. Saravanan, head of the technical department had an interactive Q&A session with us which turned out to be very useful for understanding the procedures involved in manufacturing wheels.

I would like to end this article with a quote "Every twist and turn in life is an opportunity to learn something new about yourself, your interests, your talents and how to set and then achieve goals."

Thank you



Mahatha A

SRO0679874



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Glimpse of the event held in March 2023

Bank audit Seminar





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GST Practical Training





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Industrial visit to Wheels India Limited





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IMPORTANT ANNOUNCEMENT DURING MARCH 2023



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Board of Studies (Academic)
The Institute of Chartered Accountants of India
25th March, 2023

ANNOUNCEMENT

Commencement of Live Coaching Classes (LCC Batch – 6) from 10th April 2023 for Final level students appearing in November 2023 examination

The Board of Studies (Academic) is commencing the **6th Batch of 'Live Coaching Classes'** from **10th April 2023** with full coverage of syllabus for Final level students appearing in **November 2023** examination.

Schedule & Timings:

Course	Schedule	Session I	Session II
Final	https://boslive.icai.org/schedule/Final_06_for_November_2023_Examination.pdf	7:00 am – 10:00 am	6:00 pm – 9:00 pm

Salient Features

- Free Live Classes
- Anytime Anywhere Classes
- Sessions by Renowned Faculty
- Exam-oriented Approach
- Live Doubt Sessions
- Notes/Assignment/MCQs
- Recorded Lectures with Unlimited Access

**FREE LIVE COACHING CLASSES FOR CA FINAL STUDENTS
ORGANIZED BY ICAI-BOS**



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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

Board of Studies (Academic)
The Institute of Chartered Accountants of India
17th March 2023

ANNOUNCEMENT

Mock Test Papers Series – II for CA. Intermediate & Final students appearing in May 2023 examinations

The Board of Studies (Academic) is commencing Mock Test Papers Series – II from 5th April 2023 for CA. Intermediate & Final students appearing in May 2023 examinations.

In continuation of Mock Test Papers Series – I, Mock Test Papers Series – II will be conducted in physical/virtual mode(s). Students interested in physical mode may approach the respective branches in their area.

The schedule for the same is as follows:

Date	Final (New Course)	Intermediate (New Course)	Time
05.04.2023	Final Paper-1: Financial Reporting	Intermediate Paper-1: Accounting	2 PM - 5 PM
06.04.2023	Final Paper-2: Strategic Financial Management	Intermediate Paper-2: Corporate and Other Laws	
08.04.2023	Final Paper-3: Advanced Auditing and Professional Ethics	Intermediate Paper-3: Cost and Management Accounting	
10.04.2023	Final Paper-4: Corporate and Economic Laws	Intermediate Paper-4: Taxation	
11.04.2023	Final Paper-5: Strategic Cost Management and Performance Evaluation	Intermediate Paper-5: Advanced Accounting	
12.04.2023	Final Paper-7: Direct Tax Laws and International Taxation	Intermediate Paper-6: Auditing and Assurance	
13.04.2023	Final Paper-8: Indirect Tax Laws	Intermediate Paper-7: Enterprise Information Systems & Strategic Management	
14.04.2023	Paper-6A*: Risk Management Paper-6B*: Financial Services and Capital Markets Paper-6C*: International Taxation Paper-6D*: Economic Laws Paper - 6E*: Global Financial Reporting Standards Paper - 6F*: Multi-Disciplinary Case Study	Intermediate Paper-8: Financial Management & Economics for Finance	

*Timing for Elective Paper is 2 pm to 6 pm.

Mock Test Series II starting from April 5th 2023 for the students appearing in May 2023 Examination



To create your new Digital Identity on “@mail.ca.in”

CA.in

DEDICATION

PASSION

DIGITAL IDENTITY

GLOBAL PROFESSIONAL

I AM THE I IN ICAI

DESTINATION FOR SUCCESS

POWER TO CHANGE

POWER

DIGITAL IDENTITY

POWER

Website: <https://mail.ca.in>

**Students can create their mail id with ICAI
“@mail.ca.in”**



TRIVIA CORNER

MCQ on Company Law

1. An issuing house (share broker) has issued an advertisement in two leading newspapers for selling a large number of shares allotted to it by a company under a private placement. In which of the following conditions will the advertisement NOT be deemed to be a prospectus:
 - A. Advertisement was given within six months from the date of allotment
 - B. Advertisement was given after six months from the date of allotment and the issuing house has paid the entire consideration to the company
 - C. The issuing house did not pay entire consideration to the company till the date of allotment
 - D. advertisement was given within three month from the date of allotment

2. Which of the following statement is contrary to the provisions of the Companies Act, 2013?
 - A. A private company can make a private placement of its securities.
 - B. The company has to pass a special resolution for private placement.
 - C. Minimum offer per person should have Market Value of ₹ 20,000.
 - D. A public company can make a private placement of its securities.



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3. Innovative Tech Sol Limited intends to invite subscription for ₹ 1.10 crores equity shares of ₹ 10 each on private placement basis. The persons identified as potential subscribers are within the statutory limit and also include the two other categories to which such statutory limit is not applicable. One such category is employees of the company who are offered equity shares under Employees' Stock Option Scheme. the other excluded category is:

- A. Quality Institutional Buyers
- B. Qualified Institutional Buyers.
- C. Qualificational Institutional Buyers.
- D. Qualified Investing Institutional Buyers.

4. Shreem Lakshmi Jewellery Store Private Limited was incorporated on 27th August, 2020 with 30 persons as subscribers to the Memorandum of Association and with an Authorised share capital of ₹ 1 crore divided into equal number of shares of ₹ 1 each. Each subscriber subscribed for

₹ 1.00 lac shares. Advise the company about by what date it needs to deliver the share certificates to the subscribers.

- A. 17th September, 2020.
- B. 30th September, 2020.
- C. 27th October, 2020.
- D. 27th November, 2020.

Previous Month Answers

- 1. (1)
- 2. (4)
- 3. (3)
- 4. (2)



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Contribution From Our
CA ASPIRANTS

Articles are invited from students for publishing in e-newsletter. The articles shall be either on the specific subject or a general article.

For all the artistic minds, you may highlight your artistic skills by sending your art to us. It could be drawing, poem, photographs and all the art work which is unusual in your way!

Students can mail their work with Name, SRO Number, Mobile Number, Residential Address, Office Address & Photo to our E-Mail mentioned below.

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