



Western India Chartered Accountants Students Association (WICASA) of The Institute of Chartered Accountants of India.



NEWSLETTER JULY, 2020



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

1 July, 2020

CHARTERED ACCOUNTANTS DAY

WIRC OFFICE BEARERS

Chairman: CA. Lalit Bajaj	Vice Chairman: CA. Vishal P Doshi	Secretary: CA. Murtuza Kachwala	Treasurer: CA. Anand Jakhotia
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WICASA OFFICE BEARERS

Chairman: CA. Hitesh Pomal	Vice Chairman: Mr. Garv Kejriwal	Secretary: Ms. Divya Salian	Treasurer: Mr. Pratyush Bhutra
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WICASA COMMITTEE MEMBERS

CA. Jayesh Kala	CA. Arpit Kabra
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WICASA MEMBERS

Ms. Aakanksha Sahu Ms. Hardik Dara	Ms. Aishwarya Solanki Mr. Purvesh Naik	Mr. Divyansh Mittal Ms. Taruna Vaishnav	Mr. Jatin Jagtap Ms. Vedika Pawar
	CA. Hitesh Pomal	Ms. Vedika Pawar	Ms. Dania Supariwala

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WIRC CHAIRMAN'S COMMUNICATION



My Dear Students,

“Education is the passport to your future, for tomorrow belongs to those who prepare for it today.” -Malcolm X

These inspirational words should be read and internalised by CA students everywhere. Internalising these words will spur you to achieve true greatness, not just as students but also as you grow into highly respected professionals.

What then is education for a CA student? It is not just academic tomes which you read, remember and then produce it in exams. I believe a CA education is about learning how to think, think logically as well as out of the box and using these strengths to act appropriately and decisively at the right time. And most importantly, as Martin Luther King Jr. said, “Intelligence plus character—that is the goal of true education.”

There are times when good students are not clear about their future professional choices, which hinders them from achieving their true potential. To help them identify the path best suited to their personal strengths, we organised a Half Day Virtual Program on ‘Training the Mind Skillfully’. Understanding that students need outlets for their energy and to keep the program holistic, we also organised sports activities during the Foundation Day programs. These programs were ‘Funtakshari’ - Indoor Sports for CA Students and ‘Masti Ki Paathshala’ - Online Escape Room - Indoor Sports for CA Students. It was an excellent and fun experience for all participating students as well as others present. I am proud to say that while competitive, our students showed a winning spirit whether they lost or won.

You can never say that you don't have enough time because you have exactly the same number of hours per day that were given to Helen Keller, Louis Pasteur, Michelangelo, Mother Teresa, Leonardo da Vinci, Thomas Jefferson, and Albert Einstein to name just a few.

All of these people achieved amazing goals not solely on the basis of their brilliance but mainly due to the sheer hard work and determination to succeed at all costs. As Thomas Edison states, “Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time.” Because if you don't go after what you want, you'll never have it.

It is time for all students to set goals and start focusing on their studies. WIRC and WICASA are already doing everything we can and much more to support you, now it is time for you to take stock of resources available to you and use them to start supporting yourselves in your quest to become the best professionals in India.

The greatest wealth is health. Take care of your wealth, stay safe and stay healthy.

CA. Lalit Bajaj

Chairman, WIRC





WICASA CHAIRMAN'S COMMUNICATION



My Dear Students,
'Tough times don't last, tough people do!'

One of the biggest challenges faced by a Chartered Accountancy student is time. They have to manage everything within the limited time constraints. But, during this pandemic also I know that you all are still working hard towards your responsibilities. I as a Chartered Accountant totally understand the pain through which you suffer, but always remember that gold always gets its shape only after it goes under tremendous heat! Since, it is July, we are half way through the year and I am sure you will bring more output and efficiency in the forth coming months.

I am aware that your May, 2020 exams stand postponed to November, 2020. Take this as an opportunity and give your best ability to outperform in your exam. Remember, to clear your exam you need- focus, regular study and revision. Keep your goal and focus set just the way Arjuna was focused only to see the eye of fish and your results and hard work will prove it. There will be many distractions but, you need to set your priorities and focus. Chartered Accountancy course is not tough but my dear students you are. And you all possess the ability to clear the exam with flying colours.

In the month of August, we have organized Crash Course batch at a very affordable price without compromising on the quality with the best faculties. I hope you all will join and absorb the maximum from them to be the best professionals in future. The time table for the same has been attached in newsletter.

I take the opportunity to congratulate the newly elected WICASA Committee Members. I'm sure they will bring out the best among each and every student. They will bring more engaging and interesting programs for the students.

APJ Abdul Kalam has rightly said,

"If you want to shine like sun, first burn like sun."

Stay happy, Stay safe!

Thanks & Regards,

CA Hitesh Pomal

Chairman, WICASA





KYC- KNOW YOUR COMMITTEE



Miss Divya Salian
Secretary- WICASA



Mr. Garv Kejriwal
Vice-Chairman WICASA



Mr. Pratyush Bhutra
Treasurer- WICASA



Miss Aakanksha Sahu
Member- WICASA



Miss Aishwarya Solanki
Member- WICASA



Mr. Divyansh Mittal
Member- WICASA



Mr. Hardik Dara
Member- WICASA



Mr. Jatin Jagtap
Member- WICASA



Mr. Purvesh Naik
Member- WICASA



Miss Taruna Vaishnav
Member- WICASA



Miss Vedika Pawar
Member- WICASA





UPCOMING EVENTS

Events	Date	Timing	Fees (₹)
1. Virtual Workshop on Office 365	August 10, 2020 to August 14, 2020	6:30 P.M. to 8:30 P.M.	1,000/-
2. Virtual Workshop on Analyzing & Visualizing Data with Excel Power Tools	August 16, 2020 to August 21, 2020	6:30 P.M. to 8:30 P.M.	1,000/-
3. Raksha Bandhan Celebration	Please find details attached below.		

Raksha Bandhan Celebration



On this occasion of Raksha Bandhan, WICASA is celebrating it to Thank Corona Warriors who have been protecting us during this pandemic. Our society cleaners, housekeeping staff, sweepers, policemen, doctors and other essential service providers– the Corona Brigade!

How do we do that?

1. Please prepare a small thank you note / chocolate / sweets etc and give them to one of your Brigade nearby.
2. Please take a photo with them and acknowledge their efforts for protecting us.
3. Please provide us your details and the names of the people whom you have acknowledged, in the google form link provided below.
4. Please share your photo on social media and tag @wicasa_wirc and use these tags #threadofgratitude #WICASArakhsabandhan #CoronaBrigade #thankyou
5. For this effort of yours, WICASA would be sending you a certificate of appreciation for taking a part and supporting us in our cause to thank our Warriors.

The link to Google form: <https://forms.gle/wUsh2XyvYW17Ma3v7>

Let's take part in this unique initiative and make an impact in the society. Let's create a sense of gratitude during these hard times and do our bit to make this a better place.





Sandeep Rajkumar Daga
SRN: WRO0498066

“COMPREHENSIVE ANALYSIS OF COMPOSITION SCHEME”

1. Introduction:

In view of the spread of pandemic COVID-19 across many countries of the world including India, The GOI has increased the due date for filing intimation to opt for payment of tax under composition scheme for FY: 2020-21 to 31.08.2020 vide *Notification No. 52/2020 – Central Tax dated 27.06.2020* read with *Notification No. 35/2020 – Central Tax dated 03.04.2020*. So before advising client with respect to **whether to opt in or out for composition scheme** let's run through over the entire concept of composition scheme.



2. Eligibility to pay tax under composition scheme:



a) A registered person, whose **aggregate turnover** in the **preceding financial year** did not exceed **one crore and fifty lakh rupees** may opt to pay tax under composition scheme at a fixed rate, regardless of the actual rate of tax applicable on the said outward supply:

Sr. No	Category	Rate	Note
i)	Manufacturers	1% (0.5% CGST+ 0.5% SGST) of the turnover in the State/UT	The rate applicable has been reduced from 2% to 1% vide <i>Notification No. 1/2018-Central Tax dated 23.01.2018 effective 01.01.2018</i> .
ii)	Other suppliers like trades	1% (0.5% CGST+ 0.5% SGST) of the turnover of taxable supplies in the State/UT	The word turnover of taxable supplies in the State/UT inserted instead of turnover in the State/UT vide <i>Notification No. 1/2018-Central Tax dated 23.01.2018 effective 01.01.2018</i> .
iii)	Food/restaurant services	5% (2.5% CGST+ 2.5% SGST) of the turnover in the State/UT	I.e. in case of composite supply of service specified in Entry 6(b) of Schedule II.





A person who opts to pay tax under clause (i) or clause (ii) or clause (iii) **may supply services** (other than those referred to in clause (b) of paragraph 6 of Schedule II), **of value not exceeding ten percent of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.**

b) A registered person, who is not eligible to opt for scheme under clause (a) above whose **aggregate turnover** in the **preceding financial year** did not exceed **fifty lakh rupees** may opt to pay tax under composition scheme at a fixed rate, regardless of the actual rate of tax applicable on the said outward supply at the rate not exceeding **6% (3% CGST+ 3% SGST) on first supplies of goods or services or both up to an aggregate turnover of fifty lakh rupees** made on or after the 1st day of April in any financial year.

The option to pay tax under clause (a) and (b) above is mutually exclusive. **Thus, persons who are eligible for composition under clause (a) (even if not opted) will not be allowed to pay tax under clause (b).**

Note: 1) For the purposes of computing **aggregate turnover**:

- ✓ **Include:** The value of supplies made by such person from the 1st day of April of a financial year up to the date when he becomes liable for registration i.e. Threshold limit for registration under section 22.
- ✓ **Exclude:** Exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.



2) For the purposes of computing **turnover in the State/UT**:

- ✓ **Exclude:**
 - i) The value of supplies made by such person from the 1st day of April of a financial year up to the date when he becomes liable for registration i.e. Threshold limit for registration under section 22 only if registration taken during the year.
 - ii) Exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

3) The option to avail composition scheme is PAN-based and hence, a person has to opt for composition scheme for all the business verticals across India. He cannot opt for the scheme only in a particular business vertical.

3. Conditions and restrictions:

- a) The registered person shall be eligible to opt if he is:
 - i) **Not engaged in supply of service other than** services specified in **Entry 6(b) to Schedule II** unless such supply is a composite or mixed supply of goods as discussed above below table.

One of the difficulties which was initially faced by such persons was is that if person earns any interest income then whether that would have been deemed to be a supply against service under GST and thus such registered person shall be ineligible for opting composition scheme. **Not engaged in making any supply of non-taxable goods**





i.e. alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel;

ii) **Not engaged in making any inter-State outward supplies of goods including supplies to SEZ unit / developer.** It is also important to note that the condition is not limited to taxable supplies alone, and extends to exempt supplies as well. There is no restriction on making any inter-State inward supplies.

Sending goods for job work outside the State does not violate, the conditions imposed (i.e., making inter-State outward supplies).

iii) **Not engaged in making any supply of goods through an electronic commerce operator** who is required to collect TDS under section 52;

iv) **Neither a casual taxable person nor a non-resident taxable person.**

b) The goods held in stock by him on 01.07.2017 have not been purchased in the course of inter-State trade or commerce or imported from a place outside India or received from his branch situated outside the State or from his agent or principal outside the State (Not so relevant now).

c) He shall pay tax under sub-section (3) or sub-section (4) of section 9 on inward supply of goods or services or both.

Note: Composition suppliers being recipients of supplies on which tax is payable on RCM, will have to remit tax **at the applicable rates and not at the concessional composition tax rates.**

d) He is **not a manufacturer** of such goods as may be notified by the Government on the recommendations of the Council namely;

- i) Ice cream and other edible ice, whether or not containing cocoa;
- ii) Pan masala;
- iii) Tobacco and manufactured tobacco substitutes;
- iv) Aerated Water (**Note:** *Inserted vide Notification No.43/2019-Central Tax dated 30.09.2019.*)

Note: There is no restriction in trading of such goods.

e) He shall mention the words “composition taxable person” (CTP), not eligible to collect tax on supplies” at the top of the bill of supply issued by him.

f) He shall mention the words “composition taxable person” on every notice or signboard displayed at a prominent place at his principal place of business and at every additional place or places of business.

g) The composition taxpayer is **prohibited from collecting any GST/Cess** applicable on the outward supplies effected by him. Care must be taken when CTP are involved in supply of MRP based goods. **MRP includes output tax and selling at MRP violates this condition. It appears that they need sell ‘below MRP’ excluding output tax but after including input credit lost.**

h) The composition taxpayer is **not entitled to claim credit in respect of taxes paid** by him on any of the inward supplies effected by him, including inward supplies on which he pays tax under reverse charge mechanism.





4. Validity of composition levy:

a) The option availed of by a registered person shall lapse with effect from the day on which his **aggregate turnover** during a financial year **exceeds the limit specified**.



b) The option exercised shall remain valid so long as he satisfies all the conditions mentioned. If he **ceases to satisfy any of the conditions** mentioned he:

- i) Shall be liable to pay tax under sub-section (1) of section 9 from the day he ceases.
- ii) Shall issue tax invoice for every taxable supply made.
- iii) Shall also file an intimation for withdrawal from the scheme in FORM GST CMP-04 within seven days of the occurrence of such event.

c) Where the proper officer has reasons to believe that the registered person was not eligible to pay tax under composition scheme - he may issue a notice to such person in FORM GST CMP05 to show cause within fifteen days of the receipt.

d) Upon receipt of the reply to the show cause notice issued under clause (c) above from the registered person in FORM GST CMP-06, the proper officer shall issue an order in FORM GST CMP-07 within a period of thirty days of the receipt of such reply, either accepting the reply, or denying the option to pay tax under scheme from the date of contravention and demand the following:

- Differential tax and interest
- Penalty determined based on the demand provisions under Section 73 or 74.

5. Other Related Provisions of the Statute:

a) Where any **registered person ceases to pay tax under composition scheme**, he shall be entitled to take credit of input tax in respect of inputs held in stock/semi-finished/finished goods and on capital goods on the day immediately preceding the date from which he becomes liable to pay tax under regular scheme.

Manner of claiming credit in Form GST ITC- 01 with respect to:

Capital Goods: After reducing the tax paid on such capital goods by five percentage points per quarter of a year or part thereof from the date of the invoice or such other documents on which the capital goods were received by the taxable person.



b) Where any **registered person who has availed of input tax credit opts to pay tax under composition scheme**, he shall pay an amount, by way of debit in the electronic credit/cash ledger, equivalent to the credit of input tax in respect of inputs held in stock/semi-finished/finished goods and on capital goods on the day immediately preceding the date of exercising such option. Provided that after payment of such amount, the balance if any lying in his electronic credit ledger shall lapse.





Manner of reversal in Form GST ITC-03 with respect to:

Input: Calculated proportionately on the basis of the corresponding invoices on which credit had been availed.

Capital Goods: The ITC involved in the remaining useful life in months shall be computed on pro-rata basis, taking the useful life as five years.



d) The proper officer may cancel the registration if a person paying tax under Composition Scheme has **not furnished returns for three consecutive tax periods.**

e) The facility of generating EWB will be barred if person payable tax under composition scheme **fails to furnish** the statement in FORM **GST CMP-08 for two consecutive quarters.**

f) The Cess would not be leviable on supplies made by a person who has opted for composition levy.

g) Person registered under composition scheme shall furnish:

Form	Due Date
Statement for payment of self-assessed tax - Form CMP 08	by 18th of the month succeeding the quarter
Return in Form GSTR 4	Annually by 30th April following the end of a financial year
Return in Form GSTR 9A	31 st December of the next Financial Year

New single return concept is not for composition taxpayer.

6. Conclusion:

After reading only eligibility criteria it's very difficult to conclude whether its composition scheme or confusing scheme for taxpayer. All the rules and regulation required to read simultaneously and not in isolation.





Anjali Gupta

SRN: WRO0647901

AS – 7 Construction Contracts

1. Objective

The accounting treatment of revenue and costs related to construction contracts stipulate in this standard. In general, the construction activities take a long period and usually fall into different accounting periods. Allocation of contract revenues and contract costs in the P & L account for the accounting periods in which construction work is performed is described in this standard.

2. AS-7 is an industry specific accounting standard & applies to the construction of any asset in the books of a construction contractor.
3. For AS-7 to become applicable a **Contractor- Contractee relationship** must be established. A contractee is the one who controls the assets & its future economic benefits also. A contractor is the one who works on the assets that does not belongs to him.
4. AS-7 is only applicable to the books of a Contractor. In the books of Contractee, accounting is purely based on intention of controlling the Asset.
 - If the intention to use asset in his business to generate economic benefits in future, it will be accounted under AS-10 (Plant, Property & Equipment).
 - If he neither intends for the asset to be fixed assets or the given asset is not a stock in his line of business but his intention is purely to make financial gains out of it, then he will account for.
5. The framework for Preparation & Presentation of financial statements clearly mention that the Tangible Assets are constructed whereas Intangible Assets are developed. **AS-7 is only applicable to Construction Contracts & is not applicable to Development Contracts.** Development of an Intangible assets is granted under AS-26(Intangible Assets).
6. Construction Contractor can recognize revenue on Construction Contracts only under one method which is Percentage Completion Method.
7. **There are TWO Types of Contracts:**
 - a) **Cost Plus Contract (Percentage Completion Method)**
 - b) **Fixed Price Contract**Hence, AS-7 is entirely devoted to revenue recognition on fixed price contract.





- **CONTRACT PRICE = Fixed/Initial Amount Agreed + Variations (Alteration in Job) + Claims (losses in contract due to contractee) + Incentives (price for timely completion of job) + escalation (extra compensation for increased cost)-Penalties.**

8. Recognition of Profits

- Use Percentage Completion Method
- Recognize cost as an Expense
- Recognize Contract Revenue w.r.t. Percentage Completion.

9. Outcome cannot be estimated reliably:

- Book revenue to the extent of cost incurred if it is certain to be recovered from Contractee.
- Book **"NO REVENUE"** if uncertainty is exist & contract will show a **"LOSS"** to the extent of cost incurred.

10. Percentage Completion Method can be calculated by following method:

- Cost Method = $\text{Cost Incurred} / \text{Total Estimated Cost} * 100$
- Labour Hour Method = $\text{Labour Hours Invested} / \text{Total Estimated Labour Hours} * 100$
- Survey Method: On the basis of Percentage of Completion Certificate given by an expert.

- 11. If Contract is estimated to be completed in LOSS, Provision for Expected Loss should be made. This Provision can be made even if contract work not yet started.

12. Contract Cost consists:

- Cost directly related to the Specific Contract. Example: cost of material, Labour, etc.
- Cost generally related to Contract Activity which can be allocated to the contract.
- Other Cost if any specifically chargeable to contractee under the terms of the contract.

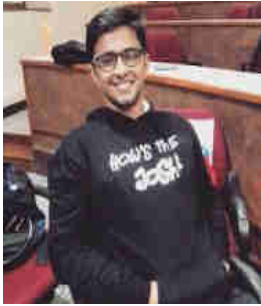
13. Identification of Contract:

- To apply Percentage Completion Method, it is critical to define what constitute a Contract. AS-7 brings forth the concept of **"SUBSTANCE OVER LEGAL FORM"** in Contract Identification. Therefore, notwithstanding how a Contract has been identified in the Legal Agreement, AS-7 requires the Auditor to extends his view beyond Legal Form into how the Contractor-Contractee defined the Contract.
- Conversely, if each component has been negotiated separately for a single asset, notwithstanding Legal Form there will be Multiple Contract.
- AS-7 requires the language of Business to be translated to the language of Accounting & the Process of Negotiations helps this Translation.

14. Disclosures:

- **An entity should disclose:**
- The amount of contract revenue recognized in the period;
- The methods used to determine the contract revenue; and
- The methods used to determine the percentage of completion;
- a) An entity should disclose the following for **contracts in progress** at the balance sheet date;
- The total amount of costs incurred and recognized profits (less recognized losses) up to the balance sheet date.





Shivam Sharma
SRN: WRO0642202

Top 10 Financial Mistakes that Most of You Make

Let's take a look at some of the most common financial mistakes that often leads to major economic hardship, avoiding which would help in both being cautious and surviving the financial difficulties:

1. Excessive Spending:

It may not seem like a big deal to stop by for a cappuccino or a pack of cigarettes or have dinner out or taking a random lot of subscriptions, but every penny counts and every little item adds up. Great fortunes are often lost one rupee at a time. Just ₹1750 per week spent on dining in restaurants costs you ₹91000 per annum, which could have been spent on an extra mortgage payment. When facing a financial hardship, avoiding this mistake really matters – after all, if you are only a few rupees away from the foreclosure or bankruptcy, every rupee will count more than ever.

2. Never-ending payments:

When funds are tight, or you wish to save more creating a leaner lifestyle can go a long way to flattening your savings and cushioning yourself from financial struggles. Simply ask yourself if you really need items that make you pay every month, year after year? Because things like cable TV services or fancy gym memberships can force you to pay regularly but leave you owning nothing.

3. Living on borrowings:

Using credit cards to buy essentials has become a part and parcel of our daily life, but even if an ever-increasing number of consumers are willing to pay double-digit interest rates on items that are used up long before the bill is paid in full, don't be one of them. Credit card interest rates make the price of the charged item a great deal more expensive. Moreover, depending on credit card makes you spend more than you actually earn.

4. Buying a new car:

Being able to afford the payment is different from the ability to afford a new car. Millions of cars are sold annually, but only few buyers can afford to pay for them in cash. This leads to borrowing and by borrowing money to buy a car, the consumer pays interest on a depreciating asset, which amplifies the difference between the value of the car and the price paid for it. Worse yet, many people trade in their cars every two or three years and lose money on every trade.

Sometimes, a person may have no choice other than borrowing and buying, but one must consider how badly does he/she really need a large SUV? Unless you need an SUV to earn a living, is the expensive, eight-cylinder engine worth the extra cost of taking out a large loan?

It is advisable that if you need to buy a car, consider buying one that uses less fuel and costs less to insure and maintain. Cars are expensive, and if you're buying more car than you need, you're burning through money that could have been saved or used to pay off debt.





5. Spending too much on your house:

Bigger the better is not necessarily true in case of buying a house, unless you have a large family. Choosing a 6000-sq. foot house will only mean more expensive taxes, maintenance and utilities. It will significantly burden your monthly budget with a long-term debt.

6. Using home equity like a piggy bank:

Refinancing and taking cash out on your house means giving away ownership of your castle to someone else. It costs you thousands of rupees in interest and fees. Smart homeowners build equity and not make payment in perpetuity. In addition to this, you will end up paying way more for your home than its worth, which virtually ensures that you won't come out on top when you decide to sell.

7. Living pay check to pay check:

This means depending on what comes in monthly and saving for unforeseen events. This can easily become a disaster for unprepared households. The cumulative result of over spending puts people into a precarious position – one in which every penny earned is needed and one missed pay check turns disastrous. One is left with very few options if this happens.

Many financial planners advise to keep a three-month buffer, that is three months' worth of expenses in an account where you can access it quickly. This could be the difference between keeping or losing your house in times of loss of employment or economic changes, when, you could land in a cycle of debt paying for debt.

8. No investments:

You can never stop working if you don't let your money work for you in the markets or through other income-producing investments. Make monthly contributions to a designated retirement account, or take advantage of tax-deferred retirements and/or employer-sponsored plan to ensure a comfortable retirement. Understand your risk-tolerance and time your investments need to grow. Getting consultation from a qualified advisor will help you match these with your goals.

9. Paying off debt with savings:

You may think that if your debt is costing 19% and your retirement account is making 7%, swapping the retirement for the debt will let you pocket the difference. But, its not that simple. It is very hard to pay back those retirement funds in addition to losing the power of compounding. With the right mindset, borrowing from your retirement account can be a viable option, but this is difficult even for the most disciplined planners to rebuild these accounts. The urgency to pay back a debt usually goes away when it gets paid off. It will be very tempting to continue spending at the same pace, which means you could go back into debt again. If you are going to pay off debt with savings, you have to live like you still have a debt to pay – to your retirement fund.

10. Not having a plan:

Your financial future depends on current scenario. Scrapping two hours from the countless hours spent on watching TV or scrolling through their social media seems out of question for few. It is important to make spending some time planning your finances a priority.

The Bottom Line:

Start monitoring the little expenses that add up quickly and the move on to monitoring the big expenses to steer yourself away from the dangers of overspending. Think carefully before adding new debts to your list, and keep in mind that being able to make a payment isn't the same as being able to afford the purchase. Lastly, prioritize savings along with spending time developing a sound financial plan.





QUIZ

1. X Event Management Company is in need of additional funds. They have already exhausted their limit of authorized capital. In this case you suggested them to increase authorized capital first and then raise additional funds. As you are looking at the compliance requirements, which MCA form you will file for intimating increase in authorized capital?
 - a. SH-4
 - b. SH-5
 - c. SH-6
 - d. SH-7
2. ABC Constructions undertook a construction contract of a dam for Rs. 200 crores on 22.12.2017. On 22.2.2018, the company found that it had already spent Rs. 175 crores on the construction. A prudent estimate of additional cost for completion was Rs. 37 lakhs. When should the company recognize the provision of expected loss?
 - a. The company will recognize the expected loss at the time of conclusion of contract.
 - b. The company will recognize the expected loss for the year ended on 31.3.2018.
 - c. The company will not recognize the expected loss.
 - d. The company will proportionately recognize the expected loss when the loss becomes probable and balance shall be recognized at the time of conclusion of contract.
3. P shows a profit of Rs. 7,00,000 for the year ended 31.03.2018. The figure has been arrived at after charging following against revenue:
 - i. Purchase of car on 28.03.2018 for use in business Rs. 3,00,000 and treated as vehicle expenses.
 - ii. Omitted to record unpaid electricity bills for February and March, 2018 of Rs. 15,000 per month. The correct profit for the year ended 31.03.2018 will be-
 - a. 8,30,000
 - b. 9,00,000
 - c. 9,70,000
 - d. 10,30,000
4. Amit Ltd. purchased a machine on 01.08.2018 for Rs. 1,20,000. Installation expenses were Rs. 10,000. Residual value after 5 years Rs. 5,000. On 01.07.2018, expenses for repairs were incurred to the extent of Rs. 2,000. Depreciation is provided under SLM. Annual Depreciation will be
 - a. Rs. 13,000
 - b. Rs. 17,000
 - c. Rs. 21,000
 - d. Rs. 25,000

Mail your answers at wicasa@icai.in





NEWS BULLETIN

➤ **Launching CA Career Counselling Helpdesk by WIRC of ICAI**

- The Career Counselling Directorate of the Institute of Chartered Accountants of India and Career Counselling Helpdesk by WIRC of ICAI are focused to cater the queries of students desirous of pursuing CA Courses. The prime objective is to promote the Commerce Education with special focus on CA course amongst students as well as other stakeholders.
- The Career Counselling Programme helps the students to take best suited decision for their future. The programme focuses on the value of the course, by providing guidance to the students wherein they get an opportunity to know about the course and decide their future career options.
- To administer the CA education and training ICAI aims to conduct seminars, workshops, interactive sessions, quiz competitions, elocution, debate, essay writing and Career Counselling Fair/Exhibitions. MOUs have been signed with various Universities, IITs, IIMs for a CA student within India and abroad to pursue different Undergraduate/Postgraduate/PhD/ Courses. Also, MRAs have been signed with various professional bodies around the world to provide students with unlimited opportunities in global arena.
- To explore new opportunities and understand the course in depth please visit-
<https://ccg.icai.org/> or <https://careercounselling.wirc-icai.org/>

Call on the toll-free number- 18001211330

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➤ **Extension of time period for registration in Foundation Course from 30th June, 2020 to 31st August, 2020 for appearing in Foundation Examination to be held in November, 2020-**

To register online in Foundation Course, candidates may visit: <https://eservices.icai.org/>

➤ **Applicability of Standards/Guidance Notes/Legislative Amendments etc. for November, 2020 Examination for Intermediate (New Course) and Intermediate (IPC) Examination (Old Course)-**

Please visit the website for subject wise details (New Course):

<https://resource.cdn.icai.org/60298bos49124inter.pdf>

Please visit the website for subject wise details (Old Course):

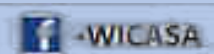
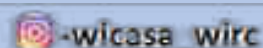
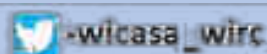
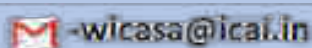
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June 2020 Event Snapshots

Virtual Program on Mind Skills for Professionals on June 26, 2020



CA. Arpit Kabra, RCM, CA. Lalit Bajaj, Chairman, WIRC, CA. Deepak Heda, CA. Murtuza Kachwala, Secretary, WIRC, Ulkshi Vyog, Speaker





CREATIVES

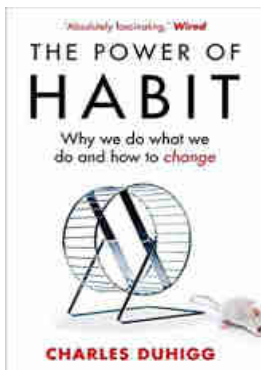


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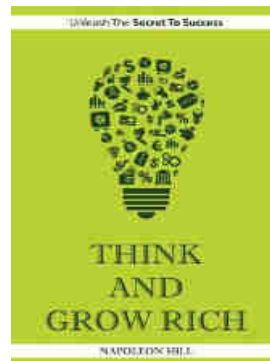


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Address: ICAI Tower, Plot No. C-40, G Block, Opp. MCA Academy, Next to Standard Chartered Bank, Bandra Kurla Complex, Bandra East, Mumbai-400051.

