

## Announcement: FCMITDA

### Presentation of Foreign Currency Monetary Item Translation Difference Account

- In the year 2009, the Ministry of Corporate Affairs amended Accounting Standard (AS) 11, *The Effects of Changes in Foreign Exchange Rates* by inserting Paragraph 46. As per Paragraph 46, in respect of accounting periods commencing on or after 7<sup>th</sup> December, 2006 and ending on or before 31<sup>st</sup> March, 2011, at the option of the enterprise, exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, insofar as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset, and in other cases, can be accumulated in a “Foreign Currency Monetary Item Translation Difference Account” in the enterprise’s financial statements and amortised over the balance period of such long-term asset/liability but not beyond 31<sup>st</sup> March, 2011, by recognition as income or expense in each such periods.
- On 29<sup>th</sup> December, 2011, the MCA, through the Companies (Accounting Standards) Amendment Rules, 2011, further extended the date of amortisation of the balance in the FCMITDA to 31<sup>st</sup> March, 2020 instead of 31<sup>st</sup> March, 2011. The MCA on December 29, 2011, inserted paragraph 46A in the AS 11, *The Effects of Changes in Foreign Exchange Rates* through Companies (Accounting Standards) (Second Amendment) Rules, 2011, on similar lines as paragraph 46.
- As in the Revised Schedule VI format, no line item has been specified for the presentation of “Foreign Currency Monetary Item Translation Difference Account (FCMITDA)”, the Council of the Institute at its 324<sup>th</sup> meeting held on March 24-26, 2013 at New Delhi, considered the issue regarding the presentation of the FCMITDA in the balance sheet.
- The Council noted that the Framework on Preparation and Presentation of Financial

Statements issued by ICAI, defines an asset as follows:

*“An asset is a resource controlled by the enterprise as a result of past events from which future economic benefits are expected to flow to the enterprise.”*

Where the balance in FCMITDA represents foreign currency translation loss, it does not meet the above definition of ‘asset’ as it is neither a resource nor any future economic benefit would flow to the entity therefrom. Accordingly, such balance cannot be reflected as an asset.

**Accordingly, the Council decided that debit or credit balance in FCMITDA should be shown on the “Equity and Liabilities” side of the balance sheet under the head ‘Reserves and Surplus’ as a separate line item.**

- The aforesaid decision of the Council supersedes the following Frequently Asked Question on AS 11 notification – Companies (Accounting Standards) Amendment Rules, 2009 (G.S.R. 225 (E) dt. 31.3.09) issued by Ministry of Corporate Affairs on May 18, 2009, which was issued by the Accounting Standards Board of ICAI on May 18, 2009:

*“(14) How ‘Foreign Currency Monetary Item Translation Difference Account’ should be presented in the Balance Sheet?”*

#### *Response*

The ‘Foreign Currency Monetary Item Translation Difference Account’ should be shown as a separate line item in the Balance Sheet, in line with treatment given to Deferred Tax Asset/Liability, i.e. after the head ‘Investments’ or after the head ‘Unsecured Loans’ as the case may be and separately from current assets and current liabilities.” ◀

## Study Tour: Sydney & Melbourne

### ICAI STUDY TOUR TO SYDNEY AND MELBOURNE SEPTEMBER 18-23, 2013

Australia and India have enjoyed a special bonding in terms of their move to a regional economic operation and in terms of services sector in general and accountancy sector in particular. Both countries share common cultural

and linguistic ties as both are part of the Commonwealth of Nations. The Institute of Chartered Accountants of India (ICAI) has recently signed Memorandum of Understanding (MOU) with CPA Australia and

the Institute of Chartered Accountants of Australia (ICAA). These MoUs will provide an ample opportunity and recognition to Indian Chartered Accountants in Australia.

In order to promote member to member and firm to firm contact so as to understand the economic and regulatory environment and better understanding of the economic opportunities and to tap the vast market existing for Chartered Accountants in Australia; the International Affairs Committee of ICAI will be undertaking the tour to selected cities of Australia during **18-23 September, 2013** for members, on self financing basis. The Study Tour is a mix of business meetings and networking.

The study tour would seek to hold discussions with counterpart organisations, stakeholders, members etc. and will have the following basic objectives:-

- Build sustainable capacity by providing participants an opportunity to see and interact with various officials in respective countries
- Facilitate understanding and steps towards networking of the accounting firms in India and respective countries
- Seek association for the research and developmental activities of the Institute in different fields
- Discuss the issues of qualification and ways to facilitate cooperation at firm level
- Develop an understanding to help trade and industry in the respective countries and facilitate inter-country trade and investment

Since, the delegation size would be limited to 50, **registration for the study tour would be on first-come-first-serve basis and ICAI reserves the right to finalise the composition of the delegation.** The package would include the following:

- Economy Class Airfare with applicable taxes Ex-New Delhi
- Visa cost
- All accommodation on twin sharing basis in 4 star hotels or similar to cut down on costs
- All meals (Indian): Breakfast, Lunch and Dinner.
- All transfers by private A/C coach
- Sight seeing activities in Sydney and Melbourne
- Cost of all entrance tickets / fees for the above mentioned sightseeing tours.
- Services of local tour guide and/or tour escort
- All current applicable Hotel & Government Taxes

Complete details reading the itinerary and the amount to be paid will be uploaded on the website [www.icai.org](http://www.icai.org) shortly. The interested members (spouses are allowed) may write to us at [ia@icai.in](mailto:ia@icai.in) for any further information.

**For further details, please contact:**

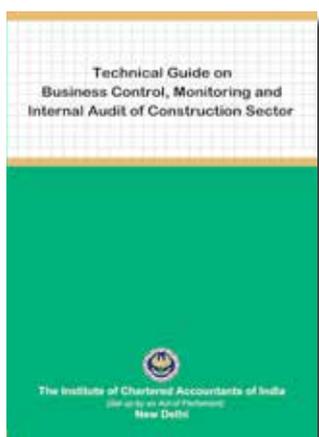
Secretariat of the International Affairs Committee, The Institute of Chartered Accountants of India, ICAI Bhawan, PB No. 7100, Indraprastha Marg, New Delhi – 110 002, India. Ph +91 11 30110443,448, 39893989 (Extn. 443,448), Fax +91 11 30110591.

**New Publications**

**Technical Guide on Business Control, Monitoring and Internal Audit of Construction Sector**

**Price:**  
₹250/-

**Pages:**  
276 (including initial pages)



The construction industry in India has been witness to a strong growth wave powered by large spends on housing, road, ports, water supply and airport development. With scale comes complexity, as the global industry and number of

players are ever increasing, players navigate a tough political, commercial, regulatory and governance environment, which will test their risk management ability to the maximum extent. As a result, the roles and responsibilities of the members working as internal auditors in construction industry has assumed considerable significance.

1. Keeping this in view, the Internal Audit Standards Board had issued “*Technical Guide on Internal Audit of Construction Industry*” in 2010 that comprehensively dealt with the peculiar aspects of construction industry and provided a step-wise approach for internal audit. In recent times, a number of developments have taken place impacting the construction industry in the country.

Considering this, the Internal Audit Standards Board has issued this “*Technical Guide on Business Controls, Monitoring and Internal Audit of Construction Sector*” which covers more elaborate guidance on internal audit and also covers business controls and monitoring aspects. The focus of this Guide is civil contracting firms, i.e., those organisations which undertake the construction activity on contractual basis; however, it is also relevant for real estate developers and long term infrastructure players.

#### Salient Features of Technical Guide:

- Describes evolution, benefits, special features, major challenges faced by the construction industry.
- Provides guidance on statutory laws applicable to the industry.
- Provides guidance on aspects involved in various stages of construction industry, such as, tendering, site mobilisation, project execution, project completion with more focus of functional departments like, engineering, stores, human resources, accounts, etc.

- Contains internal controls checklist for various processes.
- Explains detailed procedures to be undertaken by the internal auditors.
- Includes flowcharts to help the readers in understanding the construction environment.
- The Guide also comes with a CD of the entire Guide to ensure ease of reference and reusability.

#### Ordering Information

The publication can be purchased online. Please refer link: <http://www.icai.org/publications.html>. The publication is also available at the sales counters of the Institute at New Delhi, Chennai, Mumbai, Kolkata and Kanpur. To order by post, please send a demand draft in favour of “**Secretary, The Institute of Chartered Accountants of India**”, payable at New Delhi to:

Postal Sales Department  
A-29, Sector-62  
Noida-201309  
Phone: (0120) 3045943  
E-mail: [postalsales@icai.org](mailto:postalsales@icai.org)



# Webcasts for Students

## On ICAI WebTV

### Introduction

The Board of Studies of the Institute has great pleasure in announcing Webcasts for Students on ICAI TV, the URL given on the LHS.

Students Webcasts are broadly categorized into two categories—Subject Specific and Motivational/ Instructional.

### Objective

Provide quality education and development facility anytime and anywhere in an affordable manner through a self learning/ development facility.

### Salient Features

- Anytime/ Anywhere Online Learning
- Free Coaching
- Support Students in Small Mofussil Towns and Cities
- Support Poor Students with quality educational inputs
- Take learning and development to the doorsteps of students
- Provide a Self Learning/ Development facility

### Webcasts Available

Students are advised to benefit from the following three webcasts of two hours duration each, links for which are available below:

- **Final Direct Tax Laws:** <http://icaity.com/?p=1861>
- **Preparing for CA Exams:** <http://icaity.com/?p=1930>

Links to the aforementioned webcasts are also available through the Students Learning Management System (LMS) at <http://studentslms.icai.org> under Announcements Section.

### Webcasts Available

The Board of Studies would be organizing Subject Specific Webcasts for the benefit of Students taking the November 2013 Examinations from July 2013.

Director  
Board of Studies

<http://icaity.com>



## **The Institute of Chartered Accountants of India**

[Set up by an Act of Parliament]

CA Regulations, 1988 provide scope for Secondment of articled assistant facilitating an opportunity for gaining practical experience in multi-disciplinary work and variety of business situations. A principal may second an articled assistant to other member/s with a view to provide him/her training in the areas where the principal/articled assistant may require. Secondment can also be availed during Industrial Training.

Such Secondment can be done under an eligible member whether in practice or in employment. A member can provide secondment to maximum two articled assistants at time. The minimum period of secondment shall be four months and the maximum period shall be one year which may be served with more than one member. During the period of secondment, the member with whom the articled assistant is seconded shall pay stipend at the rates prescribed under CA Regulations. A record of training imparted during secondment will be properly maintained.

For Secondment, a statement in the form containing particulars of training needs to be filed with the Institute within 30 days from the date of commencement of training on secondment.

Members may inform their articled assistants regarding secondment and encourage them to undergo secondment with an eligible member for training in the desired field. Detailed information and prescribed application form of secondment is available on ICAI website [www.icaai.org](http://www.icaai.org) as well as may be obtained from concerned regional offices of ICAI.

## Overseas Members/Subscribers for Journal Subscription

As per a change in policy, the Postal Department of Government of India is not receiving the Chartered Accountant Journals for posting through Seemail. Hence the Journals are being sent through Airmail only.

In view of the above situation it has been decided to discontinue the Seemail category of sending the journals to the foreign members/subscribers henceforth. As such,

all the overseas Members/Subscribers of the Journal are being sent journal by Airmail only. Thus all such members/subscribers are requested to pay ₹2100/- (for One Year) as Airmail surcharge for posting of the Journal.

-Editor

### Forthcoming Events<sup>1</sup>

Sl. No.	Title of the Seminar/Conference	Date	Place	CPE Hours
1.	Certificate Course on Arbitration	11 <sup>th</sup> , 12 <sup>th</sup> , 18 <sup>th</sup> , 19 <sup>th</sup> , 25 <sup>th</sup> & 26 <sup>th</sup> May 2013	ICAI Bhawan, Plot No. 19-B, Scheme No. 78, Part II, Indore (M.P.)	20
<b>Topics</b>	Module I - Introduction to Alternative Dispute Resolution Module II - Allied Laws Module III - Arbitration in India Module IV - Arbitration Procedure Module V - Arbitration Award Module VI - Skills, Ethics and Economics in Arbitration Module VII - Arbitration in Other Countries and Emerging Trends (Including Case Studies/Assignments/Research Paper/ Mock Arbitration/Award writing etc.)			
<b>Contact Person</b>	<b>Programme Chairman:</b> CA. Manoj Fadnis, Central Council Member and Chairman, CECL&WTO (M) +91 9826027716, 9302217716, Email: <a href="mailto:manojfadnis@icai.org">manojfadnis@icai.org</a> <b>Programme Director:</b> CA. Prafulla Preme Sukh Chhajed, Central Council Member and Vice-Chairman, CECL&WTO, (M) +91 9821090612, Email: <a href="mailto:pchhajed@yahoo.com">pchhajed@yahoo.com</a> <b>Programme Co-ordinator:</b> CA. Vikas Jain, Chairman, Central India Regional Council of the ICAI, (M) +91 9300099960, Email: <a href="mailto:vikas_jain_ca@yahoo.com">vikas_jain_ca@yahoo.com</a> CA. Manoj P. Gupta, Chairman, Indore Branch, CIRC, (M) +91 9827026540, Email: <a href="mailto:manojpgupta@rediffmail.com">manojpgupta@rediffmail.com</a> ; <a href="mailto:indore@icai.org">indore@icai.org</a> Secretariat, Committee on Economic, Commercial Laws & WTO Ph: 011 30110499, Mb: 09312085029, E-mail: <a href="mailto:cecl@icai.in">cecl@icai.in</a> , <a href="mailto:ctlwto@icai.org">ctlwto@icai.org</a>			
2.	Seminar on Internal Audit and Risk Management	4 <sup>th</sup> May 2013	ICAI Bhawan, Lucknow	6
<b>Topics</b>	1. Standards on Internal Audit – Codifying the Best Practices, 2. Basic Principles Governing Internal Audit and Planning Internal Audit, 3. Understanding Risk based Internal Audit- Theory, Implications and Practical Issues, 4. Fraud- Internal Auditor's Role in Prevention and Detection of Frauds			
<b>Contact Person</b>	Lucknow Branch of CIRC of ICAI, E-mail: <a href="mailto:lucknow@icai.org">lucknow@icai.org</a> , Phone: +91522-2301524, 3241932			
3.	National Seminar on Direct taxes	18 <sup>th</sup> May, 2013	Hotel Marigold, Greenlands, Hyderabad	6

<sup>1</sup> For more details about the forthcoming events please refer the detailed announcements hosted on the ICAI website [www.icai.org](http://www.icai.org)

Sl. No.	Title of the Seminar/ Conference	Date	Place	CPE Hours
<b>Topics</b>	1. Issues in TDS provisions, 2. Business deductions – Latest Judicial Trends, 3. Capital Gains & Development Agreements, 4. Domestic Transfer Pricing			
<b>Contact Person</b>	Hyderabad Branch of SIRC of ICAI, ICAI Bhawan , 11-5-398/C, Red Hills, Hyderabad – 500004, Phone: 040-23393182, 23393200, Email id – <a href="mailto:hyderabadicai.org">hyderabadicai.org</a>			
<b>4.</b>	Webinar on “Need for an effective Intellectual Property Eco System in an Innovative Organisation”	13 <sup>th</sup> May, 2013	ICAI Bhawan, Indraprastha Marg, New Delhi	-
<b>Topics</b>	Need for an effective Intellectual Property Eco System in an Innovative Organisation			
<b>Contact Person</b>	Committee Secretariat, Phone: 0120-3045996, e-mail- <a href="mailto:congos@icai.org">congos@icai.org</a> , <a href="mailto:cconpo@icai.in">cconpo@icai.in</a>			
<b>5.</b>	Workshop on Capacity Building initiative for Recently Qualified Members in Practice	25 <sup>th</sup> & 26 <sup>th</sup> May, 2013	ICAI Bhawan, 19-B, Scheme No. 78-II, Near New SICCA School, Indore(M.P.)	12
<b>Topics</b>	1. Internals in Internal Auditing: Execution and Areas, 2. Internals in Internal Auditing: Drafting and Reporting, 3. Bird’s Eye view on / Insight to various financing techniques and parameters, 4. Bird’s Eye view on / Insight to Subsidies based Financing, 5. Direct Taxes :Procedural Aspects and TDS, 6. Direct Taxes: How to present your case before Income tax Authority, 7. Marketing yourself within Legal Framework: Dos and Don’t’s of CA Profession and Code of Conduct, 8. Excelling in Non Traditional Areas of Practice: Exploring the Unexplored Area			
<b>Contact Person</b>	<p><b>Programme Chairman:</b> CA. Naveen N.D. Gupta, Chairman, Committee for Capacity Building of CA Firms and Small &amp; Medium Practitioners, ICAI, e-mail: <a href="mailto:chairman.ccbcaf@icai.org">chairman.ccbcaf@icai.org</a>, Mobile: 09810689998</p> <p><b>Programme Co-Chairman:</b> CA. Shyam Lal Agarwal, Vice Chairman, Committee for Capacity Building of CA Firms and Small &amp; Medium Practitioners, ICAI, e-mail: <a href="mailto:shyamjpr@gmail.com">shyamjpr@gmail.com</a>, Mobile: 9414053163</p> <p><b>Programme Co-Chairman:</b> CA. Manoj Fadnis, Central Council Member, ICAI, e-mail: <a href="mailto:manojfadnis@icai.org">manojfadnis@icai.org</a>, Mobile: 09302217716</p> <p><b>Programme Coordinator:</b> CA. Manoj P. Gupta, Chairman, Indore Branch of CIRC of ICAI, Mobile: <a href="mailto:manojpgupta@rediffmail.com">manojpgupta@rediffmail.com</a>, Mobile: 09827026540</p>			