



# The Jamnagar Branch of Western India Regional Council of The Institute of Chartered Accountants of India



## ***F- Newsletter for the month of September, 2022***



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## 1. Chairperson's Communiqué



My Dear Professional Colleagues,  
Greetings with Josh,

वक्रतुण्ड महाकाय सूर्यकोटि समप्रभ ।

निर्विघ्नं कुरु मे देव सर्वकार्येषु सर्वदा ॥

Wishing you a Happy Vinayak Chaturthi. May the Grace of God keep enlightening your lives and bless you always.  
We wish all of you a Happy Teachers Day.

“The best teachers don't give you the answer, but they spark within you the desire to find the answer yourself. Happy Teacher's Day!”

Teachers Day is celebrated every year on 5<sup>th</sup> September in India. This day is celebrated to mark the Birth Anniversary of our Former President of India, Dr Sarvepalli Radhakrishnan. He was a great Educationist, Philosopher, and also the First Vice President of India.

We have celebrated 76<sup>th</sup> Independence Day, I wish you all faith in words, Freedom and Pride in your hearts. We got opportunity to salute this glorious nation on Independence Day 2022. Freedom is something that cannot be bought, it is the result of struggle of many brave hearts. We have celebrated 76<sup>th</sup> Independence Day together to honor their struggles with more than 120 people participating in the event. We got very good response and thank you so much to all of you for your valuable presence as always.

We also witnessed Janmashtami festival in the month of August. Bhagvat Gita says “whenever there will be predominance of evil and decline of religion, I will reincarnate to kill the evil and to save the good.” Main significance of Janmashtami is to encourage good will and discourage bad will.

Krishna Jayanti also celebrated for togetherness. The holy occasion brings people together, thus it signifies unity and faith. And this was the theme of our National Tax Conference. “Together Towards Tomorrow”. In the month of August, 6<sup>th</sup> and 7<sup>th</sup>, 2022 we got opportunity to host National Conference jointly with Bhavnagar, Bhuj, Gandhidham, Rajkot and Vadodara branches of WIRC of ICAI. The conference was inaugurated by our ICAI Vice President CA Aniket Talati Sir along with CCM CA Purushottam Khandelwal Sir, RCM CA Hitesh Pomal Sir, Chairpersons of all branches and committee members.

We have received knowledge on various Direct Tax aspects by national top level faculties CA Ashwani Taneja Sir, CA K C Devdas Sir, CA Naveen Khariwal G Sir, CA Ketan Vajani Sir, CA Deepak Rindani Sir, CA Abhay Desai Sir, and senior most CA Dr. Girish Ahuja Sir. We got more than 400 Participants and we got opportunity to enrich our knowledge from these learned speakers. It was grand success event as we got presence of senior most CA Purohit sir and we got support from our two ITAT members CA Prashant Maharshi Sir and CA Kamlesh Rathod Sir and all past chairmen of Galaxy of Past Chairmen of Jamnagar branch and all members and volunteers. It was a pure team work which made this conference memorable.

On 28<sup>th</sup> August we have organized Blood Donation Camp at branch premises as a part of "Aazadi Ka Amrit Mahostav" and 15<sup>th</sup> August celebration and we got very good response from donors and we got 34 bottles from donors.

In this month there were so many Career Counseling Programs organized by Jamnagar branch in the schools of Jamnagar and Jamjodhpur and it will continue in next month.

We are also planning to organize Navratri Celebration, Health Program and many more programs in the next and upcoming months.

Now I would like to let all the members know about one of the great initiatives taken by ICAI, and that is CABF - Chartered Accountants Benevolent Fund. Many of you might be aware that how CABF was immensely useful to many of our members during the Covid Pandemic situation. Please take Life Time Membership. And for that please visit ICAI website for CABF membership details or call us or at branch.

And last but not the least we wish you all a happy and successful Audit season. And we hope that we will complete our audit within permissible time frame.

Have a happy learning all of you.

CA Deepa Goswami  
Chairperson (2022-23)  
Jamnagar Branch of WIRC of ICAI



## 2. Article on a quick reference for tax audit to be carried out by a practising chartered accountant u/s. 44AB of the income tax act, 1961

A QUICK REFERENCE FOR TAX AUDIT TO BE CARRIED OUT BY A PRACTISING CHARTERED ACCOUNTANT U/S. 44AB OF THE INCOME TAX ACT, 1961.



### Introduction :-

In The Finance Act, 1984 Section 44AB was introduced to provide for compulsory audit of accounts of assesses in certain cases. The Circular No. 387, dated 06-07-1984 explained the reason for the insertion:

### Reason for audit of accounts for tax purpose:

17.2 A proper audit for tax purposes would ensure that the books of account and other records are properly maintained, that they faithfully reflect the income of the taxpayer and claims for deduction are correctly made by him. Such audit would also help in checking fraudulent practices. It can also facilitate the administration of tax laws by a proper presentation of the accounts before the tax

authorities and considerably saving the time of assessing officers in carrying out routine verifications like checking correctness of totals and verifying whether purchases and sales are properly vouched or not. The time of the assessing officers thus saved could be utilized for attending to more important investigational aspects of a case.

Over a period of time, the method of reporting and contents of the Forms in which the tax auditor has to comply the requirement of Tax audit has undergone major changes and the recent requirement and forms of reporting are the result of evolving need of the tax administrators. As the subject of tax audit is very wide which covers all most all the related provisions of computation of taxable income, it is difficult to deal with all the clauses of Tax Audit within few pages of this News Letter, this paper is restricted to brief understanding of current Tax Audit requirement and reporting of commonly major reporting clauses.

### Basic Understanding of relevant Sections of Income Tax Act, 1961 relating to Tax Audit provisions :

01. Sec. 44AA provides statutory requirement of Maintenance of Books of Accounts: The threshold limit is:

- Income exceeding Rs. 1,20,000/- OR Turnover or Gross Receipts exceeding Rs. 10 Lakhs in any of three years preceding the previous year or in case of Newly set up business if the limits are likely to be crossed.
- In case of HUF and Individual the threshold is Rs. 2,50,000/- and Rs. 25 Lakhs
- All assessee who fall in audit compliance under S.44AD, 44AE, 44BB, 44BBB

\*\* Above provisions should be understood in the context of Income Tax Law Only. - Other Regulatory provisions may require maintenance of Accounts for lower thresholds

02. Sec. 44AB provides Statutory requirement of Accounts to be audited: Threshold limit for Tax Audit:

- Business Turnover exceeding Rs. 1 Crore, the limit is extended up-to 10 crores if aggregate of All Receipts and All Payments does not exceed 5% by way of Otherwise than account payee cheques/ drafts (considered as Cash Transactions). Here it is interesting to state that deeming provisions is with respect to only cheques and not for E-Payment or digital payment hence RTGS/NEFT etc. shall always be treated as non-cash.
- Professional Turnover exceeding Rs. 50 Lakhs.

- Business income cases hit by sub section (4) of S. 44AD.
- Professional Income cases showing lower than 50% profit (S. 44ADA).
- Assessee showing less Profit from the businesses referred to in S. 44AE, S. 44BB, S.44BBB.
- If an assessee shows minimum 8% /6% profit from business eligible for presumptive tax under S. 44AD-the threshold for audit is Turnover of Rs. 2 Crore.

03. S. 271B speaks for Penalty for failure to get accounts audited which may impose @ 0.5% of Total Turnover/ Gross Receipt or Rs. 1,50,000/- whichever is lower.

**04. Relevant Forms and Clauses therein of Tax Audit Report:**

As we all know that if the Books of Accounts of an Assessee liable for tax audit is audited Under any other Act i.e. under the Companies Act, Public Trust Act, Co-operative Societies Act, LLP Act, then the Tax Auditor has to furnish Form 3CA along-with Form No. 3CD of Reporting requirement. If the accounts are not audited under any Act, then the tax auditor has to furnish Form No. 3CB which prima facie provides opinion of tax auditor in respect of True and Fairness of Balance sheet and Profit and Loss Account of the assessee along-with Form No. 3CD.

Form No. 3CD is Reporting requirement which requires reporting of particulars under various sections of the Income Tax Act, 1961. At present, Form No. 3CD has 44 Main Clauses wherein various sub-clauses are merged therein.

**05. Procedure of uploading the Tax Audit Report:**

As you all are aware that the Tax Audit report in Form No. 3CA or 3CB along-with Form No. 3CD is to be furnished online before due date of reporting i.e. 30-09-2022 for A. Y. 2022-23. The process of uploading the report is first client online assigns Form 3CA/ 3CB and 3CD to the CA, then the CA accepts the assigned forms, after due verification of Books of Accounts and records, the CA online/ offline prepares the Form No. 3CD and Audit Report in Form No. 3CA or 3CB and gets UDIN for the same, then uploads the report which in turn the client accepts the same and thereafter Acknowledgement of filing on Tax Audit Report is generated.

**06. Due care to be taken while conducting Tax Audit:**

01. If the accounts of the client are not audited under any other Act, then the auditor has to first give his opinion regarding true and fairness of financial statements signed by him.
02. As Exhaustive information is to be furnished in Form No. 3CD on various sections of Income Tax Act, the auditor has to thoroughly verify Books of Accounts and all available records and all necessary explanations to be obtained in this regard.
03. There are certain clauses wherein the auditor has to apply his professional expertise based on facts of the case, judicial decisions there on and interpretation of law and has to report accordingly with proper clarification/ qualification thereof in Form No. 3CA or 3CB.
04. Certain clauses of 3CD report requires reporting from voluminous records like compliance of TDS clauses, the auditor has to restrict verification of records on test check basis and should clarify the matter same in 3CA/ 3CD Report.
05. If there is any difference in the opinion of the tax auditor and that of the assessee in respect of any information furnished in Form No. 3CD, the tax auditor should state both the view points and also the relevant information in order to enable the tax authority to take a decision in the matter.



06. If certain details are not available from the client i.e. Break-up of Expenditure as per Clause 44, the auditor has to put suitable qualification in Form No. 3CA or 3CB.

07. Hence for conducting tax audit effectively, the auditor has to understand properly, the Constitution of the client, nature of business, process of business, organizational chart, should get MRL mentioning clarification of various items reported in Financial statements as well as under the Tax Audit report, Certification of furnishing of various details as per requirement of 3CD report.

**07. Issues where two different views are possible:**

There are certain issues where there may be different views, the auditor has to apply his professional expertise and carry out audit accordingly by giving clarification/ qualification at Form 3CA/ Form 3CB : following are the illustrative list :

01. In a case where Turnover is Less than Rs. 1 Crore, Profit <8% or 6% or even Loss and the case is not falling under Sub-section (4) of S.44AD, then there is no requirement of tax audit U/s. 44AB.

02. In a case where 95% of Receipt through Account Payee Cheques/ drafts or by way of Electronic mode includes receipts through Credit Card/ Debit Card of other persons used by customers to avail scheme of Cash Back benefit of Cards. Whether this type of receipts to be considered as Otherwise than Cash receipt within the meaning of Proviso (a) to S. 44AB(a) of The I. T. Act, 1961?

03. Whether charitable trust chargeable to tax U/s. 11 and 12 of the Act, running educational / medical institute at concessional rate is required to get the accounts audited U/s. 44AB?

04. Clause 21(h) S. 14A where there may be different opinion on quantum of disallowances relying on various judicial decisions.

05. Cl. 36A Quantification of Deemed dividend U/s. 2(22)(e) of The I. T. Act, 1961

**08. Conclusion:**

As the area of Tax Audit is very wide which applies to all most all the Professionals in practice as well as majority of assesses to get their accounts audited every year, the tax audit task and reporting thereof being a professional person should not be taken casually. We should be trained equally and refresh our knowledge every year for the tax audit assignment and should train our articles/ staff to be updated with the tax audit requirement. All the relevant clauses of Tax Audit report in Form No. 3CD and Reporting under Form No. 3CA or 3CB should be done very carefully and in line with the reporting requirement provided in ITR to avoid undue addition U/s. 143(1) or to provide undue explanation thereof.

Please go through various I.T. Act, Rules, Circulars, Notifications, reference materials as well as latest Guidance Note on Tax Audit U/s. 44AB of the IT Act, 1961 issued by our Institute for A. Y. 2022-23 on 19<sup>th</sup> August 2022 for any clarification/ guidance.

Thanks, and All the best for Tax Audit season 2022.

*This article is for the purpose of information and shall not be treated as solicitation in any manner and for any other purpose whatsoever. It shall not be used as legal opinion and nor to be used for rendering any professional advice.*

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### 3. Article on Money Laundering – Overall provisions of Prevention of Money Laundering Act (PMLA) & some important judgments



#### Introduction:

Nowadays, money laundering/frauds becomes talk of town due to active involvement and rapid action taken by Enforcement Directorate (ED). Looking to crimes and complex frauds increasing day by day, it requires this type of rapid actions too. The Govt. a few days ago, informed that the number of ED actions have jumped 27 times between 2014-22 compared to the 10-year UPA rule between 2002-14. It prevents the person to do such crime again and due to this fear there will be chances that the crime may reduce.

The ED is a multi-disciplinary organization mandated with investigation of offence of money laundering and violations of foreign exchange laws. The statutory functions of the Directorate include enforcement of following Acts:

- The Prevention of Money Laundering Act, 2002 (PMLA)
- The Foreign Exchange Management Act, 1999 (FEMA)
- The Fugitive Economic Offenders Act, 2018 (FEOA)

#### Statistics:

| (FEMA) |  |                                       |
|--------|--|---------------------------------------|
| S. NO. | DESCRIPTION  | TOTAL NO. / AMOUNT (AS ON 31.03.2022) |
| 1      | No. of Investigations Initiated  | 30716                                 |
| 2      | No. of Investigations Disposed   | 15495                                 |
| 3      | Show Cause Notices (SCNs) issued   | 8109                                  |
| 4      | SCNs Adjudicated   | 6472                                  |
| (FEOA) |  |                                       |
| S. NO. | DESCRIPTION  | Total No. / Amount AS ON 31.03.22)    |
| 1      | No of persons against whom action under FEOA initiated                       | 14                                    |
| 2      | No. of persons declared FEO  | 9                                     |
| 3      | Amount of properties confiscated (Rs in crore)                               | 433                                   |
| (PMLA) |  |                                       |
| S. NO. | DESCRIPTION  | Total No. / Amount AS ON 31.03.22)    |
| 1      | No. of cases recorded for investigation under PMLA                           | 5422                                  |
| 2      | No. of Provisional Attachment Orders (PAOs) issued                           | 1739                                  |
| 3      | Value of Assets under attachment (Rs. in crore)                              | 104702                                |
| 4      | No. of PAOs confirmed  | 1369                                  |
| 5      | Value of assets under PAO confirmed by Adjudicating Authority (Rs. in crore) | 58591                                 |
| 6      | No. of Persons Arrested  | 400                                   |
| 7      | No. of Prosecution Complaints filed / cases under trial                      | 992                                   |
| 8      | No. of Persons convicted   | 25                                    |

(Source: <https://enforcementdirectorate.gov.in/statistics>)

So in light of above background, the basic provisions are explained below:

#### Overall Provisions of PMLA:

The PMLA defines the offence of Money Laundering u/s 3 as “Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming as untainted property shall be guilty of offence of Money Laundering”.

The process of money laundering is single process, the process can be divided into three stages which are placement, layering and integration stage.

- **Placement Stage** - In this stage the money which is received in illegal manner are introduced in financial system.
- **Layering Stage** - This stage includes creating a chain of transactions which in their frequency, dimensions often look like legal financial activity.
- **Integration Stage** - During this stage involving of amalgamation of covered crime is starts coming in financial system.

Therefore, the money laundering basically is knowingly dealing with proceeds of crime, directly or indirectly. The Act provides both for civil and criminal liability.

#### A) Criminal Liability:

Crime which results in tainted money is a separate offence under various laws as specified in Schedule to PMLA. These offences are punishable under those Acts.

The offence as specified in section 4 of PMLA is a separate offence. The punishment under section 4 of PMLA is not only to those who are actually involved in dealing with tainted money but also on those who are knowingly involved, directly or indirectly, in dealing with proceeds of crime.

This is a criminal offence, which will be tried by special courts designated for this purpose under section 2(z) of PMLA. The trial will be both for charges under the specific Act which is a crime and also offence of money laundering under PMLA.

The Special Court is Court of Sessions which is designated as special court under section 43 of PMLA.

Appeal against decision of Special Court lies with High Court as per powers under Code of Criminal Procedure - section 47 of PMLA.

#### B) Civil Liability:

In addition to criminal liability, the property involved in money laundering can be attached and frozen by Central Government and later confiscated.

Order of provisional attachment or freezing will be issued by Director, Joint Director or Deputy Director empowered under PMLA for **upto 180 days** - section 5(1) of PMLA.

The director will send copy of order of provisional attachment or freezing of assets to Adjudicating Authority - section 5(2) of PMLA.

Adjudicating Authority is appointed under section 6(1) of PMLA.

Final order of attachment or freezing will be issued by Adjudicating Authority under section 8(3) PMLA. This order of seizure or freezing continues till Special Court disposes of the criminal matter.

Appeal against order of Adjudicating Authority will lie before Appellate Tribunal constituted under Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 [SAFEMA] - section 26(1) of PMLA.

Appeal against order of Appellate Tribunal lies before High Court both on question of law and facts - section 42 of PMLA.

#### **Order of confiscation by Special Court**

After conclusion of Trial of accused, if Special Court finds that offence of money laundering has been committed, it (special court) shall order that property involved in money laundering or which has been used for money laundering, shall be confiscated - section 8(5) of PMLA.

After confirmation of order, some persons may have claims in respect of such confiscated property, if they had acted in good faith but suffered quantifiable loss. Such claims should apply to Special Court.



After order of confiscation by Special Court, the property shall vest absolutely in Central Government - section 9 of PMLA.

If after conclusion of Trial, if Special Court finds that offence of money laundering has not been committed, it (special court) shall order release of property - section 8(6) of PMLA.

#### Consequence of Offence:

Further, any person who committed such offence shall be punishable for a term not less than three years but may extend to seven years of rigorous imprisonment as well as fine. If the proceeds of crime relates to any offence which is there in paragraph 2 of Part-A of Schedule, provisions of such Section must have effect with extent to ten years which had been substituted from seven years.

Now let us discuss some controversies in PMLA and lastly the Landmark judgement of Apex court on powers of ED.

#### Judicial Rulings -

a. Following are some Judicial Rulings which can be referred for better understanding of the law:

- UNION OF INDIA vs. HASSAN ALI KHAN & ANR
- HARI NARAYAN RAI vs. THE UNION OF INDIA
- NIKESH TARACHAND SHAH v. Union of India [2017] 87 taxmann.com 257 (SC)
- P.Chidambaram Vs. Directorate of Enforcement, MANU/SC/1670/2019 [Criminal Appeal No. 1831 of 2019]
- Rajesh Kumar Agarwal v. Directorate of Enforcement, Delhi

b. Landmark Judgment of Apex court on ED's powers:

Recently, the Apex Court in its landmark judgement in case of dated 27 July, 2022, declared that the (ED) has the powers conferred under law to investigate people, conduct searches and raids, and even arrest citizens under the stringent provisions of the PMLA. Dismissing the petitioners' argument that the offence of money laundering under Section 3 is applicable only if the property is projected as untainted property, the court asserted that the 'and' in Section 3 has to be read as 'or' and stated that the section has a wider reach, and covers every activity involved in the process of money laundering, not just the final act, the section also says that possessing of the proceeds of the crime can also be termed as money laundering, the court said. The petitioners had alleged that the law is in violation of their right to liberty and right against self-incrimination under Article 20 and Article 21. They had also challenged the unbridled power given to the Enforcement Directorate and the scope of the law to convert any offence into a money-laundering offence. The Supreme Court however held ED's power to make arrest, carry out search and seizure and issue summons to any person as constitutional and said that the provisions do not suffer from the vice of arbitrariness. The PMLA allows the ED to make arrests without mandatorily providing a copy of the Enforcement Case Information Report (ECIR) to the accused. Upholding this provision, the Supreme Court said that an ECIR is an internal document of the agency and not required to be supplied to an accused mandatorily. As for the ECIR, the Supreme Court rejected the challenge to the provision, saying that an ECIR cannot be equated with the FIR. As such, it is sufficient for the ED to inform the accused of the grounds for arrest, the court said.

The Evidence Act, 1972 makes a confession given by an accused to a Police Officer inadmissible as evidence before the court. Moreover, Article 20 of the Constitution guarantees the right against self-incrimination as a fundamental right. However, under PMLA, a statement made before an ED official can be used as evidence against the accused.

However, case is listed for rehearing on 25.08.2022 for review of decision held on 27.07.2022. The decision is awaited.

#### Conclusion

- Money Laundering is thus, not a local crime but a serious offence which should not be taken lightly. The PMLA, 2002 is serving as an umbrella for financial institutions like Insurance Regulatory and

Development Authority (IRDA), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) which thereby involve to all intermediaries, insurance companies, banks as well as mutual funds. Financial Intelligence Unit India (FIU IND) is an agency which monitors the anti-money laundering and which regulates over compliance by all intermediaries and institutions.

- The offence of money laundering has become a dynamic process because the criminals are always looking for various new ways for achieving the illegal motives e.g. recently we have read in newspapers that money laundering is done through cryptocurrency by the cyber criminals. Furthermore, various countries are entering into multiple conventions and agreements for strengthening measures for combating money laundering, such money launderers are still exploiting those jurisdictions which do not have sufficient laws and that are weak. A proper strict policy with respect to anti-money laundering is the need not only in India but all over the world.

Note: This Article was published first in Taxsutra website on 17.08.2022. URL: <http://www.lawstreetindia.com/experts/column?sid=683>

Reference Materials:

1. Prevention of Money Laundering Act, 2002
2. For case law - Taxmann and Manupatra
3. Paridhi Saxena, "*Money Laundering in India*", NLU, Raipur. - <http://www.nja.nic.in>

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#### 4. Future Events ;

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1. Fitness Fever
2. Educational Seminars

#### 5. WICASA Jamnagar Future Events -

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EVENTS for Students :

1. Career Counselling Programs
2. Knowledge Seminars
3. Study Circle Meet

#### 6. Student's Corner

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##### 1. Dos and Don'ts at Exam Centre

##### A. Before the Exam:

✓ Dos: Be ready at least an hour before the leaving for the examination centre. This will help to avoid the last minute panic and your brain will get sufficient time to relax and recollect everything you have

memorized. Keep your Hallticket/Identity Card/ Pen/ Spare Pens/ Calculator and everything ready in advance.

✗ **Don'ts:** Don't keep studying till the last minute. Don't talk to anyone at the exam center. Don't discuss any possible questions or anything linked to the exam. Last minute revision creates unnecessary qualms which will lead to anxiety. And we all know how well anxiety and forgetfulness complement each other!

## B. During the Exam:

✓ **Dos:** Each and every minute of your time is very important. In the initial few minutes, try to bifurcate which questions are easy for you that can be finished off faster and which ones require brainstorming. Many students divide their total time during the exam into 3 equal slots of an hour each, which is very naïve. Divide your total time in a sensible way:

- **First Hour :** Try to complete atleast 40% of the questions. Since your mind is fresh and your body (especially hands) is energetic, you can easily finish the portion that you remember well and that you have fluency for. The game is to Attempt 40 marks and score at least 25 marks by the end of the first hour.
- **Second Hour :** Very Crucial Hour. A lot of students lose the game here. Strive to complete the next 30 to 35% of the paper here. This won't be as easy as the questions in the first hour. That's okay. The objective here is to score another 15 marks in the second hour. Technically, you should pass the exam before 4 PM.
- **Third Hour :** In case of a difficult exam, you need this hour to cross 45. In the case of a regular paper, use this hour as a score booster. Increase the speed and try to complete the entire 100 marks. You should move from 40 to 50/55/60+ in this hour depending on the paper.

Make sure you verify the question numbers properly before you submit the answer sheet.

✗ **Don'ts:** Do not dwell on the answer that you are not able to solve or recollect. Be in the moment while attempting a question. Just leave the space for the ones that you are not able to finish and move on. Do not mix things up. Being organized also matters while attempting a paper because this is how you avoid the stress at the last minutes of your examination.

## C. After the Exam:

✓ **Dos:** Once you submit the answer sheet, the exam is done. Your responsibility should immediately shift to the next subject. Once you reach home, relax and refresh yourself for 30 - 45 mins. Make a detailed chapter-wise schedule before you start studying for the next exam. Some portions of the syllabus might be left out. That's okay. Don't hurt yourself about it as long as what you have completed is more than what you did not complete. Eat enough and sleep enough. Just focus on what can be done rather than what needs to be done.

✗ **Don'ts:** Don't bother about whether your answers are correct or not. ICAI will do it. Don't explain anything about your exam to anyone. Good or bad. Leave it. Thinking cannot solve anything. The more you think, the more problems you create for yourself. Just stop thinking about past attempts and papers, and possible failure. Just STOP thinking and start doing.

## 2. INCREASED TRANSPARENCY IN EXAM PAPER EVALUATION PROCEDURE:

ICAI is an institute which have more than 8.50 lakhs students. With such a huge number of students appearing exams, the method of evaluation process is highly transparent and effective.

So how does ICAI evaluates papers?

Basically, there are two types of questions in the exam pattern Objective and subjective.

In objective type of questions There's little to no controversy in evaluation. You are either right or wrong. No in between. In the rare cases where the question is ambiguous, everyone gets marks for that question as soon as the ambiguity is noticed.

And Subjective Part is a little Tricky and debatable from student to student, because there are humans making judgement calls, there's some wiggle room to argue! However, ICAI have qualified examiners to examine such questions. The selection process to such examiners is quite lengthy The qualifications required for such examiners includes

The eligibility criteria for empanelment as examiner are as follows:

- Chartered Accountants with a minimum of five years standing in practice or in service are eligible.
- University Lecturers/Professors with a minimum of five years teaching experience are eligible.
- ICWA, ACS, M. Com, Post Graduates in Economics or Law, Lawyers, IT Professionals, MBA (Finance) and other professionals with at least five years' experience, either in academic position or in practice or in employment are eligible to apply. Those with work experience having direct relevance to the aforesaid subjects(s) of examination(s) will be preferred.
- Persons above 65 years of age are not eligible.

After appointing this qualified Examiners, the institute provides an answer key to all examiners. It contains all answers, even alternate ones. The answers are written in step-wise format (it's a good idea for you to follow that!). And marks that need to be allotted for each step is outlined. Also, the key contains guidelines for the examiners for variation in answers.

If, after the exam is conducted, there are some issues with some of the questions, ICAI gives out additional information to the examiners. Things like allotting grace marks, etc. If it's too late to give this information to the examiners, it's passed on to the moderators. Then, when the moderators get the papers, they'll rectify the marks.

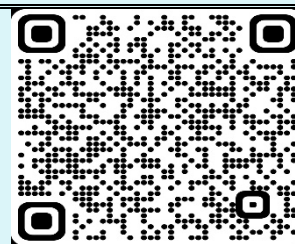
examiners are not supposed to tally the marks. That's done by another person. The only role of the examiner is to allot marks to each question according to the guidelines set. This way, examiners are not tempted to give grace marks if the score is 39 or something.

After the totaling and evaluation is done, moderators receive your paper. They'll review the paper and assessment for any obvious mistakes. In the course of this, they may raise a complaint if they notice that an examiner is negligent in his/her duty.

As all the duties are segregated in the evaluation procedure of the exam papers this helps the student to trust more on the institute and increase the transparency. The whole process is fair and effectively conducted.

## 7. Events – upto August 2022

<http://tiny.cc/NTC22>



National Conference on Direct Tax, Organized by Direct Taxes Committee, ICAI, Hosted by Jamnagar Branch of WIRC of ICAI, Jointly with Vadodara, Rajkot, Gandhidham, Bhavnagar & Bhuj Branch of WIRC of ICAI on 6<sup>th</sup> and 7<sup>th</sup> August, 2022





## Celebration of Independence Day 15/08/2022, Flag hosting.



Attended Sansad Veer Vandana programme arranged by Smt. Poonamben Madam, MP - Jamnagar during Independence Day 15/08/2022

Meeting with CCM CA Vishal Doshi and Infra Committee, Jamnagar on 09-08-2022



## Blood Donation Camp as a part celebration of "Aazadi Ka Amrut Mahotsav" on 28-08-22



Career Counselling Program at The Nawanagar Government High School

Career Counselling Program at The Vibhaji Government High School





Career Counselling Program at Sanskar  
Vidhyalay, Jamjodhpur, Jamnagar



Maa Tujhe Salaam - Azadi Ka Amrit Mahotsav Celebration of Independence Day





## 8. Excel Challenge

### AUGUST Month

Refer below table which contains Item-wise sales data wherein Units sold and sales price is available:

| item        | Units | Sales Price                     |
|-------------|-------|---------------------------------|
| A           | 10    | 100                             |
| B           | 20    | 200                             |
| C           | 30    | 300                             |
| Total Sales |       | 14000 < - which formula to use? |

To find out total sales figure, we will need to add a helper column where we can multiply the units into sales price to get the total sales line item-wise and copy the same formula to all columns and then total that column amount. This will be lengthy process and where data is huge it will take time. Is there any other way out?

#### Solution:

Correct solutions were provided by Ravi Bosamiya, CA Rohan Mevcha, CA Pinesh Patel and Dhaval Jani. Keep it up!!

We can use SUMPRODUCT Formula. *(It was easy...right? Then try this month challenge)*

Explanation:

The SUMPRODUCT function returns the sum of the products of corresponding ranges or arrays. The default operation is multiplication, but addition, subtraction, and division are also possible.

Syntax: To use the default operation (multiplication):

=SUMPRODUCT(array1, [array2]...) where *Array1* refers to the first array argument whose components you want to multiply and then add; *Array2* refers to whose components you want to multiply and then add.

So formula will be =SUMPRODUCT(B2:B5,C2:C5)

### September Month Challenge

Refer to the table below:

|    | A | B           | C             | D            | E                         |
|----|---|-------------|---------------|--------------|---------------------------|
| 1  |   |             |               |              |                           |
| 2  |   | <b>Name</b> | <b>Region</b> | <b>Sales</b> |                           |
| 3  |   | A           | West          | 100          |                           |
| 4  |   | B           | West          | 125          |                           |
| 5  |   | C           | West          | 110          |                           |
| 6  |   | C           | North         | 250          |                           |
| 7  |   | B           | North         | 260          |                           |
| 8  |   | A           | North         | 160          |                           |
| 9  |   | A           | North         | 180          |                           |
| 10 |   | C           | West          | 210          |                           |
| 11 |   | A           | West          | 360          |                           |
| 12 |   | C           | West          | 290          |                           |
| 13 |   | B           | West          | 100          |                           |
| 14 |   | C           | North         | 200          |                           |
| 15 |   | A           | North         | 300          |                           |
| 16 |   | B           | North         | 150          |                           |
| 17 |   |             |               |              |                           |
| 18 |   | A           | West          | 460          | < - which formula to use? |
| 19 |   |             |               |              |                           |



Table contains Sale by a dealer in particular region for different months. How to find sum total of sales of a Dealer in a given Region?

By using which formula, you will get TOTAL sales figure of a particular dealer (say A) in particular region (say West).

Hint: There are two possible solutions (*which I know*). If you have understood August month solution then you will be able to provide at least one solution.

Please mail in your solution to [Jamnagar.e.newsletter@gmail.com](mailto:Jamnagar.e.newsletter@gmail.com) AND [caketanmalde@gmail.com](mailto:caketanmalde@gmail.com) before 20<sup>th</sup> September 2022, with the mail subject as "Excel Challenge - September 2022" "

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