WIRC BULLETIN

ISSN 2456-4982

Vol. 50 | No. 9 | September 2022 | Pages 40 | Price: Rs. 5/- | RNI No. 22703/72

Theme: TAX COMPLIANCE

Inside Bulletin

WESTERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)

Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.
Tel.: 9372071120, 8828061444, 9372036890 • E-mail : wirc.admin@icmai.in • Website : www.icmai-wirc.in

The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

NATIONAL CMA PRACTITIONERS CONVENTION (NCPC-2022)

7th and 8th October 2022, Pune, Maharashtra

Dear CMA Colleagues,

We are pleased to announce the Technical Sessions for the upcoming National CMA Practitioners Convention 2022 (NCPC 2022). It is our attempt to make the NCPC 2022 a unique learning and knowledge sharing experience for the participants. The NCPC 2022 is designed to be more of interactive program with an objective to understand the concerns from practicing members and take suggestions from them. It will also be a very good opportunity for the budding professionals to understand about the world of the Practicing CMAs, opportunities and challenges alike. We appeal to all the members of the Institute to participate in the NCPC 2022.

PROGRAM SCHEDULE – BRIEF ABOUT THE TECHNICAL SESSIONS

Day 1: Friday, 7th October 2022

Technical Session 1: Professional Opportunities for CMAs - Conventional & Non-Conventional Areas

Expert will deliberate and discuss on the professional opportunities for CMAs is various conventional & non-conventional areas like Audits & Taxation, Litigation, Certifications, etc.

Technical Session 2: Asked & Answered

Technical or general questions that are normally posed by the practitioners will be answered. The questions will be collected from the members in advance and in the session selected questions will be answered considering the availability of time.

Technical Session 3: Words of Experience

This will be a panel discussion. Experienced Professionals from our fraternity will share their experience & journey over the years in a live interview session. We will invite experts from different domains of profession i.e. Audit, Management Consultancy, Financial Services, ITeS, etc.

Technical Session 4: Expectation Of Stakeholders From Practicing CMAs

Representatives from various stakeholders will share their expectations from the Practicing CMAs. This will help us understand the way ahead and will guide the PCMAs as well as the Institute in developing capacity building programs.

Technical Session 5: Open House

This will be a purely interactive session between the participating members and the officials of the Institute. The members can raise their concerns / issues / suggestions.

Day 2: Saturday, 8th October 2022

Technical Session 6: Youngsters Speak

This will be a panel discussion. Young Professionals from our fraternity will share their experience and journey in the professional life. This will be a good input for the budding professionals.

Technical Session 7: Asked & Answered

Technical or general questions that are normally posed by the practitioners will be answered. The questions will be collected from the members in advance and in the session selected questions will be answered considering the availability of time.

Delegate Fees (Non-Residential)
INR 1000 inclusive of GST

Eligible for
6 CEP Hours

Offline registration with payment of fees at Pune Chapter

Online Registration Link https://eicmai.in/NCPC-2022/index.aspx

CMA Vijender Sharma
Vice-President, ICAI & Chairman, NCPC 2022

CMA P. Raju Iyer
President, ICAI

CMA Neeraj Joshi
Council Member, ICAI & Convener, NCPC 2022

Behind every Successful Business Decision There is always a CMA

FROM THE DESK OF CHAIRMAN

Respected Dear Professional Colleagues

At the outset, I wish you all a Very Happy Ganesh Festival & Mahalaxmi Pooja, hope all of you must have celebrated the Festival with Great enthusiasm, after a gap of two years.

I am also proud to share that Hon'ble Prime Minister Shri Narendra Modiji commissioned INS Vikrant and handed over the ship to Indian Navy. It is really a proud moment for all Indians. With the construction of Vikrant, India has joined the selected group of Nations like US, UK, Russia, China and France having the niche capability to indigenously design and build an aircraft carrier. PM Modi Commissioned the carrier, housing state-of-the art automation features and built at a cost of Rs. 20,000 Crore, at the Cochin Shipyard. During the event, PM also unveiled the new Naval Ensign doing away with the colonial past. The New insignia represents the rich Indian maritime heritage. The Commissioning of Vikrant is being seen as a significant step towards India's self-reliance in the defence sector. The warship has been built using indigenous equipment and machinery supplied by India's major industrial houses as well as over 100 MSMEs. It is a significant milestone achieved by the Country on the basis of the Aatmanirbhar Bharat campaign.

I am happy to inform you that CMA Chaitanya Mohrir has taken over the charge as Chief Editor of WIRC Bulletin with New Editorial Board and hope under his leadership WIRC Bulletin will achieve more publicity and acceptance amongst the Professionals. First Online Editorial Board Meeting was held on 20th August 2022 in which members gave suggestions for further improvement of WIRC Bulletin. It was also decided to start publishing CMA E-Vidyarthi, Bulletin for students which was discontinued due to pandemic, on the occasion of Dassara.

WIRC received very good Registration for Foundation and Intermediate Courses for the batch July to December 2022 for December 2022 Examinations and the details are published in the current issue.

To provide exposure about Industry to the students WIRC is planning to conduct Industry visit for the Final Students along with 7 days Industry Orientation Training Programme.

After many years, WIRC conducted Virtual Chapters' Meet with the Chairman & Secretary of the Respective Chapters and requested to have main focus on Career Counselling programme from 5th September 2022 (Teachers Day) onwards across the region, to create Career Awareness about CMA Course. In the meeting we requested Chairmen and Secretaries of the Chapters to Constitute a Career Counselling Team at Chapter level, to increase the visibility of our Profession and also spread the message of introduction of the New Syllabus 2022 by the Institute. We listened to the grievances of Chapters & took up the same with HQ. We received very good participation response from the Chapters in this meeting. In total 21 Chapters participated in the Virtual Meeting out of 24 Chapters from Western Region and the Chapters assured to carry out the maximum number of Career Awareness Programme at Chapter Level.

WIRC conducted "Task Force for Co-operative, Trust, MSME & Banking" Committee Meeting on 2nd September 2022 through video Conferencing / Google Meet. It has been decided by the members of Task Force Committee to initiate for Solutions to the MSME problems. It was further decided to educate them by conducting seminars for MSME.

The June 2022 Examination result is due in this week and in advance I congratulate all the successful Candidates. Immediately after the results, WIRC is planning to have Felicitation Programme for All Successful Candidates from Mumbai and Suburbs. As per Headquarters guidelines, we are also preparing to conduct 12 days Pre-Campus Orientation Programme for the Final Students before appearing for the Campus Placements.

I am pleased to inform that WIRC has started the initiative in making representation to various authorities for getting recognition to our Profession. We have made representation to Saraswat Co-operative Bank to include the qualification of Cost Accountants at par with qualification of Chartered Accountants in the eligibility condition of their recruitment advertisement published in August 2022.

I wish happy Navratri, Durgashtami, Dusshera & Eid-e-Milad to all the Members and the Students.

With Warms Regards

CMA Shriram Mahankaliwar
Chairman, WIRC-ICAI

FROM DESK OF CHIEF EDITOR

Respected Seniors and Dear professional Colleagues,

It's my pleasure to communicate with you as a Chairman Editorial Board of WIRC Bulletin. In this council I am holding this position for the first time. I am thankful to my Central Council Members, Chairman WIRC and my Regional Council Colleagues for giving me this responsibility and showing trust on me.

Today I am writing this communique on the occasion of Teachers' Day. This day also marks the birth anniversary of Dr. Sarvepalli Radhakrishnan, First Vice-President of India, and Second President of India. Dr. Sarvepalli Radhakrishnan was a scholar teacher and renowned philosopher. This year we have requested all the chapters across WIRC to conduct the Career Counselling Programs from auspicious Teachers' Day 5th Sept 2022 to 10th Sept 2022 at various colleges in Chapter area and spread awareness about the CMA Course which will help to increase the student strength.

Institute has introduced New Syllabus 2022 and first exam of this syllabus will be conducted in June 2023. Details of the syllabus are available on the website of the institute. I request all the members to go through the syllabus and give your views on the same. We will publish the views/comments of the members in upcoming bulletin.

We were publishing "CMA Vidyarthi", E Bulletin for students which was discontinued due to pandemic. Now it is decided that we will publish it again on the occasion of Dasara. I request all the members, Chapters and students to create awareness and help us in getting updates for "CMA Vidyarthi".

"Shuttlemasters" a badminton tournament organized by Aurangabad Chapter on 28th August 2022. It was a very professionally organized event and a grand success. I appeal all the chapters of WIRC to arrange such sports competition.

India has become the world's fifth largest economy after it overtook United Kingdom. It is a proud moment for all of us to move past one of the biggest economies in the world which also ruled on our country for more than 150 years. Recently, our Prime Minister, Hon. Narendra Modiji has made an appeal to the countrymen in which he emphasized on to become a developed country by century of India's Independence, year 2047. Let's continue to contribute in our country's development.

One more thing I would like to share that within a month we lost two great personalities, Vinayak Mete, and Cyrus Mistry. one of the reasons was that they were not wearing a seat belt in car. I request all the members and their family to take an Oath to wear a Seat Belt. No matter where you sit, wearing a seat belt is mandatory. I request all of us to follow the oath religiously.

I am pleased to informed that, on 7th and 8th Oct 2022 National CMA Practitioners Convention will be conducted in historic city of Pune. I am confident that this will be a unique learning and knowledge sharing session for all the participants. I request all the members to participate in the NCPC-2022.

I wish all the members, students and their family a happy Ganesh Festival.

Lastly, I would like to mention the valuable contribution of all Past Chairman of WIRC which made WIRC Bulletin a big success and anticipating a continued support in future.

CMA Chaitanya Mohrir
Chairman, Editorial Board

E-Invoicing in GST

CMA Santosh S. Korade
Mob.: 97305 77016, 93569 56185
E-mail : santoshkorde77@gmail.com

Abstract

The introduction of the Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, GST will mitigate effects of cascading or double taxation in a major way and pave the way for a common national market. GST is transparent taxation system having lot of online reporting through portal like as filing return, registration, E-way bill and various applications processing. E-Invoicing is one of the online process recently made applicable to some registered taxpayer having aggregate turnover more than notified limit. This article will look some aspect of E-Invoicing.

What is E-Invoicing under GST?

'E-Invoicing' also known as 'Electronic Invoicing' is a system in which B2B invoices are authenticated electronically by GSTN for further use on the common GST portal. In its 35th meeting, the GST Council decided to implement a system of E-Invoicing, covering specific categories of persons, mostly large enterprises. Later on, it has been expanded to cover mid-sized businesses as well. E-Invoicing does not imply the generation of invoices on the GST portal but it means submitting an already generated standard invoice on a common e-invoice portal. Thus, it automates multi-purpose reporting with a one-time input of invoice details.

Under the electronic invoicing system, an identification number will be issued against every invoice by the Invoice Registration Portal (IRP), managed by the GST Network (GSTN). The National Informatics Centre launched the first IRP at einvoice1.gst.gov.in. All invoice information gets transferred from this portal to both the GST portal and e-way bill portal in real-time. Therefore, it eliminates the need for manual data entry while filing GSTR-1 returns and generation of part-A of the e-way bills, as the information is passed directly by the IRP to the GST portal. So we can say that E-Invoicing avoid duplication of work, if any person generate invoice through portal, then all data of that invoice will transfer to e-way bill part -1 as well as GSTR-1

IRN-Invoice Reference Number

- Each Invoice uploaded by the tax payer will get the unique number called as Invoice Reference Number (IRN).
- IRN is of 64 Characters length.
- This IRN is unique number in the GST system, irrespective of tax payer, financial year and document type.
- IRN is generated by the e-invoice system once the tax payer uploads the invoice details.

To whom is E-Invoicing applicable?

Electronic Invoicing will be applicable to all the businesses that are registered under GST and issuing B2B invoices. The taxpayers must comply with E-Invoicing if the turnover exceeds the specified limit in any financial year from 2017-18 to 2021-22. Also, the aggregate turnover will include the turnover of all GSTINs under a single PAN across India.

Phase	Taxpayers having an aggregate turnover exceed	Applicable date
I	Rs 500 crore	1st October 2020
II	Rs 100 crore	1st January 2021
III	Rs 50 crore	1st April 2021
IV	Rs 20 crore	1st April 2022
V	Rs 10 crore	1st October 2022

If the turnover in the last FY was below the threshold limit but it increased beyond the threshold limit in the current year, then E-Invoicing would apply from the beginning of the next financial year.

Applicability of E-Invoicing with Example

PCR ltd aggregate turnover was as follows

FY 2017-18: Rs 13 Crs
FY 2018-19: Rs 18 Crs
FY 2019-20: Rs 25 Crs
FY 2020-21: Rs 18 Crs
FY 2021-22: Rs 19 Crs

The PCR Ltd shall mandatorily generate e-invoices from 01.04.2022 irrespective of the current year's aggregate turnover as it has crossed the Rs 20 crore turnover limit in FY 2019-20.

E-Invoicing is not applicable to following persons

However, irrespective of the turnover, E-Invoicing shall not be applicable to the following categories of registered persons for now, as notified in CBIC Notification No.13/2020 – CT-

- An insurer or a banking company or a financial institution, including an NBFC
- A Goods Transport Agency (GTA)
- A registered person supplying passenger transportation services
- A registered person supplying services by way of admission to the exhibition of cinematographic films in multiplex services
- An SEZ unit (excluded via CBIC Notification No. 61/2020 – CT)
- A government department and Local authority (excluded via CBIC Notification No. 23/2021 – CT Tax)

What is the system in place for issuing invoices before E-Invoicing?

At that time, businesses had the freedom to issue invoices using any third-party software of their choice. The invoice details then had to be uploaded by the business manually in the GSTR-1 return. When this was completed successfully, the information entered automatically reflected in the GSTR-2A form. This is a view-only form. The transporters had the responsibility of importing the invoices manually to generate e-way bills.

How is E-invoice different from the current practice of invoicing?

E-invoice is a system in which the invoice needs to be electronically uploaded and authenticated with a unique invoice reference number (IRN) and digitally singed QR code. The change is that the seller needs to print the QR code and IRN number on the invoice before issuing it to the buyer.

Businesses using ERP/ business management software that seamlessly connects with IRP system and automatically prints the QR code and IRN on the invoice will find it easy to manage e-invoice requirements without much changes to the business process.

What are the modes of generating e-Invoice?

Multiple modes will be made available so that the taxpayer can use the best mode based on his/her need. The following are different modes of generating e-Invoice?

- Web-Based,
- API Based,
- SMS Based,
- Mobile App
- offline tool based and
- GSP based

How to register for an E-Invoicing system

Registering on the E-Invoicing portal is a very simple process if you are a GST-registered taxpayer with a valid GSTIN number.

- If you have registered your business on the e-way bill (EWB) portal, then you can use the same credentials to log in to the E-Invoicing portal as well.
- If you have not registered in the EWB portal, then you can register in the E-Invoicing system directly. The taxpayer should have a GSTIN and mobile number registered in the GST portal.

Here's a flow diagram that you can follow to register:

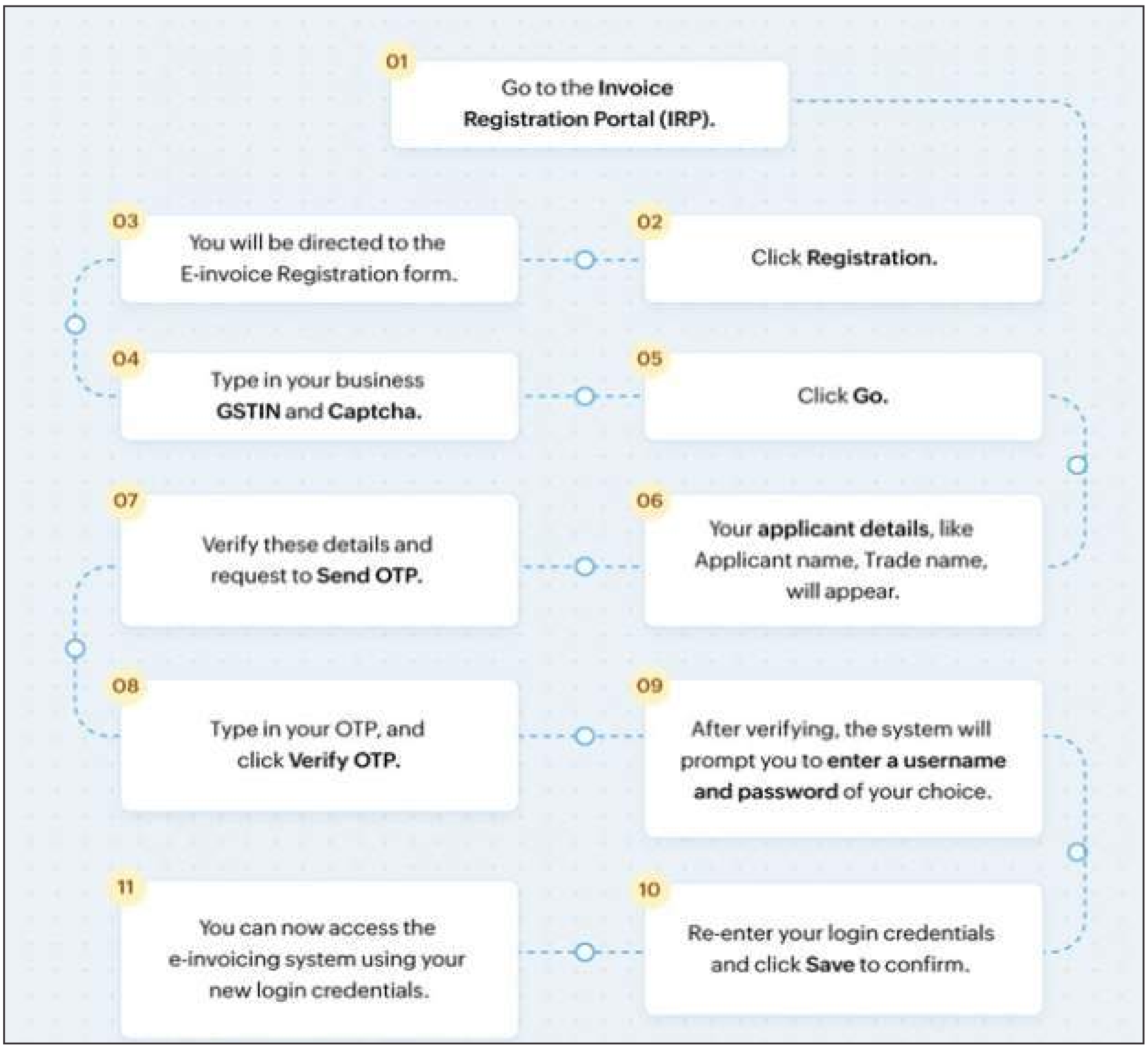


Figure- Step to register on IRP

How to generate an e-invoice under GST

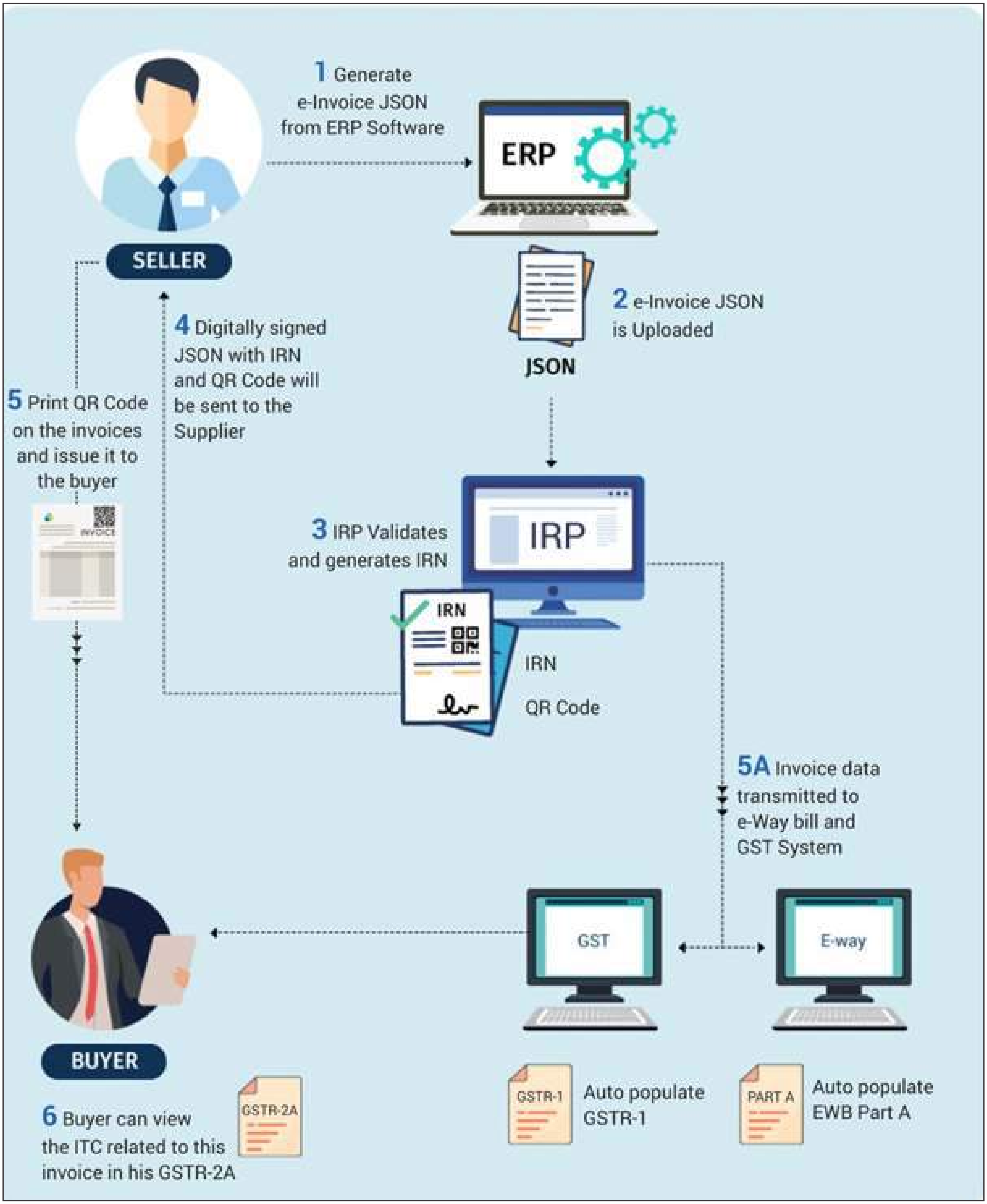


Figure: Step to generate an e-invoice under GST

The flow of a GST e-invoice system has two parts:

- Communication between the business and the Invoice Registration Portal (IRP)
- Interaction between the IRP, the GST/ e-Way Bill systems, and the buyer.

1) **Generating an e-invoice**

Taxpayers will generate invoices like they normally do, except reporting will now be done electronically. Taxpayers will have to follow the e-invoice and submit mandatory details accordingly. Here is a list of mandatory and optional parameters:

- Transaction details like tax scheme, supplier type
- Document details: type, number and date
- Supplier information like legal name, GSTN address, location, PIN code and state code.
- Buyer information like legal name, GSTN number, address, location, state code and PIN code
- Invoice details include assessable values and total invoice value.
- Dispatch from address details (mandatory if it is different from supplier details)
- Shipping details (mandatory if it is different from buyer address)
- Item related details like service/ goods, HSN code, total amount, GST rate, Assessable amount, total item value.
- If the items are being moved in batches, then add batch number.

Besides the mandatory parameters, the Council also listed optional parameters, which are subject to change based on the needs of the business. Once the invoice fields have been finalised, a taxpayer has to decide if the accounting or billing software is capable of creating a JSON file, which can then be upload to the IRP.

2) **Creating a unique IRN**

The IRP will generate a hash parameter based on the details submitted by the seller, like GSTIN, document type, document number, and fiscal year. The IRP will then check if the same invoice exists in the Central Registry, and after confirming there are no duplicates, the IRP will add its signature and a QR code in the invoice's JSON data. The hash generated by the IRP will be the Invoice Reference Number (IRN) for the e-invoice.

3) **Updating the invoice to the GST and e-way bill systems:**

The digitally signed JSON with the IRN is sent to the seller. The uploaded invoice data is then shared with the GST and e-Way Bill system. The GST system will update the GSTR-1 for the seller and the GSTR-2A for the buyer, which will help in determining the liability and ITC. The GST e-invoice schema will contain details like 'Transporter ID' or 'Vehicle number,' which will be used to generate an e-Way Bill.

The government's tax portal is not responsible for generating the e-invoice. In fact, it will be created with the aid of the seller's accounting/billing software and their respective ERP systems. The IRP will just receive, validate, and digitally sign the invoices uploaded by the seller.

Cancellation of E-Invoice

You cannot cancel an e-invoice partially. If you must cancel the e-invoice, then it must be done completely or fully. When you do this, you must report it to the IRN within 24 hours of the cancellation. If you try to cancel an e-invoice after that period then you cannot use the IRN. Instead, you need to use the GST portal for cancellation and it must be done manually. This has to be done prior to filing the returns. When you cancel, you cannot re-use the invoice number and a new one must be generated else the IRP will reject it.

E-invoice for an unregistered person

The customer, or the unregistered person, will not be claiming an ITC. Currently, there is no provision in place whereby E-Invoicing is mandatory for B2C transactions. But a dynamic QR code must be generated for digital payments whereby B2C transactions are concerned. This is mandatory for taxpayers with an aggregate turnover of over Rs. 500 crores since 1st December 2020.

How will E-Invoicing curb tax evasion & tax fraud?

With the introduction of E-Invoicing, tax authorities will now have access to a complete trail of B2B invoices from taxpayers since they will be uploaded in the GST portal. Because invoices are created before any actual transaction takes place, opportunities to manipulate the invoices decrease. The system can identify fake invoices by matching the input tax credit to output tax on the GSTN portal, preventing tax crimes

Many benefits of E-Invoicing exist and one of them is its ability to curb tax evasion. With an e-invoice, the chances of editing invoices will be low because before any transaction is done, the invoice gets generated. Another reason why e-invoice is helpful is that it ensures the authorities have information about all the transactions in real-time. E-Invoicing greatly minimizes fake GST invoices and ensures that input tax credit is claimed on real GST invoices due to automation and thorough checks. If someone tries to claim a fake tax credit, then it is easy for GSTN to track them.

Benefits of an E-Invoicing system

Generating a GST e-invoice is usually the responsibility of a taxpayer who reports to the IRP in GST. Next, the IRP will generate a unique IRN and a QR code. The taxpayer will be able to scan this QR code, extract the IRN, and fetch invoice details.

Here are some benefits of E-Invoicing for businesses:

- This system brings transparency and very useful for honest taxpayer
- E-Invoicing helps you with data reconciliation and accuracy during manual data entry.
- It allows interoperability across businesses.
- You can track the e-invoices in real-time.
- The e-invoice details will be auto-populated on tax return forms and e-way bills, making return process easy.
- This initiative will also build efficiency within the tax administration by helping to identify fake invoices.
- All transaction details will be available online at all times. This would eliminate the need for frequent audits and surveys. Differences in data can be caught by comparing input credit and output tax.

APAs a Solution to your Company's Income Tax Problems!

CMA (Dr.) Ashish P. Thatte
Mob.: 98209 73559
E-mail: ashishpthatte@gmail.com

History of Scheme: The Advance Pricing Agreement (APA) Scheme is introduced in Income Tax Act 1961 w.e.f. from 1st July 2012 The rules were notified by CBDT (Central Board of Direct Taxes) which spans from Rule 10F to Rule 10T and rule 44GA is also part of total rules of APA.

What is APA: An APA is an agreement between a tax payer and tax authority to determine the transfer pricing methodology for pricing the tax payer's international transactions for many years to come, preferably 5 years. The methodology is to be applied for a certain period of time (usually its 5 years) based on certain conditions to be fulfilled by the Tax Payer. These terms and conditions are called as Critical Assumptions. There are 3 types of APA namely

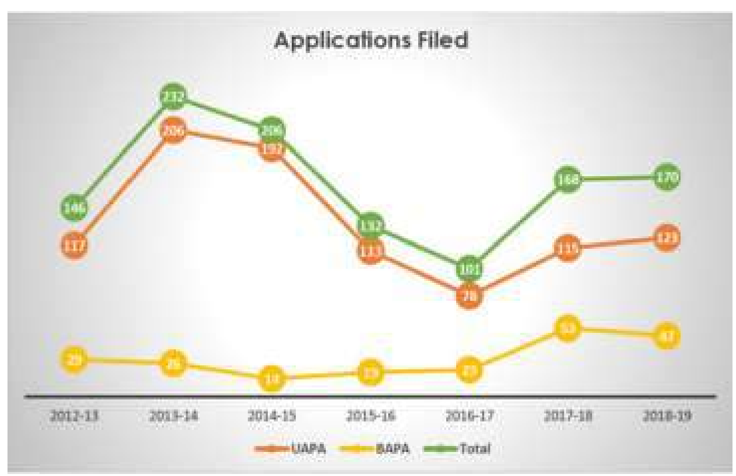
- **Unilateral APA:** an APA that involves only the tax payer and the tax authority of the country where the tax payer is located.
- **Bilateral APA (BAPA):** an APA that involves the tax payer, associated enterprise (AE) of the tax payer in the foreign country, tax authority of the country where the tax payer is located, and the foreign tax authority.
- **Multilateral APA (MAPA):** an APA that involves the tax payer, two or more AEs of the tax payer in different foreign countries, tax authority of the country where the tax payer is located, and the tax authorities of AEs.

Usefulness to Companies: The tax payers which are mainly companies derive many benefits out of APAs. This is nothing but advance ruling or advance rule setting for tax to be paid out of international transactions. If such transactions are set to happen every year or may be regular intervals then companies should seriously think of entering into APA. E.g. Companies having Branch Offices aboard, Subsidiaries aboard or may be regular supplies to international companies which are group companies. All such transactions immediately catch attention of Income Tax Authorities and question of Arm's Length is raised. Of-course entering into APA is not the only solution to such companies but still it is preferred way to avoid future litigation. In fact in one of the case it is found that court has admitted to resolve all earlier cases on the basis of APA signed by the Company, in a way reducing litigation of past as well. The following benefits can be listed:

1. Certainty with respect to tax outcome of the tax payer's international transactions, by agreeing in advance the arm's length pricing or pricing methodology (ies) to be applied to the tax payer's international transactions covered by the APA;
2. As agreement is signed it helps companies to reduce rigour of Audit as tax is calculated by certain formula.
3. Since 'Rules of Game' are determined before the year starts, there is substantial reduction in Compliance Costs.
4. Also for Tax Authorities revenue become certain and hassle free. This also helps department to finalize on assessment without much efforts as all the efforts are already taken while signing APA.
5. Since there is no limit prescribed for turnover or tax payment by tax payer anyone can enter into APA who has International Transactions.

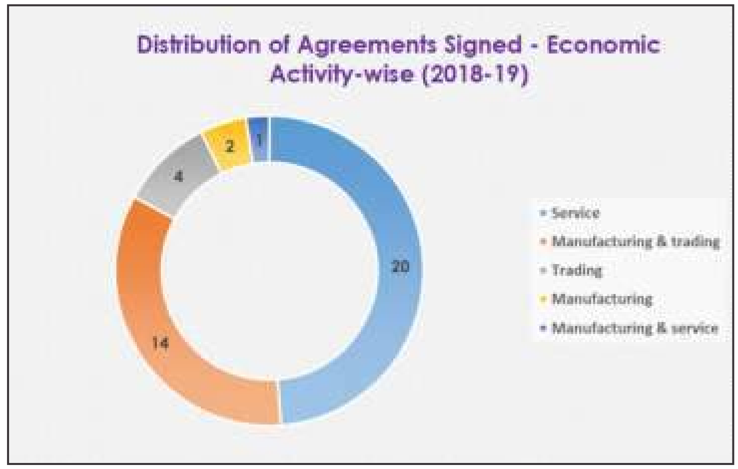
Statistics of APA: CBDT publishes data of APA every year except for last 2 years due to Corona it was not published. However on 31st March 2022 press release was published with following data of APAs. The wording of Press releases is reproduced as 'The Central Board of Direct Taxes (CBDT) has entered into 62 Advance Pricing Agreements (APA) in FY 2021-22 with Indian taxpayers. This includes 13 Bilateral APAs (consequent to Mutual Agreement between India and its treaty partners) and 49 Unilateral APAs. With this, the total number of APAs since inception of the APA program has gone up to 421.Despite severe economic and social disruption caused by the CoVID-19 pandemic in first part of the financial year, the number of APAs signed compares very well with the APAs signed in the preceding two years (31 APAs in FY 2020-21 and 57 APAs in FY 2019-20).'

The following graphs will show various data of APA up to 31st March 2019. This only representative data from Annual Report of APA published by CBDT for full report one may refer CBDT website from search engines.



Graph 1: Applications Filed (Source CBDT Annual Report on APA 2019)

Graph 2: Agreements Signed (Source CBDT Annual Report on APA 2019)



Graph 3: Distribution of Unilateral APA (Source CBDT Annual Report on APA 2019)

APA programme has matured over the years since its commencement in July, 2012. The Complex transfer pricing issues, which were prone to long drawn litigation being increasingly resolved through APAs. The resolutions have been to the satisfaction of both taxpayers and the Government. While taxpayers have managed to get certainty over transfer pricing issues for five or nine years (depending upon whether rollback provisions are applicable to an Agreement), the Government has been able to divert resources away from the audit and litigation processes to more productive work. In addition, APAs are also ensuring that the Government gets assured revenues from big taxpayers on the basis of the terms and conditions embedded in the Agreements. It is estimated that the 271 signed APAs have resulted in additional income of about Rs. 10,000 Crore. This translates to a tax and interest payment of about Rs. 3,600 Crore without getting into any litigation or there being any dispute. The important point here that many a times it has been observed that CBDT has believed on certification of Cost Accountants. This certification comes especially when costs to be certified under various methods. Also in case of allocation or apportionment of expenses between Indian Office and Foreign Branches or offices department has believed in certification of Cost Accountants.

The Institute of Cost Accountants of India - Western India Regional Council (ICAI - WIRC)

Statement showing Registration / Enrolment for Current Batch and Previous Batch

The Term wise Registration Oral and Postal Coaching at various stages

BATCH JULY TO DECEMBER 2022

Sr. No.		Foundation Course		%Inc/Dec	Intermediate Course		%Inc/Dec	Final Course		%Inc/Dec
	Coaching	J to D 2022	J to D 2021	%	J to D 2022	J to D 2021	%	J to D 2022	J to D 2021	%
1	Oral	348	258	34.88	387	301	28.57	56	295	-81.02
2	Postal	1647	1296	27.08	1029	939	9.58	104	417	-75.06
	Total	**1995**	**1554**	**28.38**	**1416**	**1240**	**14.19**	**160**	**712**	**-77.53**

Note : Final admissions are less compared to previous year because Intermediate results are not yet declared

E INVOICING UNDER GST

CMA Aziz Ahmed Chishti
Mob.: 9850 563276
E-mail: azeezchishti@gmail.com

E Invoicing meaning Electronic Invoice Generation is a Very Unique Feature under Revised Indirect Regime of Goods and Service Tax (GST).

GST Council had proposed in 37th Meeting held on 20th Sept 2019 to introduce electronic Invoicing.

Thus, from 1st Jan 2020, e invoicing began on voluntary basis for B2B transactions and from 1st Oct 2020, e-invoicing became mandatory to notified category of taxpayers.

Notifications :

Notification	Effective Date	Aggregate Annual Turn over Exceeds in Any FY from FY 2017-18
61.2020 dt 30.7.2020 ct	01.10.2020	500 Crores
88.2020 dt 10.11.2020 ct	01.01.2021	100 Crores
05.2021 dt 08.03.2021 ct	01.04.2021	50 Crores
01.2022 dt 24.02.2022 ct	01.04.2022	20 Crores
17.2022 dt 25.08.2022 ct	01.10.2022	10 Crores

E-invoicing:

1. All Registered Persons with aggregate turnover>20 Crores (WEF 1.4.2022) in any FY from FY 17-18 are notified persons for e invoicing.
2. Debit notes/Credit Notes by Notified persons will also be covered under e invoicing.
3. E-invoicing will be only for B2B transactions and exports carried by such notified persons.

Procedure for e-invoicing:

1. The Uniform standard format containing specified fields applicable to all businesses across country is known as e- Invoice schema. It is notified as form GST INV -1.
2. Notified Person will generate Regular GST invoice on their regular Accounting / Billing System.
3. These Invoices will then be reported to IRP(Invoice Registration Portal).IRP is the website for Uploading / Reporting of Invoice by the notified Persons
4. Such IRP, portal will Create a Unique “INVOICE REFERENCE NUMBER” with digital sign and QR code (Quick Reference code) and return it to Assessee.
5. IRN is different from invoice number. IRN is system auto generated number where as Invoice number is as per supplier 16 characters number.
6. The IRN number is embedded in the QR Code which shall be extracted and printed on the invoice.

Advantages of e-invoicing :

1. Auto Reporting of Invoice into GST Returns.
2. Auto generating of eway bill if required.
3. Data of B2B transactions will be uploaded once in form of e invoice and same will be useful in multiple forms such GSTR1 and others.
4. Same information will be shared to Tax Department as well as buyer so as to prepare his purchase register.
5. It facilitates accuracy of reconciliation and results in least disputes with the buyer on account of mismatch.
6. Reduces processing cost and thus increase the overall efficiency of the business.
7. As complete track of B2B transactions is available with the department it will help in matching ITC with output tax. Resulting in least tax evasion.
8. Complete Elimination of Fake Invoices.

Exemptions from e-invoicing : following entities are exempt from mandatory requirement of e invoicing;

1. Special Economic Zones Units.
2. Insurance/Banking /financial Institutes/NBFCs.
3. GTA service of supply of goods by Road.
4. Passenger Transportation Services provider.
5. Services by way of admission to Exhibition of cinematograph films in multiplex screens.
6. Invoices issued by Input Service Distributor.
7. Imports of goods (where Bill of entry is required).
8. Notified person if purchase goods from unregistered supplier than GST is applicable under RCM Sec 9(4), but still e invoicing is not applicable under such situation.

Note: e-invoicing is compulsory even if

- Notified persons carry supplies covered under RCM sec 9(3).
- Notified Persons are SEZ Developers (as Exemption is only for SEZ Units).

Dynamic QR Code: WEF 1.12.2020

1. The notified persons are also required to have Dynamic QR code w.e.f. from 1.12.2020 in respect of B2C transactions as per Notification 14.2020 dated 21.3.2020.
2. The purpose of such QR code embedded invoice is to help buyer to enable digital payments from mobile wallet.
3. Presently many shops have static QR where buyer has to enter the amount of payment after scanning of code, where as in case of Dynamic QR code will have payment details thus scan and pay in one go is possible. ■

Changes in GSTR-3B Reporting

CMA Pankaj Kannaujiya
Mob.: 99985 30475
E-mail: pankaj@kannaujiya.com

The GST law & system is full of amendments and frequent changes is habitual under GST law. Many changes were announced in the month of July-2022. We will discuss one of them here and try to understand. This change took place in July notification but it will be implemented from August. Mainly in this change the reporting of GSTR-3B has been further elaborated

Mainly changes like this

- Taxpayers providing services through e-commerce and e-commerce operator
- Showing and reversing Input Tax Credit (ITC) related

I have tried to furnish the changes as per the format of GSTR-3B, which may useful in proper effect.

Form GSTR-3B
[See rule 61(5)]

Year	2022-23	Period	June

1. GSTIN	24BZAPK1981L1Z8
2(a). Legal name of the registered person	PANKAJ KANNAUJIYA
2(b). Trade name, if any	KANNAUJIYA & CO.
2(c). ARN	AB2406226536172
2(d). Date of ARN	20.07.2022

(Amount in Rs. for all tables)

3.1 Details of Outward supplies and inward supplies liable to reverse charge (other than those covered in 3.1.1)

UPDATE

After the said table 3.1, a new table has been added which is called table no.3.1. There is no change in table no. 3.1, complete details must be given as we used to give earlier but now the details which are related to table no. 3.1.1 will not be included here.

Nature of Supplies Total taxable	Total Taxable value	Integrated tax	Central tax	State/ UT tax	Cess
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)	-	-	-	-	-
(b) Outward taxable supplies (zero rated)	-	-	-	-	-
(c) Other outward supplies (nil rated, exempted)	-	-	-	-	-
(d) Inward supplies (liable to reverse charge)	-	-	-	-	-
(e) Non-GST outward supplies	-	-	-	-	-

3.1 Details of Outward supplies and inward supplies liable to reverse charge (other than those covered in 3.1.1)

UPDATE

After the said table 3.1, a new table has been added which is called table no.3.1. There is no change in table no. 3.1, complete details must be given as we used to give earlier but now the details which are related to table no. 3.1.1 will not be included here.

New Table

3.1.1 Details of supplies notified under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and corresponding provisions in Integrated Goods and Services Tax/Union Territory Goods and Services Tax/State Goods and Services Tax Acts

Nature of Supplies	Total Taxable value	Integrated tax	Central tax	State/ UT tax	Cess
(i) Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of section 9 [to be furnished by the electronic commerce operator]	This detail will be filled by the e-commerce operator. Details of all the services by the e-commerce operator on which GST is to be paid to the e-commerce under section 9(5) For example, Ola, Uber, Urban Cap, Oyo, Zomato, Swiggy etc.				
(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under sub-section (5) of section 9 [to be furnished by the registered person making supplies through electronic commerce operator].II;	This table is for those taxpayers who provide services through e-commerce operator mentioned above on which GST is to be filed by e-commerce operator For example, food supply through Zomato by GST registered restaurant.				
As I mentioned that a new table has been added that is table number 3.1.1- Mainly this new table is for some service(s) related to e-commerce. As per the provision of section 9(5) of the Central Goods and Services Tax Act, 2017, GST on certain prescribed service is to be paid by the e-commerce operator. All those service providers, taxpayers, providers, and e-commerce operators will have to show this new table details from now onwards					

Services notified in section 9(5) of the Central Goods and Services Tax Act, 2017

1) Passenger Transport service
2) Accommodation Services
3) Housekeeping Services including house-keeping, such as plumbing, carpentering etc

4) Restaurant Services

- Please note here that the said new table is only for those taxpayers and e-commerce operators who have to pay GST by the e-commerce operator under section 9(5). Apart from this, there is no change for all taxpayers who provide any other goods or services through e-commerce, they have to file their details as before.
- If the service provider is not registered in GST, then he has nothing to do in this matter. Restaurant is a service ordinarily one of the services mentioned in section 9(5) which is registered under GST. If so, the registered restaurant is not liable to pay any GST on such service. (On this GST will be payable by e-commerce only) But the aggregate of such service has to be compulsorily shown in Table No. 3.1.1(ii).

3.2 Out of supplies made in 3.1 (a) and 3.1.1(i) above, details of inter-state supplies made

This table is old where we show the inter-state supply which is unregistered & composition, now if there is any such service in Table 3.1.1 then we have to give its details here

Nature of Supplies	Total taxable Value	Integrated tax
Supplies made to Unregistered Persons	0.00	0.00
Supplies made to Composition Taxable Persons	0.00	0.00
Supplies made to UIN holder	0.00	0.00

It is possible that the changes that I have mentioned so far will not be applicable to everyone but this change is for all types of taxpayers. This change is regarding Input Tax Credit (ITC). Which will apply to all types of taxpayers

4. Eligible ITC

Details	Integrated tax	Central tax	State/ UT tax	Cess
A. ITC Available (whether in full or part)				
(1) Import of goods				
(2) Import of services				
3) Inward supplies liable to reverse charge (other than 1 & 2 above)				
(4) Inward supplies from ISD				
(5) All other ITC				
B. ITC Reversed				
~~(1) As per rules 42 & 43 of CGST Rules~~				
(1) As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17				
(2) Others				
C. Net ITC Available (A)–(B)				
~~D. Ineligible ITC~~				
D. Other Details				
~~(1) As per section 17(5)~~				
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period				
~~(2) Others~~				
(2) Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions				

- Generally, we see GSTR-2B while filling GSTR-3B and match it with our purchases which is eligible for Input Tax Credit, we include it in our GSTR-3B and rest of the ineligible ITC we do not consider for GSTR-3B But now we must show all the input tax credits (both eligible and ineligible) as listed in Table No. 4A and reverse the ineligible credits in 4B. All the reversal under rule 38,42, & 43 and Sect 17(5) must be reported in 4B (1).
- Further, if we have re-claimed any input tax credit which we have reversed earlier, the same has to be shown in Table No. 4-D (1) (like reversal due to non-payment within 180 days)
- If any such input tax credit which is ineligible under section 16(4) or which is ineligible due to the provision of POS (Place of Supply), we will now have to show it in Table No. 4-D-2. ITC inter-state hotel accommodation bill

Synopsis

One thing is clear from looking at all the above-mentioned changes that one must be more careful and careful while entering the details in GSTR 3B. The era of changes in GSTR 3B is not going to stop here, a new draft of GSTR 3B has been presented by the government. It is clear from this that the more detailed GSTR 3B redesign is going to come very soon.

जय हिन्द – जय भारत

Virtual Chapters Meet

WIRC of ICAI organised “Virtual Chapters Meet” on Wednesday 24th August 2022 & Friday 26th August 2022 at 5.00 pm with the New Office Bearers of WIRC and Chapter Chairmen & Secretaries to Discuss about Career Counselling Programmes at Chapter level to spread awareness about CMA Course. CMA Shriram Mahankaliwar, Chairman WIRC, CMA Dinesh Kumar Birla, Chairman, Students & Members Coordination Committee, WIRC, CMA Vinayak Kulkarni, Vice Chairman WIRC, CMA Ashishkumar S. Bhavsar, Hon. Secretary WIRC, CMA Chaitanya Mohrir, Treasurer WIRC were present during the session.

Out of 24 Chapter it was attended by 21 WIRC Chapter representatives. WIRC has received very good feedback from many of the Chapters.

The Compliance of the Tax Audit u/s 44AB of the Income Tax Act 1961

CMA Tapas Ranjan Roy
Mob.: 9438493599 / 7999855401
E-mail: ayushi.298@gmail.com

The Tax Audit is conducted to ensure that the taxpayer has provided complete and accurate information regarding his income, deductions, and taxes. This is to be conducted by a Chartered Accountant. The entity has to maintain proper books of accounts that are to be audited by a Chartered Accountant. A tax audit is process of verification and inspection of the accounts of a tax payer to confirm their adherence to the provisions of the Income Tax law. Section 44AB of the Income Tax Act 1961 deals with the Audit of the Accounts of a certain category of persons carrying on a business or engaged in a profession. Let us come to the details of section 44AB , as per the Income Tax Act 1961 -as was inserted by Act 21 of 1984 (w.e.f 1-4-1985).

Section 44AB. - Audit of Accounts of certain persons carrying on business or profession-Every person –

(a) carrying on business shall, if his total sales, turnover or gross receipts, as the case may be, in business exceed or exceeds one crore rupees in the previous year, or

(b) carrying on profession shall, if his gross receipts in profession exceed fifty lakh rupees in any previous year, or

(c) carrying on business shall, if the profits and gains from the business are deemed to be the profits and gains of such person under section 44AE or section 44BB or section 44BBB, as the case may be , and he has claimed his income to be lower than the profits or gains so deemed to be the profits and gains of the business, as the case may be, in any previous year, or

(d) carrying on the profession shall , if the profits and gains from the profession are deemed to be the profits and gains of such person under section 44DA and he has claimed such income to be lower than the profits and gains so deemed to be the profits and gains of his profession and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year, or]

(e) carrying on the business shall, if the provisions of sub-section (4) of section 44AD are applicable in his case and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year, get his accounts of such previous year audited by an accountant before the specified date and furnish by that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed.

[Provided that this section shall not apply to the person, who declares profits and gains for the previous year in accordance with the provisions of sub-section (I) of section 44AD and his total sales, turnover or gross receipts, as the case may be, in business does not exceed two crore rupees in such previous year :]

[Provided further that this section shall not apply to the person, who derives his income of the nature referred to in section 44B or 44BBA, on and from the first day of April 1985 or, as the case may be, the date on which the relevant section came into force, whichever is later.

[Provided also] that] in a case where such person is required by or under any other law to get his accounts audited, it shall be sufficient compliance with the provisions of this section if such person gets the accounts of such business or profession audited under(600) such law before the specified date and furnishes by that date the report of the audit as required under such other law and a further report [by an accountant] in the form prescribed under this section.]

The other sections get into the purview of section 44AB are section 44AE, 44AF, 44BB, 44BBB, 44ADA, 44AD, 44B and 44BBA.

The section 44AE deals with special provision for computing profits and gains of business of plying, hiring or leasing goods carriages .

Section 44 AF deals with the special provisions for computing profits and gains of retail business Section 44BB is with the special(700) provision for computing profits and gains in connection with the business of exploration, etc, of mineral oils. This section is again subjected to section 28 to 41, section 43 and 43A. This section also encompasses section 42 or section 44D or section 44DA or section 115A or section 293 A. Section 44BBB, deals with special provision for computing profits and gains of foreign companies engaged in the business of civil construction etc.,in certain turnkey power projects. This section also encompasses the provisions of section 28 to 44AA.

Section 44ADA deals with special provision for computing profits and gains of profession of presumptive basis who , is a resident of India, is engaged in a profession referred to in sub-section (I) of section 44AA, and income does not exceed fifty lakh rupees.

Specified profession as per section 44AA are:-

- Engineering profession,
- Legal profession,
- Company Secretary,
- Cost & Management Accountant, Chartered Accountant,
- Medical profession,
- Interior decoration services,
- Profession of advertising,
- Architectural profession.
- Profession of technical consultancy,
- Authorised representative (before any Tribunal or authority),
- Professional in sports.

Section 44 AD deals with special provision for computing profits and gains of business on presumptive basis - notwithstanding anything to the contrary contained in section 28 to 43C ,in case the case of an eligible assessee, engaged in eligible business, a sum equal to eight per cent (six percent have been substituted) of the total turnover or gross receipts of such or, as the case may be, a sum higher than the aforesaid sum claimed to have been earned by the eligible assessee, shall be deemed to be the profits and gains of such business chargeable to tax under the head " Profits and gains of business or profession".

If a person involved in business & choosing for presumptive taxation U/s 44AD, the following key note may be taken into consideration-

- If total income more than the basic exemption limit only then tax audit is applicable.
- Where the income Taxpayer is covered U/s 44AB then he is required to get the books of accounts audited by an Chartered Accountant.
- Income Tax Audit report would be furnished in under the Form 3CB,CD, where report of Tax Audit completed by a Chartered Accountant is to be filed in Form 3CB & details of audit are to be reported in Form 3CD.
- In case the Income Taxpayer is liable for income tax & that person fails to complete Tax Audit of Firm Books of Accounts then he is responsible for a payment of penalty of lower of the below two:

  # Rs 1,50,000 or

  # 0.5% of total receipts.

Section 44B, deals with special provision for computing profits and gains of shipping business in the case of non-residents.

Section 44 BBA, deals with special provision for computing profits and gains of the business of operation of aircraft in case of non-residents.

For the purpose of computing tax audit in compliance with section 44AB, all other sections as above is also to be taken into consideration.

The Finance Act 2020 - the threshold limit of rupees one crore turnover for a tax audit is proposed to five crores rupees with effect from AY 2020-21, if the taxpayer 's cash receipts are limited to 5% of the gross receipts or turnover and if the taxpayers' cash payments are limited to 5% of the aggregate

The above changes is made to decreased compliance burden on MSME entities.

As per Union Budget 2021, changes in Tax Audit Turnover Limit to Rs 10 crore under section 44AB w.e.f., AY 2022-23 if the above 5% criterion is in order.

It is suggested to increase the threshold from 5 crore to 10 crore in circumstances of above cash transactions criterion in order to encourage non-cash transactions, promote the digital economy, and further reduce small and medium enterprises' compliance burden.

Form 3CB and Form 3CD, are audit reports in respect of audit conducted under section 44AB of the Income Tax Act. Form 3CB prepared by Chartered Accountant on behalf of the assesses who are carrying out a business or profession.

Form 3CD is prepared by the Chartered Accountant on behalf of the assesses who gets their Accounts audited. The objective of the form is to specify the particulars of the audit(1400) report under any of the forms specified under section 44AB.

Form 3CA - 3CD is applicable in case of person who is required by or under any law to get to accounts audited. Form 3CB-3CD is applicable in case of a person not being a person whose accounts are not required to be audited under any other law.
For instance A Company is required to get the accounts audited compulsorily under the Companies Act 2013. So it will furnish Form 3CA.

The main fields or content of Form 3CA are as follows:-

∆ Personal details of the tax assessee including name, address and PAN.

∆ Name of the Auditor (firm or individual)

∆ Number and section/sub-section of prevailing Companies Act under which the accounts have been audited.

∆ Date of the audit and audit report.

∆ Period of Income and Expenditure or Profit and Loss Account (Start and End date).

∆ Date of Balance sheet used to perform the Audit.

∆ Declaration that 3CD haa been attached along with the audit report.

∆ Qualification/audit observations found in the details associated with the Form 3CD.

∆ Date and place of signing the audit report.

∆ Details of the Auditor i.e., name, address and the membership number.

∆ Seal and stamp of the auditor.

The form 3CD ask for the following details:-

1. Name of the assessee.
2. Address.
3. PAN
4. Liability for payment of indirect taxes.
5. Status (individual,HUF, Company, Firm (including LLP), AOP, BOI, Local authority or other judicial person.
6. Prev. Year.
7. Assessment year.
8. Relevant clauses of section 44AB under which the audit has been conducted.
9. (a) If firm/association- names of partners/members and profit sharing ratios.(b) if there is any chage in partners/ members and the profit sharing ratios.
10. (a)Nature of the business or profession (of all , if more than one).(b) any change in nature of business.
11. (a)Whether books of accounts are prescribed u/s 44AA. List of books so prescribed.(b) maintained and the address where kept.
12. If the profits or loss includes any profit and gain on presumptive basis.if yes amount and relevant sections(44AD,44AE, 44AF,44B, 44BB,44BBA, 44AF, 44B, 44BB,44BBA,44BBB)
13. (a) Method of accounting (b) any change (c) if there is change, details(d) if any adjustment u/s 145(2).(e) if any such adjustment, details there of.(f) disclosure as per ICDS.

Likewise 44 such clauses of queries are required to be furnished in the 3CD form by the taxpayer, which will cover the information of almost every corner of the Company and here it is difficult to narrate all 44 clauses individually as done for first 13 clauses due paucity of space.

The taxpayers are responsible to get their accounts audited. The Chartered Accountant is required to cross-examine the books of accounts of the taxpayer and provide the findings in the tax audit report.

It is important to submit details with accuracy through the e-Filing portal www.incometax.gov.in of CBDT to avoid any proceedings.

SMEs- Save money by proactive Tax Planning- Top ten strategies

CMA N. Rajaraman
Mob.: 75062 55388
E-mail: rajaraman.chandra@gmail.com

Every business and individual needs to pay income tax on their income in any financial year. Some of them pay more income tax, some pay less, but it's unavoidable. However, if the small business owner doesn't realize the need for tax planning, they will pay much more income tax to the Government. And most of the first-time entrepreneurs fall into this category.

While income tax is necessary to pay, and our legal and moral obligation, legal provisions and strategies exist to save these direct taxes, in compliance of the applicable Laws. And if you are eligible for the exemptions, then you should avail them with a structured planning.

Basic Conceptual understanding:

Income tax is a direct tax and levied on the 'income' generated by a business or an individual, who can be an entrepreneur, a salaried person, an investor. Based on the slabs of income, this direct tax is calculated. There are legal ways and strategies for your business to save this income tax, especially for small businesses and new entrepreneurs. There exists Tax Planning for New Business, which we will share, along with Tax Payment Plans.

Tax Planning for Small/Medium Enterprise/Businesses: 10 Ways Small Businesses Can Save Money

1. **Hire Family Members as Employees**

   By hiring family members as your employees, you can save money on your income tax, since the salary paid to employees is a cost to the company and can be excluded from taxable income. And pay them Rs 2,50,000 per year, so that they are not liable to pay any income tax.

2. **Travel, Accommodation Expenses on Company Account**

   If the business owner or employees need to travel, as part of the job, then spend the money using company accounts. Traveling done for the growth, expansion, and business operations are deductible from the taxable income.

3. **Marketing Expenses as Tax Rebates**

   The expenses for marketing and advertisements for business are deductible under the income tax laws for corporations and companies. Any expense made to bring in new customers or retain existing customers can be cut from the taxable income.

4. **Utility Expenses Are Tax Deductions**

   If a business is spending on utilities such as electricity bills, phone bills, parking, vehicle, etc., these expenses can cut taxable income and help you claim a tax rebate. But note here that these utility expenses should be purely for business purposes. The money spent on vehicle maintenance, drivers' salary, and petrol, for example, is tax-deductible and lowers your taxable income.

   But in case of an audit, you will need to prove that the vehicle was used for business purposes only. If you work from home as an entrepreneur, then home electricity bills and income tax can be tax-deductible. Section 35D of Income tax laws helps to get more clarification.

5. **Medical Insurance**

   Under Section 80D of income tax laws, medical insurance paid up to INR 25,000 for the business owner, their family members are tax-deductible, thus reducing your taxable income. However, if the business owner is also doing a job, where the employer is paying for medical insurance, this tax rebate won't apply.

6. **Housing Loan**

   If the small business owner has taken a home loan and pays interest on the repayment via EMI on the same, then under Section 80C and Section 24, tax rebates can be claimed. Both on the interest paid and principal amount.

   EMIs (Equated Monthly Instalments) paid for home loan from a bank is a tax-deductible expense, only if the PAN Card is linked with the company.

7. **Depreciation On Machinery**

   Manufacturers can claim up to 20% additional depreciation on the new machinery bought in a financial year. This provision is under Section 35AD. In the case of existing machinery, up to 15% depreciation is allowed.

8. **Stop Using Cash, Adapt Digital Payments**

   There are various tax provisions to save money if a business uses digital mode to make and receive payments. This is especially relevant for small businesses and merchants. Besides, using cash extensively is an open invite for being red flagged by the Income Tax Department. If you pay more than Rs 20,000 to a worker in cash, in a single day, then that transaction will be nullified. Being digital is one of the smartest Tax Planning strategies.

9. **Pay Municipal Taxes by Cheque**

   There are provisions for tax benefits for an individual and a business if the municipal taxes are paid with cheques (home/office/factory). The municipal taxes can be deducted from income from real estate, and the most efficient way is by paying via cheque.

10. **Pay Income Tax on Time**

    Income Tax Department also advises to pay income tax on time, and there is a reason behind this. If the income tax is paid on time, you can avail of many tax rebates schemes and programs. Most Importantly, estimate the Income and tax payable, pay the advance tax which will help in avoidable outflow of Interest on delayed taxes payment. Besides all, timely filing of IT returns with payment of taxes, allow business losses can be forwarded for eight years, from the year when it was first reported and set-off against taxable income.

    But if you are late for filing income tax returns, then this tax-deductible provision is not granted.

    These are just some ways a small business can do tax planning and save on income taxes. This tax planner blueprint is like a quick start help to all new entrepreneurs and there by helping themselves to save on Direct taxes, but of course with adherence to the Income tax Act.

E-Invoice Run-Through & FAQs

CMA Simran Godwani
E-mail: simrangodwani@yahoo.com

What is E-invoicing?

E-Invoicing or Electronic Invoicing is a real-time authentication of B2B invoices by the GST portal (IRP) in order to seamlessly integrate the Input Tax credit, GST Filing, and E-way billing systems so that the end-to-end communication from the seller to buyer is hassle-free.

The e-Invoicing system under GST was implemented from 1st October 2020 for taxpayers with an aggregate turnover exceeding Rs.500 crore. E-invoicing was extended to businesses with an aggregate turnover exceeding Rs.100 crore from 1st January 2021.

On 8th March 2021, the CBIC also notified applicability of the e-invoicing system from 1st April 2021 for businesses with total turnover ranging between Rs.50 crore to Rs.100 crore. The government recently extended the e-invoicing applicability to businesses having more than Rs 20 crore turnover w.e.f 1st April 2022. Very soon, the system shall expand to cover businesses with turnover over Rs.10 crore from 1st October 2022.

Phases of Implementation

Phase	With effect date	Turnover criteria (INR)
1	1st October 2020	500 crore
2	1st January 2021	100 crore
3	1st April 2021	50 crore
4	1st April 2022	20 crore
5	1st October 2022	10 crore

Why is E-invoicing required?

The purpose of E-Invoice is to avoid the data reconciliation between sellers and buyers under the GST Input Tax credit system by reducing the mismatch errors.The following are key requirements of e-invoicing :

- Faster and timely Input tax credit
- Real-time Validation by GST portal
- Traceability and Transparency
- Uniform Invoice format and content
- Curbing Tax Evasion

What are the transactions/supplies covered under e-invoicing?

E-invoicing applies to the following transactions of a registered seller

- Supplies to registered persons (i.e., B2B supplies)
- Supplies to SEZs (with/without payment of tax)
- Exports (with/without payment of tax)
- Deemed exports

However, e-invoicing shall not be applicable to the following categories of registered persons, irrespective of the turnover, as notified in the CBIC Notification No.13/2020 – Central Tax:

- An insurer or a banking company or a financial institution, including an NBFC
- A Goods Transport Agency (GTA)
- A registered person supplying passenger transportation services
- A registered person supplying services by way of admission to the exhibition of cinematographic films in multiplex services
- An SEZ unit (excluded via CBIC Notification No. 61/2020 – Central Tax)
- A government department and local authority excluded via CBIC Notification No. 23/2021 – Central Tax)

What are the benefits of e-invoicing?

- Real-time tracking of tax-compliant invoices between Seller, Buyer and Govt authorities using unique identifiers like IRN and QR Code
- Better management and automation of the tax-filing process.
- Reduced errors: E-invoice helps in plugging the major gap in data reconciliation under GST to reduce mismatch errors.
- Better cash flow: Immediate delivery of invoices cuts the time lag in payment and thus improves cash flow
- Greater transparency: Automated processing of incoming invoices with workflow-based approval processes ensures greater transparency.
- E-way bills can also be generated easily using e-Invoice data.
- There is minimal need for data reconciliation between the books and GST returns filed.
- Reduction in the number of frauds as the tax authorities will also have access to data in real-time.
- Elimination of fake GST invoices getting generated.
- Lower costs and faster returns on investment: With the conversion to e-Invoicing, 60 to 80 percent of the process costs per invoice are eliminated.
- More efficient processes and higher compliance: E-invoicing ensures more efficient and transparent processes, thereby facilitating better compliances.
- Reduce frauds and manipulations (as immediate reporting to Govt) curbing Tax evasion

- Part of Go Green / Digital India initiatives towards paperless offices

How to create an electronic invoice?

The process to create an e-invoice varies with the following four methods:

- Offline tool
- Using GST Suvidha Provider
- Through Direct Integration
- Via API integration with sister concern GSTIN
- Using E-way Bill API credentials

In case of bulk generation of IRN using offline too, download the offline tool available on the portal: https://einvoice1.gst.gov.in/. Enter the invoice details and validate the entries. Generate the JSON file and upload it after logging into the portal. For the rest of the methods, the taxpayer must register his APIs by logging into the e-invoice portal and use the API credentials to connect and generate IRN and e-way bill.

What are the documents covered under e-invoicing?

By the term E-invoice, it doesn't mean that it applies to only Invoices. It also naturally applies to Debit notes and Credit notes in respect of the above-mentioned B2B, SEZ, and Export transactions

Who is eligible for E-invoice?

Every GST registered person whose aggregate turnover in a financial year exceeds the specified limit (from time to time) shall prepare an e-invoice in respect of the supply of goods or services or both to a registered person.

Who is exempted from E-invoice?

Persons listed under rules 54(2),(3),(4), and (4A) of the Central Goods and Services Tax Rules, 2017 are exempted from E-invoice regardless of their turnover. Examples of such exemptions are Insurance Companies, Banking Companies, Financial Institutions, NBFCs, Special Economic Zone (SEZ) units, Goods Transport Agencies (GTA), Passenger transportation service providers, etc.

What is the turnover limit for E-invoice applicability?

- As per recent Notification No. 17/2022-Central Taxes dated 01-08-2022, E-Invoicing is mandatory for GST taxpayers whose aggregate turnover is more than Rs. 10 crores with effect from 1st October 2022.
- Presently, as per Notification No. 01/2022-Central Taxes dated 24-02-2022, E-Invoicing is mandatory for GST taxpayers whose aggregate turnover is more than Rs. 20 crores with effect from 1st April 2022.

Does the e-invoice scheme apply to reverse charge mechanism (RCM) transactions?

Yes, the e-invoice scheme applies to reverse charge mechanism (RCM) transactions as well.

Is e-invoicing applicable to nil-rated or wholly-exempt supplies?

No, e-invoicing is not applicable to nil-rated or wholly-exempt supplies as in these cases, only a bill of supply is issued and not a tax invoice.

What is the maximum number of line items supported by an e-Invoice?

The maximum number of line items allowed per e-Invoice is 1000.

Can more than one IRN be generated for the same invoice?

No, the e-invoice system checks in the Central Registry of the GST system to ensure that the same invoice from the same supplier belonging to the same financial year is not being uploaded again for generating more than one IRN. The IRP will reject such invoices.

Can a cancelled e-invoice number be used again?

No, once an IRN is cancelled, the same invoice number cannot be used again to generate another invoice. If used again, the IRP will reject the same.

Can an e-Invoice be cancelled partially/fully?

An e-invoice cannot be partially cancelled, it has to be cancelled fully. Once cancelled, it will need to be reported on the IRN within 24 hours. Cancellation done after 24 hours cannot be done on the IRN and needs to be manually cancelled on the GST portal in the GSTR-1 return, before the same is filed.

How can an e-invoice be amended?

All amendments to an e-invoice can be made only on the GST portal in the GSTR-1 return.

Source: Goods & Services Tax Act, 2013
GST Rules-CBIC

Advanced to Fellow Membership (WIRC)-August 2022

SR. NO.	MEMBER NO.	NAME	CITY
1	38065	Ajit Balakrishna Shinde	Pune
2	15061	Amiya Ranjan Tripathy	Mumbai
3	42716	Anirban Das	Durg
4	42724	Pawan Popli	Bhopal
5	29969	Kalpeshkumar R. Patel	Ahmedabad

Tax Benefits for Women Entrepreneurs in India

CMA Meena Vaidya

Mob.: 98224 35126

E-mail: meena.vaidya6@gmail.com

Any business owned by a woman in India is eligible for the Government's various tax incentives. Numerous sections under the Income Tax Act (ITA) offer lucrative tax deductions that can bring down your taxable income favourably. Read the complete details below.

Do women-owned businesses enjoy special tax benefits?

Until the FY 2011-12, the basic tax limit/slab, or the applicable tax rates based on income and age, was segregated for men and women taxpayers. Meaning women were paying less tax than men who earned the same income.

But from FY 2012-13 onwards, standard tax slabs were introduced for both men and women. And because of this, women-run companies currently do not enjoy any specific tax rebates or exemptions.

However, notwithstanding the new tax slab, women entrepreneurs can still leverage various taxable income benefits and save money when filing their yearly taxes.

For a woman-owned business, tax benefits under Section 80 of the ITA comprise tax deductions, exemptions, and rebates on expenditure like:

- Gross earnings
- Property purchase
- Insurance policy premium
- Business loans.

If you are a women-led business in India, here are the tax exemptions you can enjoy as recorded in the ITA's Section 80:

Section 80C

You can claim tax deductions of up to Rs. 1.5 lakhs from your total income under Section 80C, from any of the following:

- National Savings Certificate
- Equity Linked Savings Scheme
- National Pension Scheme
- 5-year tax-saver fixed deposits
- Employees Provident Fund

And more!

Section 80E

For women entrepreneurs, loantaken to finance higher education is also tax-deductible. Whether you borrow the funds for your children, spouse, or yourself; you can secure deductions on the interest you pay to service the monthly EMIs on your education loan.

Section 80CCG

If your annual gross income is less than Rs. 12 lakhs, you can secure tax exemptions on your equity investments under the Rajiv Gandhi Equity Saving Scheme (RGESS).

Tax benefits on a business loan

If you're presently paying back a debt incurred for business-specific needs, you can write off the interest payable as business expenditure and avail the tax deductions accordingly.

To incentivise female entrepreneurs and promote women empowerment, loanadvanced to a woman-led business is considered in the total taxable income. However, tax deductions are only available on the amount women pay towards the interest component of their EMI payments.

Government Schemes That Help Women Entrepreneurs in India

Gender equality has become a critical component in the business world. The MSME sector that once brimmed with businessmen is now welcoming women from different social and societal backgrounds with open arms. The launch of various government schemes for female entrepreneurs in India has also encouraged women to come forward. These include both state government schemes such as the Maharashtra Government schemes for women's business and the Central Government schemes like the Mudra Yojana.

1. **Annapurna Scheme**

   Many women are incredible chefs and can benefit economically by establishing their catering business. This government scheme for female entrepreneurs in India aims at supporting women who wish to start a catering unit. The Annapurna scheme allows women to borrow up to Rs. 50,000. This loan can be repaid in 36 total instalments and requires collateral and a guarantor for approval. The collateral for Annapurna scheme loans is taken in the form of assets.

2. **Mudra Yojana Scheme**

   One of the most popular schemes for a government loan for women for business in India, the Mudra Yojana scheme allows women to start different types of small or medium-sized companies including beauty parlours, tuition centres, tailoring shops, etc. The lower limit for the amount sanctioned under this government loan for women for business in India is Rs. 50,000, while the upper limit is Rs. 50 lakhs. If the borrowed amount is less than Rs. 10 lakhs, the borrower does not have to give a collateral. The three categories of Mudra Yojana loans for women are:

- **Shishu:** The upper limit for Shishu loans is Rs. 50,000 and they can be used for business establishment.
- **Kishor:** Starting at Rs. 50,000 and going up to Rs. 5 lakhs, these business loans for women are meant for well-established enterprises.
- **Tarun:** Tarun loans help with business expansion. They range between Rs. 5 lakhs and Rs. 10 lakhs.

3. Cent Kalyani Scheme

Under the Cent Kalyani Scheme, the Central Bank of India offers women entrepreneurs loans for running a business in sectors like retail and agriculture. These loans do not require any collateral or guarantor and can go up to Rs. 1 crore.

While these government loan schemes are excellent, women in business can also opt for NBFC loans.

5. Types of Business Loans to Empower Women Entrepreneurs

Women entrepreneurs are having a tremendous impact on the business landscape in India. Today, there are 8 million women who are running their own businesses successfully, which add up to 14% of all entrepreneurs in the country, as per the government economic census. In order to spur further growth and boost entrepreneurial initiatives among women, leading financial institutions in India, like Tata Capital have been offering flexible loans. For instance, for Tata Capital Home Loans, the women applicants get a rebate on interest rates by 5 bps (basis points).

Things are looking positive with the new business loan options for women entrepreneurs in India. Here are some of the best options for women entrepreneurs today:

Annapurna Women Entrepreneur Loan Scheme

Want to start your very own catering or food business? There is a specially designed loan option from the State Bank of Mysore and Bharatiya Mahila Bank for women entrepreneurs who would like their own catering and food startups. Here is what the Annapurna loan scheme offers:

- Get a loan up to Rs. 50,000
- You can repay the loan within 36 months
- Get a one-month EMI holiday before you begin paying the loan amount
- A guarantor or collateral asset is needed to avail the loan

Bharatiya Mahila Bank Business Loan

For all you women entrepreneurs in India who want to start your own venture, this is one of the best business loan options for you. Under this loan scheme for women, you can avail various types of loans such as:

- Loan against property
- Micro and small industries loans
- SME Loans

What makes it such a viable option is that you can get:

- Business loans up to Rs. 20 crores for manufacturing businesses
- Collateral-free loans up to Rs. 1 crore for micro and small industries
- Repayment term of the loan can be up to 7 years
- Affordable interest-rates of up to 12.25%

Stree Shakti Package For Women Entrepreneurs

Being the largest bank in India, the State Bank of India has introduced special loan schemes for women entrepreneurs, which is called the 'Stree Shakti Package' or the 'woman power' package. It aims to truly empower women by offering them no-collateral loan options up to Rs. 5 lakhs. Moreover, they even offer a concession of 0.50% interest rate for loans above 2 lakhs. This business loan for entrepreneurs can be availed by women who have ownership of at least 50% or more in an enterprise. Plus, they should be a part of the Entrepreneurship Development Program (EDP) run by state agencies.

Mudra Yojana Women

The Mudra Yojana Scheme is a pet project of the Prime Minister of India- Mr Narendra Modi, who has the vision to empower entrepreneurship culture and startups in the country. Therefore, this loan scheme seems really promising for women entrepreneurs who would like to start their own business ventures in areas such as day-care centres, beauty parlours, small-scale boutiques and tuition centres. Here are the features of this business loan scheme for women entrepreneurs:

- Get loan amount from Rs. 50,000 all the way to Rs. 10 lakhs
- No collateral is required to avail the loan
- It can be availed under 3 schemes such as

1. **Shishu** – Get loans up to Rs. 50,000. Ideally suited for businesses in their nascent stage
2. **Kishore** – This loan is offered to more established businesses, which are looking for running capital to fuel their business. You can avail between Rs. 50,000 to 5 lakhs for a business loan
3. **Tarun** – Get business loans from Rs. 5 to 10 lakhs under this scheme. More suited for businesses that are looking to expand or consolidate their growth

You will even receive a Mudra Card, which functions as a credit card once your loan is granted. However, your credit limit will only be worth 10% of the loan amount.

Cent Kalyani Scheme

This is a business loan scheme for women created by the Central Bank Of India, which aims to empower and uplift women entrepreneurs. It aims to provide loans to women entrepreneurs who are managing micro and small industries, SMEs, agricultural or retail enterprises. Here's what women entrepreneurs can expect from this loan:

- Business loans up to 1 crore
- Get collateral-free loans
- Enjoy zero processing free

Top 4 Investment Tips for Women to Start Their Financial Journey

Indian society mostly works on conventional gender roles, where women are seen as nurturers and men as breadwinners. When it comes to finance and investments, you will most companies targeting men for their financial products. But times are changing now. Gone are the days when men were expected to be the financial head of the family. Today, an increasing number of women are gaining economic independence and turning financially savvy. If you're looking to start your financial journey,

Here are four investment tips that will help you take money matters in your own hands.

1. **Educate yourself about finance**

   To start your financial journey, you will need to have some working knowledge of finance. Make it a habit to spend some time reading basic financial concepts. In fact, there are various finance workshops, courses, apps, and communitiesavailable online and offline that can aid you. You can either go for free ones and then move to paid programs for an advanced understanding.

2. **Set goals and plan**

   Before you start investing in products, set your short and long-term financial goals. What do you need money for in the near future – education, travel, wedding, retirement, etc. Once you know your goals, you can establish an investment plan to achieve them.

3. **Start with low-risk investments**

   While investments in the stock market are quite popular, they run a higher risk due to market volatility. This is why it is a much better option to start with low-risk investment options such as fixed deposits (FD), mutual funds, and gold. These accounts can very easily be opened online and also work great as tax-saving tools. If you are unable to work through the process of selecting the right instruments yourself, seek the help of a financial advisor. Once you're familiar with the landscape, you can then move on to higher risk products like stocks.

4. **Have insurance coverage**

   Insurance is an important investment as it offers returns in the future, financially securing you and those around you. One of the biggest mistakes that women make is ignoring separate coverage as they are usually covered under the joint insurance policies with their parents or husband. Rather than depending on your husband or parents for coverage, get insurance for yourself, whether it is health insurance or life insurance. This will ensure your financial security and will also offer you additional tax benefits if you are a working professional. ■

WIRC Associate Members – August 2022

M.No.	NAME	CITY
52719	Nikita Mahesh Madhyan	Thane
52721	Sagar Airen	Indore
52745	Vinay Kumar Singh	Mumbai
52769	D Mani Rao	Bhilai
52781	Shinde Ravindra Raghunathrao	Mumbai
52785	Saurabh Surana	Mumbai
52789	Revendra Pratap Yadav	Bhilai Nagar
52793	Sunny Bhupendrabhai Darji	Ankleshwar
52806	Ekta Sharma	Bhilai

M.No.	NAME	CITY
52807	Rajat Gupta	Indore
52810	Ankurkumar Shashikumar Sinha	Pimpri Chinchwad
52811	Salunkhe Rajesh Hanmant	Mumbai
52813	Sumita Mukherjee	Bhilai
52814	Megha Sekharan	Mumbai
52816	Satsheel Vishnu Shrotriya	Pune
52834	Nayankumar Chauhan Thakarshibhai	Vadodara
52845	Kadam Sunny Sureshbhai	Vadodara
52860	Ritesh Jain	Bhilai

India as Global Powerhouse & Developed Economy – A SWOT analysis

CMA Lt. Dhananjay Kumar Vatsyayan (Ret.)

Mob.: 95455 51752, 89990 70378
E-mail: dvatsyayan@yahoo.com

"Indian export is expected to reach USD $ 1 trillion by 2030."

Mr Piyush Guyal, Minister of Commerce & Industry

A. Synopsis –

Prime Minister Shree Narendra Modi set a target in 2019 of converting India a global powerhouse and USD $ 5 trillion economies by 2024-25. The target set by the Prime Minister had first casualty in forms of pandemic (Covid 19) and second casualty as Ukraine- Russia conflict. The world economy had a serious setback and India is not an exception. The growth trajectory of India had a dip and critics had a laugh.

15 August 2022, Prime Minister of India has set a target of converting India into a developed nation from present status of developing nation by 2047, i.e., a period of 25 years. It appears to be a realty for citizen and pipe dream for critics. Government Institutions, Private sector and public sector along with common citizen have to work hard to achieve the ambitious target.

B. Expert's Views

Indian economy grew at 6.6 % in fiscal 2020-21 and 8.7 % in fiscal 2021-22. RBI has forecasted a GDP growth of 7.2 % and World Bank forecasted an economic growth of 7.5% in fiscal 2022-23. The Chief Economic Advisor Shree V Ananta Nageswaran had said while addressing an event organized by UNDP "Presently India is a USD $ 3.3 trillion Economy and expected to achieve USD $ 5 in 2026-27 and USD $ 10 trillion economy by 2033-34. It is based on assumption of 10% nominal GDP growth."

[Chief Economic Advisor Mr. V Ananta Nageswaran Source – The Economic Times 14 Jun 2022]

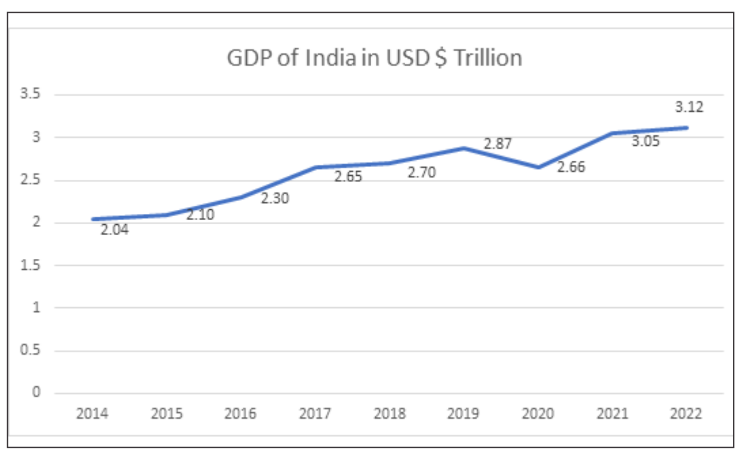
As per IMF revised forecast, India will be a $5 trillion economy by 2026-2027. It projects India's $3.53 trillion economy will overtake Britain's $3.38 trillion economy. India $ USD 5.53 trillion is all set to dethrone Germany, whose nominal GDP is estimated at $ USD 5.36 trillion by 2027. India will emerge as the world's fourth largest economy.

Japan holding third slot, its economy is likely to grow from USD $ 4.91 trillion in 2022 to USD $ 6.26 trillion in 2026-27. Bridging the gap of USD $ 0.73 trillion with 7-8% real GDP growth rate is doable and not over ambitious target. India will compete with Japan to become third largest economy of the world.

Occupying second slot by India will be more challenging and interesting to watch. China, second largest economy of the world is expected to be USD $ 29.3 trillion and USA, largest economy of the world is expected to be USD $ 30.97 trillion in 2027. However, the rise of India in last two decade is dramatic. India, occupying 9 th spot in 2010 is expected to compete for third spot in 2028-29.

C. Supporting important Indicators

Supporting important Indicators – India is the fastest-growing economy of the world. It is expected to be one of the top three economic powers globally over the next 8 to 10 years, because of largest robust democracy, higher capital expenditure and strong partnerships worldwide. The major indicators can be summarised as under.



[Graph 1 – GDP of India in USD $ trillion; Source - IBEF.ORG]

a. India is having third largest unicorn base in world with more than 100 unicorns.

b. The nominal GDP of India at current prices is projected at Rs. 232.15 trillion (USD $ 3.12 trillion) in FY22.

c. India's foreign exchange reserves reached US$ 572.71 billion (July 15, 2022)

d. Goods and Services Tax (GST) collection of Jun 2022 is Rs. 1.44 trillion (US$ 18.1 billion).

e. RBI (Reserve Bank of India) has approved international trade settlements in Indian rupees (INR) in order to promote export and growth of global trade with India.

f. The Honourable Prime Minister of India Mr. Narendra Modi had launched the "Make in India" initiative with clear objective of boosting the manufacturing sector and increasing purchasing power of an average Indian. Consumer with higher purchasing power would drive the demand to boost the economy.

g. Budget 2022-23 - Finance Minister Ms. Nirmala Sitharaman introduced Productivity linked Incentive (PLI) in 14 sectors in order to promote the concept of "Aatma Nirbhar Bharat" and create 16 Lakhs job.

D. The strengths

India have been identified as better destination to invest for domestic and foreign investor. It is having excellent potential to become a Global power house and developed economy in future because of following strength.

a. Big Market with potential to grow – Indian middle-class families are one of the biggest markets of consumer products. The size of Indian middle class is growing rapidly with GDP growth and expected to grow further in future. The future of any company investing in India is safe and stable. Peoples under direct tax / indirect tax bracket are also increasing rapidly. High tax collection allows govt to spend more money on development and infrastructure.

b. Highly educated, skilled and talented population – Educated, skilled and talented man power is the biggest asset of this nation. Its achievement in computer technology, Artificial Intelligence and space technology are remarkable.

Many multinational companies are hiring Indian talents in various level of management to manage their affairs. Multinational as well as Indian companies are comfortable to attract suitable talents in India.

c. Big pool of working population – India is having a big pool of working population, which is ready to move, eager to learn and dedicated to work hard. Their average age is lower than many developed and developing nation.

d. Mature Democracy and unity in diversity – India is having mature democracy and ruled by elected stable Government. The pillars of democracy are strong enough to have unity in diversity. United and diverse India is always reflected in the language, culture and mindset of its population. India is considered a home of various religion, sect, culture and creed under one banner of India.

e. Institution of Higher standard – India is having various Technical & Management institute of world standard. Its alumni are respected world wide for their talent and capabilities. The institution like ISRO, DRDO, TIFR, IIT, IIM, NIT, and public sectors are contributing enormously to the growth trajectory of the nation. Indian Armed Forces, Para military forces, bureaucracy and judiciary and are always ready to secure its boundary and internal peace. Institution like NDRF, Indian Army and Indian railway are successfully handling natural disaster and emergencies in tough terrine. These institution are promoting picture of united and prospering India.

f. Investment in Infrastructure – Government is investing lot of resources in infrastructure development (Capital formation) like Road, Railway, Waterway, Airline, Urban development (Smart city), Telecommunication, Space exploration, health and education. This infrastructure is providing supportive role for GDP growth.

Capital spending of Indian government is expected to be supported by positive factors such as tax (direct & Indirect) buoyancy, streamlined tax collection system & policy, thorough assessment, rationalisation of tariff structure and digitisation of tax return filing system. Increase in capital spending on infrastructure and capital building projects is bound to increase growth multipliers.

g. Handling of pandemic and emergencies – Indian health sector has exhibited an excellent management skill while handling pandemic like COVID 19 and driving vaccination against COVID 19. It has performed well and better than developed world in spite of its poor infrastructure and support system.

E. The Weakness

a. High poverty rate and illiteracy among poor – The literacy level of poor people in India is quite low in spite of right to education for every citizen and free education to poor people. The skill development for illiterate people is quite difficult and they are employed in low income generating opportunity. Thus, the cycle of poverty continues for generation to generation.

India needs to spend on education and promote literacy specially in backward areas. It will help to increase pool of educated skill man power and ultimately the income level.

b. Diverse religion, language and culture - The diverse religion, language, cultural and food habits work as barrier to movement of employable youth from one region to another region. Its take time to settle at new location and mix-up with local population. Local population are always skeptic about migrant population.

Uniform development of all parts of India will support local employment and reduce migration of low skilled worker.

c. Poor living condition – Poor living condition of rural India and city suburb discourage educated youth to stay and earn lively hood there. The migration to urban areas is high, especially from hilly areas and under developed Industrial states. The migrant workers are paid lower wages and there living condition remain pathetic.

Local employment for low skilled worker will help to improve the living condition of poor. Slum rehabilitation and uplifting of rural India will work as miracle.

d. High income disparity between rich and poor – The disparity between average income of high-income group and poor had widen further. The high disparity in income level generates social unrest and support anti-social element in the name of caste, religion and ethnicity.

Good education and good employment opportunity will help to maintain prosperous and stable society.

e. Social unrest – Many parts of India is not peaceful and having social unrest like Naxalist (Tribal areas of central India), Terrorism (Punjab, J&K), Mafias & Cast war (Bihar, Bengal), Separatist (Nagaland, J&K), local goons etc. Because of this social unrest, it is not safe to invest in every part of India. Some parts of India are Industrially developed (Gujrat, Maharashtra, Tamil Nādu, Karnataka) and some parts are industrially backward (North east states, J&K, Himanchal).

Strict law enforcing agencies and political empowerment of people will deter the anti-social elements. It will promote harmony and prosperity.

F. The Opportunities

a. Stagnation in Developed world – The developed countries like USA, Japan & Many European countries has already developed and reached a point of stagnation. There population are aging fast. There is not much scope to develop beyond organic growth of the region. India being a country of young population having good potential to grow and is a natural choice for investment.

b. Risky China – The cheap labor and longer working hours has attracted many manufacturers to setup there manufacturing bases in China. Thus, China has developed as manufacturing hub of the world.

However, the spread of COVID 19 and tension in South China Sea because of bully behavior of China has forced many companies to shift there manufacturing base out of China. This is a golden opportunity for the country like India to promote "Make in India" concept and accelerate the growth.

c. The strategic positioning of India between South East Asia, Middle East & Africa - India is having a unique strategic geographical location. Product manufactured in India can be quickly shipped to any destination. India is having close proximity with emerging markets of the world. The India is also having military dominance over Indian ocean and its surrounding, the busiest sea trade route is under Indian influence.

d. Non-alignment and similar policy of foreign affairs – India in maintaining equal distance from NATO countries and Russian block since independence of India. This policy has benefitted India to have friendly relation with most countries of the world. Indian company is having freedom to set up business abroad, make tie up with foreign companies and expand its base.

G. The Threats

There are many challenges to the target of India being a global powerhouse but most important among them are as under

a. Import of Oil & Gas – The energy requirement of India is highly depending upon import of Oil & Gas from various countries. Any fluctuation in crude Oil & Gas prices in international market because of any international conflict or tension in any region, disturbs the value of Rupee, budget of India, Government expenditure in infrastructure and balance of international trade (export- import).

Renewable energy, use of hydrogen or electricity in motor vehicle can reduce dependence on oil producing countries. It will save precious foreign exchange and can turn the trade in our favor.

b. Population explosion in poor class – The population growth of poor people is higher than national average. These phenomena add large chunk of population every year in poor class and any efforts to uplift poor class goes in vain.

A proper plan to curtail population growth will pay more dividend in future and Government must implement suitable policy in this direction.

c. Agriculture sector – The agriculture sector of India employs higher number of man power and generate lower contribution in GDP growth. Indian farmers follow conventional system for agriculture and not modern scientific method. Per acre generation of agriculture products are lower than world average. Agriculture in many parts of India is depend on nature and rain fall. One season of drought or skewed rainfall is enough to adversely affect the GDP.

Interlinking of river and promoting scientific farming may provide a long-lasting solution to this issue.

d. The Tension at LOC and LAC – India had military conflict with Pakistan and China in past. The military conflict with these countries is feasible in future as well because of unresolved border dispute. Any war with neighbor will certainly reverse the economic growth of the region.

Hope, Indian policy maker will resolve the border dispute amicably.

H. The Conclusion

India is the world's fifth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). International Monetary Fund (IMF) has ranked India on per capita income at 142nd by GDP (nominal) and 128th by GDP (PPP). India has long way to improve on per Capita Income.

Though the pace of growth was bit slow in past but it is consistent and stable. Now India is a fastest growing economy and it will continue to grow, because of its high potential in spite of various obstacles and road blocks. Stable Government with clear vision of development is a boon to Indian society.

The economic condition of Pakistan is miserable and it is not in position to engage with India in war. India has managed its border dispute with China well in last sixty (60) years and it needs another prospering twenty-five (25) years to become a developed economy. India as Global powerhouse & Developed economy can be a target to every Indian and it is nice to chase such positive objective.

"Jay Hind"

Accessing Domestic Capital Markets with Municipal Bonds

CMA Amar R. Kakaria
Mob.: 98195 12101
E-mail: amar@fusionadvisors.net

Shri Ashish Shah
Mob.: 98193 12905
E-mail: ashish.shah@asaind.co.in

Due to continuously rising population and rapid urbanisation, pressure on urban infrastructure and civic amenities has been increasing exponentially in India. Moreover, Government has launched mega initiatives like AMRUT – Atal Mission for Rejuvenation Urban Transformation, Smart Cities Mission, etc. Urban local bodies ("ULBs") often do not have sufficient resources on their own to fund such infrastructure projects viz. roads, transportation, water supply, sanitation, health care, etc. and hence, tapping capital markets by issuing municipal bonds is emerging as a lucrative option.

Bengaluru was the first city in India to issue municipal bonds worth Rs. 125 Crores in 1997 followed by Ahmedabad which had issued bonds worth Rs. 100 Crores in 1998. Officially the first recorded municipal bond was a general obligation bond issued by the City of New York for a canal in 1812. Besides USA, ULBs in many other developed nations like France, Italy, etc. have been efficiently using this option for more than 100 years in order to improve their infrastructure while serving the citizens. Municipal bonds can be of 2 types:

1. Revenue Bonds – These bonds are issued to finance specific projects and its repayment i.e. with principal and interest, is paid through revenues generated from the declared projects
2. General Obligation Bonds – These bonds are serviced out of tax proceeds as well as other receipts of ULBs and can further have following 2 variants.
   - Limited Tax GO Bonds
   - Unlimited Tax GO Bonds

Governing Framework for Issuer and Municipal Debt Securities:

"Issuer" shall mean any municipality or any statutory body or board or corporation, authority, trust or agency established or notified by any Central or State Act or any special purpose vehicle notified by the State Government or Central Government subject to the condition that it undertakes one or more functions that may be entrusted under Article 243W of the Constitution of India. A municipality means an institution of self-government constituted under Article 243Q of the Constitution of India. The recent amendments ensure that entities performing functions akin to municipalities also get covered in the scope of 'issuer', enabling them to access capital markets for raising funds through issue of municipal bonds.

Municipal debt securities are usually in the form of non-convertible debt securities, which create or acknowledge indebtedness, and include debenture, bonds or such other securities of an issuer. In 2015, SEBI has introduced SEBI (Issue and Listing of Municipal Debt Securities) Regulations ("ILDM Regulations") for regulating the process of issuing municipal debt securities by ULBs and their listing on recognised stock exchanges. Thereafter, it also issued a circular in 2019 to prescribe continuous disclosures and compliances by listed entities. Finally, it had issued Circular No. SEBI/HO/DDHS/P/CIR/2021/613 in August 2021 (2021 Operational Circular) which was last modified in April 2022. This operational circular provides a chapter-wise framework for the issuance, listing and trading of non-convertible Securities, securitised debt instruments, security receipts, municipal debt securities or commercial paper.

Municipal bonds can be issued by ULBs either through public issue or on private placement basis. Following are primary considerations as per ILDM Regulations:

A. Primary Eligibility Criteria:

- Issuers are allowed to raise money only under the law / regulation that administer them
- ULBs / Issuers need to prepare accounts in accordance with National Municipal Accounts Manual or Accounting Standards
- Issuer should not have defaulted in repayment of loan or debt securities over preceding 365 days. Further, the issuer, its promoters, group company or directors thereof should not be appearing in the list of wilful defaulters.
- There shall not be any order from SEBI in force against the issuer or its promoters to prohibit them from accessing capital markets. Promoters shall not be declared as fugitive economic offenders.

B. Mandatory Conditions related to Listing

- Issuer needs to appoint a merchant banker and also have demat connectivity through one or more depositories
- Issuer has to apply to at least one recognised stock exchange for listing
- It is mandatory to get a credit rating from a recognised credit rating agency & also disclose it in the offer document
- Offer document needs to be submitted with SEBI alongwith due diligence certificate through the merchant banker

C. Issue Options

- Issuance of bonds will be in electronic mode
- There can be buy-back, put or call options for the bonds

D. Basic Requirement for Public Issue

- Issuer need to have surplus in Income & Expenditure statement in any of previous 3 years. If issuer is a body corporate then it shall not have negative networth in any of previous 3 years.
- At least 25% of the project cost has to be met by the issuer from internal resources or grants in cash or kind
- For successful issue, minimum subscription is of at least 75% of issue size
- Detailed advertisement in a national daily is needed before opening of issue
- Minimum subscription can be fixed at Rs 10 lakhs per investor

E. Requirement of Issuance & Trading of Securities issued on Private Placement

- An issuer, if desirous, may choose to access Electronic Book Provider (EBP) platform for private placement of municipal debt securities.

- The abridged prospectus shall be in the format as specified in Part B of Schedule I of the SEBI NCS Regulations, 2021.
- The face value of each debt security or non-convertible redeemable preference share issued on private placement basis shall be Rs. Ten lakh as per 2021 Operational Circular.
- The face value of each security mentioned under Chapter V of SEBI NCS Regulations, 2021 and Chapter 13 of 2021 Operational Circular shall be Rs. One crore.

F. Security of Debt

- In order to protect interests of investors, different types of escrow accounts such as No Lien Escrow A/c, Sinking Fund A/c, Interest Payment A/c, etc have been prescribed.
- Issuer needs to create a structured payment mechanism and also maintain specific escrow account for debt servicing

G. Trust Deed

- A trust deed has to be compulsorily executed in favour of debenture trustees for securing the issue of bonds. Issue proceeds can not be utilised unless & until trust deed is executed. This trust deed must contain clauses specified in Schedule IV of the SEBI (Debenture Trustees) Regulations, 1993.
- In case of issue of debt securities by a body corporate, trust deed shall contain such clauses as prescribed u/s 71 of Companies Act, 2013 and Companies (Share Capital & Debentures) Rules, 2014
- Trust deed can not have any clause which has the effect to
  - i. limit or extinguish the rights and obligations of debenture trustees or the issuer in relation to any rights of the investors
  - ii. limit or waive the provisions of rules and regulations issued by SEBI
  - iii. indemnify the debenture trustees or issuer for loss or damage caused by their act of negligence or commission or omission

H. Utilisation of Issue Proceeds

- Separate bank account needs to be maintained in which proceeds will be transferred immediately after the closure of issue
- Funds can be used only for the objects as mentioned in the placement memorandum or offer document
- For funds earmarked towards any specific project, prior approval from the relevant authority is necessary
- Implementation of project need to be done according to schedule given and funds can be utilised accordingly

I. Periodical Reporting

- The issuer shall within fifteen days from the end of every half year(i.e. April 15 and October 15),submit a statement, to the stock exchange, where its debt securities are listed, as well as to the depository containing data in the format as prescribed below:

Name of Issuer	ISIN No.	Issuance Date	Maturity Date	Coupon Rate	Payment Frequency	Embedded Option, if any	Amount Issued	Amount Outstanding

- In case there is any modification in terms or structure of the issue viz. change in terms of payment, change in interest pay-out frequency etc.as specified above, the issuer shall, forthwith, inform the same to the depository.

J. Redemption & Rollover

- The issuer has to redeem debt securities in line with the offer document or placement memorandum
- If the issuer desires to roll over debt securities then it needs to get approval of investors by passing a special resolution with at least 75% consent after giving 21 days notice.
- The notice to investors need to contain latest details credit rating obtained from the agency
- Issuer has to redeem debt securities of all non-consenting investors by making applicable payment

K. Other Salient Features

- The funds raised from such bonds shall be used only for capital investments in urban infrastructure for providing one or more of specified activities
- The Municipal Bonds should have a minimum maturity of 5 years. The issuers will have option to offer deep discount bonds or other financial innovations especially to enhance the tenure of the bond
- The maximum amount of such bonds as a percentage of the total project costs (excluding interest during construction) may also be capped upto prescribed limits.

Innovative Funding Avenues Leading to Faster Development

Despite abundant popularity abroad, municipal bonds market is still evolving in India due to limited awareness but there may be a huge scope to efficiently use it while executing public projects. Since 1997, quite a few large municipal corporations including Ahmedabad, Amravathi, Bengaluru, Bhopal, Chennai, Hyderabad, Indore, Ludhiana, Lucknow, Madurai, Nagpur, Nasik, Pune, Surat and Visakhapatnam have successfully issued municipal bonds.

On careful analysis of bonds issued during last few years, apparently ULBs have offered interest rate in the range of 8-10% which is much higher than bank deposits and further, the proceeds are secured through regulatory provisions as prescribed under ILDM Regulations which makes it an attractive option for high networth individuals. Tax concessions on returns earned on municipal bonds as well as liquidity provided through trading on stock exchanges can be great incentives to motivate larger pool of investors for actively participating in municipal bond markets. Moreover, if important issues related to demand and supply side are addressed systematically then it can help to fill large deficit in urban infrastructure financing. With this inimitable option, ULBs across India can truly empower themselves to become “Atma Nirbhar” for serving citizens with better infrastructure.

Vital Role of Finance & Corporate Professionals

Besides various statutory compliances, books of accounts of ULBs need to be compliant with the accounting standards for which finance professionals will be of great help. Given the steeper penalties for regulatory violations, compliance needs to be done properly in order to gain confidence of the investors and so, finance professionals will have to play a vital role in this entire process. In fact, finance professionals can assist across different stages from initial planning of issue till actual fund raising exercise and thereafter, doing periodical compliances under ILDM Regulations to ensure that issue proceeds are being properly utilised for the respective public / infrastructure projects undertaken by ULBs. After Covid-19 era, when the ULBs across the country are struggling for funds, such initiatives can positively contribute for economic growth and it will be a true service to our Mother Nation.

Given the enormous contribution of finance & corporate professionals in nation building, there is another opportunity for CMAs to reinforce their key role by helping ULBs across India in building the Nation. And needless to mention, it is another chance to once again prove, “Behind Every Successful Business Decision, there is always a CMA.” ■

Valuation for Purchase Price Allocation for Various Real Property Assets

CMA Bhavin R. Patel

Mob.: 76000 22094

E-mail: bhavinbrd3388@gmail.com

Abstracts

The companies making acquisitions and business combinations must comply with the Fair Value accounting rules and should consider an independent valuation of the acquired assets and liabilities. Purchase Price Allocation Studies can be challenging due to the specific principles and methods promulgated under Fair Value accounting rules. In addition, the accounting profession continues to clarify its detailed guidance for performing these analyses. Successful development and acceptance of the analysis requires careful consideration of the views of management and the company's auditors. The valuation specialist must have an understanding of traditional valuation practice as well as a detailed understanding of the specific requirements and guidance issued by the accounting profession. In this paper the author attempts to give an overview of valuation for purchase price allocation.

Key terms: *Purchase Price Allocation, Accounting Standards, Fair Value, Tangible and Intangible, Assets and Liabilities, Real Property*

Introduction

Whether one is buying or selling a business, one of the first steps will be to evaluate exactly how much that business is worth. This means one to get:

- input from a variety of specialist advisers who understand the value drivers in the sector together with broader strategic aims;
- a better understanding of value drivers in different countries so one can apply a common methodology across all countries to get a more reliable view of the value of an international business;
- an independent valuation to help resolve issues swiftly in the event of a dispute.

There are various challenges in Valuation for Purchase Price Allocation (PPA), like

- to increase the value of the company by acquiring or merging with a business that offers a good fit.
- to dispose of an asset or division as part of a reorganisation or change in strategic direction.
- an initial valuation based on data available but to validate and confirm the assumptions.
- to require a pre-purchase price allocation (pre-PPA) to assess the impact of a deal on the earnings per share
- to assess the purchase price that management must invest alongside the private equity house.
- already paid the overall purchase price, but because of tax structuring it is required to know the value of the companies on an entity basis.
- to acquire or sell real estate assets.

The Companies Act, 2013 defining "Expert" includes an engineer, a valuer, a chartered accountant, a company secretary, a cost accountant and any other person who has the power or authority to issue a certificate in pursuance of any law for the time being in force.

Under the Act, the Companies (Registered Valuers and Valuation) Rule 2017 have been notified. In the rules the registered valuers have been registered by the authority Insolvency and Bankruptcy Board of India (IBBI) for three broad classed of assets Land & Building (L&B), Plant & Machinery (P&M) and Securities & Financial Assets (S&FA) based on their relevant qualifications, undergoing training and passing examination conducted by IBBI.

The said Draft Rules also Provided that persons referred to in (a), (c) and (d) and qualified person in (b) above shall have not less than five years continuous experience after acquiring membership of respective institutions. It is further provided that in the case of merchant banker the valuation report shall be signed by the qualified person. Provided also that persons referred to in (a) and (b) shall be in respect of requirement for a "financial valuation" and the persons referred to in (c) and (d) shall be in respect of requirement for a "technical valuation" and a person or a firm or Limited Liability Partnership or merchant banker possessing both the qualifications may act in dual capacity.

Thus, the technical valuers registered under the Companies Act, 2013 may come across for valuations of PPA. Further the valuations at fair value and PPA have not only impact on financial reporting but also in taxation post PPA.

Valuation for PPA

A Purchase Price Allocation (PPA) estimates the Fair Value of certain tangible and financial assets acquired in accordance with Financial Accounting Standards, Business Combinations (International Financial Reporting Standards) and Fair Value Measurement. The Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In particular, the measurement of the Fair Value of an asset or liability should be based on assumptions that market participants would use when pricing the asset or liability.

PPAs are required for every controlling transaction wherein the acquirer complies with Generally Accepted Accounting Principles (GAAP), with varying complexity based on the entities and/or assets involved in the transaction. Specifically, the real property valuation component of the PPA exercise can generally be delineated into two categories: conventional (manufacturing/ industrial) real property and complex (institutional/investment) real property. PPA assignments that include conventional real property typically comprise transactions in the manufacturing sector whereby the owned real properties are operational manufacturing or warehouse facilities. These are not typically income-generating properties, and the Fair Value is therefore allocated between the buildings, the site improvements, and the underlying land (it is also noted that leased real property in this scenario would be subject to a favorable/unfavorable lease analysis). Further, these engagements are generally multi-discipline in that the allocation also includes machinery and equipment, along with various non-real estate intangible assets/liabilities.

Purchase price allocation assignments inclusive of complex real property typically include investment-grade institutional facilities such as multi-tenant office buildings, shopping centers, or regional malls (although any income-generating property with multiple tenants would be subject to the accounting standard/ guidance as it relates to reporting requirements). As compared to the real property asset classification for conventional PPAs, complex real estate is allocated between the same buildings, site improvements, and land categories, but also includes various other tangible and intangible assets, which are discussed on the following pages. Inherently, PPA assignments for this type of acquisition require experienced professionals versed in the codification, and able to supportably guide both the acquirer and an audit team through the exercise.

Given the assets acquired and liabilities assumed, the Fair Value conclusions are then compared to the total transaction consideration (i.e., the purchase price). To the extent that the purchase price exceeds the Fair Value of the non-debt net working capital and tangible and intangible assets/liabilities, the excess value is recognized as goodwill. In the event that the Fair Values of the tangible and intangible assets/liabilities exceeds the total purchase price, the resulting gain is recognized in earnings as on the transaction date and bargain purchase procedures.

To identify the specific valuation variances between purchase accounting for conventional and complex real estate, two examples are presented one on for a typical manufacturing facility and the second on an office building.

Conventional Real Property – Tangible Assets Only

In this scenario, traditional valuation theory for an owner-user industrial facility is applied. As it relates to methodology, the most relevant and applicable approaches between the sales, income, and cost approaches are utilized in the Fair Value conclusion of the property. From this point, the Fair Value conclusion is allocated between the buildings, site improvements, and land. The underlying land is typically valued separately, and site improvement Fair Value is generally concluded via a cost approach. Deducting land Fair Value and site improvement Fair Value results in the Fair Value component attributable to the buildings.

Complex Real Property – Tangible and Intangible Assets and Liabilities

While the preceding paragraph typically summarizes all steps on a PPA for conventional real property, the exercise for complex real estate includes the valuation of several other assets and liabilities. The genesis of these asset/ liability classifications lies in the leased fee component of the property. That is, the buyer of an institutional multi-tenant office building or regional mall is not only purchasing the underlying land and the bricks and mortar, it is also acquiring all lease contracts in place, along with the various implications driven by those contracts. The following example describes these additional assets and liabilities, what they represent, and how their Fair Value is accounted for.

Similar to the first case, the Fair Value of all buildings, site improvements, and land are identified and allocated. However, as income-generating properties, the appropriate methodology varies to best reflect market participant application. As such, the property is typically valued on an as-vacant basis via the income approach; more specifically, a discounted cash flow is modeled to identify the future income stream associated with the property, but under the hypothetical scenario of complete vacancy, so as to exclude any contribution from the leases in place (which are valued separately). This as-vacant income approach is supported by a cost approach, which appropriately values the land and improvements with no consideration of leases in place. The sales comparison approach is also employed, but primarily as support to the Fair Value conclusion of the individual tangible and intangible assets in aggregate. This is due to the leased fee nature of similar investment-grade transactions, in which all real property assets are conveyed in one bundle of rights.

However, one additional tangible asset is typically present in these complex real properties—unamortized tenant improvements. This asset category represents the benefit or cost avoidance associated with previously incurred tenant improvements. It is often calculated based on the individual tenant square footage, the concluded market tenant improvement allowance, and the remaining lease term.

Intangible Assets and Liabilities Associated with Complex Real Property

A significant variance in the valuation process between conventional and complex real property for PPA purposes lies in the presence of intangible assets and liabilities. As noted previously, these intangible categories tie to the acquisition of lease contracts beyond the underlying land

and improvements. Intangible assets/liabilities associated with institutional or investment-grade properties typically comprise above-market leases, below-market leases, customer relationships, in-place leases, and avoided lease origination costs. Beyond the quantification of each asset or liability, it is also necessary to understand the remaining useful life associated with each item for amortization purposes.

Favorable/Unfavorable Leasehold Analysis (Above- and Below-Market Leases)

Beyond the value of the lease contracts in place, there are also potential assets or liabilities in the presence of lease contracts that deviate from the market. From the acquirer's perspective, above-market leases are considered an asset in that income is attributable to the contract beyond what would be available in the market. To the contrary, below-market lease contracts would be considered a liability via the income impairment throughout the term of the lease.

To determine whether or not in-place leases are favorable or unfavorable, contract leases and current listings of comparable properties are analyzed to determine a rental rate and expense structure typical of the market. If the contract lease rate deviates from the concluded market rate, the annual contract rent is subtracted from the annual market rent to determine the difference in annual cash flows for the remainder of the lease term. For above-market leases, it is reasonable to assume the tenant would decline any options to extend. For below-market leases, the remaining lease term is typically projected to include all defined, favorable option terms.

In-Place Lease Analysis

The valuation of in-place leases represents the value to the owner via the cost avoidance of lease-up costs. This component of the allocation essentially fills the gap between the as-vacant income analysis and the leased-fee income stream in place as of the transaction date. The quantification of in-place leases should include the lost rental revenue during the lease-up period—both base rent and any applicable expense reimbursements.

Avoided Lease Origination Costs

Beyond the value of avoided lease-up costs, a property owner would recognize an asset in the cost avoidance of leasing commissions and legal/marketing costs associated with the leases in place. To that end, the unamortized leasing commissions and legal/marketing costs associated with each individual lease should be measured. Similar to the valuation of unamortized tenant improvements, avoided lease origination costs are calculated with market leasing assumptions over the remaining term of each contract.

Conclusion

The real property asset valuation for the purpose of a purchase price allocation is inherently different than most assignments, in that it requires an understanding of accounting regulations and financial reporting guidelines. Within a PPA framework, there is further bifurcation between conventional real property assets (such as an operational manufacturing plant) and complex real estate (for example office/ infrastructure park/ estate). While conventional properties may follow more traditional valuation methodologies, complex real estate in the vein of institutional or investment-grade assets often feature intangible assets and liabilities that are not easily discernible. In these cases, it is imperative the valuation expert is familiar with the accounting standards/ guidance and has the experience to supportably guide the acquirer and audit through the allocation. Furthermore, the valuers; technical as well as financial; should work closely with the company management (and members from groups within the financial reporting and tax reporting areas at the company), and discuss how a transaction and the conclusions from a valuation provider can be useful to the subject company in future as it pertains to other areas that may be affected.

Disclaimer

This article is intended for general information purposes only and is not intended to provide, and should not be used in lieu of, professional advice. The author assumes no liability for readers' use of the information herein and readers are encouraged to seek professional assistance with regard to specific matters. Any conclusions or opinions are based on the individual facts and circumstances of a particular matter and therefore may not apply in other matters. All opinions expressed in these articles are those of the authors and do not necessarily reflect the views of the author.

■

"Many of life's failures are people who did not realize how close they were to success when they gave up."

– Thomas A. Edison

Green Banking

CMA Shweta Shah
Mob.: 97252 46638
E-mail: shah_shweta89@yahoo.in

Green Banking means promoting environmental friendly practices and reducing your carbon footprints from banking activities. Carbon footprints is a measure of an entity's impact on the environment in terms of the amount of greenhouse gases produced, measured in units of carbon dioxide equivalent.

Objective:

Green Banking has an objective of improving the operations and technology along with making the clients' habits environment friendly in the banking business.

Characteristics:

- The concept of Green Banking is mutually beneficial to the banks, industries and the economy.
- Green financing is the part of green banking.
- Banks can develop innovative by offering green loans at low rate of interest.
- Stimulate demand by covering 100% of the upfront costs with a mixture of public & private financing
- Gear up public funds by attracting much greater private investment for clean energy & markets
- Recycle public capital so as to expand green investment and leave taxpayers unharmed
- Scale-up clean energy solutions as fast as possible, maximizing clean electricity and efficiency gains

Green Banking in India:

Many banks that have provided and giving importance to green banking services are as follows:

1. State Bank of India: SBI is the first bank in India which has started green banking services and promoting green power projects.SBI has launched green banking policy and set up windmills in Tamil Nadu, Maharashtra and Gujarat in generating 15MW power. They include a push for solar powered ATMs, paperless banking for customers, clean energy products and the building of windmills in rural India.
2. **Punjab National Bank:** PNB has taken various steps for reducing emission and energy consumptions. also involved in initiatives that promote green financing, clean energy and environmental protection such as-
   - emphasis on clean energy projects such as solar energy, wind energy & renewable energy
   - setting up solar energy driven ATMs
   - discourages products & projects having adverse impact on environment
   - ensures that branches have solar energy set up to save on energy
   - adoption of Solar PV cell based sources of power and solar water heating system in its new buildings
   - initiatives for reducing carbon emissions and energy consumption in view of going concern for climate change
3. **Bank of Baroda:** They had taken various green banking initiatives such as financing a commercial project giving preference to environment friendly green projects like windmills, biomass and solar power projects which help in earning the carbon credits.
4. **Canara Bank:** Canara Bank had adopted environment friendly measures like Mobile & Internet Banking, solar powered biometric operations.
5. Other banks including ICICI Bank, IndusInd Bank, Kotak Mahindra Bank, Yes Bank, HSBC Group, IDBI Bank, etc. have taken up initiative in green banking by implementing "Go-green" or "Grow-trees.com" like steps.

Green Banking Services:

- Electronic and mobile banking facilitates customers to perform their bank needs anytime, anywhere
- Automatic payments reduce the need to write & send cheques by mail or personally deposit to the bank
- Paperless statements, product information guides and annual reports to customers and stakeholders
- Offering and promoting mutual funds which focus investment in green companies
- Mobile banking is used for performing balance checks, account transactions, payments, credit appliances, etc. via mobile phones
- Credit Cards & Debit Cards can be used while making payment of various expenses without carrying money

Green Banking Benefits:

1. **Avoids Paper Work :**

   Paperless banking, almost all banks in India are computerized or operates on a core banking solution (CBS). Thus there is ample scope for the banks to adopt paperless or less paper for office correspondence, audit, reporting etc. these banks can switch over to electronic correspondence and reporting thereby controlling deforestation.

2. **Creating Awareness to Business People about Environment:**

   Many NGOs and environmentalists are propagating environment consciousness among the public in general by arranging awareness programs and organizing seminars etc. Banks may associate themselves by sponsoring such programs. Besides, many corporate bodies are organizing similar program in their own line of business such as "free pollution check program" organized by a car manufacturer. Banks may tie with such corporate. These will help to brighten the image of the bank.

3. **Loans at Comparatively Lesser Rates:**

   Banks can also introduce green bank loans with financial concessions for environment friendly products and projects such as fuel efficient vehicles, green building projects, housing and house furnishing loans to install solar energy system etc. So customers will benefit from low interest rates than prevailing market rates.

4. **Environmental Standards for Lending:**

   Banks follow environmental standards for lending, is really a good idea and it will make business owners to change their business to environmental friendly which is good for our future generations.

Green Banking Challenges:

- Credit Risk:

  Due to climate change and global warming there will be direct as well as indirect costs to banks. It has been observed that due to global warming there had been extreme weather condition which affects the economic assets financed by the banks thus leading to high incidence of credit default. Credit risk can also arise indirectly when banks lead to companies whose businesses were affected due to changes in environmental regulation.

- Legal Risk:

  Banks face legal risk if they do not comply with relevant environmental regulation. They also face risk of direct lender liability for cleanup cost for damages in case they actually take possession of pollution causing assets.

- Reputation Risk:

  Reputation risks emerge from the financing of environmentally objectionable projects. If banks are involved in those projects which are damaging the environment, then they are likely to suffer from losing their reputation. There are few cases where environmental management system has resulted into cost saving, increase in bond value.

- Lack of Diversification:

  Green banks restrict their business transaction to those business entities who qualify screening process . With limited number of customers, they will have a smaller base to support them.

- Start-up face:

  Green banks are very few and are in start-up face so that they take 3-4 years to start making money and investment is huge in earlier periods. Thus, it does not help banks during recession and also hard for normal periods to grow comfortably.

- High Operating Cost:

  Green bank requires talented and experienced staff to provide proper services to customers. Experienced loan officers are needed as they give additional experience in dealing with green business customers. Obviously, such experienced staff and officers should have a high payoff so operating costs become high.

Green Banking Strategies:

- Carbon Credit Business (CBS):

  All Nations must reduce greenhouse gases emission and reduce carbon to protect the environment. These emissions must be certified by Certified Emission Reductions commonly known as Carbon Credits.

- Green Banking Financial Products:

  Green banking helps to create effective solutions to address many environmental problems like climate change, deforestation, air quality issues & bio diversity loss and also identifying and securing that customers benefit.

Green Banking Financial Products are:

1. Green Mortgages:- Also known as energy efficient mortgages, provide retail customers a considerably low rate of interest compared to marker rates who purchase new energy efficient homes, appliances or green power.

2. Online Banking:- Online banking is an electronic payment system that enables customers to conduct a range of financial transactions through bank or financial institution's website.

3. Green Car loans:-They encourage the purchase of cars which having higher fuel efficiency for below market interest rates.

4. Green Credit Cards:-Green Credit Card users are awarded with rewards with the points that are converted into cash or can be donated to environmental funds when they buy eco-friendly products, uses public transports, make paper-less transactions and consumes less electricity, water & gas.

- Paperless Banking:

  Paperless banking is a step towards making banking transactions easier for people by using electronic medium like emails, mobile banking, electronic transfers, ATMs, etc.

- Energy Consciousness:

  Banks have to install energy efficient assets or equipments in offices. They have to transform this green banking in hardware, waste management, energy efficient technology products. They can donate energy saving equipments to schools and hospitals.

- Mass Transportation System:

  Provide common transport for groups of officials posted at one office, thus, they contribute to environment with low consumption of fuel.

- Social Responsibility Services:

  Banks can initiate various social responsibility services such as tree plantation camps, maintenance of gardens and pollution checkup camps.

References: surfing from different pages bankingfinance.com, bankexamstoday.com, some research papers, etc. & some own view.

CHAPTER NEWS

AHMEDABAD

Mou Signing ceremony between The Institute of Cost Accountants of India and GLS University, Ahmedabad

Mou Signing ceremony between The Institute of Cost Accountants of India and GLS University, Ahmedabad was held on 27th June'2022 at CMA Bhawan, New Delhi. CMA P Raju Iyer-President, CMA Vijendra Sharma-Vice President, CMA Bishwaroop Basu-Past President, CMA Malhar Dalwadi- Chairman of Ahmedabad Chapter and CMA Mitesh Prajapati-Secretary of Ahmedabad Chapter were present and sign on MoU. Dr. Chandni Kapadia-Executive Director, Dr. Dharmendra Shah, Registrar and CMA (Dr.).Marzoon Jokhi-Dean from GLS University, Ahmedabad were present and sign on the MoU. The purpose of this MoU is to develop various professional programs for members and students, utilization of different services of GLS University and Institute of Cost Accountants, exchange of different services, exchange of faculty and to organize faculty development program.

CEP on Emerging opportunities for CMAs in Investment Banking

Chapter jointly with Baroda Chapter organized Webinar on "Emerging Opportunities for CMAs in Investment Banking" on 16th August 2022. CMA Vandit Trivedi welcomed speaker Dr. Alok Shah and participants. CMA Garima Soni proposed vote of thanks.

Flag unfurling Ceremony

Flat unfurling ceremony was held @ 8.30am at Chapter premises on 15th August 2022. CMA Ashwin Dalwadi, CCM alongwith CMA Ashish Bhavsar, Hon. Secretary WIRC unfurled the flag. CMA Malhar Dalwadi, Chairman of Chapter, CMA Mitesh Prajapati, Secretary of Chapter, CMA Aparna Bhonde, Jt. Secretary of Chapter, other office bearers, students, parents, faculties and staff members of chapter were present during the Flag unfurling ceremony.

CMA Cyclothon -2022

AS a part of celebrating "Azadi ka Amrit Mahotsav" Chapter organized CMA Cyclothon 2022 on 15th August 2022 to promote #GoGreen & #FitnessFirst. CMA Malhar Dalwadi, Chairman of Chapter, CMA Ashwin Dalwadi, CCM, CMA Ashish Bhavsar, Hon. Secretary-WIRC & CMA Mitesh Prajapati Secretary of Chapter welcome the participants. CMA Ashwin Dalwadi, CCM & CMA Ashish Bhavsar, Hon. Secretary-WIRC Inaugurated CMA Cyclothon. The route of CMA Cyclothon was from Chapter Premises to River front-Vallabh Sadan and return to chapter premises. Large number of Members, students and faculties participated in CMA Cyclotron. Medal and Certificate were distributed to the participants.

Professional & Communicative Skills Enhancement Programs

Chapter in association with GLS University organised "Professional & Communicative skills Enhancement Programs" during 18th July'22 to 23rd July'22 at chapter office. CMA Malhar Dalwadi, Chairman & CMA Mitesh Prajapati, Secretary of ICAI Ahmedabad Chapter felicitates the faculties of GLS university during the occasion.

AURANGABAD

SHUTTLE MASTERS – Badminton Tournament

Chapter organised a one-day Badminton Tournament for students and members at The Divisional Sports Complex, Aurangabad on 28ith August 2022.

Shri Chandrashekhar Ghuge, District Sports Officer, CMA Neeraj Joshi, CCM, CMA Shriram Mahankaliwar Chairman WIRC and CMA Chaitanya Mohrir, Treasurer WIRC were present for the inauguration of the event.

For the first time in the last 30 years, since the establishment of Aurangabad Chapter such an event was organised. Around 90 students and members participated in the tournament. In the Men's Below 40 category, Shravan Chechani won in the Singles event, while CMA Shailendra Singh Rajput and CMA Pawan Hanmante won in the Doubles. CMA Neeraj Joshi won in the Singles category for Men above 40, while CMA Parag Rane and CMA Rajesh Deshmukh won in the Doubles. Nupur Kande was the winner in the Women's Singles, while CMA CS (Dr) Sanvedi Rane and Tejashree Kajve won in Women's Doubles.

The competition was moderated by Nupur Patil. Efforts were taken by Shirish Joshi, Ravikiran Patil, Rajendra Sanghvi, Pramod Pohnerkar, Anil Kulkarni, Ajit Kothari, Harish Londhe and Akash Waghmare for the success of the event.

CMA Kiran Kulkarni, Chairman, CMA Shailendra Singh Rajput, Vice Chairman, CMA Parag Rane, Secretary, CMA Suresh Pimple, Managing Committee Member and other members and students were present on the occasion.

BARODA

Booster Dose Drive

Chapter In Association with Diyansh Foundation & with the Support of Vadodara Mahanagar Seva Sadan organized "Free Booster Dose Drive at Chapter premises on 30th July 2022 for Students, Teachers, Chapter Members, Staff & their Families.

Flag Hosting & Blood Donation Camp

Chapter organized Flag Hosting Ceremony on 15th August 2022 at Chapter Office. On the occasion Chapter in Association with Vruksh Foundation organized Blood Donation Camp at Chapter Office. Students, Teachers, Chapter Members, Staff & their Families participated.

Seminar on "Emerging Opportunities for CMA's in Investment Banking"

Chapter jointly with Ahmedabad Chapter organised webinar on "Emerging Opportunities for CMA'S in Investment Banking" on 16th August 2022. CMA (Dr.) Alok B. Shah was the speaker. CMA Mihir Vyas, Chairman

Baroda Chapter welcome Dr. Alok B Shah & Introduce by Ahmedabad Chapter Chairman CMA Malhar Dalwadi. Large number of Members attended the session.

KALYAN AMBERNATH

Seven Days Industry Oriented Training

Chapter organized Virtual 7 days Industry Oriented Training from 22rd August 2022 to 28th August 2022 for final students appearing for December 2022 examination. CMA Gopichand B. Shamnani, Chairman of Chapter welcomed faculty and students and explained how students will be benefited by updated knowledge shared by faculties during 7 days of training .

Eminent and experienced faculties were invited to deliver lectures on topics like - Interview Effectiveness by Prof Pratik Gupta, Investment in Mutual Funds and Equity Market by Dr. Riya Nathani , "An insight on Salary Income & Tax Planning for Individuals " by Prof. Bharat Khatri, " Your Signature your Personality, and "Cultivating Thinking Skills " by Prof. Krishna Naidu, Introduction to Foreign Exchange by Dr. Bhavna Binwani, Transportation & Assignment Problem, by Prof. Bharti Khiyani , Sustainability Reporting In India by Dr. Prof. Srichand Hinduja, Capital Budgeting , Capital Rationing & Investment Analysis by Ms. Reshmi Gurnani. Programme was co-ordinated by Mr. Raju P.C Executive Secretary and Mr. Ravi Rohra Office Assistant

NAGPUR

Members Meet & Workshop on recent amendments in Companies Act 2013

Chapter organised Members Meet to felicitate CMA Shriram Mahankaliwar, newly elected Chairman of WIRC on 6th August 2022.

On the occasion Chapter also organised Workshop on Recent Changes in Company Incorporation and Litigation under Companies Act 2013. Mr. Jay Sadhani was the keynote speaker.

NASHIK-OJHAR

Chapter has started Skill Development for Future Professionals initiative for CMA Students, under this initiative Student Development Committee of the chapter organized Facebook live session for students on 14th August 2022 the subject was Excel for Beginners.

CMA Dhananjay P Jadhav - General Manager - Manufacturing Finance, Sula Vineyards Limited was the speaker.

CMA Bhushan U Pagere - Chairman welcomed and CMA Dipak Joshi introduced speaker. CMA Arpita Fegde - Secretary, CMA Mayur Nikam - Treasurer, CMA Arifkhan Mansuri, Chairman of Students Development Committee & CMA Nikhil Pawar, Chairman-Media & Public Relations Committee also present during the session.

More than 280 students attended the program.

NAVI MUMBAI

CEP on Overview of New TDS Rules

Chapter conducted a Webinar on "Overview of New TDS Rules" on 24th July 2022. The speaker for this event was CMA Ritu Shekhawat PCMA and Managing Committee Member of the Chapter. CMA Vivek Bhalerao, PD Committee Chairman of the Chapter welcomed the audience and introduced the speaker and briefed on the importance of the New TDS Rules wef 1st July 2022

The speaker presented an overview of the new TDS rules covering the following areas: -

- Section 194 R – Deduction of Tax on benefit or perquisites in respect of business or profession
- Section 194 S – Payment on transfer of Virtual Digital Asset

CMA Vaidyanathan Iyer, Chairman of the Chapter proposed vote of thanks.

Oral Coaching Inauguration

Chapter conducted the Oral Coaching inauguration function on 31st July 2022 at K.B Patil College, Vashi, Navi Mumbai. The Chief Guest for this event was CMA Sunil K Pandey, Arth Vritt Capital. The Oral Coaching Classes will commence from 1st August 2022 for Foundation, Intermediate and Final for December 2022 exams and will be conducted online for 3 months and offline for 1 month.

CMA Vaidyanathan Iyer welcomed the dignitaries and introducing the Chief Guest. The lighting of the lamp was conducted at the hands of the dignitaries. CMA Sushant Ghadge Secretary introduced the various faculties appointed for Oral Coaching Class and welcomed them to the Chapter. The Chief Guest then gave a pep talk to the students on the roles of future CMA's and explained Operational excellence right from the grassroots level to the global level covering value addition and cost reduction techniques.

CMA Vivek Bhalerao, PD Committee Chairman, CMA L Prakash, Past Chairman, CMA B.N. Sapkal, Past Chairman motivated the students and guided them in achieving their goals and also mentioned that CMA course is one of the best professional courses and the role of CMA is growing rapidly in this fast-paced world. CMA B N Sapkal, Past Chairman proposed the vote of thanks.

Independence Day Celebrations

Chapter celebrated the 75th Independence Day under on 15th August 2022 on the completion of 75 years of India's independence at its Chapter Office. CMA Vaidyanathan Iyer, Chairman of the Chapter and Staff Mrs Aparna Merekar participated in the event.

PUNE

Career Counselling Programme

A. Chapter arranged Career Counselling session at Hutatma Rajguru College, Rajgurunagar, Tal.Khed, Dist.Pune, Speaker for the session were CMA Dr. R. W. Kulkarni, Dr. A.V. Kamble, CMA Chaitanya Mohrir, RCM & Treasurer, WIRC, was Special Invitee for the programme.

Career Counseling program started with offering garland to the statue of Hutatma Rajguru at the hands of CMA Chaitanya Mohrir RCM & Treasurer, WIRC . Principal Dr. Shirish Pingale of Hutatma Rajguru College and Principal Dr. H. M. Jare, Sahebraoji Butte Patil College, Rajgurunagar took efforts and coordinated with the students and their parents for attending the session. After this Career counseling session large number of students enrolled for Foundation Course from Rajgurunagar.

B. Chapter organized Career Guidance lecture for 12th pass & Graduation appeared Students on 6th August 2022 at CMA Bhawan, Karvenagar Pune. Speakers for the programme were CMA Chaitanya Mohrir, Treasurer, WIRC, CMA Amit Shahane, Practicing Cost Accountant and Prof. Moreshwar Apte, Principle Consultant, SAP implementation.

CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter felicitated CMA Chaitanya Mohrir Treasurer, WIRC, CMA Nagesh Bhagane, Secretary, ICAI-Pune Chapter felicitated CMA Amit Shahane, Practicing Cost Accountant, CMA Rahul Chincholkar, Chairman, Coaching Committee, ICAI - Pune Chapter felicitated Prof. Moreshwar Apte, Principle Consultant, SAP implementation.

Program concluded with vote of thanks by CMA Rahul Chincholkar, Managing Committee Member -ICAI-Pune Chapter.

Independence Day Celebration

Chapter celebrated Azadi Ka Amrit Mahotsav - 75th Anniversary of Indian Independence Day by Flag hoisting ceremony on 15th August 2022 at Chapter premises.

CMA Chaitanya Mohrir Treasurer, WIRC of ICAI unfurled the flag with CMA Smita Kulkarni, Vice Chairperson of the Chapter. This was followed by recital of National Anthem.

CMA (Dr.) Dhananjay Joshi, Past President of ICAI, CMA (Dr.) Sanjay Bhargave, CMA Meena Vaidya, CMA (Dr.) N. K. Nimkar, Advisors of Chapter, CMA Pramod Dube, Past Chairman of Chapter, CMA Nagesh Bhagane, Secretary, CMA Nilesh Kekan, Treasurer of Chapter, Mr. Jaydeep Manedeshmukh, Student Representative- Chapter & Staff were present for the ceremony.

Faculty Meet

Chapter arranged Faculty Meet of Oral Coaching centres on 21st August 2022 at Chapter premises to discuss various issues of common interest with members of the Managing Committee.

CMA Chaitanya Mohrir, Treasurer, WIRC, CMA Nagesh Bhagane- Secretary, CMA Nilesh Kekan-Treasurer, CMA Abhay Deodhar-Managing Committee Member, CMA Rahul Chincholkar-Chairman, Coaching Committee, CMA Varsha Limaye Managing Committee Member, CMA Meena Vaidya-Advisor, Mr. Jaydeep Manedeshmukh, Student Representative-of Chapter and faculties of various batches of Foundation, Intermediate and Final were present for the Faculty Meet.

CMA Chaitanya Mohrir, Treasurer, WIRC of ICAI felicitated Principal Dr. H. M. Jare, Sahebraoji Butte Patil College, Rajgurunagar and appreciated him for arranging a nice Career Counselling program with overwhelming response of students & increasing admissions to the CMA Course in Rajgurunagar. CMA Nagesh Bhagane, Secretary-ICAI-Pune Chapter delivered vote of thanks.

Membership Fees

Members are requested to pay their Membership Fees.

Use Following methods while making the Membership Fee, on line. Please note that you have to include 18% GST while making the payment.

1. Make the payment directly through Online Payment through Institute website:-

   Link-https://eicmai.in/MMS/PublicPages/UserRegistration/Login-WP.aspx

   In case of any trouble while making the payment online, please try to avoid making double payment.

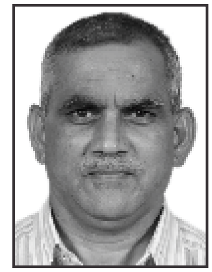
2. You can make the payment at WIRC by Cheque drawn in favour of ICAI-WIRC for the requisite amount.

   (Cheque drawn in favour of WIRC of ICAI you can send by post to WIRC)

3. You can also make the payment in the nearest Chapter.

Management Story

Sometimes "Now" is valuable



CMA Abhay Deodhar

This is an incidence of my school days, may be in 1968 or in 1969, when I was 11-12 years old boy, studying in 6th or 7th standard. In second half of the academic year, one delegation from education ministry of one foreign country visited our school.

We, all the students in our class, assembled for a programme, which consisted of drawing, handcraft exhibition, presentations by students & by teachers, demonstration of Indian games, speeches by schoolteachers, principal and at last speech by the Head of the foreign delegation. The delegation also had a round to the school and visited school office, library, science experiments room, school gymkhana and other premises including washrooms etc. They also observed live teaching in one classroom.

We were also asked some questions about our career goals, subjects we study, general knowledge, our priorities and values in life, so on so forth. The delegation expressed their thoughts and in particular importance of cleanliness, which were translated to us by our teacher.

While the function was approaching the closing, Head of the delegation showed some chocolates he brought and said that he would be distributing them to the students who wish to have chocolates now. He further said, when he will visit next time he will bring more and bigger in size chocolates and will distribute the same to the students. He again did ask, who wishes to have chocolates!

Looking to the small size of the chocolate and promise to get bigger chocolate next time, almost all the students but one student did not raise hand to express their wish to have chocolate now. They preferred to wait for next time to get bigger chocolate. As such only one student got the chocolate, which he showed to us very proudly and ate it. That time, imported articles had special attraction.

The foreign delegation went. We all the students also passed out from the school and progressed in our life and as on date retired from conventional working career. We all realised that the bigger chocolate had given us a big miss, but nevertheless, the whole incidence taught us the value of "now". In working life, this incidence helped us many times to think on merits of the case to case and take certain decisions. When we old schoolmates meet, we do remember this occasion and laugh about it.

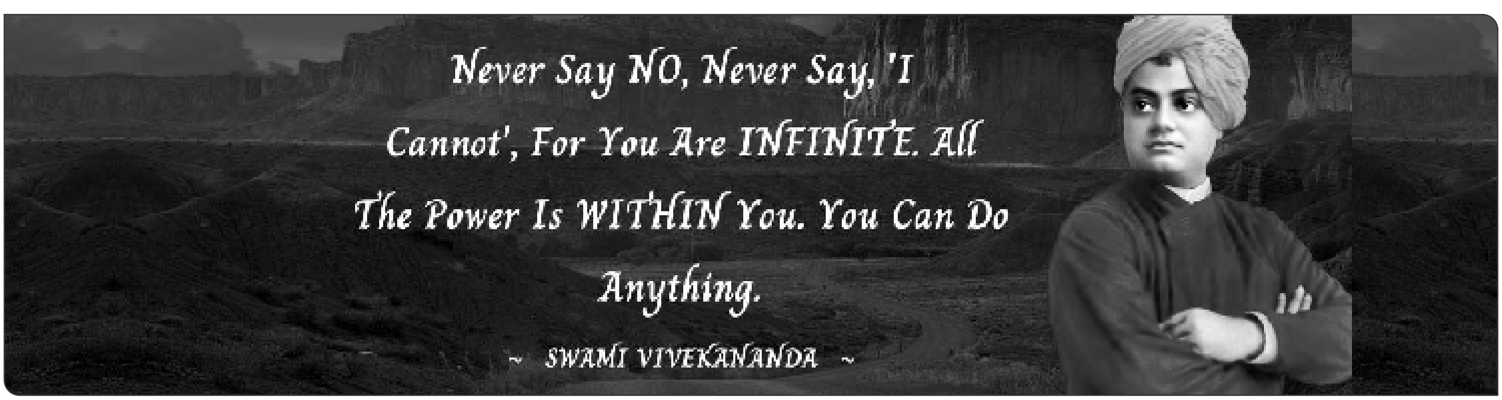
The above incidence underlines the importance of the saying that the bird in hand is valuable than two birds in bush.

Theme of October 2022

Internal Audit - Different Dimensions

Sub Theme : Forensic Audit
Detection of fraud and error
System Audit - including internal processes
Management Audit
Cash Audit

Please send your articles by e-mail to wirc.admin@icmai.in before 25th September 2022.



WIRC Chapter Office Bearers for the year 2022-23

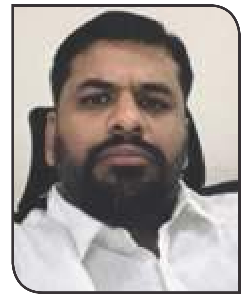
AHMEDABAD

CMA Malhar A. Dalwadi
Chairman – 8141738585
malhar@cmadalwadiasso.com

CMA Dakshesh Chokshi
Vice Chairman-98792 00147
ca.dakshesh@gmail.com

CMA Mitesh I. Prajapati
Secretary – 9428480333
mitesh.prajapati3008@gmail.com

CMA Aparna Bhonde
Jt.Secretary-9428245507
aparna.bhonde@gmail.com



CMA Kushal Desai
Treasurer- 9512365354
desaikushal86@gmail.com

AURANGABAD

CMA Kiran G. Kulkarni
Chairman - 9922500997
kiran@garwarehitech.com

CMA Shailendrasing C.Rajput
Vice Chairman - 9421406569
rajput.shailendra@hotmail.com

CMA Parag G. Rane
Hon. Secretary - 9850689900
cmaparagrane@gmail.com

CMA Surendrasingh J.Deore
Treasurer - 9325211772
sjdevare@yahoo.com

BARODA

CMA Mihir Vyas
Chairman - 9714029062
mihirvyas31@gmail.com

CMA Hardik Diwanji
Vice Chairman - 9824564017
hardik_diwanji@yahoo.co.in

CMA Kartik Vasavada
Hon. Secretary - 9925100344
kartik_vasavada@rediffmail.com

CMA Priyank Vyas
Treasurer - 9724611732
cmapriyankvyas@gmail.com

BHOPAL

CMA Suresh Kumar Soni
Chairman - 9826283893
sureshsoni70@gmail.com

CMA Basanti lal Malganya
Vice Chairman - 9406903528
malganya@bhelbpl.in

CMA Vikas Gour
Hon. Secretary - 9893470612
vikasgour1983@gmail.com

CMA Rakesh Malik
Treasurer - 9425376654
malikbpl@yahoo.co.in

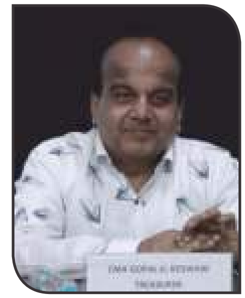
WIRC Chapter Office Bearers for the year 2022-23

KALYAN AMBERNATH

CMA G.B. Shmanani
Chairman – 98902 50060
gpshamnani9@gmail.com

CMA S. G. Narasimhan
Vice Chairman – 9819995065
sgn1958@yahoo.com

CMA Neetu S. Kapoor
Hon. Secretary – 9604100815
neetukapoor2007@gmail.com

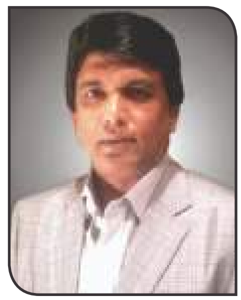


CMA Gopal U. Keswani
Treasurer – 9850055577
gk_ca7@yahoo.co.in

NAGPUR

CMA Anil Varma
Chairman - 9423616835
anilvermacacma@gmail.com

CMA Anan Sahasrabuddhe
Vice Chairman - 9689812345
anan_s@rediffmail.com



CMA S. Rajat Naidu
Hon. Secretary - 9422507009
rajat_naidu@yahoo.com

CMA Sameer M. Joshi
Treasurer - 9422804420
samomkar@yahoo.com

NASIK - OJHAR

CMA Bushan U. Pagere
Chairman - 9272370001
cmabhushanpagere@ymail.com

CMA Arifkhan A Mansuri
Vice Chairman - 8087555441
arifkp24@gmail.com

CMA Dipak S. Jagatap
Vice Chairman - 9405309480
cmadipakjagatap@gmail.com

CMA Arpita A. Fegde
Hon. Secretary - 9970187459
cmaarpita@gmail.com

CMA Mayur S. Nikam
Treasurer - 9834456709
cmamayurnikam@gmail.com

NAVI MUMBAI

CMA Vaidyanathan Iyer
Chairman & Vice Chairman
9833227768 - vaidy73@gmail.com

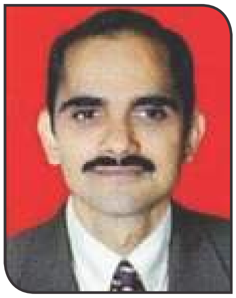
CMA Sushant J. Ghadge
Hon. Secretary - 9930439677
ghadgesushant@gmail.com

CMA T. K. Ramesh Babu
Treasurer - 7021291025
remeshbabutk@gmail.com

WIRC Chapter Office Bearers for the year 2022-23

PIMPRI-CHINCHWAD-AKURDI

CMA Dhananjay Kumar Vatsyayan
Chairman - 9545551752
dvatsyayan@yahoo.com



CMA Pradeep Deshpande
Vice Chairman - 9552571357
pad.deshpande@gmail.com

CMA Bhavesh Marolia
Hon. Secretary - 9922109905
marolia.bhavesh@gmail.com

CMA Sagar Prakash Malpure
Jt. Secretary - 9421016875
malpure.sagar@gmail.com

CMA M. K. Katkar
Treasurer - 9423530828
mk_katkar@yahoo.com

PUNE

CMA Prasad Joshi
Chairman – 99233 17233
prasadjoshi03@gmail.com

CMA Smita Kulkarni
Vice Chairman – 98508 82107
smitank2509@gmail.com

CMA Nagesh Bhagane
Hon. Secretary – 99227 52279
nageshbhagane@gmail.com

CMA Nilesh Kekan
Treasurer – 98815 62141
nkekan@rediffmail.com

SURAT - SOUTH GUJARAT

CMA Nanty Shah
Chairman - 9601099950
nanty@cmansa.com

CMA Keval Shah
Vice Chairman - 9067168015
kevalmp.shah@gmail.com

CMA K. C. Gupta
Hon. Secretary - 9099001331
kailashc_gupta@yahoo.co.in

CMA Kishor Vaghela
Treasurer - 8866301833
cmavaghela@gmail.com

VAPI

CMA Ajay Verma
Chairman - 9909963045
ajay.verma@supremegroup.co.in

CMA Raja Dutta
Vice Chairman - 8980708260
cmadutta@gmail.com

CMA Hemal Zaveri
Vice Chairman - 9374291162
hemal.zaveri@signodeindia.com

CMA Vaishali Modi
Hon. Secretary - 9727084636
mvaishali@gmail.com

CMA Hiren Katarmal
Treasurer - 9510744950
hiren.katarmal@supremegroup.co.in

CMA P Raju Iyer-President, CMA Vijendar Sharma-Vice President, CMA Bishwaroop Basu-Past President, CMA Malhar Dalwadi- Chairman of Ahmedabad Chapter and CMA Mitesh Prajapati- Secretary of Ahmedabad Chapter, Ahmedabad during Mou Signing ceremony with GLS University, Ahmedabad held on 27th June 2022 at CMA Bhawan, New Delhi.

CMA Neeraj Joshi, CCM-ICAI, CMA Shriram Mahankaliwar, Chairman WIRC, CMA Chaintanya Moharir, Treasurer WIRC, CMA Kiran Kulkarni, CMA Shailendrasingh Rajput, CMA Parag Rane, of Aurangabad Chapter & CMA Dr. Sanvedi Rane with Badminton participants and staff members of Chapter during one-day Badminton Tournament organised by Aurangabad Chapter on 28th August 2022.

CMA Cyclothon 2022 organised by Ahmedabad Chapter on 15th August 2022 to celebrate Azadi ka Amrit Mahotsav.

Blood Donation Camp organized by Baroda Chapter to celebrate Azadi ka Amrit Mahotsav

Felicitation of CMA Shriram Mahankaliwar, newly elected Chairman of WIRC organized by Nagpur Chapter on 6th August 2022. Also seen CMAs P.V. Bhattad, Past President CAI and CMA G.R. Paliwal alongwith other office bearers of the Chapter

CMA Rahul Chincholkar, Chairman, Coaching Committee, ICAI - Pune Chapter felicitating Prof. Moreshwar Apte, Principle Consultant, SAP implementation on Free Seminar orginased by Pune Chapter at Karvenagar on 6th August 2022.

CMA Dr. Dhananjay Joshi, Past President of ICAI addressing the participants on Azadi Ka Amrit Mahotsav -75th Anniversary of Indian Independence Day orginased by Pune Chapter.

CMA Chaitanya Mohrir, Treasurer, WIRC felicitating Principal Dr. H. M. Jare, Sahebraoji Butte Patil College, during Faculty Meet orginased by Pune Chapter on 21st August 2022.

RNI No. 22703/72 Posted at Mumbai Patrika Channel on 10th of every month.
Date of Publication is on 10th of every month.
Postal Regn. No. MCS/089/2021-23 WPP License No. MR/TECH/WPP-41/South/2021-23

WIRC Staff welcoming New Office Bearers during their visit to WIRC on 8th August 2022

WIRC Staff Members celebrating Azadi ka Amrit Mahotsav

at WIRC

at Thane SMFC

To,

If undelivered please return to:
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
WESTERN INDIA REGIONAL COUNCIL,
Rohit Chambers, Janmabhoomi Marg, Fort,
Mumbai 400 001.

Printed and Published by CMA Chaitanya Mohrir on belhalf of the Western India Regional Council of the Institute of Cost Accountants of India. Printed at M/s. Surekha Press, A 20 Shalimar Industrial Estate, Matunga, Mumbai 400 019. Published at Western India Regional Council of the Institute of Cost Accountants of India, Rohit Chambers, 4th Floor, Janmanhoomi Marg, Mumbai 400 001. Editor : CMA Chaitanya Mohrir