

CA DEVESH THAKUR

COMPREHENSIVE

CA ARTICLESHIP INTERVIEW PREPARATION GUIDE

By CA Devesh Thakur

HR • Audit • Accounts (AS & Ind AS) • Direct Tax (ITA 1961 & 2025) • GST • Companies Act

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 Finance Act 2025-26 • ITA 2025 • ICAI Standards • CBIC GST

 etaxsave.com/ca-articleship-interview-questions/

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CHAPTER 1: HR ROUND

Model Questions & Answers for CA Articleship Interviews

1.1 Self-Introduction & Motivation

Q: Tell me something about yourself.

A: I am [Name], currently pursuing Chartered Accountancy and have cleared [mention level]. I have a strong foundation in accounting, taxation, auditing, and financial reporting. I am disciplined, detail-

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oriented, and believe in continuous learning. Alongside academics, I stay updated with Economic Times, ICAI notifications, and Union Budget updates to strengthen my practical understanding.

Q: Why did you choose CA?

A: CA is one of the most respected and comprehensive professional qualifications in finance. It offers deep expertise across taxation, auditing, law, and strategic decision-making. I am naturally drawn to analytical and problem-solving work, and the CA qualification provides the ideal platform to develop that expertise while contributing meaningfully to organisations and clients.

Q: Why Statutory Audit / Internal Audit / Direct Tax?

A: Statutory Audit builds a strong foundation in accounting standards, financial reporting, and regulatory compliance — giving end-to-end visibility of business operations. Internal Audit develops a risk management mindset and improves understanding of controls and process improvements. Direct Tax is dynamic and evolving — understanding how tax policy impacts business decisions keeps me constantly motivated to learn.

1.2 Firm-Specific & Competency Questions

Q: Why Big 4? Why KPMG and not another Big 4?

A: Big 4 firms offer unparalleled diversity of exposure — listed companies, multinationals, complex Ind AS assignments — combined with structured training programmes and global work culture. KPMG's focus on technology-driven audit solutions and innovation within the audit process accelerates professional growth significantly.

Q: Why GT / BDO instead of Big 4?

A: Grant Thornton and BDO offer excellent mid-market client exposure with faster responsibility growth. Articles often handle complete assignments rather than narrow sub-sections, building a well-rounded profile. The culture is more collaborative and accessible for learning.

Q: Why should we hire you?

A: I bring sincere commitment, strong conceptual clarity, and the ability to work under deadlines without compromising quality. I am a quick learner who actively stays updated on amendments — CARO 2020, Schedule III revisions, Union Budget 2025-26, GST circulars, and the new Income Tax Act 2025 — and I will contribute meaningfully from day one.

Q: What is the difference between Statutory Audit and Internal Audit?

A: Statutory Audit is a legal requirement under the Companies Act 2013, conducted by an external auditor appointed by shareholders, to express an opinion whether financial statements give a true and fair view. Internal Audit is conducted by internal teams or an appointed auditor to evaluate internal controls, risk management, and operational efficiency.

1.3 Work-Life & Practical Questions

Q: How will you manage CA Final studies alongside articleship?

A: Through structured time management — dedicating fixed study hours daily, preparing subject-wise plans, and making full use of the ICAI-mandated study leave. Practical exposure through articleship reinforces theoretical knowledge, so the two complement rather than conflict with each other.

Q: What are your strengths and weaknesses?

A: Strengths: Analytical mindset, attention to detail, quick learner, calm under pressure, team-oriented approach, and a habit of staying updated with current regulatory changes including the new Income Tax Act 2025. Weakness: I have a tendency toward perfectionism that can sometimes slow pace. I am actively working on this by consciously prioritising tasks and setting time-bound checkpoints for each deliverable.

Q: Where do you see yourself in 5 years?

A: As a qualified Chartered Accountant with in-depth expertise in audit or taxation, handling client assignments independently, contributing to team leadership, and staying at the forefront of developments in financial reporting standards and tax legislation.

Q: Will you be able to work long nights / travel / relocate?

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A: Yes. I understand that audit deadlines and tax filing seasons demand extended hours. I am flexible, committed, and view travel as an opportunity for diverse client exposure. I am also open to relocation if the role requires it.

CHAPTER 2: AUDIT

Standards, Concepts, CARO 2020 & Practical Interview Q&A

2.1 Core Auditing Standards (SAs) — Key Series

SA Series	Standard	Key Focus
SA 200	Overall Objectives of the Auditor	Reasonable assurance; auditor's responsibilities
SA 210	Agreeing Terms of Audit Engagement	Engagement letter; preconditions for audit
SA 230	Audit Documentation	Working papers; retention period (7 years)
SA 240	Auditor's Responsibility — Fraud	Fraud vs error; professional scepticism
SA 250	Laws & Regulations	Non-compliance; reporting obligations
SA 260/265	Communication with TCWG / Deficiencies	Audit committee communication
SA 299	Joint Audit	Responsibility division; lead auditor concept
SA 315	Risk Identification & Assessment	ROMM; understanding the entity
SA 320	Materiality	Overall + performance materiality
SA 330	Responses to Assessed Risks	TOC vs Substantive procedures
SA 500–580	Audit Evidence Series	Sufficiency; appropriateness; third-party confirmations
SA 530	Audit Sampling	Statistical vs non-statistical sampling
SA 570	Going Concern	12-month assessment; indicators of doubt
SA 600	Using Work of Other Auditors	Component auditor; division of responsibility
SA 700–720	Reporting Series	Modified/Unmodified opinions; KAMs; EOM
SQC-1	Quality Control for Firms	Policies; engagement quality reviewer

2.2 Core Audit Concepts

Q: What is the objective of an Audit? (SA 200)

A: Under SA 200, the overall objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement (whether due to fraud or error) and to report on the financial statements. Reasonable assurance is a high but not absolute level of assurance.

Q: What is Materiality? (SA 320)

A: Materiality is the threshold below which misstatements are unlikely to influence the economic decisions of users. Overall materiality is set at planning stage based on benchmarks: typically 5% of pre-tax profit, 1% of revenue, or 0.5–1% of total assets. Performance materiality is set lower (often 60–75% of overall) to reduce the risk that aggregate uncorrected misstatements exceed overall materiality.

Q: What are Management Assertions? (SA 500 series)

A: Assertions are representations by management embedded in financial statements. For transactions: occurrence, completeness, accuracy, cutoff, classification. For balances: existence, rights & obligations, completeness, valuation. For presentation: occurrence, completeness, classification, accuracy, understandability.

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Q: What is Going Concern? (SA 570)

A: SA 570 requires the auditor to assess the appropriateness of management's use of the going concern assumption. The assessment period is at least 12 months from the balance sheet date. Indicators of doubt include negative net worth, net current liabilities, inability to repay creditors, loss of key customers, and pending litigation.

Q: Difference between Vouching and Verification?

A: Vouching involves checking the validity and authority of recorded transactions by examining supporting documents — it establishes the authenticity of entries in the books. Verification involves physically confirming the existence, ownership, valuation, and presentation of assets and liabilities in the balance sheet.

2.3 Types of Audit Opinions (SA 700 Series)

Opinion Type	When Issued	Effect on Report
Unmodified (Clean)	Financial statements present a true and fair view; no material misstatements	Standard opinion paragraph; no modifications
Qualified	Material but NOT pervasive misstatement OR limitation on scope	'Except for' language used; Basis for Qualification paragraph added
Adverse	Material AND pervasive misstatement — statements do NOT give true and fair view	'Do not present a true and fair view' language; Basis para added
Disclaimer	Unable to obtain sufficient evidence AND effect could be material & pervasive	'Do not express an opinion' language; Basis para explains limitation

2.4 Key Audit Matters vs. Emphasis of Matter (SA 701 / SA 706)

Q: What is the difference between KAMs and EOM paragraph?


A: Key Audit Matters (SA 701) — applicable to audits of listed entities — are matters of most significance in the audit requiring significant auditor judgement. They do not modify the opinion but improve transparency. Emphasis of Matter (SA 706) draws attention to a matter properly presented in the financial statements that is fundamental to users' understanding. Neither KAMs nor EOM modifies the audit opinion.

2.5 CARO 2020 — Companies Auditor's Report Order (21 Clauses)

Clause	Reporting Area
Clause 1	Title deeds of immovable properties — held in name of company; revaluation
Clause 2	Inventories — physically verified; material discrepancies; working capital limits with banks
Clause 3	Loans, investments, guarantees, security — compliance with Sec 185/186
Clause 4	Loans and advances to related parties — terms; repayment; interest
Clause 5	Compliance with directives on deposits accepted from public
Clause 6	Maintenance of cost records as directed by Central Government
Clause 7	Statutory dues — PF, ESI, income tax, GST, customs duty — undisputed/disputed
Clause 8	Default in repayment of loans or borrowings to bank/FI/debenture holders
Clause 9	Funds raised on short-term basis used for long-term purposes
Clause 10	Funds raised through IPO/FPO/preferential allotment — utilisation
Clause 11	Fraud committed on or by the company — SA 240 fraud reporting
Clause 12	Nidhi companies — compliance requirements
Clause 13	Related party transactions — compliance with Sec 177/188; arm's length pricing
Clause 14	Internal audit — whether conducted; qualification of internal auditor

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Clause	Reporting Area
Clause 15	Non-cash transactions with directors — Sec 192
Clause 16	NBFC registration with RBI
Clause 17	Cash losses — current and preceding financial year
Clause 18	Wilful defaulter status with banks/FIs
Clause 19	Pending proceedings under PMLA / Benami Transactions Act
Clause 20	CSR obligations — applicability and compliance
Clause 21	Qualifications/adverse remarks in internal auditor's report

 **Key changes vs CARO 2016:** Clauses on immovable property title deeds, revaluation, working capital limit utilisation, undisclosed income/benami transactions, wilful defaulter status, CSR obligations, and internal auditor qualifications are NEW additions in CARO 2020.

2.6 Practical Audit Procedures

Q: How do you audit a Bank Reconciliation Statement (BRS)?

A: Obtain the BRS and the bank statement independently. Trace opening balances to prior period. Verify all reconciling items — outstanding cheques should be confirmed as cleared post-balance-sheet date; deposits in transit should appear on the next bank statement. Investigate old/unexplained items. Cross-check closing balance in BRS to the general ledger and obtain direct bank confirmation per SA 505.

Q: What is Internal Financial Controls (IFC) audit?

A: Under Sec 143(3)(i) of the Companies Act 2013, the auditor of listed companies must report on the adequacy and operating effectiveness of Internal Financial Controls over Financial Reporting. IFC audit covers entity-level controls, IT general controls, process-level controls, and risk of material misstatement at the financial statement level.

CHAPTER 3: ACCOUNTING STANDARDS (AS 1–29)

Issued by ICAI — Applicable to Non-Ind AS Entities | Effective 1 February 2022

As of 1 February 2022, there are 27 active mandatory Accounting Standards issued by ICAI (AS 6, AS 8, AS 30, AS 31, and AS 32 have been withdrawn). These apply to entities not required to follow Ind AS, including non-corporate entities, SMEs, and companies below the Ind AS threshold.

3.1 Complete AS Reference Table

AS No.	Standard Name	Key Interview Points
AS 1	Disclosure of Accounting Policies	Three fundamental concepts: going concern, consistency, accrual. Change in policy: retrospective restatement. Change in estimate: prospective.
AS 2	Valuation of Inventories	Lower of Cost and NRV. Cost formulas: FIFO or Weighted Average. LIFO NOT permitted. Service WIP: costs directly attributable.
AS 3	Cash Flow Statements	Operating (direct or indirect method), Investing, Financing. Non-cash transactions disclosed separately.
AS 4	Contingencies & Events After BS Date	Adjusting events: conditions existed at BS date — adjust FS. Non-adjusting events: disclose only.
AS 5	Net Profit/Loss, Prior Period & Policy Changes	Prior period items: errors/omissions from prior periods. Changes in estimates (prospective) vs changes in policy (retrospective).
AS 7	Construction Contracts	Percentage of Completion Method. Stage measured by surveys, proportion of costs, or proportion of work certified.

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AS No.	Standard Name	Key Interview Points
AS 9	Revenue Recognition	Sale of goods: transfer of significant risks and rewards. Services: proportionate/completed contract method.
AS 10	Property, Plant & Equipment	Cost or Revaluation model. Component accounting. Revaluation surplus to Revaluation Reserve.
AS 11	Effects of Changes in Foreign Exchange Rates	Monetary items: translate at closing rate to P&L. Non-monetary items: historical rate.
AS 12	Accounting for Government Grants	Capital approach OR Income approach. For depreciable assets: deduct from gross cost OR deferred income.
AS 13	Accounting for Investments	Current: lower of cost and fair value. Long-term: cost less permanent diminution.
AS 14	Accounting for Amalgamations	Pooling of Interests (5 conditions) vs Purchase Method. Goodwill: amortised max 5 years.
AS 15	Employee Benefits	Defined benefit: PUC method. Actuarial gains/losses recognised in P&L.
AS 16	Borrowing Costs	Capitalise borrowing costs for qualifying assets. Specific borrowings: actual cost less investment income.
AS 17	Segment Reporting	Business or Geographical segment. Reportable segment: revenue, result, or assets > 10% of totals.
AS 18	Related Party Disclosures	Disclose: nature of relationship, types of transactions, amounts, outstanding balances.
AS 19	Leases	Finance Lease: lessee capitalises asset and recognises lease liability. Operating Lease: rent to P&L on SLM basis.
AS 20	Earnings Per Share	Basic EPS = Net profit / Weighted average equity shares. Diluted EPS: adjust for dilutive instruments.
AS 21	Consolidated Financial Statements	Line-by-line consolidation of subsidiaries. Eliminate inter-company balances, transactions, unrealised profits.
AS 22	Accounting for Taxes on Income	Deferred Tax: timing differences. DTL always recognised. DTA: virtual certainty of future taxable income.
AS 26	Intangible Assets	Recognised if probable future benefits, reliable cost, identifiable. Amortise max 10 years. Research: expense. Development: capitalise if 6 conditions met (PIRATE).
AS 28	Impairment of Assets	Recoverable Amount = higher of VIU and Net Selling Price. Impairment Loss to P&L. Reversal permitted (except goodwill).
AS 29	Provisions, Contingent Liabilities & Contingent Assets	Provision: ALL 3 conditions. Contingent Liability: disclose only. Contingent Asset: disclose only if probable.

3.2 Deep-Dive Q&A — High-Frequency AS Topics

Q: AS 2 — What is Net Realisable Value (NRV) and how does it differ from fair value?

A: NRV is the estimated selling price in the ordinary course of business, LESS the estimated costs of completion and the estimated costs necessary to make the sale. It is entity-specific. Fair value, by contrast, is the price that would be received to sell an asset in an orderly transaction between market participants — a market-based concept.

Q: AS 22 — Explain DTA and DTL with a practical example.

A: DTL: Company uses WDV depreciation for Income Tax (high depreciation in early years = lower taxable income now) but SLM for books (higher accounting income now). This timing difference creates a DTL — tax will be higher in future years. DTA: A provision for doubtful debts is deducted in P&L this year, but is only allowed as a tax deduction when actually written off. Both are measured at the substantively enacted tax rate at the BS date.

Q: AS 29 — When do you create a Provision vs. disclose a Contingent Liability?

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A: A Provision is created when ALL three conditions are met: present obligation, probable outflow (>50%), reliable estimate. If ANY condition fails — particularly if outflow is only 'possible' — it becomes a Contingent Liability, disclosed in notes only. If the existence of an obligation is uncertain (remote), no disclosure is needed.

CHAPTER 4: INDIAN ACCOUNTING STANDARDS (IND AS)

IFRS-Converged Standards — Notified under Companies (Ind AS) Rules | ICAI Revised Overview 2023

Ind AS are converged with IFRS and notified under the Companies (Indian Accounting Standards) Rules. Phase-wise applicability: listed companies and unlisted public companies with net worth \geq ₹500 crore mandatorily follow Ind AS. Banks, NBFCs, and insurance companies follow separate roadmaps notified by RBI/IRDAI.

4.1 Key Ind AS — Interview Reference Table

Ind AS	Topic	Key Interview Points
Ind AS 1	Presentation of FS	Fair presentation; going concern; accrual; materiality. Complete set: BS, P&L + OCI, Cash Flows, Changes in Equity, Notes.
Ind AS 2	Inventories	Lower of cost and NRV. FIFO or Weighted Average. No LIFO.
Ind AS 7	Cash Flows	Broadly similar to AS 3. Financial entities: interest paid = operating.
Ind AS 8	Accounting Policies, Estimates & Errors	Policy changes: retrospective restatement. Estimate changes: prospective. Prior period errors: retrospective restatement.
Ind AS 10	Events After Reporting Period	Adjusting: adjust FS. Non-adjusting: disclose. KEY DIFFERENCE: Dividends declared after reporting date = non-adjusting.
Ind AS 16	Property, Plant & Equipment	Cost or Revaluation model. Component accounting mandatory. Depreciation over useful life — no prescribed rates. Residual value reviewed annually.
Ind AS 19	Employee Benefits	Defined benefit: PUC method. KEY DIFFERENCE: Actuarial gains/losses recognised in OCI (NOT P&L — contrast with AS 15).
Ind AS 21	Foreign Exchange Rates	Functional currency concept. Monetary at closing rate. Foreign operations translation: assets/liabilities at closing rate; P&L at transaction date rates; diff to OCI.
Ind AS 36	Impairment of Assets	Annual impairment test mandatory for goodwill and intangibles with indefinite useful life. Goodwill impairment NOT reversible.
Ind AS 37	Provisions, Contingent Liabilities & Assets	Same 3-condition recognition as AS 29. Contingent assets recognised when virtually certain.
Ind AS 38	Intangible Assets	Indefinite useful life possible (NO amortisation; annual impairment test instead). No 10-year cap unlike AS 26.
Ind AS 109	Financial Instruments	Classification: Amortised Cost, FVTOCI, or FVTPL. Impairment: Expected Credit Loss (ECL) model — 3-stage.
Ind AS 110	Consolidated Financial Statements	Control = power + exposure to variable returns + ability to use power. Full consolidation; NCI at fair value or proportionate share.
Ind AS 115	Revenue from Contracts with Customers	5-step model. Variable consideration subject to constraint. Replaces AS 9.
Ind AS 116	Leases	Lessee: single model — ROU Asset + Lease Liability for almost all leases. Exceptions: short-term (<12 months) and low-value assets.
Ind AS 12	Income Taxes	Temporary differences (not timing differences as in AS 22). Balance sheet approach: compares carrying amount with tax base.

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4.2 Deep-Dive: Ind AS 115 — Revenue Recognition (5-Step Model)

Q: Walk me through the 5-step Ind AS 115 revenue recognition model.

A: Step 1 — Identify the contract: approved by both parties, commercial substance, rights and payment terms identified, probable collection. Step 2 — Identify performance obligations: distinct goods or services promised. Step 3 — Determine transaction price: variable consideration (constraint applies). Step 4 — Allocate transaction price: relative stand-alone selling prices. Step 5 — Recognise revenue: at a point in time when control transfers, or over time if any criterion is met.

4.3 Deep-Dive: Ind AS 116 — Leases

Q: How does Ind AS 116 change lease accounting for lessees vs the old AS 19?

A: Under AS 19, only Finance Leases were capitalised; Operating Leases were simply expensed as rent. Under Ind AS 116, lessees must recognise a Right-of-Use (ROU) Asset and a corresponding Lease Liability for virtually ALL leases — eliminating off-balance-sheet financing for operating leases. The ROU asset is depreciated over the shorter of asset life or lease term, and interest on the lease liability is charged to P&L — resulting in front-loaded expenses. Practical expedients: short-term leases (<12 months) and leases of low-value assets (<USD 5,000 when new) are exempt.

4.4 Deep-Dive: Ind AS 109 — Financial Instruments & ECL Model

Q: Explain the 3-stage ECL model under Ind AS 109.

A: Stage 1 (Performing): Recognition of 12-month ECL. Interest income calculated on gross carrying amount. Stage 2 (Underperforming — significant increase in credit risk): Lifetime ECL recognised. Interest income still on gross carrying amount. Stage 3 (Credit-impaired — default or objective evidence of impairment): Lifetime ECL recognised. Interest income calculated on NET carrying amount.


CHAPTER 5: AS VS IND AS — COMPREHENSIVE COMPARATIVE TABLE

Most Frequently Asked in CA Articleship Interviews

Topic	AS (ICAI — Non-Ind AS)	Ind AS (IFRS-Converged)	Interview Insight
Inventory (AS 2 / Ind AS 2)	Lower of Cost and NRV; FIFO or WA; LIFO not permitted	Same — lower of cost and NRV; FIFO or WA; LIFO not permitted	No difference on valuation; emphasise NRV definition is entity-specific
Events After BS Date (AS 4 / Ind AS 10)	Dividends declared after year-end: provision sometimes required	Dividends declared after reporting period: non-adjusting — ONLY disclosed in notes	Key difference — Ind AS never creates liability for post-period dividends
Employee Benefits (AS 15 / Ind AS 19)	Actuarial gains/losses recognised in P&L in the period they arise	Actuarial gains/losses (re-measurements) recognised in OCI; NOT recycled to P&L	Ind AS: OCI — keeps P&L more stable; popular exam/interview question
Revenue (AS 9 / Ind AS 115)	Risk and rewards model for goods; proportionate/completed contract for services	5-step control-based model applicable to ALL contracts with customers	Ind AS 115 is comprehensive; AS 9 is simpler — very common interview comparison
Leases (AS 19 / Ind AS 116)	Finance vs Operating classification; Operating leases off-balance-sheet	Single lessee model: ROU Asset + Lease Liability for virtually all leases	Major impact: Ind AS 116 brings all leases on balance sheet — affects leverage ratios
Impairment (AS 28 / Ind AS 36)	Annual mandatory test only for goodwill; others when indicators present. Goodwill reversal not permitted; other assets — reversal permitted	Annual mandatory test for goodwill AND intangibles with indefinite useful life. Goodwill impairment never reversible	Both prohibit goodwill reversal; Ind AS goes further with indefinite life intangibles

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Topic	AS (ICAI — Non-Ind AS)	Ind AS (IFRS-Converged)	Interview Insight
Intangibles (AS 26 / Ind AS 38)	Maximum useful life 10 years (rebuttable); no indefinite life category	Indefinite useful life permitted; annual impairment test instead of amortisation; no 10-year cap	Ind AS allows brands with indefinite life — significant for brand-heavy companies
Financial Instruments (AS 13 / Ind AS 109)	Investments: current = lower of cost/FV; long-term = cost less permanent diminution. Incurred loss model	Classification: Amortised Cost/FVTOCI/FVTPL. ECL model — forward-looking 3-stage	Ind AS 109 is far more complex; ECL replaces the incurred loss model of AS 13
Government Grants (AS 12 / Ind AS 20)	Capital approach OR income approach; grants deducted from asset cost OR deferred income	Grants related to assets: deferred income OR deducted from asset cost. Cannot use capital reserve approach	Ind AS disallows taking grants directly to Capital Reserve
Consolidation (AS 21 / Ind AS 110)	Consolidation based on majority voting power (>50%) or control	Control = power + variable returns + ability to use power. Captures de-facto control even without majority stake	Ind AS 110 control definition is principles-based; captures SPEs, structured entities
Taxes (AS 22 / Ind AS 12)	Timing differences approach (P&L-centric); DTA on reasonable/virtual certainty	Temporary differences approach (balance sheet-centric); DTA on probability of future taxable profit	Balance sheet vs P&L approach is the key conceptual difference

 **Quick Memory Tip:** The most-asked AS vs Ind AS differences: (1) Dividends — post-period (AS 4 vs Ind AS 10), (2) Actuarial gains/losses — P&L vs OCI (AS 15 vs Ind AS 19), (3) Leases — operating off-B/S vs all on-B/S (AS 19 vs Ind AS 116), (4) Intangibles — 10-year cap vs indefinite life (AS 26 vs Ind AS 38).

CHAPTER 6: DIRECT TAXATION

TDS/TCS (IT Act 2025), Capital Gains, Advance Tax & Union Budget 2025-26

6.1 TDS — Key Sections, Thresholds & Rates (IT Act 2025 — Effective 01.04.2026)

Section (ITA 2025)	Nature of Payment	Threshold	Rate
392	Salary — estimated annual income	Basic exemption limit	Average Rate (Slab)
392(7)	EPF premature withdrawal	Rs. 50,000	10%
393(1) Sl.7	Insurance commission / remuneration	Rs. 20,000	Rates in Force
393(1) Sl.13	Commission / Brokerage (other than insurance)	Rs. 20,000	2%
393(1) Sl.14	Rent — Plant / Machinery / Equipment	Rs. 50,000/month	2%
393(1) Sl.14	Rent — Land / Building / Furniture	Rs. 50,000/month	10%
393(1) Sl.15	Transfer of immovable property (not agri. land)	Rs. 50,00,000	1%
393(1) Sl.16	Rent by Ind/HUF (non-audit) — year-end deduction	Rs. 50,000/month	2%
393(1) Sl.17	JDA — Monetary consideration	No threshold	10%
393(1)	Income from MF / Specified Units (not CG)	Rs. 10,000	10%

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Section (ITA 2025)	Nature of Payment	Threshold	Rate
393(1) Sl.20	Compensation on compulsory acquisition of property	Rs. 5,00,000	10%
393(1) Sl.1	Interest on securities (govt / debentures / bonds)	Rs. 10,000	Rates in Force
393(1) Sl.2	Dividend paid by domestic company	As applicable	Rates in Force
393(1) Sl.3	Interest — Bank / Co-op / Post Office	Rs. 1,00,000 (SC) / Rs. 50,000 (Others)	Rates in Force
393(1) Sl.3	Interest — Other persons	Rs. 10,000	Rates in Force
393(1) Sl.6	Payments to contractors / sub-contractors	Rs. 30,000 single / Rs. 1,00,000 aggregate	1% (Ind/HUF) / 2% (Others)
393(1)	Life insurance policy proceeds (taxable)	Rs. 1,00,000	2%
393(1) Sl.18	Professional services — doctors, CAs, lawyers	Rs. 50,000	10%
393(1) Sl.18	Technical services / FTS / Call centre	Rs. 50,000	2%
393(1) Sl.18	Royalty — patent, copyright, trademark	Rs. 50,000	10%
393(1) Sl.18	Director remuneration / sitting fees (non-salary)	No threshold	10%
393(1)	Ind/HUF (non-audit) — contract / professional / commission	Rs. 50,00,000	2%
393(1) Sl.27	E-commerce operator to participant / seller	Nil (no threshold)	0.1%
393(1) Sl.28	Senior citizen 75+ — bank computes and deducts TDS	As applicable	Slab Rate
393(1) Sl.29	Purchase of goods — buyer turnover > Rs. 10 Cr	Rs. 50,00,000 per seller/year	0.1%
393(1)	Benefit / perquisite from business or profession	Rs. 20,000	10%
393(1) Sl.8(v)	Transfer of VDA / Crypto / NFT	Nil	1%
393(1) Sl.4	Lottery / crossword / card games / betting / gambling	Rs. 10,000/txn	Rates in Force
393(1)	Online gaming winnings — net winnings basis	As prescribed	Rates in Force
393(1) Sl.5	Winnings from horse race	Rs. 10,000/txn	Rates in Force
393(1)	NSS / Sec 80CCA(2)(a) withdrawal	Rs. 2,500	10%
393(1) Sl.12	Commission on sale / distribution of lottery tickets	Rs. 20,000	2%
393(1) Sl.26	Cash withdrawal from bank / post office / co-op bank	Rs. 3 Cr (co-op) / Rs. 1 Cr (others)	2%
393(1)	Payment to partners — salary, interest, bonus, commission	Rs. 20,000/partner/year	10%
394	TCS — Tax Collected at Source (all categories)	As per Sec 394 table	As applicable

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IT Act 2025 (Effective 01.04.2026): All TDS provisions are now consolidated under Sections 392 (Salary TDS), 393 (All other TDS — residents & non-residents via table-based structure), and 394 (TCS). The earlier 30+ scattered sections (192 to 206CB) under ITA 1961 are replaced by a clean, unified framework. Key rate changes: 194H Commission reduced from 5% to 2%; 194IB Rent (Ind/HUF) reduced from 5% to 2%; 194M Ind/HUF payments reduced from 5% to 2%; 194O E-commerce reduced from 1% to 0.1%; 194G Lottery commission reduced from 5% to 2%. Section 194T (payment to partners @ 10%) is a new addition. Higher rate rules consolidated under Section 397. Default consequences under Section 398. Forms renumbered under IT Rules 2026 — Form 130 (old Form 16), Form 131 (old Form 16A), Form 140 (old Form 26Q), Form 141 (old Form 26QB), Form 168 (old Form 26AS/AIS).

6.2 Advance Tax — Instalments & Interest

Q: What is Advance Tax and who is liable to pay it?

A: Advance Tax is the payment of estimated tax liability in instalments during the financial year itself. Any individual or entity whose estimated tax liability exceeds ₹10,000 after deducting TDS must pay Advance Tax. Instalments: 15% by 15th June; 45% by 15th September; 75% by 15th December; 100% by 15th March. Senior citizens (≥60 years) not having business/professional income are exempt.

Q: What is Section 234A, 234B, and 234C?

A: Section 234A: Interest for delay in filing return — 1% per month or part from the due date until actual filing date, on the tax payable. Section 234B: Interest for default in advance tax payment — 1% per month from 1st April of the assessment year until assessment/payment, where less than 90% of assessed tax is paid as advance tax. Section 234C: Interest for deferment of individual advance tax instalments — 1% per month for 3 months for shortfall in June/September/December instalments; 1% per month for 1 month for March instalment shortfall.

6.3 Capital Gains — Post Finance Act 2024 / Budget 2025-26

Asset Type	Short-Term Period	STCG Rate	LTCG Rate	Notes
Listed Equity / Equity MF	≤12 months	20% (w.e.f. 23 Jul 2024)	12.5% above ₹1.25 lakh exemption	Indexation removed for equity LTCG
Debt MF / Unlisted Bonds	All gains	Slab rates	Slab rates	LTCG benefit removed w.e.f. Apr 2023
Immovable Property	≤24 months	Slab rates	12.5% without indexation OR 20% with indexation (option for pre-23-Jul-2024 property)	Major Budget 2024 change
Unlisted Shares	≤24 months	Slab rates	12.5%	Indexation removed
Other Capital Assets	≤24/36 months	Slab rates	20% with indexation	Varies by asset class

6.4 Union Budget 2025-26 — Key Highlights

New Tax Regime Slabs (Default Regime — AY 2026-27)

Income Range	Tax Rate (New Regime — AY 2026-27)
Up to ₹4 lakh	NIL
₹4 lakh – ₹8 lakh	5%
₹8 lakh – ₹12 lakh	10%
₹12 lakh – ₹16 lakh	15%
₹16 lakh – ₹20 lakh	20%
₹20 lakh – ₹24 lakh	25%
Above ₹24 lakh	30%

Key Budget 2025-26 Changes

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- No income tax up to ₹12 lakh (₹12.75 lakh for salaried with ₹75,000 standard deduction) under Section 87A rebate mechanism.
- Standard Deduction under New Regime increased to ₹75,000 (from ₹50,000).
- New Tax Regime remains default; Old Regime available by opt-in at time of filing.
- Updated Return (ITR-U): window extended to 4 years (from 2 years) from end of relevant assessment year.
- Angel Tax abolished — Section 56(2)(viib) removed, benefiting start-up ecosystem.
- Vivad Se Vishwas Scheme 2.0 extended for resolution of pending direct tax disputes.
- TDS threshold on interest for Senior Citizens doubled.
- LTCG exemption limit under Section 112A increased to ₹1.25 lakh (from ₹1 lakh).

CHAPTER 6A: INCOME TAX ACT 2025 — NEW FRAMEWORK

Effective from 1 April 2026 | Replaces Income Tax Act 1961

⚠ CRITICAL FOR INTERVIEWS: The Income Tax Act 2025 received Presidential assent on 21 August 2025 and comes into effect from 1 April 2026. Questions on this new Act will be highly relevant in CA interviews from mid-2025 onwards.

Background & Overview

Why was ITA 2025 introduced? The Income Tax Act 1961, enacted for a different economic era, had grown into an unwieldy statute through 60+ years of amendments — accumulating over 819 sections, ~1,200 provisos, and ~900 explanations. The government undertook a comprehensive overhaul to modernise India's direct tax system, simplify compliance, and reduce litigation.

Legislative Journey: Original Bill introduced in Lok Sabha on 13 February 2025. Referred to a Select Committee chaired by MP Baijyant Panda. Committee submitted 285+ recommendations; 32 considered significant. Government withdrew the original bill on 8 August 2025, introduced revised version on 11 August 2025. Presidential assent received on 21 August 2025.

Effective Date: 1 April 2026. Applicable for Tax Year 2026-27 onwards. Returns filed before this date remain valid under ITA 1961.

6A.1 Structure Comparison: ITA 1961 vs ITA 2025

Feature	Income Tax Act 1961 (Old)	Income Tax Act 2025 (New — Effective April 2026)
Total Sections	819+ sections	536 sections (reduced by ~35%)
Total Chapters	47 chapters	23 chapters
Schedules	Limited	16 schedules
Provisos/Explanations	~1,200 provisos + ~900 explanations	Significantly reduced — absorbed into plain language
Year Concepts	'Previous Year' + 'Assessment Year' (two separate concepts)	'Tax Year' (single unified concept: 1 April to 31 March)
TDS Sections	60+ sections (Sec 192–194T) under ITA 1961 — now replaced by 3 consolidated sections: Sec 392 (Salary TDS), Sec 393 (Other TDS), Sec 394 (TCS)	3 consolidated sections: Sec 392 (Salary TDS), Sec 393 (Other TDS), Sec 394 (TCS)
Capital Gains	Sections 45–55A scattered across Act	Clause 67 defines capital gains; Clauses 196–198 split tax treatment across asset types
Digital Assets (VDA)	Taxation exists but limited definition	Expanded VDA definition including cryptocurrencies, NFTs, and notified digital assets

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Feature	Income Tax Act 1961 (Old)	Income Tax Act 2025 (New — Effective April 2026)
Faceless Assessment	Introduced in later amendments — partial	Extended to more processes: scrutiny, reassessment, appeals — digital-first as norm
Search & Access	Physical access to books, electronic documents	Expanded: access to emails, cloud storage, social media, digital trading platforms during search
Dispute Resolution Panel	Available; directions without detailed reasons	DRP must issue directions WITH points of determination AND reasons (improved transparency)
Effective Date	In force (up to FY 2025-26)	1st April 2026 (for Tax Year 2026-27 onwards)

6A.2 Key Changes — Detailed Analysis

Change Area	What Changed in ITA 2025	Student Note
Tax Year Concept	Eliminates 'Previous Year' and 'Assessment Year'; replaces with single 'Tax Year' (1 April to 31 March)	Simplifies understanding — no more confusion about PY vs AY distinction in exam answers for post-2026 assessments
TDS Consolidation	60+ TDS sections consolidated to just 3: Sec 392, 393, 394; structured tables for rates, thresholds, conditions	Easier lookup during compliance; reduces deductor errors in TDS certificates
HRA Disclosure	If annual rent exceeds ₹1 lakh and paid to family members (parents/spouse/siblings), relationship must be disclosed in Form 124 (new form replacing 12BB)	New compliance requirement for salaried individuals claiming HRA from FY 2026-27
Company Buyback Taxation	Buyback proceeds previously taxed as dividend income; now treated as Capital Gains	Change in tax characterisation — impacts tax rate applicable and reporting
Dividend/MF Interest Deduction	Previously: 20% deduction on interest expense for dividend/MF income (Sec 57). ITA 2025 Section 93(2): NO deduction allowed for interest incurred to earn dividend or MF income	Increases taxable income for passive investors; important for high-net-worth individuals
Anonymous Donations	Restrictions on anonymous donations to religious trusts tightened; purely religious AND religious-cum-charitable trusts exempt from 30% tax on anonymous donations	Original Feb 2025 Bill had an error — Select Committee corrected it to restore both categories
Revised Return	Section 263 of ITA 2025 allows taxpayers to revise an original or belated return to correct omissions or errors	Extended facility for error correction — student-friendly provision
VDA / Digital Assets	Virtual Digital Assets now explicitly recognised in various sections; broader definition includes crypto, NFTs, and government-notified digital assets	Aligned with Budget 2022 VDA taxation framework; wider scope ensures more transactions are captured
Enforcement Access	Tax authorities can access virtual digital spaces — emails, cloud, social media, digital trading platforms during search proceedings	Important for tax practitioners advising HNIs with significant digital asset holdings
HRA Metro Cities	Eight cities qualify for 50% HRA exemption: Mumbai, Delhi, Kolkata, Chennai, Hyderabad, Pune, Ahmedabad, Bengaluru	Hyderabad, Pune, Ahmedabad, Bengaluru now INCLUDED in 50% category (up from 4 cities under the old practical interpretation)

6A.3 What Remains Unchanged

- Tax rates, slabs, and capital gains rates remain as announced in recent Budgets — ITA 2025 is a structural overhaul, NOT a rate change.
- Deductions (80C, 80D, HRA, standard deduction, etc.) remain unchanged in substance.
- Residential status criteria (ROR, RNOR, NR) remain the same.

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- Offences and penalties remain unchanged.
- Global income taxability for ROR residents remains intact.
- TDS/TCS structure is reorganised under Sections 392, 393, 394 with table-based lookup. Key rate reductions: 194H, 194IB, 194M, 194G reduced from 5% to 2%; 194O reduced from 1% to 0.1%. New Section 194T for partner payments @ 10%. Thresholds for 194K (Rs. 5,000 → Rs. 10,000), 194LA (Rs. 2,50,000 → Rs. 5,00,000) have been increased.

6A.4 Income Tax Act 2025 — Interview Q&A

Q: What is the 'Tax Year' concept under the Income Tax Act 2025?

A: Under ITA 2025, 'Tax Year' replaces the dual concepts of 'Previous Year' (income earning year) and 'Assessment Year' (tax filing year) from ITA 1961. Tax Year is a single unified period of 12 months commencing from 1st April — the period for which an individual or entity's income is computed for taxation purposes. This simplification eliminates confusion that arose from the PY/AY distinction and aligns India's framework with international practice.

Q: How has TDS been consolidated under ITA 2025?

A: ITA 1961 had over 60 TDS sections (Section 192 to 194T), each with its own format, thresholds, and exceptions — a major source of deductor error and audit exposure. ITA 2025 consolidates this into 3 sections: Section 392 covers salary TDS; Section 393 covers TDS for residents, non-residents, and any person through structured tables with Sl.1 to Sl.29; Section 394 covers TCS. Key rate changes include: 194H Commission/Brokerage reduced from 5% to 2%; 194IB Rent (Ind/HUF) from 5% to 2%; 194M from 5% to 2%; 194O E-commerce from 1% to 0.1%; 194G Lottery commission from 5% to 2%. Section 194T (payment to partners @ 10%) is a new addition. Higher rate rules are unified under Section 397, and default consequences under Section 398. All TDS forms are renumbered under IT Rules 2026.

Q: What are the major changes for salaried individuals under ITA 2025?

A: Key changes include: (1) HRA disclosure requirement — if annual rent exceeds ₹1 lakh and paid to family members (parents/spouse/siblings), the taxpayer must disclose the relationship in new Form 124; (2) Eight metro cities now qualify for 50% HRA exemption — Mumbai, Delhi, Kolkata, Chennai, Hyderabad, Pune, Ahmedabad, and Bengaluru; (3) Commuting expenses incurred or reimbursed by employers (not just vehicles provided directly) are now excluded from taxable perquisites.

Q: How does ITA 2025 treat company buybacks differently?

A: Under ITA 1961 Section 2(40)(f), amounts received by shareholders during a company buyback were treated as dividend income. Under ITA 2025, buyback proceeds are reclassified and taxed under Capital Gains instead of as dividend income. This changes the applicable tax rate and reporting for shareholders participating in buyback schemes.

Q: What is the significance of the VDA changes in ITA 2025?

A: ITA 2025 expands the definition of Virtual Digital Assets to explicitly include cryptocurrencies, NFTs, and other digital assets notified by the government. Additionally, the Act broadens enforcement powers — during search and seizure proceedings, tax authorities can now access virtual digital spaces including emails, cloud storage, social media accounts, and digital trading platforms if relevant to an investigation, in addition to physical books and records.

 For interviews from 2025-26 onwards: Always be prepared to discuss BOTH ITA 1961 provisions AND the ITA 2025 equivalent — interviewers from Big 4 and mid-tier firms will increasingly ask about the transition and key differences. Refer to the official utility at incometaxindia.gov.in to check provisions of ITA 1961 vis-à-vis ITA 2025.

CHAPTER 7: GST — CGST / IGST / UTGST ACTS

ITC | RCM | Compliance | CBIC — Updated 2025

The GST framework comprises four Acts: CGST Act 2017 (central tax — intra-state), IGST Act 2017 (integrated tax — inter-state and imports), UTGST Act 2017 (Union Territory tax), and GST (Compensation to States) Act 2017. The 101st Constitution Amendment Act 2016 provided the constitutional foundation.

7.1 CGST Act — Foundational Sections

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Q: What is the scope of 'supply' under CGST Act Section 7?

A: Section 7 defines 'supply' broadly to include all forms of supply made for a consideration in the course or furtherance of business — sale, transfer, barter, exchange, licence, rental, lease, or disposal. Schedule I: transactions deemed supply even WITHOUT consideration (permanent transfer of business assets on which ITC was availed; supply between distinct persons). Schedule II: activities classified as goods or services. Schedule III: activities outside the scope of supply (e.g., services by employee to employer, sale of land/completed building).

Q: What is the difference between Composite Supply and Mixed Supply?

A: Composite Supply: a supply made in conjunction with each other in the ordinary course of business where one is the principal supply. Tax rate: rate of principal supply. Mixed Supply: two or more individual supplies that are not naturally bundled. Tax rate: rate of the supply with the HIGHEST tax rate.

7.2 Input Tax Credit (ITC) — Section 16 to 21

Q: What are the 4 mandatory conditions for claiming ITC (Section 16)?

A: All four must be met: (1) Registered person must be in possession of a valid tax invoice, debit note, or other prescribed document. (2) Receipt of goods or services (or both). (3) Tax actually charged by supplier and paid to the government — reflected in GSTR-2B. (4) Return has been filed (GSTR-3B). Additional restriction: ITC on capital goods cannot be claimed if depreciation on the GST component has been claimed under Income Tax Act. Time limit: 30th November of the following financial year or the date of filing annual return (GSTR-9), whichever is earlier.

Q: What is Section 17(5) — Blocked Credits?

A: Section 17(5) lists absolute blocks on ITC: (1) motor vehicles and other conveyances (exceptions: for resale, transportation of goods, transportation of passengers); (2) food & beverages, outdoor catering, beauty treatment (exceptions if used for same category of outward taxable supply); (3) membership of clubs/health centres/fitness centres; (4) travel benefits to employees on vacation (LTA); (5) works contract services for construction of immovable property (unless for further supply of same); (6) goods/services for construction of immovable property for own account.

Q: What is Reverse Charge Mechanism (RCM) under Section 9(3) and 9(4)?

A: Under RCM, the liability to pay GST shifts from supplier to recipient. Section 9(3) — Notified categories where RCM always applies: GTA services (5%), legal services by individual advocate to business entity, sponsorship services to body corporate/partnership, director services to company/LLP, import of services, security services. Section 9(4) — Supply from unregistered persons to registered persons in notified categories. Under RCM: recipient must issue a self-invoice, pay GST in cash, and can claim ITC in the subsequent tax period after actual payment.

Q: What is the difference between GSTR-2A and GSTR-2B?

A: GSTR-2A is a dynamic, auto-populated statement that updates in real-time as suppliers file their GSTR-1. It shows all inward supplies from registered suppliers and is used for reconciliation. GSTR-2B is a static, auto-drafted ITC statement generated on a fixed date each month (14th of the following month). ITC is claimable only to the extent reflected in GSTR-2B (amended by Finance Act 2021/2022 — restricting ITC to GSTR-2B only).

7.3 GST Compliance Calendar

Return	Periodicity	Due Date	Purpose
GSTR-1	Monthly (>₹5 Cr turnover)	11th of next month	Outward supplies details
GSTR-1	Quarterly (QRMP scheme ≤₹5 Cr)	13th of month after quarter	Outward supplies (quarterly filers)
IFF	Monthly (QRMP filers only)	13th of month 1 & 2 of quarter	Optional B2B invoice reporting
GSTR-3B	Monthly (>₹5 Cr or opted)	20th of next month	Summary return + tax payment
GSTR-3B	Quarterly (QRMP)	22nd/24th (Category A/B states)	Summary return — quarterly

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Return	Periodicity	Due Date	Purpose
GSTR-4	Annual (Composition dealers)	30th June of next FY	Composition scheme annual return
GSTR-7	Monthly (TDS deductors)	10th of next month	TDS under GST
GSTR-8	Monthly (TCS — e-commerce operators)	10th of next month	TCS collection by ECOs
GSTR-9	Annual	31st December of next FY	Annual return
GSTR-9C	Annual (>₹5 Cr turnover)	31st December of next FY	CA/CMA certified reconciliation statement

GSTR-9C is mandatory for registered persons with aggregate turnover exceeding ₹5 crore. It reconciles audited annual turnover (per books) with GST returns. Late fee for delayed filing of GSTR-9 is applicable under Section 47 of the CGST Act.

7.4 Recent GST Amendments (2024-2025)

- Section 128A inserted: Conditional waiver of interest/penalty for demands under Section 73 for FY 2017-18 to FY 2019-20.
- TCS rate under Section 52 (e-commerce operators) reduced from 1% to 0.5% w.e.f. 10th July 2024.
- GSTR-4 due date for composition taxpayers extended from 30th April to 30th June of the following FY.
- 55th GST Council Meeting (December 2024): Clarifications issued on various rate classification matters; certain exemption notifications amended.

CHAPTER 8: COMPANIES ACT 2013

Key Sections for CA Articleship Interviews

8.1 Audit-Related Sections

Section	Topic	Key Points
Section 139	Appointment of Auditor	Term: 5 years. Listed companies: mandatory rotation every 10 years (individual) / 2 terms (firms). Board recommends; shareholders approve at AGM.
Section 143	Powers & Duties of Auditor	Right of access to books & records at all times. Must report on: true & fair view; proper books kept; AS/Ind AS compliance; IFC adequacy (listed companies); CARO matters; frauds observed.
Section 144	Prohibited Services for Auditor	Statutory auditor CANNOT provide (to company or holding/subsidiary): accounting/bookkeeping, internal audit, design/implementation of financial information systems, actuarial services, investment advisory, management services. Ensures independence; prevents self-review threats.
Section 145	Auditor to Sign Audit Report	Only the auditor (individual/partner responsible for audit) shall sign the audit report and the documents forming part of financial statements.
Section 147	Punishment for Contravention	Auditor who knowingly makes a false statement: imprisonment up to 1 year + fine. Fraud by auditor: imprisonment up to 10 years + fine (at least 3 times the fraud amount). Negligence: refund of remuneration + civil damages.
Section 177	Audit Committee	Mandatory for listed companies + certain prescribed unlisted public companies. Minimum 3 directors; 2/3 must be independent directors.

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Section	Topic	Key Points
		Chairperson must be independent. Reviews FS, internal audit, internal controls, related party transactions, auditor independence.
Section 138	Internal Audit	Certain classes must appoint an internal auditor. May be CA, CMA, or other professional. Reports to Audit Committee or Board.
Section 148	Cost Audit	Central Government may order cost audit for specified industries/products. Cost auditor must be a CMA. CARO 2020 Clause 6 requires auditors to report on maintenance of cost records.

8.2 Corporate Governance & Other Key Sections

Q: What are the applicability thresholds and requirements for CSR under Section 135?

A: Applicable to: net worth \geq ₹500 Cr OR turnover \geq ₹1,000 Cr OR net profit \geq ₹5 Cr in preceding year. Spend: 2% of average net profits of last 3 FYs. CSR Committee: min. 3 directors (including \geq 1 independent director). Unspent CSR for ongoing projects: transfer to special account within 30 days of FY end; spend within 3 years or transfer to PM National Relief Fund. Other unspent amounts: transferred to specified funds within 6 months of FY end.

Q: What does Section 186 govern about Loans and Investments by Companies?

A: A company may make investments/give loans/guarantees/security subject to Board + shareholder (special resolution) approval. Cap: 60% of paid-up capital + free reserves + securities premium, OR 100% of free reserves + SP, whichever is higher. Loans must be at a rate \geq prevailing bank lending rate.

8.3 Schedule III — Financial Statement Format Amendments (April 2022)

- Trade Payables Ageing Schedule: Separate ageing for outstanding for <1 year, 1–2 years, 2–3 years, and >3 years — for disputed and undisputed amounts.
- Trade Receivables Ageing Schedule: Similar age-wise breakup.
- Crypto/Virtual Digital Assets: Companies must disclose investments in VDA and associated profit/loss.
- Ratio Analysis: Companies must disclose key financial ratios with explanations for significant variances — current ratio, debt-equity ratio, ROE, inventory turnover, debtor turnover, creditor turnover, net profit margin, ROCE, net capital turnover, ROI, DSCR.
- Undisclosed Income: Disclosure whether any transactions not recorded in books were surrendered during Income Tax assessment.
- Wilful Defaulter Status: Disclosure whether company is declared a wilful defaulter by a bank/financial institution.
- Relationship with Struck-Off Companies: Disclosure of transactions with companies struck off under Section 248.

 These Schedule III changes are directly linked to CARO 2020 requirements — showing convergence between MCA's corporate governance agenda and auditor reporting obligations.

CHAPTER 9: EXCEL & MIS SKILLS

Practical Tools Tested in CA Articleship Interviews

Function / Tool	Purpose	Interview Application
VLOOKUP / XLOOKUP	Lookup value in a table	Match TDS deducted (salary register) with TDS certificates — cross-verify Form 26AS data. XLOOKUP is the modern, more flexible replacement.
INDEX-MATCH	Flexible 2D lookup	Faster alternative to VLOOKUP; can look left; preferred for large audit schedules and pivot analyses.
SUMIF / SUMIFS	Conditional sum	Sum invoices by vendor, by GST code, or by period range for GST reconciliation. SUMIFS for multiple criteria.

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Function / Tool	Purpose	Interview Application
COUNTIF / COUNTIFS	Conditional count	Count journal entries above materiality threshold; count invoices per vendor category per month.
PIVOT TABLE	Summarise large datasets	Summarise purchases by vendor; analyse debtors ageing; analyse GST HSN-wise returns vs GSTR-2B.
IF / IFS / Nested	Logical decisions	Flag invoices where GST amount does not reconcile within tolerance; categorise ageing buckets.
TEXT / DATE functions	Format & extract dates	Calculate ageing of debtors: =TODAY()-Invoice Date; extract month/year from invoice date for period analysis.
IFERROR	Error handling	Prevent VLOOKUP #N/A errors in comparison schedules; ensure clean output in MIS reports.
Power Query	Data cleaning & transformation	Import and clean large vendor data, pivot GSTR-2A downloads, reconcile multiple Excel sheets automatically.
Conditional Formatting	Visual flags	Highlight negative variances in budget vs actual, overdue receivables, large journal entries above threshold.

Q: What is an MIS report and what does it typically contain in an audit/tax context?

A: Management Information System (MIS) reports summarise financial and operational data for management decision-making. In an audit context: month-wise revenue and expense comparatives, debtor/creditor ageing reports, bank reconciliation summaries, budget vs actuals variance analysis, GST input-output summaries, TDS deposit compliance trackers, trial balance analytics. In tax: tax computation summaries, advance tax deposit tracker, TDS reconciliation with Form 26AS. A well-presented MIS report uses clear headings, conditional formatting for exceptions, and trend charts.

CHAPTER 10: LAST-MINUTE TIPS & REVISION CHECKLIST

Prepare Smart. Present Confidently.

10.1 Top 10 Tips to Ace Your CA Articleship Interview

1. Know at least 3 Auditing Standards (SAs) in depth — SA 200, SA 315, SA 700 series — with practical application examples and real-world scenarios.
2. Prepare 2 favourite Accounting Standards (one AS and one Ind AS) and be ready for a live case study question or numerical example.
3. Stay updated: read Economic Times or Inshorts daily + ICAI notifications and MCA circulars weekly. Be ready to discuss one recent development, including the new Income Tax Act 2025.
4. Practice explaining technical concepts simply — interviewers test whether you can teach a concept, not just recite it.
5. Know CARO 2020 clause-by-clause — particularly the new clauses added vs CARO 2016. Have 2–3 clauses ready to discuss with practical audit procedures.
6. Know Budget 2025-26 highlights — new regime slabs, capital gains changes, TDS rationalisation — AND be prepared to discuss the structural changes under Income Tax Act 2025 (effective April 2026).
7. Prepare your 'weakness' answer carefully — it should be genuine, self-aware, with a concrete improvement action already in progress.
8. Research the firm before the interview — their sectors, notable clients, recent news, ranking, culture, and any recent regulatory actions or awards.
9. Be confident about what you don't know — say 'I am not fully certain, but my understanding is...' rather than guessing. Honesty is respected in CA interviews.
10. Maintain professional attire, firm eye contact, upright posture, and clear articulate speech — first impressions matter as much as technical content.

10.2 Revision Checklist

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◆ HR Round

- Self-introduction (2 min max — structured: Name, level cleared, strengths, interest area)
- Why CA / Why this firm (Big 4 vs Mid-tier — know your answer)
- Strengths, weaknesses (genuine + improvement action), 5-year plan

◆ Audit

- SA 200, 210, 230, 240, 315, 320, 530, 570, 700 series — know well
- CARO 2020 — all 21 clauses overview; new vs CARO 2016
- Types of audit opinions — Unmodified, Qualified, Adverse, Disclaimer
- IFC audit basics — Section 143(3)(i)
- KAMs vs EOM — SA 701 vs SA 706

◆ Accounting Standards (AS)

- AS 2, 9, 10, 14, 16, 22, 26, 28, 29 in depth
- AS vs Ind AS: dividends (AS 4 vs Ind AS 10), actuarial gains (AS 15 vs Ind AS 19), leases (AS 19 vs Ind AS 116), intangibles (AS 26 vs Ind AS 38)
- Ind AS 115 — 5-step model (all steps with examples)
- Ind AS 116 — ROU Asset, Lease Liability measurement
- Ind AS 109 — ECL 3-stage model, classification of financial instruments

◆ Direct Taxation (ITA 1961 + ITA 2025)

- TDS under IT Act 2025: Sec 392 (Salary), Sec 393 (All TDS — table-based), Sec 394 (TCS) with updated thresholds and rates
- ITA 2025: 'Tax Year' concept, Section 392/393/394 TDS consolidation, HRA changes, buyback taxation
- Advance Tax instalments: 15%/45%/75%/100% with due dates
- Budget 2025-26: new regime slabs, ₹12 lakh nil tax, standard deduction ₹75,000
- Capital gains post-Finance Act 2024: 20% STCG equity, 12.5% LTCG equity

◆ GST

- Section 7 — supply definition; Schedules I, II, III
- Section 17(5) — blocked credits (memorise the list)
- Section 16 — ITC conditions (4 conditions + time limit)
- RCM — Section 9(3) vs 9(4); self-invoicing; ITC on RCM
- GSTR filing due dates — GSTR-1, 3B, 9, 9C
- GSTR-2B vs GSTR-2A difference

◆ Companies Act

- Sections 135, 138, 139, 143, 144, 147, 177 — all audit-critical
- Section 164 — director disqualifications
- Schedule III amendments 2022 — ageing, ratios, VDA disclosures

◆ Excel

- VLOOKUP / XLOOKUP + INDEX-MATCH — when to use which
- SUMIFS / COUNTIFS — practical GST/TDS reconciliation use cases
- Pivot Tables — ageing, vendor-wise summary, HSN-wise GST

10.3 Official Resources

- ICAI Accounting Standards: icai.org/post/accounting-standards-as-on-1stfeb2022
- Income Tax Act 2025 (Effective April 2026): incometaxindia.gov.in/income-tax-act-20251
- ITA 1961 vs ITA 2025 Utility: incometaxindia.gov.in/utility-to-check-provisions-of-income-tax-act-1961-vis-a-vis-income-tax-act-2025
- Income Tax Rules 2026: incometaxindia.gov.in (notified March 2026)
- CBIC GST Acts (CGST/IGST/UTGST): cbic-gst.gov.in/gst-acts.html
- MCA / Companies Act 2013: mca.gov.in

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- Income Tax Department: incometaxindia.gov.in
- GSTN Portal: gst.gov.in
- etaxsave.com (Interview Q&A + Resources): etaxsave.com/ca-articleship-interview-questions/

Best of luck for your CA Articleship Interview!

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