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

The Chartered Accountant STUDENT

Your monthly guide to CA news, information and events

PAPER 4

BUSINESS ECONOMICS

FOUNDATION

PAPER 1

ADVANCED ACCOUNTING

INTERMEDIATE

PAPER 3

ADVANCED AUDITING, ASSURANCE AND PROFESSIONAL ETHICS

FINAL

CONTENTS

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"Education is the most powerful weapon which you can use to change the world."

• Nelson Mandela •

INSIDE

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SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

Dear Students,

Warm greetings to you all.

It is with deep gratitude that I address you as the 74th incumbent for the coveted office of the President of the Institute of Chartered Accountants of India (ICAI). Students are the foundation and future strength of our profession. As we strive to build a progressive and globally respected accountancy profession, empowering and inspiring our students remains our foremost priority.

As I assume this office, I reaffirm my commitment to strengthening ICAI's student ecosystem through academic excellence, industry integration and inclusive support. I sincerely acknowledge the visionary leadership of my predecessors and the dedication of our fraternity, which has built a strong and enduring platform for nurturing competence, character and professional values.

The Chartered Accountancy Journey: Building Competence and Character

The Chartered Accountancy journey blends intellectual rigour, disciplined effort and ethical grounding. Each stage develops not only technical expertise but also analytical thinking, professional judgement, resilience and integrity.

In this journey of transformation, CA examinations are not merely academic milestones but formative steps toward becoming trusted professionals. Every hour of sincere study and every challenge overcome contributes to shaping the competence and character that defines a Chartered Accountant. Approach them with clarity, discipline and confidence.

ICAI supports your journey through a contemporary curriculum, practical training and strong ethical orientation. Cultivate curiosity, adaptability and a lifelong commitment to learning to sustain professional excellence in a dynamic world.

Academic Support and Examination Preparedness

For students appearing in the May 2026 examinations, the Board of Studies is providing comprehensive academic support through Live Virtual Revisionary Classes, Mock Test Papers and Interactive Sessions with Students for success at CA Exams. These resources strengthen conceptual clarity, systematic revision, time management and examination confidence through simulated practice and expert guidance. I encourage you to engage fully with these opportunities and adopt a disciplined approach to preparation.

Industry Exposure and National Skill Development Initiatives

ICAI is also strengthening industry exposure through its contribution to national skill development initiatives such as the Prime Minister's Internship Scheme (PMIS) and Corporate Mitra. ICAI is actively involved in developing the professional framework for structured internships under expert supervision to build industry-ready competencies in areas such as accounting, taxation and finance. These initiatives aim to create a skilled talent pool of para-professionals, enhance youth employability and strengthen support for MSMEs and professional firms. Through such collaborative efforts, ICAI continues to contribute to national capacity building and the vision of a future-ready workforce.

Technology, AI and Future-Ready Competence

It is equally important to recognise that in today's rapidly evolving technological environment, Artificial Intelligence, data analytics and digital tools are transforming the accounting profession. As future Chartered Accountants, you should proactively equip yourselves with these emerging areas alongside your core studies to remain future-ready. ICAI is also supporting this through AI learning programmes for CA students on its Digital Learning Hub.

Scholarships and Financial Support for CA Students

At ICAI, we firmly believe that talent deserves support and opportunity must remain accessible to all. The Institute remains deeply committed to ensuring that financial constraints do not hinder academic aspirations.

In a significant step towards strengthening student welfare, the Scholarship grants given to CA Students under all categories have been enhanced and the revised Scholarship grants payable to CA students have been implemented from January 2026. Under Merit Award (Final Students) wherein 1st to 10th rank holders of CA Intermediate Examination covered, the Scholarship Grants increased from ₹2,500/- per month to ₹5,000/- per month. Under the Economically Needy Students Scholarship – Merit based (Final Students) category wherein 11th to 50th rank holders of CA Intermediate Examination covered, Scholarship Grants increased from ₹2,000/- per month to ₹4,000/- per month. Under Economically Needy Students Scholarship (Intermediate & Final), the Scholarship Grants increased from ₹1,500/- per month to ₹2,500/- per month. For the first time, Foundation Course students have also been covered under the Economically Needy Students category and Scholarship of ₹1,500/- per month would be provided for four months to Foundation Course students applying for Scholarship from January 2026. The parental income under all Economically Needy Students Scholarship categories have also been increased from ₹3 lakhs per annum to ₹5 lakhs per annum.

These enhanced measures will ease financial pressures and empower students to pursue excellence without constraint. Through this strengthened support framework, ICAI continues to uphold its commitment to inclusivity, opportunity and academic advancement.

Role of Chartered Accountants in Nation Building

Beyond examinations, a larger professional responsibility awaits you. Chartered Accountants serve as pillars of financial integrity, governance and economic trust. Your knowledge, competence and ethical commitment will contribute to transparent financial systems, sustainable enterprises and national development. The profession you aspire to join is not merely a qualification, it is a lifelong commitment to excellence, responsibility and public trust.

ICAI Commerce Olympiad: Inspiring Future Professionals

ICAI nurtures early awareness of the profession through ICAI Commerce Olympiad. The initiative connects school and college students with commerce education and the Chartered Accountancy pathway. For 2025–26, the Olympiad was conducted on 25th January 2026 across six levels, spanning Classes VIII to Graduation. It witnessed participation from 7,678 students out of 37,073 registrations nationwide, reflecting the growing interest in commerce and the accountancy profession.

As you continue your journey, remember that persistence transforms effort into achievement. Remain focused, disciplined and confident. Your dedication today will become your professional strength tomorrow.

I extend my sincere best wishes for your studies and examinations and look forward to welcoming you into the distinguished fraternity of Chartered Accountants.

With warm regards,

CA. PRASANNA KUMAR D

PRESIDENT, ICAI

Dear Students,

Warm greetings to each one of you!

With a grateful heart and a deep commitment to serve, I address you as the newly elected Vice President of the Institute of Chartered Accountants of India (ICAI).

Our beloved and great Institute has, over decades, established itself as one of the most respected accounting professional bodies in the world. Guided by its enduring values, ICAI has built a strong legacy towards excellence. For ICAI, students have been always the first priority and accordingly as I take on this new role, I will also continue to keep students on top priority .

The CA Course: A Journey of Transformation

The CA course is more than a program of study; it is a journey that shapes character and competence. It is designed to bring out the best in you,not just in terms of knowledge, but discipline, and perseverance. Certainly, it is challenging and it requires effort. But its rewards—both personal and professional—are extraordinary. Remember, this journey is not only about passing examinations; it is about developing resilience, embracing continuous learning and striving for excellence. Every step, every challenge and every exam you take is preparing you for a future where you will be entrusted with significant financial, strategic and ethical responsibilities.

Towards Excellence in Learning

ICAI, through the Board of Studies (Academic) plays a pivotal role in shaping the careers of aspiring CA students by offering a comprehensive suite of educational resources, guiding them through every stage of their academic journey and mentoring them towards qualifying as Chartered Accountants. In its endeavour to provide a strong foundation of professional knowledge and professional values, the BoS(A) provides its students quality Study Materials, Revisionary Test Papers, Mock Test Papers, Suggested Answers for each subject of the CA course and also provides Saransh- Last Mile Referencer and Case Scenario Booklets. Live Virtual Classes, Live Virtual Revisionary Classes, ICAI Digital Learning Campus and MCQ Paper Practice Assessment Dashboard are some of the digital initiatives of BoS(A) to facilitate student learning and preparation for their examinations.

Whether it is academic resources, conceptual clarity or exam preparation, think of BoS (A) as your academic companion. You are never alone in this journey. I encourage you to make the most of every learning opportunity offered by the Board. Every initiative, every session ICAI conducts , has one goal — to help you grow as a competent, confident and ethical professional.

Evolving Business and Economic Landscape leading to new arenas

Evolving business and economic landscape are giving rise to new arenas for professionals, especially for chartered accountants. Technology, digital finance, global regulations, sustainability imperatives and new forms of risk are reshaping the profession.

So, I would urge you to explore emerging areas and be well prepared and equip yourselves adequately, since chartered accountants are now serving as policy advisors, CFOs, entrepreneurs, academicians and global leaders, contributing to the financial integrity of the nation and beyond.

Building well rounded professionals

In an era of technology and innovation and changing business needs, the role of students is not just to focus on academic excellence, but they are expected to be well-rounded professionals who are equipped with the necessary skills, values and experiences to navigate the future and to prepare well for the intricate demands of the profession. Strengthening essential soft skills, including communication, leadership and client relationship management are some of the areas which need to be enhanced besides strong foundation of technical knowledge to groom yourself as a responsible and empowered professional.

Closing Thoughts

As I pen down my thought, I am reminded of Dr. A.P.J Abdul Kalam's most famous lines – ***"Look at the sky. We are not alone. The whole universe is friendly to us and conspires only to give the best to those who dream and work".*** These words highlight the strength of vision and persistence. They suggest that the universe itself aligns with individuals who strive towards meaningful goals. When people fully commit to their dreams, unexpected opportunities and support often appear along the way. The message carries hope and encouragement, reminding us that with passion and steady determination, we can rise above obstacles and achieve remarkable things, as if the universe itself is guiding us towards success.

Let your dream be that kind of a dream — one that keeps you inspired, disciplined and always driven. Trust your efforts and keep moving forward. You're almost there.

May your pursuit of excellence make you proud and make our nation prouder.

CA. MANGESH PANDURANG KINARE
VICE PRESIDENT, ICAI

Dear Students,

As you strive towards your pursuit of academic excellence and professional distinction, it gives me immense pleasure to present this edition of the Students' Journal. This issue has been thoughtfully crafted to offer you not only meaningful insights into the Union Budget's Direct and Indirect Tax proposals and the key takeaways from the Economic Survey 2025–26, but also visually engaging, concise summaries of essential concepts from Foundation Paper 4 – Business Economics, Intermediate Paper 1 – Advanced Accounting, and Final Paper 3 – Advanced Auditing, Assurance & Professional Ethics, thoughtfully designed to deepen your understanding, reinforce your preparation and inspire confidence as you progress towards your professional goals.

While embracing the insights and learning resources presented in this issue, remember that knowledge alone is not enough, it is the action which turns preparation into achievement.

As Rabindranath Tagore wisely observed, *"You can't cross the sea merely by standing and staring at the water,"* reminding us that success demands decisive effort and purposeful action beyond contemplation alone. Let this Students' Journal continue to guide and inspire you in building competence, character, and excellence.

Holistic Academic Support: Live Virtual Classes and Live Virtual Revisionary Classes

In order to support comprehensive preparation and timely academic guidance, the Board of Studies (Academic) commenced Live Virtual Classes (LVC) for Foundation for May 2026 examinations in January 2026, along with classes for Intermediate for September 2026 examinations, to strengthen fundamentals and subject understanding through structured online learning. Further, the Live Virtual Revisionary Classes (LVRC) for Final for May 2026 examinations commenced in February 2026, providing focused revision, exam-oriented guidance and strategic clarity.

We are also pleased to announce that a new batch of Live Virtual Revisionary Classes (LVRC) for Intermediate for May 2026 examinations which will commence from 5th March 2026, offering another valuable opportunity for structured revision and enhancing examination readiness.

Mock Test Papers – Enhancing Exam Preparation

In order to further augment your preparation, the Board of Studies (Academic) is also commencing Mock Test Papers Series – I from 16th March 2026 and Series – II from 2nd April 2026 for CA Intermediate students appearing in the May 2026 examinations.

Similarly, for CA Final students appearing in May 2026 examinations, Mock Test Papers Series – I will begin from 16th March 2026 and Series – II from 1st April 2026.

Students are encouraged to participate actively in these mock tests as they play a crucial role in evaluating performance, improving time management, identifying strengths and areas for improvement and reinforcing exam strategy ahead of the final attempt.

Success at CA Exam - From Preparation to Performance

Success at CA Exam will commence from 14th April, 2026 onwards for students appearing in both Foundation, Intermediate and Final for May 2026 Examinations.

These sessions are specially designed to provide exam-oriented strategies, subject-specific insights, time management guidance and expert tips by the faculties of the Board of Studies (Academic) to help students maximize their performance and approach the examinations with confidence and clarity.

Fortnight Programme- Unlock Success through Clarity, Strategy & Confidence

The Board of Studies (Academic), ICAI will organise a Fortnight Programme – "Unlock Success through Clarity, Strategy & Confidence" for CA Intermediate and Final students in the month of March, 2026 for around 14 days in virtual mode. Each day focused on one paper from the Intermediate or Final Course with expert-driven sessions designed to strengthen conceptual understanding, sharpen exam strategy, provide subjectwise guidance and exam-writing techniques.

The programme aimed to prepare students effectively for the May 2026 Examinations, offering insights on course structure, section-wise weightage, preparation tips and common mistakes to avoid.

Revised Booklets on Case Scenarios - Strengthening Analytical Excellence

The Board of Studies (Academic) has released revised and updated Booklets on Case Scenarios for Intermediate, Final and Self-Paced Online Modules (Set A and Set B), applicable for the May 2026 examinations and onwards; Booklets on Case Scenarios for Intermediate Paper 3 – Taxation and Paper 4 - Direct Tax Laws & International Taxation and Paper 5 – Indirect Tax Laws are specifically relevant for May 2026, September 2026 and January 2027 examinations.

The case scenarios are thoughtfully designed to develop analytical thinking, improve interpretation skills and strengthen the ability to apply conceptual knowledge to real-life professional contexts. Students are encouraged to make optimum use of these resources to enhance conceptual clarity and examination preparedness.

May 2026 Examinations: Prepare with Purpose, Perform with Pride

Your journey to the May 2026 examinations is not merely about completing the syllabus; it is about nurturing clarity in concepts, confidence in application and consistency in efforts. Let this attempt reflect your perseverance as much as your preparation. Channelise the pressure into purposeful performance by structuring the syllabus into manageable targets. First, strengthen your concepts, then move to intensive revision and finally dedicate time to rapid recap and thoughtful mock analysis. Study actively, practice time-bound mock test papers and evaluate your mistakes after every test to ensure continuous improvement. At the same time, preserve your energy through a disciplined routine and a calm and focused mindset.

Great achievements are built on ordinary days of disciplined work. The long hours of study, repeated revisions and moments of self-doubt are not setbacks, they are shaping a stronger, more resilient future self.

As rightly said, *"Success is the sum of small efforts, repeated day in and day out."* Let this thought anchor your preparation and strengthen your resolve. Stay persistent, stay positive and trust that sincere effort never goes unrewarded.

A Closing Thought

As you move forward, remember that this journey is about far more than clearing an examination. It is about building competence, character, and confidence that will define you throughout your professional life. The discipline you nurture today and the resilience you develop now will shape you into a capable and responsible professional, ready to contribute meaningfully to the profession, society, and the nation.

Stay focused. Stay determined.

With best wishes,

CA. BABU ABRAHAM KALLIVAYALIL
CHAIRMAN, BOARD OF STUDIES (ACADEMIC)

CHAIRMAN BOARD OF STUDIES-OPERATIONS COMMUNICATION

Dear Students,

Wishing you all a very Happy and vibrant Holi!

I warmly welcome you to a new academic year filled with fresh ideations, purposeful growth, and mindful learning. As we embark upon this journey together, let us reflect on these profound lines of Hindi wisdom that beautifully capture the spirit of renewal and aspiration:

“चलो कि वक्त पुकारे हमें, कुछ कर दिखाने के नाम पर,
हर एक नया सवेरा लाए, उम्मीदों की नई पहचान।”

At the outset, I extend my heartiest congratulations and best wishes to all those students who have successfully cleared the Chartered Accountancy Examinations held in January 2026. Your achievement reflects not merely academic excellence, but also perseverance, discipline, resilience, and unwavering commitment. You are the champions whom the profession eagerly awaits the torchbearers who will help redefine the financial, technological, and governance driven global ecosystem. Your journey forward carries the responsibility and privilege of shaping the future of finance, assurance, innovation, and ethical leadership across borders.

To those students who could not achieve the desired outcome this time, I convey a message of deep confidence, encouragement, and reassurance. You have not failed, you have achieved a crucial milestone of learning, self-discovery, and inner strengthening. Every attempt builds resilience, insight, and renewed determination. This phase is a powerful reminder that you are closer than ever to your goal. With a little more focused effort, strategic planning, and belief in your own potential, success shall undoubtedly follow. Let this moment energize you, sharpen your resolve, and inspire a stronger comeback.

The Chartered Accountancy curriculum encompasses critical academic, practical, ethical, and professional stages, each designed to shape not only competent professionals but also responsible nation-builders. As students, you remain in safe and capable hands under the stewardship of the Board of Studies (Operations). Our constant endeavor is to ensure that your academic and regulatory journey is structured, robust, student-centric, and future-ready. Continuous enhancement of developmental skills, aligned seamlessly with academic rigour, remains the cornerstone of our initiatives. The ICITSS and AICITSS programmes are closely monitored and dynamically upgraded to deliver relevant, impactful, and practical learning experiences within the regulatory framework.

In alignment with emerging global trends, technological advancement and digital integration form a central pillar of modern professional education. The introduction of SAP modules, digital simulators, and technology-enabled platforms enables students to gain hands-on exposure well before entering professional environments. These initiatives aim to equip you with operational clarity, confidence, adaptability, and composure empowering you to perform with diligence, precision, and professional excellence.

Equally important are the conferences, seminars, workshops, and student engagement programmes conducted at Branch, Regional, and National levels. These platforms encourage leadership, innovation, critical thinking, and overall personality development. The National Talent search initiatives, including Extempore, Quiz, Elocution, Pitch Deck, Chess, and other competitions, provide opportunities to showcase your diverse talents and gain national recognition.

As Chairman, I want you to see me not just as someone in a position of authority, but as someone who is here to support your journey. My main goal is to help you build a strong and practical skill set that prepares you for the real world. Passing exams is important, but what truly matters is understanding concepts clearly and knowing how to apply them with confidence. I want to ensure that you do not just memorize answers, but develop the ability to think, analyze, and solve problems independently.

A big part of your success will depend on your communication skills. It is not enough to know the right answer you must also be able to explain it in a clear, simple, and confident manner. Whether you are speaking to a client, presenting in a meeting, or working with a team, the way you communicate makes a lasting impression. I am committed to creating opportunities through workshops, interactive sessions, and practical learning experiences that will help you improve both your technical knowledge and your ability to express yourself effectively.

I want you to grow into professionals who are confident, well-spoken, and capable of handling responsibility with maturity. My role is to guide, encourage, and provide you with the right platform to sharpen your skills. Together, we will focus on building not just subject knowledge, but personality, professionalism, and presence so that when you step into your career, you do so with clarity, confidence, and competence

Let us together make this year one of deep learning, meaningful knowledge dissemination, character development, and holistic growth, enabling you to excel not only as professionals but also as responsible individuals.

As we step into this new chapter, may these lines inspire innovation, balance, and purposeful living:

“हर नया आरम्भ देता है, सोच को विस्तार नया,
नव विचार, नव ऊर्जा से, रचें भविष्य का सवेरा नया।”

With complete confidence in your potential, I wish each of you a meaningful, progressive, and inspiring academic year one enriched with small joys, disciplined learning, creative energy, steady growth, and true professional excellence. May you also develop the life skills that help you face challenges with wisdom, balance, and confidence.

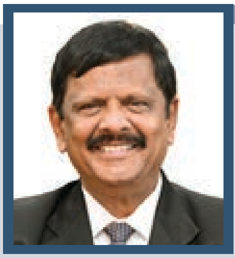
Warm wishes to you and your families for a happy and successful year ahead. Celebrate responsibly, stay safe, and return with renewed focus and determination to pursue your goals. May your path ahead be as bright and vibrant as the spirit of the festival.

Jai ICAI. Jai Hind.

Warm regards,

CA. RAJESH SHARMA
CHAIRMAN, BOARD OF STUDIES (OPERATIONS)

Our New President



CA. Prasanna Kumar D
President, ICAI

A true embodiment of dynamic and visionary leadership, CA. Prasanna Kumar D, who has the distinguished privilege of being the 74th incumbent of the coveted office of the President of The Institute of Chartered Accountants of India (ICAI) for the year 2026–27, is widely admired for his versatility, unwavering optimism, and ability to inspire collective progress.

CA. Prasanna Kumar D qualified as a Chartered Accountant in 1984, marking the beginning of a distinguished professional journey spanning over four decades. His leadership journey commenced with student- centric initiatives, through SICASA and later as the Chairman of the Visakhapatnam Branch of SIRC in 2001–02, where he strengthened professional engagement and capacity building at the grassroots level.

As a Regional Council Member, he served with distinction in the Southern India Regional Council (SIRC) from 2007 to 2016, including as Chairman, SIRC during 2013–14. His tenure was marked by enhancing regional outreach, professional development initiatives, and increased member participation across the region.

Currently serving his 3rd consecutive term in the Central Council of ICAI, he has chaired several key ICAI committees and spearheaded initiatives centred on institutional strengthening, governance and member's welfare, contributing significantly to the Institute's progressive evolution.

Globally, he remains committed to positioning India as a Global Accounting Hub. He is currently Technical Advisor to IFAC Board Member, is a Board Member of SAFA and represents ICAI at Board meetings of PAFA and AFA. Earlier, he represented ICAI on SAFA committees for Small and Medium Practices (2020–21) and Education, Training and Continuing Professional Development (2021–23), further strengthening ICAI's global presence and recognition.

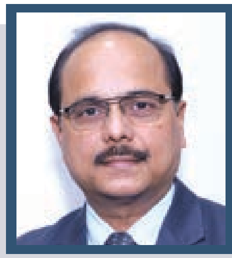
At the helm of the Institute, as the President, ICAI he provides strategic direction to its multifaceted institutional architecture. He leads its core governance committees, steers its premier research and knowledge institutions, oversees key welfare funds and guides its allied bodies in the areas of Insolvency, Valuation, Social Audit and Arbitration, ensuring cohesive, forward-looking and responsible administration.

During his tenure as the Vice President of ICAI in 2025-26, the Chartered Accountants Benevolent Fund (CABF) registered outstanding performance, receiving contributions of ₹6.15 crores to the needy families of the fraternity reflecting strong trust and solidarity within the fraternity.

With deep interest in Digital Transformation, Ethical Leadership and sustainable development of the profession, CA. Prasanna Kumar D continues to advance professional standards, strengthen global partnerships, and enhance enduring influence of the Chartered Accountancy profession worldwide.

He is recognised as a well-rounded personality with a strong passion for sports. Beyond his distinguished professional achievements, as an accomplished volleyball player, he has actively contributed to the promotion of sportsmanship, physical fitness, and holistic development. Through his association with various state-level sports organisations, he continues to encourage young talent and instill values of discipline, teamwork, perseverance and resilience.

Our New Vice President



CA. Mangesh Pandurang Kinare
Vice President, ICAI

CA. Mangesh Pandurang Kinare has been elected as the Vice-President of ICAI for the Council year 2026–27. He is widely recognised for his professional integrity, adaptability, and his ability to foster collective progress within the accounting profession and public financial ecosystem by inclusive leadership.

A Fellow Chartered Accountant and a graduate of University of Mumbai, he brings over three decades of rich professional experience in accounting, auditing, taxation, corporate governance, and advisory services. He has been in active practice for more than 34 years and has consistently demonstrated excellence in professional services and institutional leadership.

He is serving his third term as a Central Council Member of ICAI (2016–19, 2022–25, and 2025–29). Over the years, he has played a pivotal role in policy formulation, professional standards, and regulatory coordination. He has chaired several key bodies of the Institute, including the Professional Development Committee, Ethical Standards Board, Committee on Public & Government Financial Management, Valuation Standards Board, Management Accounting Committee, and Board of Studies (Operations). He also served for six years on the Disciplinary Committee, a quasi-judicial authority of ICAI.

Beyond ICAI, he has contributed to various Central and State Government committees, including those constituted by the Government of Maharashtra, as well as universities and regulatory bodies. His involvement has strengthened governance frameworks and fostered collaboration between the profession, academia, and public institutions.

Internationally, he represented ICAI at the World Standard Setters' Forum of the International Public Sector Accounting Standards Board in Lisbon in 2025. He has been nominated to the governing body of the National Institute of Public Finance and Policy and was part of the ICAI delegation for due diligence of the CPA Institute in Papua New Guinea on behalf of the International Federation of Accountants.

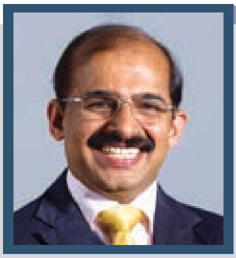
In the corporate domain, he serves as an Independent Director on the boards of companies, including a listed entity and a renowned Section 8 company where he chairs the Audit Committee. He is also a Director on the Board of the ICAI Accounting Research Foundation. His professional expertise spans GST, audits, corporate advisory, governance, and professional ethics.

A dedicated academician and speaker, he has served as a faculty member and visiting professor at leading institutions and has delivered lectures at national and international forums on GST, Code of Ethics, PMLA, bank audits, and policy matters. He is widely regarded for his strong advocacy of ethical practices within the profession.

Earlier, he served as Chairman of the WIRC of ICAI (2013–14), strengthening member engagement and professional development initiatives.

With an unwavering commitment to excellence, ethics, and nation-building, CA. Mangesh Pandurang Kinare continues to advance the profession and inspire future generations of Chartered Accountants.

Our New Chairman



CA. Babu Abraham Kallivayalil
Chairman,
Board of Studies - Academic

CA. Babu Abraham Kallivayalil is a **Fellow Member of the Institute of Chartered Accountants of India (ICAI)** with over three decades of rich professional experience in auditing, taxation, corporate laws, governance and institutional leadership. A **Member of the Central Council of ICAI (2013–2022 and 2025–2029)**, he has consistently contributed to strengthening professional standards, academic excellence and regulatory frameworks within the chartered accountancy profession.

CA. Babu is a Fellow Chartered Accountant qualified in 1987. He is also a **registered Insolvency Professional with the Insolvency and Bankruptcy Board of India (IBBI)**. He is a **Certified Information Systems Auditor (CISA) from ISACA, USA**, holds a **Post Graduate Diploma in Information Systems Audit (DISA) from ICAI**, and has completed the **Certificate Course in Forensic Accounting and Fraud Detection from ICAI**. He is also a **First Class Commerce graduate from the University of Kerala**.

Currently, he serves as **Chairman of the Board of Studies (Academic)** and **Chairman of the Expert Advisory Committee of ICAI**. He is also the **Presiding Officer** of the Board of Discipline (u/s 21A). CA. Kallivayalil is also the **Vice-Chairman of the Audit Committee and the Committee for Members in Public Service and Entrepreneurship.** Through these key leadership roles, he actively guides professional education reforms, technical advisory mechanisms and disciplinary processes, ensuring high standards of ethics, governance and academic quality.

During his earlier tenure as Central Council Member, he was the **Chairman of the Corporate Laws & Corporate Governance Committee, Professional Development Committee, Committee for Members in Entrepreneurship & Public Service, Research Committee, Financial Reporting Review Board (FRRB)**, and **Board of Studies**. His contributions significantly strengthened compliance frameworks, member capacity-building initiatives and research-driven policy development within ICAI.

At the regional level, he served as **Chairman of the Southern India Regional Council (2010–11)** and as a **Member of SIRC for three consecutive terms (2004–2013)**. He was also the **Past Chairman of the Ernakulam Branch of SIRC of ICAI (1998–99)**, playing a vital role in grassroots professional development.

Besides ICAI, CA. Babu Abraham has served as **Director of Kerala State Industrial Development Corporation (2021–2025)** and **Director on the Local Board of State Bank of India, Thiruvananthapuram (2008–2011)**. Internationally, he has represented ICAI at global forums in the USA and Switzerland, and has been a speaker at international leadership conferences of ISACA. He also served as **President of the Cochin Chapter of ISACA (2011–2015)** and **Chairman of the Committee on Education, Training & CPD of the South Asian Federation of Accountants (SAFA) (2017–2018).**

He is also a **columnist** on taxation matters **in Malayala Manorama**, a leading Malayalam daily.

A **Founder President of the All Kerala Chartered Accountants Association**, CA. Babu Abraham continues to be a guiding force in advancing professional excellence, strengthening institutional governance and inspiring members and students across the nation.

Our New Vice Chairman

CA. Satish Kumar Gupta
Vice Chairman,
Board of Studies - Academic

CA. Satish Kumar Gupta is a distinguished Fellow Member of the Institute of Chartered Accountants of India (ICAI) and a seasoned professional with over three decades of rich experience in taxation, professional development and institutional leadership. **A Central Council Member of ICAI from the Central Region (2019–2022 and 2025–2029)**, he has consistently contributed to strengthening professional standards, member capacity-building and academic excellence within the chartered accountancy profession. His dedication, leadership acumen and deep understanding of professional practice have positioned him as a key contributor to the advancement of the profession in India.

Currently, **CA. Satish Kumar Gupta serves as the Chairman of the Aggregation of CA Firms Committee of ICAI**. In addition, he holds the positions of **Chairman of the International Taxation Committee** and **Vice-Chairman of the Board of Studies (Academic)** for the current term. Through these pivotal roles, he is actively guiding initiatives aimed at strengthening the global competitiveness of Indian CA firms, advancing international taxation knowledge and enhancing professional education and academic excellence for students and members alike.

In the Council year 2025–2026, he served as the **Chairman of the Continuing Professional Education (CPE) Committee of ICAI**. He also held the positions of **Chairman of the UDIN Directorate** and **Vice-Chairman of the Committee for Members in Practice (CMP)**, contributing significantly to lifelong learning initiatives, professional compliance frameworks and member support systems.

His association with ICAI's governance structure was further strengthened during his tenure as a **Council Member of ICAI (2019–2022)**. During this period, he held several important leadership responsibilities, including **Chairman of the Committee on Corporate Social Responsibility (CSR)** and **Vice-Chairman of the Direct Tax Committee, Professional Development Committee (PDC) and Committee on Management Accounting.** His contributions in these capacities significantly supported policy development, professional guidance and capacity-building initiatives across diverse domains of practice.

CA. Satish Kumar Gupta's leadership journey also extends to prominent professional bodies beyond ICAI. He served as the **President of the Rajasthan Tax Consultants Association (2013–2023)**, providing sustained direction and advocacy for tax professionals. Earlier, as **Chairman of the Jaipur Branch of CIRC of ICAI**, he led the branch to achieve the **"Excellent Branch Award,"** reflecting institutional excellence under his stewardship.

He has received prestigious honours including **Best Member of the Year (2004)** from the Rajasthan Tax Consultants' Association and **Yuwa Pratibha Samman (2002)**. As prolific speaker and author, he has delivered lectures and presented technical papers nationwide. With a distinguished career spanning professional leadership, education and institutional development, he continues to inspire members and young professionals nationwide.

Chairman Board of Studies-Operations

CA. Rajesh Sharma
Chairman,
Board of Studies - Operations

Central Council Member (CCM), ICAI | Senior Practising Chartered Accountant | Corporate Leader | Policy Influencer | Social Reformer

CA. Rajesh Sharma is a highly distinguished practising Chartered Accountant from Delhi with over 25 years of exemplary professional experience, widely respected for his visionary leadership, institutional wisdom, policy insight, and ethical commitment. He stands among the most influential voices in the Indian accountancy and governance ecosystem.

He has been elected thrice to the Central Council of The Institute of Chartered Accountants of India (ICAI) from the Northern Region for the terms 2016–2019, 2019–2022, and 2025–2029, reflecting the deep trust and confidence of the professional fraternity nationwide.

At ICAI, he has held several strategic leadership and governance roles, including Chairman of the Committee for Members in Industry & Business, Chairman of the Committee for Members in Practice, Chairman of Committee for Capital Market and Investor Protection, Convenor of Public Relation Group and Member of the Standing Committees on Executive, Examination & Finance. He has also served as Vice-Chairman of the Peer Review Board, Insolvency & Valuation Standards Board, playing a pivotal role in policy refinement, regulatory strengthening, and institutional modernization.

As Chairman of the Northern India Regional Council (2011–2012), he led organizational revitalization, academic excellence initiatives, student-centric reforms, and extensive professional outreach, establishing enduring benchmarks. He also served as Government Nominee Central Council Member of The Institute of Company Secretaries of India (ICSI), underscoring his cross-professional stature and governance credibility.

In corporate governance, CA. Rajesh Sharma served as Independent Director on the Board of Bharat Heavy Electricals Limited (BHEL), a Maharatna PSU, and continues to serve as Independent Director on the Boards of several listed and unlisted companies, providing strategic guidance, governance oversight, and financial stewardship.

His deep command over public finance, regulatory frameworks, and economic governance makes him a frequent and respected participant in national television debates.

During his tenure with the ICAI Examination Committee, he drove student-centric, pragmatic reforms that enhanced examination quality, transparency, and academic rigor within the statutory framework.

A dedicated mentor and advocate of student empowerment, he remains deeply committed to academic excellence, faculty development, and youth leadership, consistently working to bridge aspiration with opportunity. An avid traveller and lifelong learner, he draws inspiration from global best practices and diverse institutional models, enriching his inclusive and progressive leadership approach.

Through his exceptional professional stature, ethical leadership, national influence, governance excellence, and social dedication, CA. Rajesh Sharma exemplifies transformative leadership and service excellence in India's professional and public life.

Vice Chairman Board of Studies-Operations

CA. Gyan Chandra Misra
Vice Chairman,
Board of Studies - Operations

Central Council Member, ICAI | FCA | Insolvency Professional | Corporate Advisor | Social Reformer

CA. Gyan Chandra Misra is a highly distinguished Fellow Chartered Accountant, acclaimed for over 27 years of exceptional professional excellence, institutional leadership, and public service. A postgraduate in Commerce, qualified Insolvency Professional, Associate Member of ICSI, and a Law Graduate, he represents a rare confluence of academic brilliance, regulatory depth, and practical mastery, positioning him among the most respected leaders in the Indian accountancy profession.

His journey of impactful institutional service began at the Ghaziabad Branch of the Central India Regional Council (CIRC) of ICAI, which steadily expanded into significant leadership roles at the regional and national levels. Currently, he serves as a Central Council Member (CCM) of The Institute of Chartered Accountants of India (ICAI) for the 2025–2029 term, marking his second consecutive tenure, following a highly successful term from 2022–2025. His re-election stands as a powerful testament to the confidence, trust, and admiration of the professional fraternity across the country.

At ICAI, CA. Misra presently holds several strategically critical leadership roles, including Chairman of the Committee on MSME & Start-up, Vice Chairman of the Board of Studies (Operations), and Vice Chairman of the Corporate Mitra Committee. Through his dynamic involvement across multiple committees, boards, directorates, and working groups, he has emerged as a driving force behind professional modernization, academic excellence, capacity building, and MSME empowerment.

A consummate professional, CA. Misra commands deep expertise across audit and assurance, corporate laws, insolvency frameworks, and professional ethics. He is a highly sought-after speaker at prestigious national and international forums, captivating audiences with his insightful, authoritative, and inspiring deliberations on subjects such as Company Law, Insolvency and Bankruptcy Code, Standards on Auditing, Companies Act 2013, Professional Ethics, and Emerging Global Opportunities for Chartered Accountants.

Beyond professional brilliance, CA. Misra is equally revered for his profound commitment to social transformation and knowledge dissemination. As the Founder of the Gyan Ki Baat Foundation, he has spearheaded impactful initiatives focused on educating the underprivileged, mentoring CA students and young professionals, promoting financial literacy, and nurturing sustainable entrepreneurial ventures. Under his visionary leadership, the foundation has become a beacon of empowerment, inspiration, and inclusive development, touching countless lives across the country.

A forward-looking leader, CA. Gyan Chandra Misra envisions a globally respected, technology-driven, and socially responsive accountancy profession. His relentless focus on innovation, MSME and start-up empowerment, academic transformation, professional capacity building, and sustainable growth continues to shape a future-ready professional ecosystem.

Through his intellectual depth, institutional leadership, national influence, social commitment, and unwavering ethical compass, CA. Gyan Chandra Misra stands as a towering symbol of excellence, service, and transformational leadership, making him one of the most admired and impactful figures in India's professional landscape.

UNION BUDGET 2026-27

SIGNIFICANT DIRECT TAX PROPOSALS IN THE FINANCE BILL, 2026

The Union Budget 2026-27 lays considerable emphasis on enhancing ease of living, reinforcing the IT sector as a pivotal driver of India's economic growth, and fostering a conducive environment for global business and investment. In line with these objectives, the proposals focus on rationalisation of penal provisions, rationalisation of tax deduction at source (TDS), Tax Collection at Source (TCS), other tax provisions along with decriminalisation of prosecution provisions rather than introducing significant changes in tax rates. As you are aware, the new Income-tax Act, 2025 is set to come into force from 1st April 2026. The Finance Bill, 2026 largely contains the proposals with respect to the new Act, 2025. Accordingly, the following are the significant direct tax proposals in relation to the Income-tax Act, 2025:

BUSINESS INCOME, CAPITAL GAINS AND INCOME FROM OTHER SOURCES

Employees' contribution to specified funds to be deposited by due date of filing of return of income to claim such contribution as deduction - Section 29(1)(e) provides for deduction for employees' contribution to specified fund, if such amount is credited by the assessee in the relevant fund or funds by the due date specified in the respective Act.

It is proposed to amend section 29(1)(e) to allow deduction of employees' contribution if it is deposited in the relevant fund on or before the due date of filing the return under section 263(1) for the relevant tax year.

Taxation of buyback of shares – It is proposed that the consideration received on buy-back of shares shall be taxed under the head "Capital gains" instead of being treated as deemed dividend.

Where the shareholder or holder of specified securities is a promoter, capital gains on buy-back (both short-term referred under section 196 and long-term) will be subjected to an effective tax rate of 30%, including additional tax. If the promoter is a domestic company, the effective tax rate will be 22%.

No deduction of interest expenses from dividend and income from units of mutual fund – At present, deduction for interest expenditure, restricted to 20% of dividend income and income from units of mutual fund, is allowed while computing income under the head "Income from Other Sources." It is proposed to amend section 93 to provide that no such deduction shall be allowable from dividend income and income from units of mutual funds.

CORPORATE TAXATION

Reduction in MAT Rate and Restriction on MAT Credit - Under section 206, MAT is presently levied at 15% (9% for IFSC units earning income solely in convertible foreign exchange). Where MAT exceeds normal tax liability, excess MAT paid is allowed as MAT credit, which can be carried forward for 15 years. MAT does not apply to companies opting for sections 115BAA or 115BAB.

It is proposed to reduce the MAT rate to 14% and disallow any new MAT credit. However, existing MAT credit can be set off by a domestic company opting for concessional tax regime up to 25% of their tax liability and by foreign companies to the extent normal tax exceeds MAT in that year.

RETURN OF INCOME

Extension of time limit for filing return of income in specific cases – The due date for filing of return of income is proposed to be extended from 31st July to 31st August of the financial year succeeding the relevant tax year in the case of an assessee having income from profits and gains of business or profession whose accounts are not required to be audited and in the case of a partner of a firm whose accounts are not required to be audited.

Period for filing revised return extended - The due date for filing a revised return of income is proposed to be extended from nine months to twelve months from the end of the relevant tax year. Further, a fee is also proposed under section 428(b) for revised returns which are filed beyond nine months from the end of relevant tax year of ₹1000, where the total income of such person does not exceed ₹5,00,000; and ₹5000, in any other case.

Scope for filing of updated return in the case of reduction of losses as well as after issuance of notice of reassessment extended - Under section 263(6), an updated return cannot currently be filed if it is a return of loss or where assessment/reassessment proceedings are pending or completed.

It is proposed to allow filing of an updated return where the taxpayer reduces the loss originally claimed in a return filed within the due date and permit filing of an updated return in response to a notice issued under section 280, within the time specified in such notice, even if reassessment proceedings have been initiated.

It is proposed to amend section 267 to provide that where an updated return is filed in response to a notice issued under section 280, the additional income-tax payable shall be increased by 10% of the aggregate of tax and interest. Further, income on which such additional income-tax is paid shall not attract penalty under section 439 for under-reporting or mis-reporting of income.

TAX DEDUCTION AT SOURCE AND TAX COLLECTION AT SOURCE

Exemption from income-tax and TDS on interest on compensation awarded by Motor Accidents Claims Tribunal – Section 11, *inter alia*, provides for exemption of income of persons included in Schedule III, subject to the fulfilment of conditions specified therein.

It is proposed to amend Schedule III to exempt any interest received under the Motor Vehicles Act, 1988 by an individual or their legal heir on compensation awarded by the Motor Accidents Claims Tribunal (MACT).

Consequently, section 393(4) is proposed to be amended to provide that no TDS shall be deducted on such interest paid to an individual. For persons other than individuals, the existing ₹50,000 threshold will continue to apply.

Application of TDS on supply of manpower - In order to provide clarity with regard to deduction of tax at source in case of supply of manpower, it is proposed to include the same within the ambit of term "work", so that the provisions of section 393(1) [Table: Sl. No. 6(i)] become applicable. Accordingly, tax shall be deducted at source @1% where payment is made to an individual or a Hindu undivided family, and @ 2% in other cases.

Rationalisation of TCS rates - Section 394(1) of the Income-tax Act, 2025 prescribes multiple rates for collection of tax at source (TCS) for different transactions. The rates of TCS are proposed to be rationalised as follows:

S. No	Nature of receipt	Current Rate	Proposed rate
1.	Sale of alcoholic liquor for human consumption	1%	2%
2	Sale of tendu leaves	5%	2%
3	Sale of scrap	1%	2%
4.	Sale of minerals, being coal or lignite or iron ore	1%	2%
5.	Remittance under the Liberalised Remittance Scheme of an amount or aggregate of the amounts exceeding ₹ 10 lakhs	(a) 5% for education or medical treatment; (b) 20% for purposes other than education or medical treatment.	(a) 2% for education or medical treatment; (b) 20% for puroses other than education or medical treatment.
6.	Sale of "overseas tour programme package" including expenses for travel or hotel stay or boarding or lodging or any such similar or related expenditure	(a) 5% of amount or aggregate of amounts up to ₹10 lakhs; (b) 20% of amount or aggregate of amounts exceeding ₹10 lakhs	2%

Electronic application for certificate of lower or nil deduction/ collection of tax - Section 395 provides for issuance of certificates for deduction of tax at source (TDS) and collection of tax at source (TCS) at nil or lower rate, upon an application made by the payee to the Assessing Officer.

To reduce the compliance burden of small taxpayers, it is proposed to enable electronic filing of applications for such certificates before the prescribed income-tax authority.

Relaxation to resident individual/HUF from TAN on purchase of property from non-resident – At present, where a person purchases an immovable property from a resident seller, the buyer is not required to obtain tax deduction and collection account number (TAN) to deduct tax at source. However, where seller of the immovable property is a non-resident, the buyer is required to obtain TAN to deduct tax at source.

To reduce compliance burden for the resident individuals and HUF, it is proposed to amend section 397(1)(c), w.e.f. 1.10.2026, to provide that a resident individual or HUF shall not be required to obtain TAN to deduct tax at source on transfer of any immovable property to a non-resident.

PENALTY AND PROSECUTION PROVISIONS

Penalty for non-furnishing or furnishing inaccurate information in statement of transactions of crypto-assets - A penalty of ₹200 per day is proposed for failure to furnish the prescribed statement of transactions of crypto-assets within the prescribed time limit, and a penalty of ₹50,000 is proposed for furnishing inaccurate particulars in the statement and failure to rectify such inaccuracy within the prescribed time .

Rationalisation of Tax Rate and Penalty on Unexplained Income - Section 195 provides that income referred to in sections 102 to 106 (relating to unexplained income, investments, money, expenditure, etc.) are taxable @ 60%. Further, section 443 levies a penalty equal to 10% of the tax payable on such income.

It is proposed to reduce the tax rate from 60% to 30% and omit the penalty under section 443. Unexplained income under sections 102 to 106, if determined by the Assessing Officer, will be treated as misreporting under section 439(11) and will attract a penalty of 200% of the tax payable.

Rationalisation of Penalties into Fee - The following penalties relating to technical delays are proposed to be converted into mandatory fee:

Section	Nature of Default	Existing Provision (Penalty)	Proposed Amendment	Amount / Limit
446	Failure to get accounts audited	Lower of i) 0.5% of total sales/turn-over/gross receipts, or (ii) ₹1,50,000	Section 428(c) provides for the levy of fee for such default. Accordingly, the earlier penalty provision contained in section 446 has been substituted. Section 446 now provides for penalty for failure to furnish information of crypto assets.	Fee of - ₹ 75,000 for delay upto one month - ₹1,50,000, for delay beyond one month
447	Failure to furnish accountant's report under section 172 (International / specified domestic transactions)	Fixed penalty of ₹1,00,000	Section 428(d) provides for levy of fee for such default.	Fee of - ₹50,000 for delay upto one month - ₹1,00,000, for delay beyond one month
454(1)	Failure to furnish statement of financial transaction or reportable account	Penalty of ₹500 per day of default	Section 427(3) provides for levy of fee for such failure	Fee of ₹200 per day of default and such fee shall not exceed ₹1,00,000

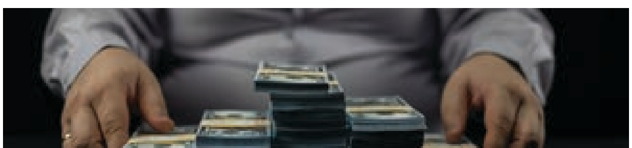
Section	Nature of Default	Existing Provision (Penalty)	Proposed Amendment	Amount / Limit
454(2)	Continued failure after notice under section 508(7)	Penalty of ₹1,000 per day	Section 454 provides for penalty for Continued failure after notice under section 508(7)	Penalty of ₹1,000 per day and such penalty shall not exceed ₹1,00,000

Imposition of Penalty for under-reporting or misreporting of income within the Assessment Order - Under the existing provisions, penalty proceedings for under-reporting or misreporting of income are initiated separately after the passing of the assessment order. This involves issuance of a show-cause notice and passing of a separate penalty order.

To streamline the process and reduce litigation, it is proposed to amend section 471 to provide that penalty for under-reporting or misreporting of income under section 439 shall be imposed **within the assessment order itself.** Further, section 411 is proposed to be amended to provide that interest under said section shall be charged only after the order of the CIT(A) or ITAT, as the case may be.

Rationalisation of Prosecution Proceedings - Chapter XXII of the Income-tax Act, 2025 contains prosecution provisions prescribing rigorous imprisonment ranging from three months to seven years for various offences, including search-related non-compliance, failure to deposit TDS/TCS, wilful attempt to evade tax, making false statements, falsification of books of accounts, and failure to furnish returns.

In light of continued exercise of decriminalisation and to make the punishment for the offences proportionate to the gravity of the offence, sections 473 to 485 and 494 proposed to be amended by reducing the severity of punishment, introducing graded thresholds based on the quantum of amount involved, replacing rigorous imprisonment with simple imprisonment, prescribing fine-only punishment for minor defaults, and fully decriminalising certain offences.



BLACK MONEY (UNDISCLOSED FOREIGN INCOME AND ASSETS) AND IMPOSITION OF TAX ACT, 2015

Relaxation of conditions for prosecution under the Black Money Act - Under the Black Money Act, no penalty is levied for non-disclosure of foreign assets (other than immovable property) if their aggregate value does not exceed ₹20 lakhs. However, sections 49 and 50 currently provide for prosecution in such cases without any threshold limit.

In order to provide relief in cases of minor and inadvertent non-disclosures and to align the prosecution provisions with the existing penalty framework, it is proposed, with retrospective effect from 1.10.2024, to amend sections 49 and 50 to provide that prosecution shall not apply where foreign assets (other than immovable property) do not exceed ₹20 lakhs.

Introduction of Foreign Assets of Small Taxpayers Disclosure Scheme, 2026 – A new Foreign Assets of Small Taxpayers Disclosure Scheme, 2026 is proposed to be introduced to allow small and genuine taxpayers to disclose foreign income or assets that were not reported earlier due to oversight. Small taxpayers are proposed to be classified under Category A, where undisclosed foreign income or undisclosed asset located outside India upto ₹1 crore were not disclosed, Category B, where foreign income was disclosed and tax was paid but the undisclosed asset located outside India upto ₹5 crore was not reported. Tax @30% on the fair market value of the undisclosed asset located outside India or undisclosed foreign income plus an additional amount of 30% of such tax is proposed for category A and flat fee of ₹1 lakh is proposed for category B. In both cases, penalties will be waived and immunity from prosecution is granted.

INTERNATIONAL TAXATION

Exemption to a foreign company on any income arising in India by way of procuring data centre services from a specified data centre - It is proposed to amend Schedule IV of the Income-tax Act, 2025 to provide exemption to a foreign company in respect of any income accruing or arising in India or deemed to accrue or arise in India by way of procuring data centre services from a specified data centre.

For this purpose, a "specified data centre" means a data centre set up under an approved scheme and notified by the Central Government in the Ministry of Electronics and Information Technology; and is owned and operated by an Indian company. The proposed tax holiday shall be available for a period upto tax year ending on 31st March, 2047. One of the conditions for availing the exemption is that where services are provided by the foreign company to users located in India, such services must be routed through an Indian reseller entity.

Exemption to a foreign company on income arising on account of providing capital equipment etc. to an electronic goods manufacturer located in a custom bonded area - It is proposed to amend Schedule IV of the Income-tax Act, 2025 to provide exemption to a foreign company in respect of any income arising on account of providing capital goods, equipment or tooling to a contract manufacturer, being a company resident in India, who is located in a custom bonded area and produces electronic goods on behalf of the foreign company for a consideration. The proposed exemption shall be available in respect of such income upto the tax year 2030–31.

Non-applicability of Minimum Alternate Tax (MAT) to foreign companies opting for presumptive taxation of specified businesses - Currently, MAT does not apply to certain presumptive income of foreign companies, such as shipping (other than cruise ships), aircraft operations, mineral oil services, and turnkey power projects.

It is proposed to amend section 206 to also exclude presumptive income from operation of cruise ships and providing services or technology for setting up an electronics manufacturing facility in India to a resident company from applicability of MAT.

Extension of 100% deduction period for IFSC Units and Offshore Banking Units (OBUs) - Section 147 presently provides for a deduction of 100% on certain eligible incomes to the units of IFSC and to OBUs. This is available for 10 consecutive years out of 15 years for units of IFSC and 10 consecutive years for OBUs. It is proposed to extend the period of deduction to 20 consecutive years out of 25 years for units of IFSC and 20 consecutive years for OBUs.

Associated Enterprises are permitted to furnish modified return consequent to Advance Pricing Agreement (APA) - Under section 169(1), only the taxpayer who has entered into an APA can file a modified return. There is no provision allowing the associated enterprise, whose income is correspondingly adjusted, to revise its return to claim refund.

It is proposed to allow either the person who has entered into the APA or the associated enterprise to file a return or modified return, in line with the APA, within three months from the end of the month in which the APA is entered into.

UNION BUDGET 2026-27 HIGHLIGHTS - INDIRECT TAX LAWS

Amendments proposed in the CGST Act, 2017 and the IGST Act, 2017

Amendment to be effective from 1st April 2026.

It is proposed to insert a new sub-section (1A) in section 101A of the CGST Act, 2017 to provide that the Central Government may, pending the constitution of the National Appellate Authority, by notification empower an existing Authority, for hearing appeals under section 101B of the CGST Act, 2017; and to provide that the provisions of sub-sections (2) to (13) of section 101A shall not be applicable during such interim period, upon notification of such existing Authority. An explanation to sub - section (1A) is also proposed to be inserted to clarify that the existing Authority also includes a tribunal.

To be effective from a date to be notified after the enactment of the Finance Bill, 2026

- Sub-section (3) of section 15 of the Central Goods and Services Tax Act, 2017 is proposed to be amended to do away with the requirement of linking the post-sale discount with an agreement and to refer to issuance of credit note under section 34 of the CGST Act, 2017 where the input tax credit is reversed by the recipient.
- Section 34 of the CGST Act, 2017 is proposed to be amended so as to include the reference of discount referred under clause (b) of sub-section (3) of section 15 in the said section for issuing credit notes for post-supply discounts.
- Section 54(6) of the CGST Act, 2017 is proposed to be amended to extend the provisions of provisional refund to refunds arising out of inverted duty structure.
- Additionally, sub-section (14) of section 54 is proposed to be amended to remove the threshold limit for sanction of refund claims in case of goods exported out of India with payment of tax.
- Clause (b) of section 13(8) of the IGST Act, 2017 is proposed to be omitted so as to provide that the place of supply for "intermediary services" will be determined as per the default provision under section 13(2) of the IGST Act, 2017 which is the location of the recipient of such services.

Amendments proposed in the Customs Act, 1962

Amendments to be effective from the date on which the Finance Bill, 2026 receives the assent of the President of India

- Sub-section (2) of section 1 is proposed to be amended to extend the jurisdiction of the said Act beyond the territorial waters of India, for the purpose of fishing and fishing related activities carried out by Indian-flagged fishing vessels.
- It is proposed to renumber the existing clause (28A) as clause (28B) and insert a new clause (28A) in section 2 to define an "Indian-flagged fishing vessel". Under this new definition, it refers to a vessel used or intended to be used for the purpose of fishing in the seas that is entitled to fly the flag of India.
- Section 28(6)(i) is proposed to be amended to state that the penalty paid under sub-section (5) of section 28, on determination under the said sub-section, shall be deemed to be a charge for non-payment of duty.
- Section 28J(2) is proposed to be amended to provide that advance ruling under sub-section (1) of that section shall remain valid for a period of 5 years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier.
- The proviso to the said sub-section is also proposed to be amended so as to provide that in respect of any advance ruling in force on the date on which the Finance Bill, 2026 receives the assent of the President, the Authority shall upon a request by the applicant, extend the validity for 5 years from the date of the ruling.
- A new section 56A is proposed to be inserted to make special provisions for fishing and fishing related activities by an Indian-flagged fishing vessel beyond territorial waters of India. It seeks to provide that fish harvested beyond the territorial waters of India may be brought into India free of duty and to treat fish that has landed at foreign port as export of goods in such manner as may be provided by rules. Board would be empowered to make regulations to provide for the form and manner of making an entry in respect of fish harvested by an Indian-flagged fishing vessel including its declaration, custody, examination, assessment of duty, clearance, transit or transhipment.
- Section 67 of the Customs Act, relating to removal of goods from one warehouse to another, is proposed to be amended to do away with the requirement of prior permission of the proper officer under the said section for removal of warehoused goods from one warehouse to another.
- Clause (b) of section 84 is proposed to be amended so as to empower the Board to make regulations for the custody of goods imported or to be exported by post or courier.

CA FINAL - PAPER 3: ADVANCED AUDITING, ASSURANCE AND PROFESSIONAL ETHICS

This Capsule provides a recap of some key topics covered in Chapter 16 on Internal Audit. This should not be taken as a substitute for the detailed study of the Chapters. Students are advised to refer to the relevant Study Material, RTP etc. for comprehensive study & revision.

CHAPTER 16 – INTERNAL AUDIT

"Internal Audit provides independent assurance on the effectiveness of internal controls and risk management processes to enhance governance and achieve organisational objectives."

Indicative Objectives & Scope of Internal Audit

- **Monitoring of Internal Controls** — Example: Performing three way matching of purchase order, receipt of material and vendor invoices before approving vendor payment
- **Examination of financial and operating information** — Example: Internal Audit of sales records, delivery records, sales commission for identifying correctness of revenue recorded
- **Review of operating activities** — Example: Reviewing Inventory Management activities and appripriate handling to prevent damages
- **Review of compliance with laws and regulations** — Example: Review of compliance with newly applicable Tax Regime.
- **Risk management** — Example: Evaluation and management of Risk Exposure for complex financial instruments transactions
- **Governance** — Example: Assessment of Governance Process in the accomplishment of objectives on ethics and values.

As per Section 138 of the Companies Act, 2013, following class of companies are required to appoint an internal auditor:

- **All listed companies.**
- **Unlisted public companies having:**
  - paid-up share capital ₹ 50 crore or more in the previous year.
  - turnover ₹ 200 crore or more in the previous year.
  - outstanding loans or borrowings exceeding ₹ 100 crore or more from banks or Public Financial Institutions at any point of time in the previous year.
  - outstanding deposits of ₹ 25 crore or more at any point of time in the previous year.
- **Every private company having**
  - turnover ₹ 200 crore or more in the previous year.
  - outstanding loans or borrowings ₹ 100 crore or more from banks or Public Financial Institutions at any point of time in the previous year.

Student may note that existing company gets covered under any of the above criteria shall comply with the requirements within Six months of commencement of such applicability.

Who can be Appointed as an Internal Auditor?

As per section 138, the internal auditor shall either be a chartered accountant or a cost accountant (whether engaged in the practice or not), or such other professional as may be decided by the Board to conduct an internal audit of the functions and activities of the company.

The internal auditor may or may not be an employee of the company.

According to Standard on Internal Audit (SIA) 210 Managing the Internal Audit Function, the Internal Audit Function undertakes various activities to fulfill its objectives as specified in its Charter (or Terms of Engagement). Some of these activities include:

- Define the overall plan, scope and methodology of the Internal Audit Function on a periodic basis.
- Oversee and monitor various audit assignments, their proper planning, execution, reporting of findings and subsequent closure of reported observations.
- Plan, acquire, engage and review the performance, training and development of professional staff, talent and other resources to achieve its objectives.
- Identify, source, engage and manage external experts and technical solutions, if required.
- Communicate and engage with all key stakeholders regarding progress and achievement of objectives.
- Develop and maintain a quality evaluation and improvement program.

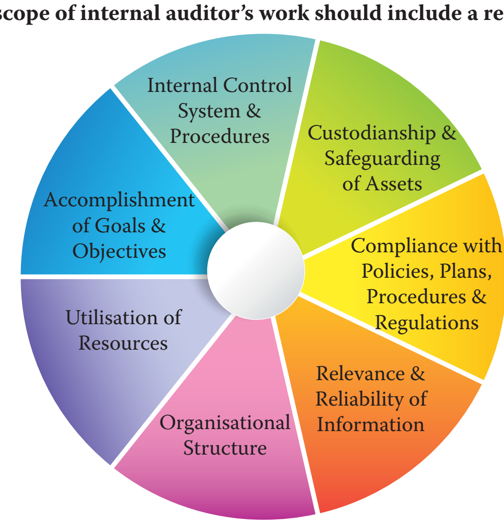
With respect to the accounting function and financial records of the organisation, the responsibilities of an Internal Auditor include:

- To continuously assess the adequacy of a company's internal control system by examining accounting procedures, receipts and disbursements.
- To provide safeguards against the misappropriation of assets.
- To operate independently of the accounting staff and not have any conflicting responsibilities.
- Not to involve in performance of executive functions.
- To report on observed facts and situations to relevant authorities who may not be aware of them.
- To critically appraise management policies and identify deficiencies that need correction.
- To maintain a close association with management to stay informed about important business developments and policy changes.
- Internal Auditor must have independent status.

Management Functions and Scope of Internal Auditing

- For companies covered under section 138, the Audit Committee or Board, along with management and the Chief of Internal Audit, defines internal audit objectives.
- For other organisations, those appointing the Internal Auditor (owners, promoters, Board of Trustees) define the objectives of internal audit.
- The internal audit plan should encompass all business processes, including financial and operational activities.

The scope of internal auditor's work should include a review of-



Review of Internal Control System and Procedures

- involves assessing the design and operational efficiency and effectiveness of the internal control system
- to strengthen the overall internal control environment.
- minimise residual risk by suggesting the appropriate controls to reduce the inherent risk.
- Example: Review of three-way matching internal control

- consider the limitations of internal controls, i.e., cost-benefit comparison, human errors, collusion, and abuse by process owners.
- should be in use throughout the period of intended reliance

Review of Custodianship and Safeguarding of Assets

- Existence of assets.
- Segregation of duties is in place.
- Control systems to ensure that all assets are accounted for fully.
- Means used for safeguarding assets against losses E.g: fire, improper or negligent activity, theft and illegal acts, etc.
- Control systems for intangible.

Review of Compliance with Policies, Plans, Procedures and Regulations

- Ensure various functional segments comply with relevant policies, plans, procedures, laws, and regulations.
- Examine the system for regular review of existing policies.
- Focus on changes in methods and nature of operations.
- Review combine results of system adequacy with compliance test results.
- Evaluate the effectiveness of the internal control systems.
- Point out specific weaknesses in the system.
- Suggest remedial actions to address these weaknesses.

Review of Relevance and Reliability of Information

- Assess the reliability and integrity of financial and operational information provided to management and external agencies (e.g., governmental bodies, investors, trade organisations, labor unions).
- Examine the accuracy and reliability of financial and operational records.
- Evaluate the usefulness of reports and records relative to their costs.
- Check if reports highlight significant and distinctive features.
- Review the adequacy of controls in automated management information systems to ensure data integrity and reliability for critical decision-making.

Review of the Organisation Structure

- Review whether responsibility and authority are in harmony with the grouping pattern.
- Examine the organisation chart to find out whether the structure is simple and economical
- Ensure that no function has undue dominance over others.
- Ensure responsibilities of managerial staff at headquarters do not overlap with those of chief executives at operating units.
- Examine the reasonableness of the span of control of each executive (the number of subordinates that an executive controls.
- Ensure adequate segregation of duties in the organizational structure.
- Evaluate the process of managerial development within the enterprise

Review of Utilisation of Resources

- Ensure proper operating standards and norms are in place for economical and efficient resource use.
- Standards should be detailed enough to be tied to specific operating responsibilities.
- Review methods of establishing operating standards and norms.
- Carefully examine the assumptions made while setting the standards to ensure that they are appropriate and necessary.
- Reasons may be considered, where there is a wide divergence between actual performance and the corresponding standards.

Review of Accomplishment of Goals and Objectives

- Ensure the overall objectives of the enterprise are clearly stated and attainable.
- Check if objectives are expressed in precise, quantifiable terms (monetary and non-monetary) to aid detailed planning.
- Emphasise budgeting as a crucial part of planning to anticipate problem areas.
- Ensure plans are flexible enough to allow improvements in implementation for the enterprise's benefit.

Integrity, Objectivity and Independence of Internal Auditor (IA)

Independence

- The IA must be free from undue influences and pressures, ensuring independence in both mind and appearance.
- Independence should be maintained in defining the scope and conducting/ reporting assignments.
- The organisational structure, reporting position, and authority of the Chief Internal Auditor establishes this independence.

Integrity

- The IA must be honest, truthful, and possess high integrity.
- IA should avoid conflicts of interest and shall not seek personal benefits.

Objectivity

- Conduct work objectively, particularly in gathering and evaluating facts and evidence.
- Shall not be prejudice or bias in reaching conclusions and reporting opinions.

Qualities of Internal Auditor

- Confidentiality
- Expertise in Control Systems
- Accounting and Finance Knowledge
- Operational Knowledge
- Technical Skills
- Management and Communication Skills

Performing Internal Audit Engagement

Internal audit engagement comprises of following five steps

- Step 01: Obtain knowledge of the Business and its Environment
- Step 02: Perform Audit Planning
- Step 03: Gather required information
- Step 04: Perform audit checks
- Step 05: Reporting of Internal Audit Issues.

Internal Audit Report

As per Standard on Internal Audit (SIA) 370 Reporting Results, reporting of internal audit results is generally undertaken in two stages

At the end of a particular audit assignment, an "Internal Audit Report" covering a specific area, function or part of the entity is prepared by the Internal Auditor highlighting key observations arising from those assignments. This report is generally issued with details of the manner in which the assignment was conducted and the key findings from the audit procedures undertaken. This report is issued to the auditee, with copies shared with local and executive management, as agreed during the planning phase.

On a periodic basis, at the close of a plan period, a comprehensive report of all the internal audit activities covering the entity and the plan period is prepared by the Chief Internal Auditor (or the Engagement Partner, in case of external service provider). Such reporting is normally done on a quarterly basis and submitted to the highest governing authority responsible for internal audits, generally the Audit Committee. Some part of the aforementioned Internal Audit Reports may form part of the periodic (e.g. Quarterly) report shared with the Audit Committee.

This Standard on Internal Audit (SIA) deals with the internal auditor's responsibility to issue only the first type of reports, the Internal Audit Report pertaining to specific audit assignments and not to the periodic (e.g. Quarterly) reporting for the whole entity as per the Annual/Quarterly audit plan.

Internal Audit Report includes the following key elements

- An overview of the objectives, scope and approach of the audit assignments;
- The fact that an internal audit has been conducted in accordance the Standards of Internal Audit;
- An executive summary of key observations covering all important aspects, and specific to the scope of the assignment;
- A summary of the corrective actions required (or agreed by management) for each observation; and
- Nature of assurance, if any, which can be derived from the observations

The internal audit report shall be issued within a reasonable time frame from the completion of the internal audit work.

1 Basis of Internal Audit Report:

- Report is prepared on the basis of the audit procedures conducted and the analysis of the audit evidence gathered.
- Conclusions reached shall be based on all the findings rather than on a few deviations or issues noted.
- Effective controls should be acknowledged, while the risk and significance of identified observations determine the priority of matters to be reported.

2. Conducted in Accordance with SIAs:

Statement confirming that internal audit was conducted in accordance with SIA will be included in the report, along with supporting evidence.

3. Content and Format of Internal Audit Report: As per SIA 380, "Issuing Assurance Reports", internal audit report should include

1. Audit Scope performed
2. Audit period Covered
3. Executive Summary
4. Summary of the critical findings
5. Detailed audit findings with elaboration on business impact and root cause of such issues
6. Rating of the highlighted issues (E.g High / Medium / Low) in accordance to the rating criteria approved by Audit Committee
7. Audit recommendation
8. Response received from the responsible functional authority containing action plan and target timelines for action

4. Documentation:

To confirm compliance of audit procedures with this SIA, the list of documents required is as follows:

- Copies of draft and final internal audit reports to be maintained, appropriately cross referenced to specific observations.
- If appropriate, management action plans may be counter signed by respective management personnel.

Follow-up

As per SIA 390, Monitoring and Reporting of Prior Audit Issues

Responsibility	Chief Internal Auditor
Process	Formal, pre-agreed with management and governance.
Goal	Continuously monitor implementation of action plans from past audits.
Internal Auditor's Role	Monitor and report, not implement.
Report	Typically an "Action Taken Report (ATR)" on previous audits

The term "Monitoring and Reporting" used in this Standard refers to

- the periodic tracking of issues raised during prior audits and
- evaluation of the corrective actions undertaken by the auditee
- resolve them and to report any open and pending matters
- the Management and TCWG.

Responsibility	Description
Review Management Action	The auditor should assess whether management has taken follow-up action based on the audit report.
Timely Follow-up	If no action is taken within a reasonable timeframe, the auditor should bring it to management's attention.
Understand Reasons in case of no action	If management doesn't implement recommendations, the auditor should seek to understand the reasons behind it.
Monitor Implemented Actions	For recommendations where management has taken action, the auditor should periodically review the progress and report on it.
Highlight Outstanding Issues	The auditor should specifically report on any recommendations that haven't been fully or partially implemented.

Relationship Between Internal and External Auditors

Internal Audit

- Scope and objectives depend on the organisation's size, structure, and management needs.
- Reviews accounting systems, internal controls, financial/operational information, and asset management.
- Overlap exists with external audit work.

External Audit

- Work is impacted by internal audit findings (controls, financial information, assets).
- Examines the scope, effectiveness, and independence of the internal audit function.
- Uses internal audit results to determine the extent of their own procedures.

Relationship

- Internal audit findings can help external auditors be more efficient.
- External auditors rely on internal audit work to some extent, but not entirely.

Difference Between Internal & External Auditors

Basis For Comparison	Internal Audit	External Audit
1. Performed by	Independent internal auditing function within the organisation or by external body.	Independent body which is not a part of the organization.
2. Examines	Adequacy of operational controls of the organisation.	Accuracy and Validity of Financial Statements.
3. Appointment	Internal auditor is appointed by the Audit Committee or Board of Directors.	External auditor is appointed by the Members.
4. Users of Report	Top Management and referred by statutory auditor.	Stakeholders.
6. Reporting	Internal Audit Report provides weakness in internal controls and effectiveness of the operational activities.	The opinion is provided on the truthfulness and fairness of the financial statement of the company.
7. Status of Auditor	Internal Auditor can be an employee of the company.	External Auditor is mandatorily not an employee of the company.

SA 610, "Using the work of an Internal Auditor" deals with certain aspects of relationship between internal and external auditors.

Determining Whether, in Which Areas, and to What Extent the Work of the Internal Audit Function Can Be Used

Evaluating the Internal Audit Function:

Evaluation of IA Function includes:
- Appraisal activity.
- Examining / Evaluating adequacy and effectiveness of internal controls.

Scope of IA Function
- Review of Internal controls.
- Examination of financial and Operational records and transactions.
- Review of Operating Activities.
- Review of regulatory Laws & Compliances.

Objective of Evaluation of IA Function
- Evaluate & improve the effectiveness of Internal Controls.

Determining the Nature and Extent of Work of the Internal Audit Function that Can Be Used

Determining the Nature & Extent of work of Internal Audit function that can be used

- The external auditor shall consider Nature & scope of work done & its relevance to overall Strategy & Audit Plan
- Determine adequacy of Internal Audit work for external auditors purpose
  1. Objectivity of the internal audit functions.
  2. Level of competence of internal audit function.
  3. Whether a systematic & disciplined approach is applied including quality control.

Determining Whether, in Which Areas, and to What Extent Internal Auditors Can Be Used to Provide Direct Assistance

Nature & Extent of work that can be assigned to Internal auditors providing Direct Assistance

The E.A. shall consider
- Amount of judgement wrt:
  - a) Planning & performing relevant audit procedures
  - b) Evaluation of the audit evidence gathered.
- Assessed risk of material misstatement
- Evaluation of existence & significance of threats .

The E.A. shall not use internal auditors to provide direct assistance to perform procedures
- Making significant judgements in the audit
- Relate to higher assessed risks of material misstatement where the judgement required is more than limited.
- Relate to work which is reported to management or TCWG by Internal audit function
- Relate to decisions the E.A. makes in accordance with SA 610.

If the External Auditor uses Internal Auditors to Provide Direct Assistance on the Audit, the External Auditor shall include in the Audit Documentation

The evaluation of the existence and significance of threats to the objectivity of the internal auditors, and the level of competence of the internal auditors used to provide direct assistance;

The basis for the decision regarding the nature and extent of the work performed by the internal auditors;

Who reviewed the work performed and the date and extent of that review in accordance with SA 230 Audit Documentation;

The written agreements obtained from an authorized representative of the entity and the internal auditors; and

The working papers prepared by the internal auditors who provided direct assistance on the audit engagement.

Internal Audit as a Management Function

As per the revised definition of the term 'Internal Audit' as per para 3 of the ICAI's Framework Governing Internal Audits, "Internal audit provides independent assurance on the effectiveness of internal controls and risk management processes to enhance governance and achieve organisational objectives

Internal Audit is an important element of management controlling function.

Provides independent assessment of internal controls.

Advises management on improving controls and managing risks.

Identifies weaknesses in internal controls and suggests solutions.

Strengthens the overall internal control environment.

Ultimately helps management achieve organizational goals more effectively.

Audit Trail

Audit Trail (or Edit Log) is a visible trail of evidence enabling one to trace information contained in statements or reports back to the original input source.

Audit trails are a chronological record of the changes that have been made to the data.

Any change to data including creating new data, updating or deleting data that must be recorded

Records maintained as audit trail may include the following information:

- when changes were made i.e., date and time (timestamp)
- who made the change i.e., User Id
- what data was changed i.e., data/transaction reference; success/failure

To ensure the audit trail's functionality, companies need specific internal controls, mostly related to IT. These controls aim to:

- Prevent disabling the audit trail feature.
- Assign unique user IDs and prevent sharing.
- Require authorisation for audit trail configuration changes and keep logs of such changes.
- Limit access to the trail and backups, logging all access attempts.
- Periodic back up and archive the audit trail according to statutory period specified under the provisions of the Act.

CA INTERMEDIATE - PAPER 1: ADVANCED ACCOUNTING

The Board of Studies has consistently strived to provide students with high-quality academic content. In line with this objective, a crisp and concise capsule has been developed for the topic of Preparation of Financial Statements of Companies as covered in Intermediate Paper 1, "Advanced Accounting." This capsule presents the key provisions through visually engaging pictorial formats, aimed at helping students understand the complex practical aspects more effectively. While this capsule serves as a quick revision tool, it is not intended to replace the comprehensive study of the detailed material provided by the Board of Studies.

CHAPTER 11
UNIT 1: PREPARATION OF FINANCIAL STATEMENTS OF COMPANIES

Unit overview

- Meaning of Company, different types of companies and maintenance of books of accounts
- Preparation of financial statements
- Requisites of financial statements
- Distributable profits
- Declaration and payment of dividend
- Transfer to Reserve

Meaning of Company and maintenance of books of accounts of a company

Company as per Section 2(20) of the Companies Act, 2013,

- Company incorporated under the Companies Act, 2013
- Under any previous company law (e.g., the Companies Act, 1956).
- Different types of companies as defined the Companies Act, 2013

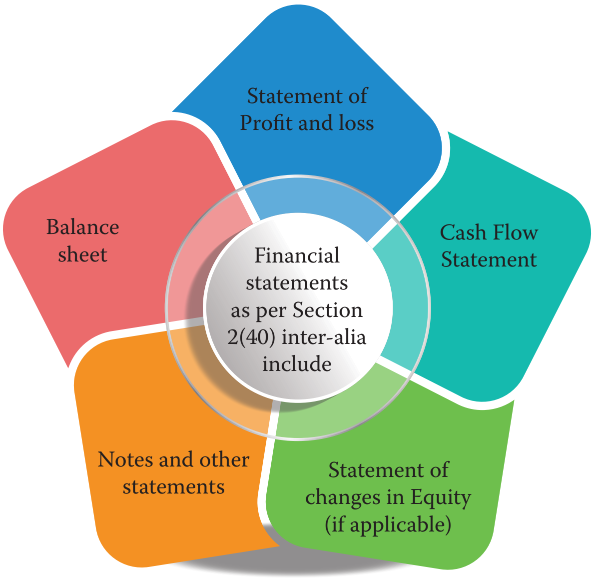
Different types of companies have been defined (under various sub-sections of the Companies Act, 2013) as follows:

- 2(21) **"Company Limited by Guarantee"**
- 2(22) **"Company Limited by Shares"**
- 2(42) **"Foreign Company"**
- 2(45) **"Government Company"**
- 2(62) **"One Person Company"**
- 2(68) **"Private Company"**
- 2(71) **"Public Company"**
- 2(85) **"Small Company"**
- 2(92) **"Unlimited Company"**
- 2(46) **"Holding Company",**
- 2(87) **"Subsidiary Company",**

Maintenance of Books of Account

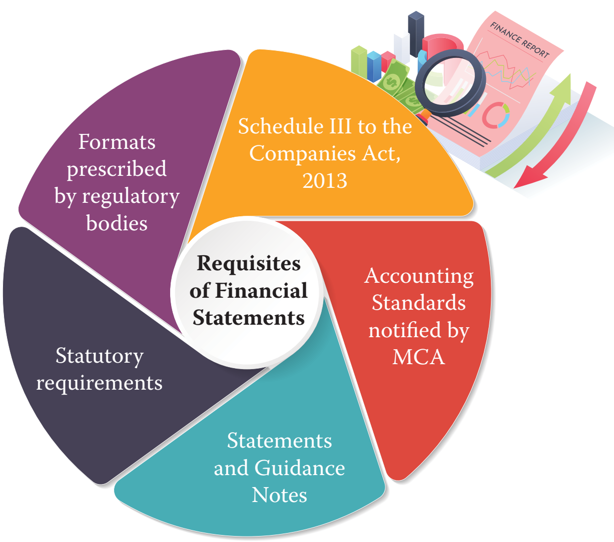
- As per Section 128 of the Companies Act, 2013
- Every company should prepare and keep
- at its registered office
- books of account and other relevant books and financial statements
- accrual basis and according to double entry system of accounting.
- for every financial year
- Giving a true and fair view of the state of the affairs

Preparation of Financial Statements



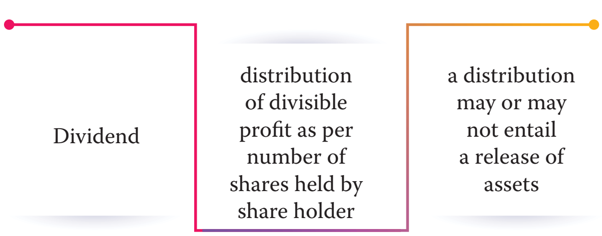
Requisites of Financial Statements

It should give a true and fair view of the state of affairs of the company as at the end of the financial year.



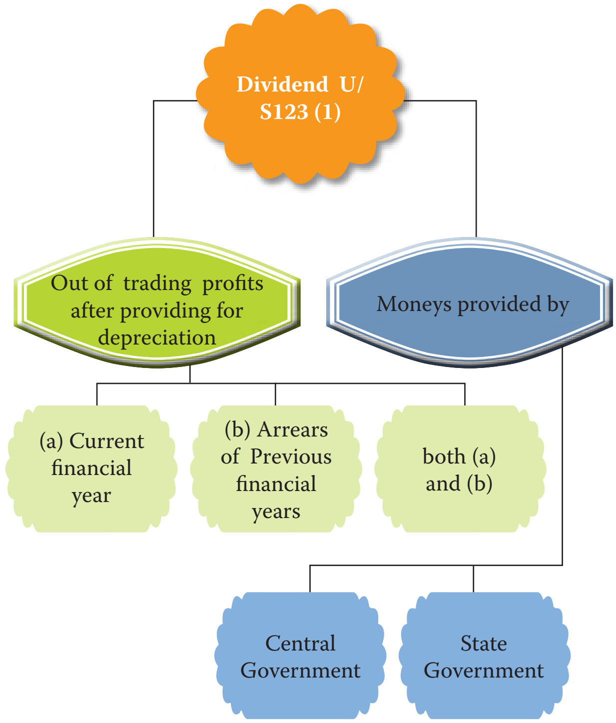
Distributable Profit

The availability of profits for distribution depends on a number of factors, e.g., their composition, the amount of provisions and appropriations that must be made out of them in priority, etc.



Declaration of a dividend presupposes that there is a trading profit or a surplus available for distribution, arrived at after providing for depreciation on assets, not only for the year in which the profits were earned but also for any arrears of depreciation of the past years, calculated in the manner prescribed by sub-section (2) of Section 123.

Under Section 123 (1) of the Companies Act, 2013, no dividend should be declared or paid by a company for any financial year except-



Dividends cannot be declared except out of profits.

Capital cannot be returned to the shareholders by way of dividend.

No dividend should be declared or paid by a company from its reserves other than free reserves.

Conditions as per Companies (Declaration and Payment of Dividend) Rules, 2014

Rate
- should not > Average rates of dividend in the 3 years immediately preceding that year
- This rule not apply to a company, which has not declared any dividend in each of the three preceding financial year.

Amount
- Total amount from accumulated profits should not > 1/10 of Paid-up share capital + free reserves
- as appearing in the latest audited FS.

Utilization
- Drawn amount first used to set off the losses
- incurred in the FY in which dividend is declared.

Balance of reserves
- after withdrawal should not < 15% of paid up share capital
- as appearing in the latest audited FS.

No company should declare dividend unless carried over previous losses and depreciation not provided in previous year are set off against profit of the company of the current year the loss or depreciation,,

whichever is less, in previous years is set off against the profit of the company for the year for which dividend is declared or paid.

Transfer to Reserves
- Appropriation of part of the profits to the credit of a reserve or reserves as per section 123 (1)of the Companies Act, 2013.
- Appropriation of a part of profit as required under law.

Declaration of Dividend

As per Section 123 of the Companies Act, 2013, Board of Directors of a company may declare

Dividend including interim dividend

during any financial year

out of the surplus in the profit and loss account and

out of profits of the financial year in which

such interim dividend is sought to be declared

Provided that in case the company has

incurred loss during the current financial year up to the end of the quarter

immediately preceding the date of declaration of interim dividend,

such interim dividend should not be declared

at a rate higher than the average dividends declared

by the company during the immediately preceding three financial years.

The amount of the dividend, including interim dividend, should be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

No dividend should be paid by a company

in respect of any share therein except

to the registered shareholder of such share or

to his order or to his banker and

should not be payable except in cash

Provided that nothing in Section 123 should be deemed to prohibit the capitalisation of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

Dividend on preference shares

(a) Holders of preference shares are entitled to receive a dividend at a fixed rate before any dividend is declared on equity shares.

(b) But such a right can be exercised subject to there being profits and the Directors recommending payment of the dividend.

Dividend on partly paid shares:

A company may if so authorised by its Article, pay a dividend in proportion to the amount paid on each share (Section 51 of the Companies Act, 2013).

Calls in Advance

Calls paid in advance do not rank for payment of dividend.

Payment of Dividend

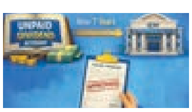
As per Section 124 of the Companies Act, 2013:

Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company should, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

The company should, within a period of ninety days of making any transfer of an amount under this section to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

If any default is made in transferring the total amount or any part thereof to the Unpaid Dividend Account of the company, it should pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of 12% per annum and the interest accruing on such amount should ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

Any person claiming to be entitled to any money transferred to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.



Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer should be transferred by the company along with interest accrued, if any, thereon to the Fund "Investor Education and Protection Fund" established section 125 and the company should send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority should issue a receipt to the company as evidence of such transfer.

All shares in respect of which unpaid or unclaimed dividend has been transferred to "Investor Education and Protection Fund" should also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed:

Provided that any claimant of shares transferred above should be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

If a company fails to comply with any of the requirements of this section, the company will be punishable with fine which will not be less than five lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default will be punishable with fine which will not be less than one lakh rupees but which may extend to five lakh rupees.

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Signature of Publisher

CA FOUNDATION – PAPER 4: BUSINESS ECONOMICS

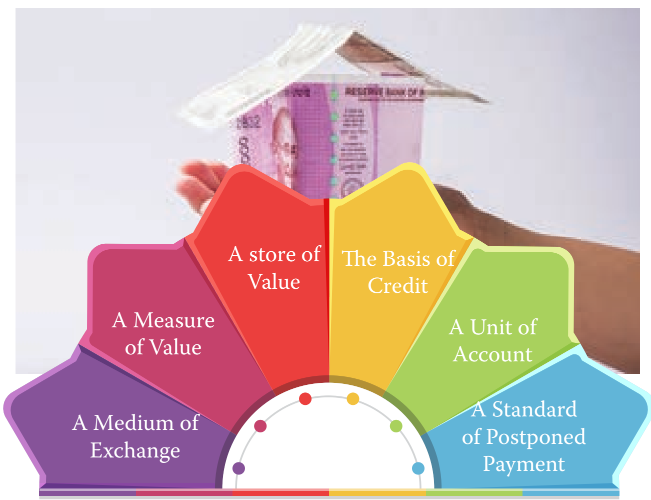
At the Foundation level, students are expected to not only acquire professional knowledge but also the ability to apply such knowledge in problem solving. In this capsule for students, an attempt has been made to capture the significance and importance of the subject of Business Economics with the intention to assist in revision of concepts discussed in the study material.

THE CONCEPT OF MONEY DEMAND

Money refers to assets which are commonly used and accepted as a means of payment or as a medium of exchange or of transferring purchasing power.

- **Money**
  - Functions of Money
  - Characteristics of Money
  - Theories of Demand for Money
    - Classical Approach(QTM)
    - Neo Classical Approach
    - Keynesian Theory of Demand
    - Post-Keynesian Development in the Theory of Demand for Money
      - Inventory Approach to Transation Balances (Baumol)
      - Friedman's Restatement of the Quantity Theory
      - The Demand for Money as Behaviour towards Risk

Functions of Money



Post- Keynesian Development in the Theory of Demand for Money

- Inventory Approach to Transation Balances (Baumol)
- Baumol (1952) and Tobin (1956) developed a deterministic theory of transaction demand for 'real cash balance', known as Inventory Theoretic Approach, in which money is essentially viewed as an inventory held for transaction purposes.
- People hold an optimum combination of bonds and cash balance, i.e., an amount that minimises the opportunity cost.
- The optimal average money holding is: a positive function of income Y, a positive function of the price level P, a positive function of transactions costs c, and a negative function of the nominal interest rate i.

Friedman's Restatement of Quantity Theory

- Milton Friedman (1956) extending Keynes' speculative money demand within the framework of asset price theory holds that demand for money is affected by the same factors as demand for any other asset, namely, permanent income and relative returns on assets
- The nominal demand for money is positively related to the price level, P; rises if bonds and stock returns, rb and re, respectively decline and vice versa; is influenced by inflation; and is a function of total wealth

The Demand for Money as Behaviour toward Risk

- The Demand for Money as Behaviour toward as 'aversion to risk' propounded by Tobin states that money is a safe asset but an investor will be willing to exercise a trade-off and sacrifice to some extent the higher return from bonds for a reduction in risk
- According to Tobin, rational behaviour induces individuals to hold an optimally structured wealth portfolio which is comprised of both bonds and money and the demand for money as a store of wealth depends negatively on the interest rate.

CONCEPT OF MONEY SUPPLY

The measures of money supply vary from country to country, from time to time and from purpose to purpose.

- **The Concept of Money Supply**
  - The Sources of Money Supply
  - Measurement of Money Supply
  - Determinants of Money Supply
  - The Concept of Money Multiplier

Importance of Money Supply

- Monetary Development
- Monetary Policy Perspective
- Price Stability & GDP Growth

Sources of Money Supply

- The central banks of all countries are empowered to issue currency and therefore, the central bank is the primary source of money supply in all countries. In effect, high powered money is the source of all other forms of money.
- The supply responses of the commercial banking system of the country to the changes in policy variables initiated by the central bank to influence the total money supply in the economy. In India, RBI is the Central Bank.

Measurement of Money Supply

- The measures of money supply vary from country to country, from time to time and from purpose to purpose.
- Measurement of money supply is essential as it enables a framework to evaluate whether the stock of money in the economy is consistent with the standards for price stability, to understand the nature of deviations from this standard and to study the causes of money growth.
- In India, RBI has been publishing data on four alternative measures of money supply denoted by M1, M2, M3, M4 besides the reserve money.

M1	=	Currency and coins with the people + demand deposits of banks (Current and Saving accounts) + other deposits with the RBI.
M2	=	M1 + savings deposits with post office savings banks.
M3	=	M1 + net time deposits with the banking system.
M4	=	M3 + total deposits with the Post Office Savings Organisation (excluding National Savings Certificates).

NEW MONETARY AGGREGATE

Based on the recemondations of the Working Group on Money (1998), the RBI has started publishing a set of four new monetary aggregates on the basis of the balance sheet of the banking sector in conformity with the norms of progressive liquidity. The new monetary aggregates are :

Reserve money, also known as central bank money, base money, or high-powered money, determines the level of liquidity and price level in the economy.

Reserve Money	=	Currency in circulation + Bankers' deposits with the RBI + Other deposits with the RBI
	=	Net RBI credit to the Government + RBI credit to the Commercial sector + RBI's Claims on banks + RBI's net foreign assets + Government's Currency liabilities to the public – RBI's net non-monetary Liabilities
NM1	=	Currency with the public + Demand deposits with the banking system + 'Other' deposits with the RBI.
NM2	=	NM1 + Short-term time deposits of residents (including and up to contractual maturity of one year).
NM3	=	NM2 + Long-term time deposits of residents + Call/Term funding from financial institutions

Liquidity aggregates

L1	=	NM3 + All deposits with the post office savings banks (excluding National Savings Certificates).
L2	=	L1 + Term deposits with term lending institutions and refinancing institutions (FIs) + Term borrowing by FIs + Certificates of deposit issued by FI's.
L3	=	L2 + Public deposits of non-banking financial companies

The concept of money multiplier

The money supply is defined as M= m × MB

Where M is the money supply, m is money multiplier and MB is the monetary base or high-powered money.

$$\text{Money Multiplier(m)} = \frac{\text{(Money Supply)}}{\text{(Monetary Base)}}$$

The money multiplier approach to money supply propounded by Milton Friedman and Anna Schwartz, (1963) considers three factors as immediate determinants of money supply

a) the stock of high-powered money (H)

b) the ratio of deposit to reserve, e = {ER/D} and

c) the ratio of deposit to currency, c ={C/D}

The additional units of high powered money that goes into 'excess reserves' of the commercial banks do not lead to any additional loans and therefore, these excess reserve do not lead to the creation of deposits.

When the required ratio falls, there will be multiple expansions for demand deposits

Excess reserve ratio is negatively related to the market interest rate.

Effect of Government Expenditure on Money supply

When the Reserve Bank lends to the governments under WMA/OD, it results in the generation of excess reserves (i.e., excess balances of commercial banks with the Reserve Bank).

The Credit Multiplier

The Credit Multiplier also referred to as the deposit multiplier or the deposit expansion multiplier, describes the amount of additional money created by commercial bank through the process of lending the available money, it has in excess of the central bank's reserve requirements.

MONETARY POLICY

Monetary policy refers to the use of monetary policy instruments which are at the disposal of the central bank to regulate the availability, cost and use of money and credit so as to promote economic growth, price stability, optimum levels of output and employment, balance of payments equilibrium, stable currency or any other goal of government's economic policy.

Monetary Policy

- The Organisational Structure for Monetary Policy Decisions
  - The Monetary Policy Framework Agreement
  - The Montary Policy Committee (MPC)
- The Monetary Policy Framework
  - Objectives of Monetary Policy
  - Analytics of Monetary Policy
  - Operative Procedures & Instruments

Monetary policy refers to the use of monetary policy instruments which are at the disposal of the central bank to regulate the availability, cost and use of money and credit to promote economic growth, price stability, optimum levels of output and employment, balance of payments equilibrium, stable currency or any other goal of government's economic policy.

Objectives of Monetary Policy

- Price Stability
- Economic Growth
- Ensuring an adequate flow of credit
- Creation of an efficient market for government securities

ANALYTICS OF MONETARY POLICY

Interest rate Channel | Exchange rate Channel | Quantum Channel | Asset Price Channel

A contractionary monetary policy-induced increase in interest rates, increases the cost of capital and the real cost of borrowing for firms and households who respond by cutting back on their investment and purchase expenditures respectively.

The exchange rate channel works through expenditure switching between domestic and foreign goods on account of appreciation/ depreciation of the domestic currency with its impact on net exports and consequently on domestic output and employment.

Two distinct credit channels- the bank lending channel and the balance sheet channel operate by altering access of firm and household to bank credit and by the effect of monetary policy on the firm's balance sheet respectively.

Asset prices generate important wealth effects that impact, through spending, output and employment.

Operating Framework

- Choosing the operating target
- Choosing the intermediate target
- Choosing the policy instruments

Monetary Policy Instruments

- Direct
- Indirect

Direct Instruments

- Cash Reserve Ratio and Liquidity Reserve Ratios prescribed from time to time
- Credit to Priority Sector
- Administered Interest Rate

INDIRECT INSTRUMENTS

- Repos
- Open Market Operations
- Standing Facilities
- Market-based Discount Window

Cash Reserve Ratio

The Cash Reserve Ratio (CRR) refers to the fraction of the total net demand and time liabilities (NDTL) of a scheduled commercial bank in India, which it should maintain as cash deposit with the Reserve Bank irrespective of its size or financial position.

Higher the CRR with the RBI

Lower will be liquidity in the system and vice versa

Statutory Liquidity Ratio

- The Statutory Liquidity Ratio (SLR) is what the scheduled commercial banks in India are required to maintain as a stipulated percentage of their total Demand and Time Liabilities (DTL) / Net DTL (NDTL) in Cash, Gold or approved investments in securities.
- The SLR is also a powerful tool for controlling liquidity in the domestic market by means of manipulating bank credit. Changes in the SLR chiefly influence the availability of resources in the banking system for lending.

Statutory Liquidity Ratio

- Cash
- Gold
- Investment
  - Treasury bills of the Government of India
  - Dated Securities
  - State Government Loans
  - Other insturments as notified by RBI

TYPES OF REPO MARKET

- Repo on sovereign securities
- Repo on Corporate debt securities
- Other Repos

Adjustment (LAF)

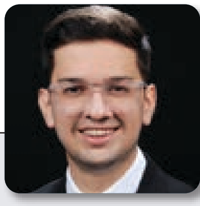
The Liquidity Adjustment Facility (LAF) is a facility extended by the Reserve Bank of India to the scheduled commercial banks (excluding RRBs) and primary dealers to avail of liquidity in case of requirement (or park excess funds with the RBI in case of excess liquidity) on an overnight basis against the collateral of government securities including state government securities.

Policy Rate

- In India, the fixed repo rate quoted for sovereign securities in the overnight segment of Liquidity Adjustment Facility (LAF) is considered as the 'policy rate'.
- Repo or repurchase option is a collaterised lending because banks borrow money from Reserve bank of India to fulfill their short term monetary requirements by selling securities to RBI with an explicit agreement to repurchase the same at predetermined date and at a fixed rate. The rate charged by RBI for this transaction is called the 'repo rate'.
- Reverse Repo is defined as an instrument for lending funds by purchasing securities with an agreement to resell the securities on a mutually agreed future date at an agreed price which includes interest for the funds lent.

Monetary Policy Committee

- The Monetary Policy Committee (MPC) consisting of six members shall determine the policy rate to achieve the inflation target through debate and majority vote by a panel of experts.
- The Monetary Policy Framework Agreement is an agreement reached between the Government of India and the Reserve Bank of India (RBI) on the maximum tolerable inflation rate as 4 percent Consumer Price Index (CPI) inflation with a deviation of 2 percent.
- Choice of a monetary policy action is rather complicated in view of the surrounding uncertainties and the need for exercising complex judgment to balance growth and inflation concerns. Additional complexities arise in the case of an emerging market like India.



TEJAS MUNDADA

AIR 2 – CA FINAL, SEPTEMBER 2025 EXAMINATION

Congratulations on securing AIR 2! What inspired you to choose Chartered Accountancy and how did your family support you throughout your journey?

Thank you very much. Coming from a Marwadi family, I grew up amid conversations on business and finance, which sparked my early interest in the field. Chartered Accountancy, one of the most respected and prestigious professional qualifications, felt like a natural path. Watching my father and brother, both accomplished CAs, strengthened my aspiration and gave me inspiring role models from a young age. I owe this achievement to my family—their constant encouragement, belief in my abilities and unwavering support throughout the journey shaped not only my preparation but also the person I have become today.

When did you start your preparation for the CA Final examination and how did you plan your overall study duration from the beginning phase until the final exam?

I began preparing for the CA Final examinations about 27 months in advance, aiming to complete the first reading of all subjects at least a month before my articleship study leave. I created a broad timeline for each subject and regularly updated it based on actual progress, which helped me stay consistent and on track. During my five-month study leave, my focus shifted entirely to revision. I completed three full revisions of every subject and added an extra round for areas where I needed greater clarity and confidence before the exams.

How effectively did you use ICAI's Study Material, LVC classes, RTPs and MTPs? Which of these BoS resources played the most crucial role in your success?

ICAI's Study Material was my primary and most reliable resource, as it is comprehensive and exam oriented. I ensured I covered all BoS resources at least once, including MCQ booklets, case study digests, past year questions, RTPs and MTPs. RTPs were particularly effective in assessing my preparation level and understanding the Institute's expectations from an exam perspective. Additionally, I found the CA GPT platform very helpful for summarising concepts, exploring topics in greater depth and resolving doubts when I got stuck. Overall, consistent use of these resources played a crucial role in my success.

Can you share your structured daily routine during the last two months before the examination—study hours, revision cycles, mock tests, sleep pattern and break management?

During the last two months before the examinations, I followed a disciplined routine of about 12–13 study hours daily, translating into 11–12 productive hours, with emphasis on quality revision rather than just time spent. I revised one subject at a time and attempted a mock test after each revision cycle, completing around three mocks per paper. These tests helped assess preparation gaps and refine my paper-attempt strategy, including question sequencing. I maintained a healthy balance by ensuring about seven hours of sleep every night. I also set aside 3–4 hours weekly to relax with family or friends, which helped me stay refreshed and focused.

How many revisions did you complete before the examination and what was your revision strategy for theory-based and practical subjects?

I completed one revision alongside my first-time study and three additional full revisions during my five-month study leave, with an extra round for Auditing and Direct Taxes where I needed more confidence. My first revision focused on strengthening conceptual clarity through deeper understanding and real-world linkage of topics. For theory subjects like Auditing, repeated reading and retention of study material was key. For practical subjects such as Financial Reporting and AFM, I solved diverse questions from study material, MCQs on the BoS portal and case studies. In Direct and Indirect Taxes, I emphasised understanding legislative intent along with extensive question practice to ensure accurate application in exams.

How many Mock Test Papers did you attempt for each subject and how did analysing these papers help improve performance?

I attempted 2–3 mock test papers for each subject at the end of every round of revision. Analysing these mocks helped me identify areas that required further improvement, refine my paper-attempt strategy and strengthen my time management during the exam.

Was this your first attempt? If not, what changes did you incorporate in this attempt—especially with respect to the guidance and support available from the Board of Studies?

Yes, this was my first attempt at the CA Final examinations.

Did you attempt the full paper in each subject? What time management and answer presentation strategies did you adopt in the exam hall?

Yes, I attempted the full paper in all subjects except Financial Reporting (FR) and Integrated Business Solutions (IBS), where I was unable to complete the last question. I believe mock tests play a very important role in building both time management and answer presentation strategies for the exam. For instance, I preferred attempting the first compulsory question towards the end, as it often involved tricky adjustments. I also used to pre-decide the maximum time to be spent on each question so that I wouldn't end up spending disproportionately more time on any one question.

What message would you like to convey to students appearing for the CA Final examination, especially regarding the effective use of BoS resources and maintaining consistency?

My message to students appearing for the CA Final examination would be to trust the process and stay consistent in their preparation. The resources provided by ICAI through the Board of Studies (A) are more than sufficient if used thoroughly and sincerely. Make sure you cover the study material, RTPs, MTPs and other BoS resources properly, as they give you the best understanding of the Institute's expectations.

At the same time, consistency is key. Even small but regular progress over a long period makes a huge difference. Stay disciplined, revise multiple times, practise as many questions as possible and most importantly, remain patient and confident throughout the journey.

CROSSWORD SOLUTION – FEBRUARY 2026

[1]B	[2]O	[3]U	R[4]	S	[5]E		[6]M	[7]O	U	[8]S	[9]E
[10]O	T	I	S		[11]C	I	I	F		[12]A	S
[13]O	T	E	Z	[14]L	A		[15]C	O	[16]N	G	O
[17]K	A			M		[18]C	A		[19]R	E	P
[20]I	W	[21]A	[22]I		[23]U	E					
[24]N	A	T	I	[25]O	N	A	[26]L		[27]F	[28]D	[29]I
G			[30]F	M	O		E		[31]E	C	N
	[32]L	[33]G				[34]S	V		[35]I	O	W
[36]C	O	N	[37]S	O	[38]R	T	I	U	M		A
[39]M	N	I	U		[40]I	I			[41]A	[42]I	R
[43]E	G	T	N		[44]E	N	D	[45]O		[46]S	D
A			[47]K	P	M	G		[48]T	I	S	S

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

CA INDIA

Online Workshop On Artificial Intelligence(AI) For

CA STUDENTS

on ICAI Digital Learning Hub [DLH] Platform

By Board of Studies-Operations

Registration Fees
₹100

Eligibility : Foundation/ Intermediate/Final Student

Upon completion, a participation letter will be issued.

AURA
ARTIFICIAL INTELLIGENCE UNDERSTANDING FOR RISING ACHIEVERS

What You Will Learn »

- Introduction to Artificial Intelligence (AI)
- Data Visualization & Reporting
- AI in Finance & Accounting
- AI in Auditing and Taxation, Ethical Use of AI
- Productivity Enhancement Tools
- AI in Presentations & AI to Enhance Academics

SCAN FOR REGISTRATION »

https://learning.icai.org/committee/bos/workshop/online/

Login using your Student SSP Credentials (SRN@icai.org)

Follow us on @bosoicai | bosoai@icai.in | Follow ICAI

BOARD OF STUDIES - OPERATIONS

MERIT AWARD & STUDENTS SCHOLARSHIP SCHEME

MERIT AWARD

For Final Course Students

Award Amount	₹5000 per month
Eligibility	a. Rank holders of Intermediate Examinations upto 10th Rank b. Student must register for Final Course c. Student must commence his Articleship
Period of Scholarship	24 Months or remaining period of Articleship, whichever is less

TYPES OF SCHOLARSHIPS

1) Economically Needy Students Scholarship for Final Course Students - Merit based

Award Amount	₹4000 per month
Eligibility	a. Rank holders of Intermediate Examinations from 11th to 50th Rank b. Student must register for Final Course c. Student must commence his Articleship d. Income of Parents should not exceed ₹5,00,000 per annum
Period of Scholarship	24 Months or remaining period of Articleship, whichever is less

2) (i) Economically Needy Students Scholarshipfor Final Course Students

Award Amount	₹2500 per month
Eligibility	a. Students who are registered for Final Course b. Student must commence his Articleship c. Income of Parents should not exceed ₹5,00,000 per annum
Period of Scholarship	24 Months or remaining period of Articleship, whichever is less

2) (ii) Economically Needy Students Scholarship for Intermediate Students

Award Amount	₹2500 per month
Eligibility	a. Students who are registered for Intermediate Course either through Foundation Route or through Direct Entry Route. b. Income of Parents should not exceed ₹5,00,000 per annum.
Period of Scholarship	a. 8 months commencing from the following month of registration for Intermediate Course b. Additional 3 months if the Student has completed ICITSS within first 8 months of registration for Intermediate Course. c. Additional 3 months if the Student has passed any one Group in Intermediate Examination within 12 months of registration for Intermediate Course.

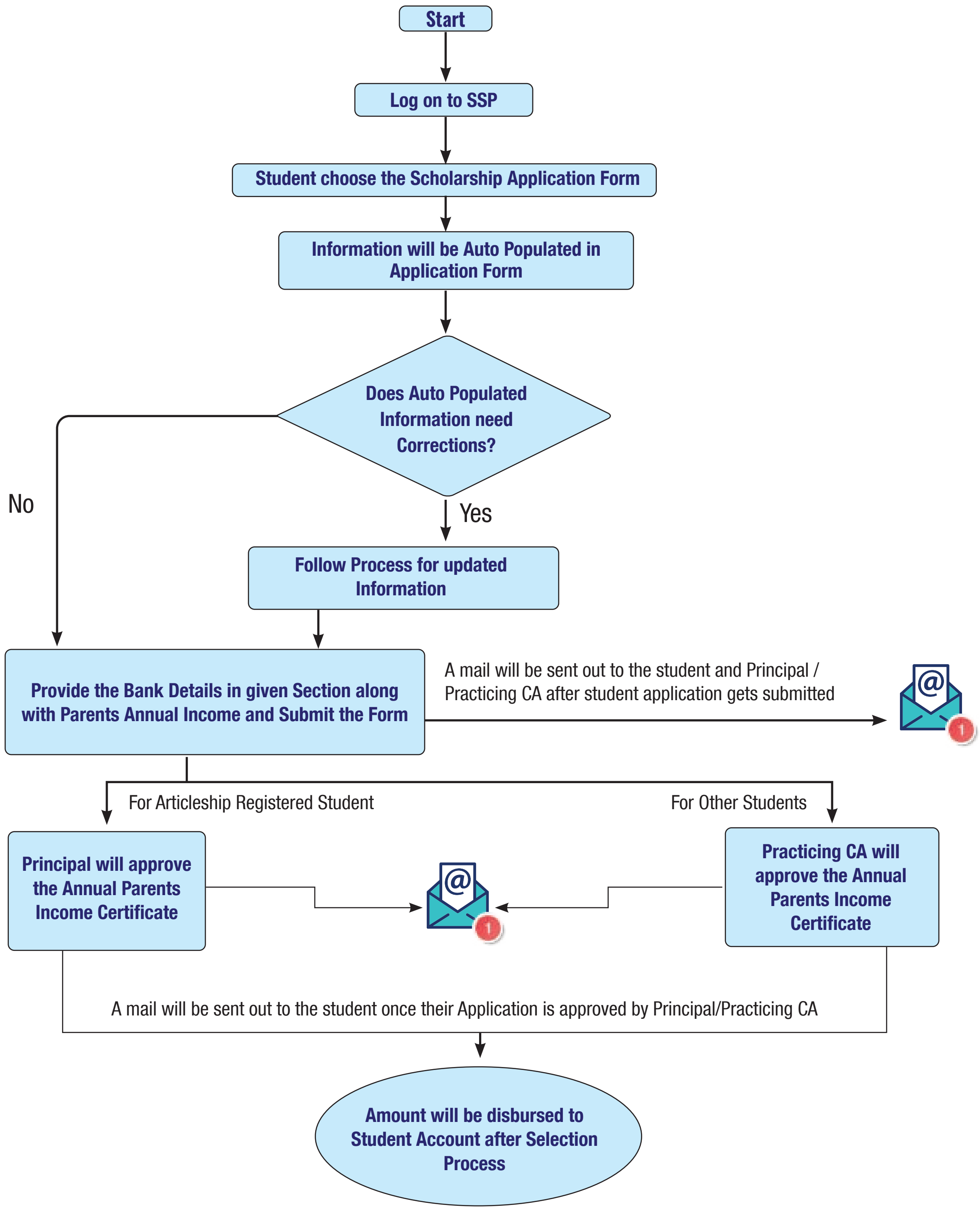
3) Economically Needy Students Scholarship for Foundation Course Students

Award Amount	₹1500 per month
Eligibility	a. Students who are registered for Foundation Course b. Income of Parents should not exceed ₹5,00,000 per annum
Period of Scholarship	4 months commencing from the following month of registration for Foundation Course

Students enrolled in the Foundation, Intermediate, and Final Courses are notified that the revised scholarship scheme amounts will take effect with the January 2026 quarter selection and shall be applied accordingly.

BOARD OF STUDIES - OPERATIONS

MERIT AWARD & STUDENTS SCHOLARSHIP SCHEME PROCESS



Note:
1. Final Students undergoing Articleship shall obtain Income Certificate and recommendation from the Principal under whom he/she is undergoing Articleship.
2. Intermediate / Foundation students shall obtain Income Certificate and recommendation from Practicing Chartered Accountant.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

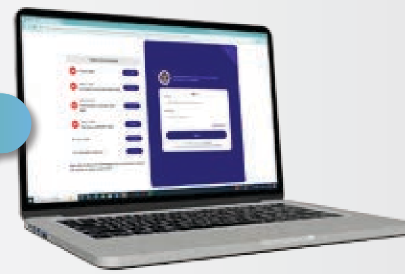
ICAI E-Diary

Guidelines For Students

Board of Studies-Operations

1. Login Process

1. **Visit SSP Portal:** https://eservices.icai.org
2. Click on **E-Diary Redirect Link**
3. Enter **SSP User ID & Password**
4. Click **Sign In**
5. The **Dashboard** opens automatically



Ensure your SSP credentials are active. In case of login issues, reset password through SSP.

2. Student Login – Daily & Fortnightly Filing

A. Dashboard Information

After login, student dashboard displays:

- Name
- SRN (Student Registration Number)
- Articleship Status
- Registration Date
- Termination Date (if applicable)

B. Daily Entry Process

1. Select **Date**
2. Select **Duration**: Half Day Full Day
3. Select **Task** (from dropdown list)
4. Select **Sub-Tasks** (Minimum 1, Maximum 5)
5. Add **Other Task** (optional – if task not listed)
6. Click **Save**

Entries can be Edited/Deleted before submission.

C. Stipend Entry (Only in F1 of Next Month)

Stipend details must be entered in F1 (1–15) of the following month. Fields to fill:

- Stipend Amount
- Received (Yes/No)
- Mode of Payment
- Date of Payment
- Submit

Monthly Stipend entry is mandatory.

D. Fortnight System

Each month is divided into	F1 → 1st to 15th F2 → 16th to Last Day

Submission Rule:	Student must submit previous fortnight entries in the **current fortnight**. Example: Work done from 1–15 Jan → Submit in 16–31 Jan.

Delay may result in automatic marking of leaves.

Follow us on @bosoicai

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sroart@icai.in
parjit@icai.in

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CA INDIA

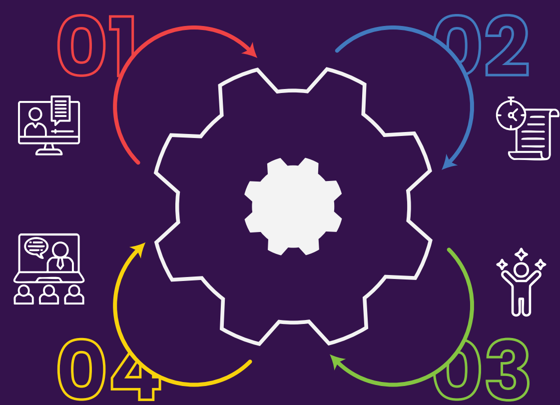
Upcoming Activities
For May 2026 Examinations

LIVE VIRTUAL CLASSES :

- **Foundation Course**
  28th January to 11th April

LIVE VIRTUAL REVISIONARY CLASSES :

- **Final Course**
  2nd February to 25th April
- **Intermediate Course**
  5th March to 16th April
- **Foundation Course**
  8th April to 12th April



MOCK TEST PAPERS SERIES I & SERIES II :

- **Final Cours**
  Series I - 16th March to 27th March
  Series II - 1st April to 13th April
- **Intermediate Course**
  Series I - 16th March to 27th March
  Series II - 2nd April to 13th April
- **Foundation Course**
  Series I - 13th April to 20th April
  Series II - 23rd April to 29th April

SUCCESS AT CA EXAM

- **Final Course**
  Series - 14th April to 16th April
- **Intermediate Course**
  Series - 14th April to 17th April
- **Foundation Course**
  Series - 30th April to 1st May

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
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CA INDIA

Board of Studies [Academic]

Audit Insights: Bridging Theory with Practice

Features

1. Importance of practical exposure alongside theoretical learning
2. Role of auditing in ensuring reliability of financial information
3. Linkage between Standards on Auditing (SAs) and Practical Exposure

Ongoing from **21** January 2026

2 Hours Online Session

Time 4.00 pm to 6.00 pm

Every Wednesday & Saturday

Structure of series of online sessions – 'Audit Insights: Bridging Theory with Practice'

Audit Process - Step by Step		Suggested time duration	
A	Preliminary Engagement Activities	21st Jan. 2026	2 Hours
B	Audit Strategy, Audit Planning and Audit Program	24th & 28th Jan. 2026	4 Hours
C	Risk Assessment and Internal Control Evaluation	04th & 07th Feb. 2026	4 Hours
D	Audit Evidence	11th & 14th Feb. 2026	4 Hours
E	Substantive Testing	18th, 21st & 25th Feb. 2026	6 Hours
F	Completion & Review	28th Feb. & 07th Mar. 2026	4 Hours
G	Audit Report	11th & 14th Mar. 2026	4 Hours
H	Audit Documentation	18th Mar. 2026	2 Hours
Total Hours			30 Hours

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Date of publication: 26th of previous month

CROSSWORD - MARCH 2026

1	2	3	4	■	5		6		7	8	9
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	■	■	12				■	13			
14	15	16		■	■	■	17		■	■	
18			■	19	20	21	■	22	23	24	
25			26	■	27		28				■
29										■	30
	■	31		■	■		■		■	32	
■	■	■	33	34		■	■	35	36		
37	■	38			■	39	■	40			
	■	41			■		■	42			
43	44		■	■	45		46	■			■
47			■	48					■	■	■

ACROSS

1. __ ratio indicates how much of a bank's total deposits are in both current and savings accounts.
5. The state of not being imprisoned or enslaved.
10 An agency of the United Nations responsible for providing humanitarian and developmental aid to children worldwide.
11. A fixed payment amount made by a borrower to a lender at a specified date each calendar month.
12. A regional trade organization and free trade area consisting of four European states
13. A surname of Scottish origin.
14. Abbre : Royal Naval Special Reserve
17 _____is paid by the government to its employees as well as a pensioner to offset the impact of inflation.
18. Abbre : Eating in the Absence of Hunger.
19. The percentage of a bank's total deposits that it needs to maintain as liquid cash.
22. A public deemed research university located in Mumbai.
25. Non-profit organization in Dryden, Canada.
27. ______is a consulting transformation and digital service business.
29. Dishonest or fraudulent conduct by those in power, typically involving bribery.
31. ______ ratio is the measure of the share price relative to the annual net income earned by the firm per share.
32. A term used when a security is believed to be trading at a level above its intrinsic or fair value.
33. A prestigious college and it comes under St. Xavier's.
35. _______is to provide medium and long-term loans and advances to industrial and manufacturing concerns.
38. An autonomous body under MOCI, Govt. of India provides packaging training, testing, certification, consultancy.
40. An all-India pre-medical entrance test.
41. A peer-to-peer cryptocurrency that lets a party securely send money to anyone else around the world in minutes, without the need of a bank.
42. ______is the central hub for athletic clubs across Greater Manchester.
43. The measure of a company's net income divided by its shareholders' equity.
45. A non-governmental trade association and advocacy group.
47. A measure of the amount of cash generated by a company's normal business operations.
48. The free trade arrangement of the South Asian Association for Regional Cooperation.

DOWN

1. A medium of exchange for goods and services.
2. The form of the indefinite article used before words beginning with a vowel sound.
3. The international system of units used for scientific measurements.
4. A Taiwanese multinational company that is in the hardware and electronics business.
5. An algorithm that computes the discrete Fourier transform of a sequence, or its inverse.
6. A law enforcement agency and economic intelligence agency.
7. The officer responsible for implementing the programmes for elementary education at district level.
8. ______oversees the performance of federal agencies, and administers the federal budget.
9. _____is the overnight lending offered rate for Indian commercial banks.
13. The controlled distribution of scarce resources.
15. An intergovernmental military alliance between 30 member states.
16. ______ is one of the world's leading technology manufacturers.
20. A British professional membership body dedicated to improving the practice of medicine.
21. A fixed amount of money that something costs or that somebody is paid.
23. A UK-based television production company.
24. An electronic message telling you that your order, invoice, etc. has been received.
26. The name given to the United Kingdom's departure from the European Union.
28. One of the most well-known mathematical constants.
30. A measure of company profitability used by investors.
32. A huge body of saltwater that covers about 71 percent of Earth's surface.
34. The official criminal code of India.
36. An official Act that consolidates and amends laws regulating foreign exchange in India.
37. A tangible sign of European identity.
38. An Indian Government export promotion agency for the distribution of and sale of Indian products internationally.
39. ______is a dedicated World Bank Group's program that facilitates access to finance for smallholder farmers etc.
44. _____certifies that the construction of the building has complied with the approved plans.
45. ______is a qualified financial professional who manages budgets, auditing, taxes and business strategies for their clients.
46. ____ is the use of any computers, storage, networking and other physical devices.

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