

OFFICE BEARERS OF WIRC OF ICAI FOR THE YEAR 2022-23



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Chairman



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Vice Chairman



CMA Ashishkumar S. Bhavsar,
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CMA Chaitanya L Mohrir,
Treasurer

**AUGUST
2022**

Banking and Insurance

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

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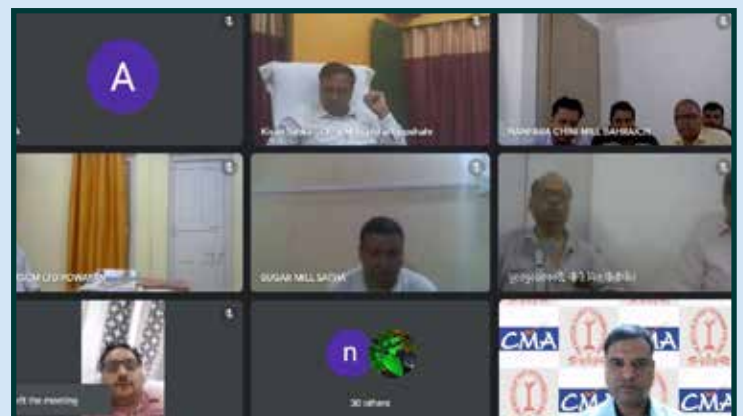
CMA Dinesh Kr. Birla, Chairman WIRC welcoming members for 63rd Annual General Meeting held on 29th July 2022 at WIRC Office. Also seen CMA Shriram Mahankaliwar, Vice Chairman WIRC & CMA Mahendra Bhombe, Treasurer WIRC



CMA (Dr.) Ashshih Thatte, CCM - ICAI & Chief Guest is being felicitated by Prof. Mahesh Patil, Vice Principal, N.G. Bedekar College of Commerce, during Career Counselling programme organised by N.G. Bedekar College of Commerce on 27th July 2022. Also seen CMA Rashmi Agnihotri, HOD - Finance, N.G. Bedekar College of Commerce and CMA Binoy Thomas, speaker.



CMA S.N. Mundra, Chairman Bharuch -Ankleshwar Chapter of Cost Accountant, CMA Manubhai Desai (Past Chairman WIRC) and CMA Dinesh Birla, Immediate Past Chairman WIRC felicitating students during the Felicitation function organised by Bharuch-Ankleshwar Chapter of Cost Accountant on 7th August 2022.



CMA Harshad Deshpande, Chairman P.D. Committee, WIRC delivered session on "Cost Control in Sugar Industry" during workshop organised by U.P. Cooperative Sugar Factories Federation Ltd. Lucknow (UP) on 6th July 2022. CMA Hemendra Soni & Atul Khanna, General Manager & CMA Ankur Verma of U.P. Cooperative Sugar Factories Federation were also present during the session.



FROM THE DESK OF CHAIRMAN

Respected, Dear Professional Colleagues,

It's my great pleasure to communicate to you as a Chairman of WIRC. I express my sincere thanks to all Regional Council & Central Council members to elect me by majority as Chairman of WIRC and gave me the opportunity to serve the Members & Students.

I also express my gratitude and respect to the Sr. Members and Past Presidents & Past Chairmen of WIRC and also CMA Raju Iyer Sir, the Respected President and CMA Vijender Sharma Sir the Respected Vice President of the Institute for their blessings and support.

I also congratulate CMA Vinayak Kulkarni, CMA Ashishkumar Bhavsar and CMA Chaitanya Mohrir for being elected as Vice Chairman, Secretary and Treasurer in WIRC.

As you are aware, 'Azadika Amrit Mahotsav' (AKAM) is being celebrated to commemorate the 75 glorious years of a progressive Independent India. The Institute of Cost Accountants of India compliments our Hon'ble Prime Minister for launching 'Har Ghar Tiranga' campaign under the aegis of AKAM, to encourage the citizens to hoist the National Flag of India in their homes. I request the members & students to hoist our National Flag at their homes during the Independence week from 13th to 15th August, 2022

I am pleased to inform you that South Asian Federation of Accountants (SAFA) is celebrating its 39th Foundation Day on 22nd August, 2022 and the Institute of Cost Accountants of India is hosting the celebrations by organising SAFA Foundation Day Conference on 22nd August 2022 at The Lalit, New Delhi. I on behalf of WIRC extend my heartiest greetings to this celebrations & request you all to participate in large numbers.

Different committees and Task Forces have been constituted and the same have been published in this bulletin. The constituted committees shall endeavour towards the Students & Professional development activities of the Team WIRC.

New batch of Oral Coaching for Foundation, Intermediate & Final has started from 8th August 2022 by virtual mode.

Happy to share with you that, Institute has introduced New Syllabus 2022 & Admission under this Syllabus will start from 11th August 2022 and first examination under New Syllabus will be in June 2023. Details of syllabus is available on Institutes website.

WIRC will make every effort to support its members and students to achieve their goals. We will be conducting Programmes and Seminars for capacity building and would request members to participate in large numbers.

I wish all the members, students and their family members HAPPY "Raksha Bandhan" "Independence Day", and "Ganesh Festival" ahead.

With warm regards

CMA Shriram Mahankaliwar
Chairman, WIRC-ICAI



FROM THE DESK OF OUTGOING CHAIRMAN

Dear Professional Colleagues,

Namaste !!

***“A full stop is not the end, Its simply just the begining of a New Sentence”
— John Obrien***

It is indeed my pleasure to address you , as immediate past Chairman, with the satisfaction that I could do few things for our profession and Institute.

I am happy to inform you that during my tenure, WIRC student’s strength has reached the highest count in the current year through effective Career Counselling Programmes and continous student engagement.

Conducting the Regional Cost Convention 2022 at Gandhinagar (Gujarat) was a challenging opportunity for me especially in the current pandemic situation and I could do it successfully with the full support of my Council Colleagues, which I think is a remarkable achievement during my tenure.

We had a glorious year of Campus Placement at WIRC with best-in-class packages. More than 25 companies participated in the 2022 placements. There were many Companies which participated for the first time in Campus Placement

WIRC’s Financial position was also positive for the entire year.

63rd Annual General Meeting of WIRC was held on 29th July , 2022 at Mumbai successfully under my chairmanship. I am thankful to all the members of the region for their support. Kindly refer to page No. 38 for AGM minutes.

I appeal to all of you to continue your active support for increasing the strength of members and students in WIRC.

Once again, I express my sincere thanks to all my Council colleagues, seniors, members, faculties and none the less to WIRC staff for extending their cooperation during my tenure.

I congratulate the new Council for the year 2022-23 and hope we together achieve all our unfinished dreams of making CMA as one of the top institutes in our country. I am sure the next Council will also run under the safest hand of our new Chairman CMA Shriram Mahankaliwar, and I promise to extend all my co-operation and active support to new Team.

I am available to all Members & Students whenever required & assure my full support to them. I wish you all happiness and success in your life and convey greetings for the upcoming festivals.

Stay safe, Stay healthy.

With Best Wishes,

CMA Dinesh Kumar Birla

Immediate Past Chairman, WIRC



Dear Members,

“Clouds Come floating into my life, no longer to carry rain or usher storm, but to add color to my sunset sky.”

—Rabindranath Tagore

On behalf of the Western India regional Council of the Institute of Cost Accountants of India, I wish you a healthy and peaceful life.

This is my last communiqué as the editor of this e Bulletin, covering the topic “Banking and Insurance Sector “

Given the constraints on revenue growth, banks must seek to cut costs and they have been trying to do so. But most programs conducted over the past decade, while picking some low-hanging fruit, have failed to change processes in ways that not only achieve lasting cost reductions but also improve the quality of the customer experience.

Digital technologies provide banks with an opportunity to break this deadlock. Customers have been quick to shift from branch and telephone transactions to digital channels on which the marginal cost of many transactions is zero. And new advances, such as AI and robotics, allow banks to automate processes that are expensive to conduct manually, such as assessing credit, detecting fraud, opening accounts, and advising on investments. In short, adopting new technologies allows banks to overcome the trade off between providing good service and minimizing operating costs

If a bank can control the cost of risk at a lower level, the profit earned will be higher. The cost management is therefore considered as a significant tool to improve the net profit which is essentially a function of reduction in expenditure and improvement in income.

The Cost Accountants play a vital role in the area of Banking and financial sector, which includes, recommending investment portfolios, monitoring economic trends, reviewing financial data and helping clients make lucrative investment decisions, other than the Risk based Internal Audit, Concurrent Audit, Stock Audit, Forensic Audit, System Audit. etc.

I hope, with the support of our eminent resource contributors’ thought on the subject, will immensely benefit our fraternity and other stakeholders.

I am very much thankful to all my Council colleagues in WIRC in cooperating me to release this Bulletin in time. At the same time, I am grateful to the Executives of Team WIRC and the Resource persons; those are instrumental in releasing the Bulletin.

God bless you, and give you health, happiness, and hope, the real comforters of this wonderful world.

I am very much thankful to the Managing team WIRC, executives and the Resource persons, for their all-time support.

Truly Yours.

CMA Arindam Goswami

Chairman, Editorial Board



WESTERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Rohit Chambers, 4th Floor, Mumbai 400 001.

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CMA Mihir Vays
CMA Raja Dutta
CMA Malhar Dalwadi

Different Types of Insurance Policies



CMA Santosh S. Korade

Mob.: 97305 77016, 93569 56185

E-mail : santoshkorde77@gmail.com

Abstract

In life, any unexpected situation can disrupt your family's well-being also your business. For such scenarios, different types of life, health and general insurance policies are available in our country that offers comprehensive financial protection. At the same time, you can opt for an insurance cover to protect your assets and property. However, before purchasing an insurance policy, it is imperative to understand the different types of insurance policies and then choose the ones that align with your needs. So what types of insurance policies available to protect from financial losses due to some unexpected causes which are beyond control of human being will explain through this article.

What is Insurance?

Insurance is a legal agreement between an individual and the insurance company. The insurer or the insurance company promises to provide financial coverage or sum assured against contingencies. To avail insurance, individuals or customers are required to pay insurance premium, which varies on a various factors.

Types of Insurance

The types of insurance in India can be broadly divided into two categories:

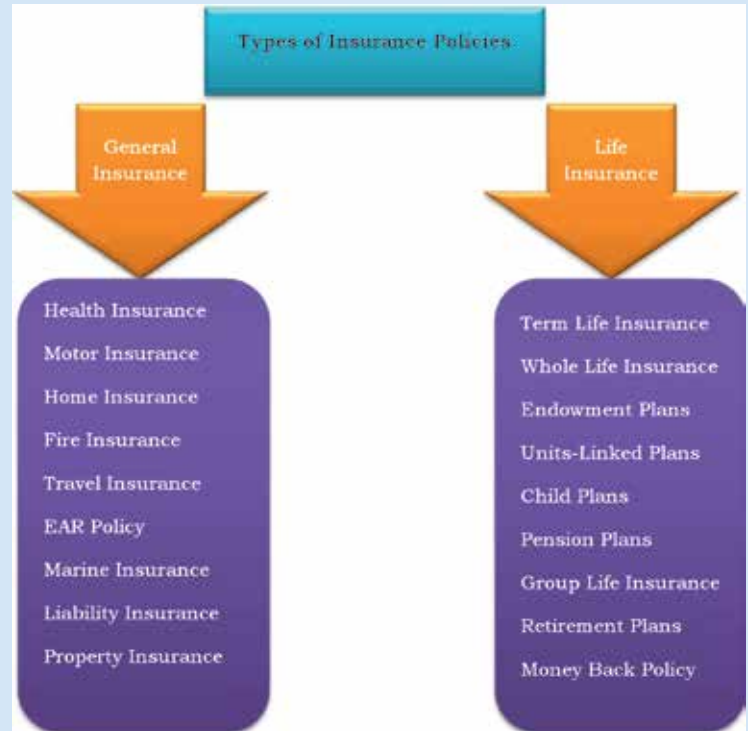
- General Insurance
- Life Insurance

1) General Insurance

A general insurance is a contract that offers financial compensation on any loss other than death. It insures everything apart from life. A general insurance compensates you for financial loss due to liabilities related to your house, car, bike, health, travel, etc. Overall, general insurance comprises different types of insurance policy that offer financial protection against losses incurred due to liabilities such as bike, car, home, health, and similar. These various general insurance types of insurance policies include:

i) Health Insurance

Health insurances are types of insurance policy that covers the expenses incurred due to medical care. Health insurance plans either pay or reimburse the amount paid towards the treatment of any illness or injury. Different types of insurance policy cover varied medical care expenses.



It usually offers protection against:

- a) Hospitalization
- b) Treatment of critical illnesses
- c) Medical bills post hospitalization
- d) Day-care procedures

There are a few types of health insurance plans also cover the cost of resident treatment and pre-hospitalization expenses.

You can also opt for add-on benefits like:

- **Maternity cover:** Your health insurance covers you for the costs related to childbirth. This includes pre-delivery check-ups, hospitalisation during delivery, and post-natal care.
- **Pre-existing diseases cover:** Your health insurance takes care of the treatment of diseases you may have before buying the health insurance policy.
- **Accident cover:** Your health insurance can pay for the medical treatment of injuries caused due to accidents and mishaps.

Different types of health insurance plans available include:

No.	Types of Health Insurance	Coverage
1	Individual Health Insurance	Offers coverage to only an individual
2	Family Floater Insurance	Allows your entire family to get coverage under a single plan, which usually covers husband, wife, two children
3	Critical Illness Cover	Specialized types of health insurance that offers coverage against various life-threatening illnesses like stroke, heart attack, kidney failure, cancer, and similar others. Policyholders get a lump sum amount on diagnosis of a critical illness.
4	Senior Citizen Health Insurance	These types of insurance plans cater to all individuals above 60 years of age
5	Group Health Insurance	Offered by an employer to its employee
6	Maternity Health Insurance	This insurance type covers medical expenses for prenatal, post-natal, and delivery stage, offering protection to both the mother and the new born
7	Personal Accident Insurance	These types of insurance plans cover financial liabilities arising due to accidental injuries, disability, or death

Your health insurance can also help you save tax. Your premium payment can reduce your taxable income.

Scenario	Self, Family, Children	Premium Paid For Parents	Total Deduction 80D
Individual and Parent below 60 Years	25,000	25,000	50,000
Individual below 60 Years and Parent above 60 Years	25,000	50,000	75,000
Individual and Parent above 60 Years	50,000	50,000	1,00,000
Members of HUF	25,000	25,000	50,000
Non-Resident Individual	25,000	25,000	50,000

ii) Motor insurances

Motor insurances are types of insurance that offer financial assistance in case your bike or car get involved in an accident. Various types of Motor insurance policies include:

- Car Insurance:** Individually owned four-wheelers are covered under this plan. The car insurance types include-third-party insurance and comprehensive cover policies.
- Bike Insurance:** These are types of insurance policy where individually owned two-wheelers are covered against accidents
- Commercial Vehicle Insurance:** This is one of the insurance types, which offers coverage to any vehicle used for commercial purposes

Third Party Insurance	Comprehensive Car Insurance
Compensates for the damages caused to another individual, their vehicle or a third-party property.	Covers all kinds of damages and liabilities caused to you or a third party. It includes damages caused by accidents, sabotage, theft, fire, natural calamities, etc.

iii) Home Insurance

As the name suggests, a home insurance policy offers comprehensive protection to the contents and structure of your house against any physical destruction or damage. In other words, this insurance type will provide coverage against any natural and human-made calamity, such as fire, earthquake, tornado, burglaries, and robbery.

Different types of home insurance policies include:

No.	Types of Home Insurance	Coverage
1	Home Structure/Building Insurance	Protects the structure of the house against damage during any calamity
2	Public Liability Coverage	Provides coverage against any damage to a guest or third-party on the insured residential property
3	Standard Fire and Special Perils Policy	Coverage against damages caused due to fire outbreaks, natural calamities (e.g., landslides, rockslides, earthquakes, storms, and floods), and anti-social human-made activities (e.g., explosions, strikes, and riots)

4	Burglary and Theft Insurance	Provides compensation for stolen goods in case of a burglary or theft
5	Contents Insurance	Provides compensation for loss of furniture, vehicles, and other appliances in case of a fire, theft, flood, or riots
6	Tenants' Insurance	Provides financial protection to you (as a tenant) against any loss of personal property living in a rented house
7	Landlords' insurance	Provides coverage to you (as a landlord) against contingencies such as public liability and loss of rent

iv) Fire Insurance

Fire insurance policies are different types of insurance coverage that compensate any losses incurred due to a fire breakout with a sum assured. These types of insurance policy usually provide a significant amount of coverage to help both individuals and companies to reopen their places after incurring extensive damage due to fire. These insurance types cover war risk, turmoil, riots losses as well.

Different types of fire insurance are –

Valued policy	The insurer firsts value the property and then undertakes to pay compensation up to that value in the case of loss or damage.
Floating policy	It covers the damages to properties lying at different places.
Comprehensive policy	This is known as an all-in-one policy. It has a wide coverage and includes damages due to fire, theft, burglary, etc.
Specific policy	This covers you for a specific amount which is less than the real value of the property.

v) Travel Insurance

As the name suggests, travel insurance is a type of insurance policy, providing financial protection for you and your loved ones while you are visiting any place in India or abroad. Whether you are travelling solo or with your loved ones, the travel insurance coverage will help ensure that you have a peaceful journey.

The travel insurance policy coverage takes care of any issues that you may face during your trip such as loss of baggage, loss of passport, personal and medical emergencies. Different types of travel insurance policies include:

There are two types of Travel Insurance

Single Trip Policy	Annual Multi Trip
It covers you during a trip that lasts under 180 days.	It covers you for several trips you take within a year.

- 1) **Domestic Travel Insurance:** Within the country
- 2) **International Travel Insurance:** For any trips or vacations outside of India
- 3) **Individual Travel Insurance:** If you are travelling alone
- 4) **Student Travel Insurance:** If you are going abroad for further studies

- 5) **Senior Citizen Travel Insurance:** For senior citizens, ageing between 60 to 70 years
- 6) **Family Travel Insurance:** For any family vacations

vi) EAR

Erection all Risk policy is risk coverage policy for project work. There are numbers of work projects under which huge risk is to be mitigated if any mishap happens during construction, so EAR policy uses to mitigate the project erection risk.

vii) Malpractice Insurance

Professionals such as doctors, lawyers, and accountants will often purchase malpractice insurance to protect against claims made by disgruntled patients or clients. For doctors, the cost of such insurance has been rising over the past thirty years, largely because of larger jury awards against physicians who are negligent in the practice of their profession.

viii) Property Insurance

No business should take a chance of leaving unprotected its buildings, permanent fixtures, machinery, inventory, and the like. Various property policies cover damage or loss to a company's own property or to property of others stored on the premises.

ix) Business Interruption Insurance

Depending on the size of the business and its vulnerability to losses resulting from damage to essential operating equipment or other property, a company may wish to purchase insurance that will cover loss of earnings if the business operations are interrupted in some way—by a strike, loss of power, loss of raw material supply, and so on.

x) Liability Insurance

Businesses face a host of risks that could result in substantial liabilities. Many types of policies are available, including policies for owners, landlords, and tenants (covering liability incurred on the premises); for manufacturers and contractors (for liability incurred on all premises); for a company's products and completed operations (for liability that results from warranties on products or injuries caused by products); for owners and contractors (protective liability for damages caused by independent contractors engaged by the insured); and for contractual liability (for failure to abide by performances required by specific contracts).

2) Life Insurance

Life insurance is a contract that offers financial compensation in case of death or disability. Some life

insurance policies even offer financial compensation after retirement or a certain period of time. Life insurance, thus, helps you secure your family's financial security even in your absence. You either make a lump-sum payment while purchasing a life insurance policy or make periodic payments to the insurer. These are known as premiums. In exchange, your insurer promises to pay an assured sum to your family in the event of death, disability.

Life insurance can help you support your family even after retirement. Depending on what it covers, Life insurance can be classified into various types:

Term Insurance	<p>-It is the most basic type of insurance.</p> <p>-It covers you for a specific period.</p> <p>-Your family gets a lump-sum amount in the case of your death.</p> <p>-If, however, you survive the term, no money will be paid to you or your family.</p>
Whole Life Insurance	<p>-It covers you for a lifetime.</p> <p>-Your family receives a certain sum of money after your death.</p> <p>-They will also be entitled to a bonus that often accrues on such amount.</p>
Endowment Policy	<p>-Like a term policy, it is also valid for a certain period.</p> <p>-A lump-sum amount will be paid to your family in the event of your death.</p> <p>-Unlike a term plan, you get the maturity proceeds after the term period.</p>
Money-back Policy	<p>-A certain percentage of the sum assured will be paid to you periodically throughout the term as survival benefit.</p> <p>-After the expiry of the term, you get the balance amount as maturity proceeds.</p> <p>-Your family gets the entire sum assured in case of death during the policy period. This is regardless of the survival benefit payments made.</p>
Unit-linked Insurance Plans (ULIPs)	<p>-Such products double up as investment tools.</p> <p>-A part of your premium goes towards your insurance cover. -The remaining amount is invested in Debt and Equity.</p> <p>-A lump-sum amount will be paid to your family in the event of your death.</p>
Child Plan	<p>-This ensures your child's financial security.</p> <p>-In the event of your death, your child gets a lump-sum amount.</p> <p>-The insurer pays the premium amounts after your death.</p> <p>-Your child will continue to get a certain sum of money at specific intervals.</p>
Pension Plans	<p>-This helps build your retirement fund.</p> <p>-You can get a regular pension amount after retirement.</p> <p>-In the case of your death, your family can claim the sum assured.</p>

• Tax Benefits of Various Types of Insurance in India

Amount paid toward premium for different types of life insurance plans is tax-deductible

1. Under Section 80C of income tax, the premium payable towards all types of life insurance plans is tax-deductible up to Rs 1.5 lakh
2. Under Section 80D of income tax, the premium payable towards all types of health insurance plans is tax-deductible, subject to a maximum of Rs 25,000 for self, wife and children and additional 25,000 for parents having age below 60 years (the tax savings can go up to Rs 50,000 for senior citizens individual and 50000 if parents are senior citizens. Total deduction can go up to 1Lakh which is already mentioned above)

What does insurance not cover?

Your policy may not cover liabilities in certain situations. These are known as exclusions.

Life	<p>If death occurs due to:</p> <ul style="list-style-type: none"> -Alcohol or drug abuse -War or terrorism -Suicide or self-inflicted injuries -Gross negligence or carelessness
Car	<ul style="list-style-type: none"> -Damage caused when the policy is not active -Loss of personal belongings kept in the car -Damage to a car that is not insured -Damage caused when driving without a license -Damage caused when driving under the influence of alcohol or drugs -Damage due to wars, mutiny or nuclear risks
Bike	<ul style="list-style-type: none"> -Damage due to war, mutiny or nuclear risk -Normal wear and tear and general ageing -Tire or tube punctures. (If, however, your two-wheeler is damaged at the same time, you will be compensated for 50% of the cost of repair or replacement -Mechanical or Electrical breakdown -Any loss or damage caused outside India
Health	<ul style="list-style-type: none"> -Hospitalisation due to war or related activities -Medical condition due to abuse of intoxicants or hallucinogenic substances - Any medical condition existing before buying the policy during the waiting period -Non-allopathic therapies such as acupuncture, yoga, naturotherapy, etc. -Diagnostic charges if the reports do not confirm the existence of the covered disease -Self-inflicted injuries
Travel	<ul style="list-style-type: none"> -Travelling against the advice of the physician -Baggage delay for less than 24 hours -Psychological illness or self-inflicted injuries during your trip -War or civil unrest in international locations -Participation in hazardous sports like bungee jumping, parachuting, etc.
Home	<ul style="list-style-type: none"> -Wilful destruction of the property -Damages caused due to wear and tear -Damages caused due to war -Loss of money kept inside the property -Loss to a property that has remain unoccupied for a certain period
Fire	<p>Loss or damage caused to the property due to:</p> <ul style="list-style-type: none"> -Nuclear perils -War or related activities -Pollution or contamination -Mechanical or electrical breakdowns

Various Factors defining Insurance Cost-

Insurance costs depend on premium amount. This premium amount depends on several factors that differ from insurance to insurance which are as bellows:

Life Insurance

- * Age
- * The type of coverage/plan
- * Health (past and current)
- * Smoking and drinking habits
- * Occupation
- * The sum assured

Motor / Auto Insurance:

- * Make-Model of the vehicle
- * The value, age of your vehicle
- * The type of coverage/plan
- * Your claim history

Travel Insurance

- * The sum assured
- * Your health
- * Type of coverage/plan
- * The location of travel
- * Age

Health Insurance

- * Family health history
- * Age and gender
- * Sum assured
- *Type of coverage/plan
- * Health history

Claim Settlement Ratio

This factor is so crucial. Claim settlement ratio is an important factor to consider before choosing an insurance type or the insurer. Claim Settlement Ratio or Claim Paid Ratio is the total number of claims settled by an insurance provider against the total numbers of claims raised by the customers. You should check the claim settlement ratio to ensure that you or your nominees do not face any issue at the time of claim settlement.

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.

Sustainable Banking : The Future of Banking

CMA (Dr.) S. K. Gupta

Mob.: 98101 62341

E-mail: cbst.skgupta@gmail.com



The Perspective

With the push for sustainability in business and net-zero grows across the globe, the demand for going green has hit the financial sector also. The banking and finance sector can play a driving role in mobilizing, investing and directing capital toward the Sustainable Development Goals (SDGs) and towards climate outcomes. It is high time that businesses pivoted from their policies that emphasized profit generation to prioritizing sustainable practices that preserve the natural and human infrastructure that supports them and all commerce and industries. Banks have to lead the way in this transformation since they regulate the cash flow that enables business operations.

What is Sustainable Banking ?

Sustainable banking is a strategy that refers to banking and investment practices that pursue profit, while prioritizing social responsibility and/or environmental sustainability. A new “triple bottom line” approach to banking contextualizes the relationships between profit, social equity and environmental accountability. Sustainable banking integrates environmental, social and governance (ESG) criteria into traditional banking, and sets ESG benefits as a key objective. This relatively new form of banking has changed vastly in recent years. Old notions of sustainable banking conjured sentiments of trade-offs and charity – doing the right thing used to mean doing the less profitable thing. This no longer holds true. The following are the Dimensions of Sustainable Banking

- Aligning financial flows with sustainable development goals
- Incorporating sustainability into banks’ governance and culture
- Measuring and managing E&S impacts and risks
- Engaging customers, clients and stakeholders to develop sustainable financial products
- Sustainability reporting: A critical tool for enhancing corporate transparency and accountability

Sustainable banking is defined as the delivery of “financial products and services, which are developed to meet the needs of people and safeguard the environment while generating profit. Banks started to deal with sustainability during 1990s, increasing their interest in 2000s. Nowadays, sustainability is seen as an extra lever of economic growth by the banking sector. Practically, banks can stimulate sustainable development directing their financial policy towards sustainable companies. The banking industry is important to achieving sustainable development due to its unique intermediation role, which is essential for mobilizing financial resources toward sustainable goals. Sustainable banking ensures that internal and external banking activities meet sustainability requirements of internal and external stakeholders. The discernible shift that many banks have made in recent years towards addressing the environmental and social impacts of their financial services is a welcome and important first step in this direction. More and more banks realize that ignoring social and environmental issues could considerably increase their exposure

to credit, compliance and reputational risks.

Objectives of Sustainable Banking

Profit at all costs ceases to be the primary objective of sustainable banking. While a healthy bottom line continues to be a goal, other objectives that will encompass environmental and social criteria start being significant considerations in selecting investments and formulating policies. The objectives of sustainable banking include:

- **Quality of life considerations:** These include investments that directly improve the standard of living. Investments in improving access to education, affordable housing, public transportation, and low-cost healthcare get priority over investments in financial instruments.
- **Promotion of clean energy:** Actively pursue and promoted investments in alternative energy instead of investments in coal, gas, and oil. They will also invest in the development and popularization of vehicles utilizing electricity and natural gas. Concurrently, invest in technologies to lower the emissions and improve the mileage of gasoline-powered vehicles.
- **Financial inclusivity:** Support responsible banking initiatives like microloans that help family-owned businesses and small businesses in economically disadvantaged communities. While returns on such initiatives are not as high as on investments in big business, the track record of similar institutions worldwide have demonstrated that microloans are indeed profitable investments.
- **Sustainable agriculture:** Support green banking policies that encourage investments in pollution-free and toxin-free agriculture. Since the production, processing, and distribution of food are foundational to human society’s health and well-being, sustainable banking objectives must include sustainable agriculture.

Sustainable banking isn’t just a philosophy – it’s about action

Financial institutions must expand their missions from ones that prioritize profit maximization to a vision of social and environmental sustainability. A commitment to sustainability would require financial institutions to fully integrate the consideration of ecological limits, social equity and economic justice into corporate strategies and core business areas (including credit, investing, underwriting, advising), to put sustainability objectives on an equal footing to maximization of shareholder value and client satisfaction, and to actively strive to finance transactions that promote sustainability. Following action strategies are imperative for building sustainable Banking architecture

Redefine your mission: A crucial landmark on the road towards sustainability is the redefinition of the bank’s long term mission. This demands a profound rethinking of the reason of existence of your bank, what the bank has to offer to this world. A truly sustainable bank’s mission cannot be purely defined from the perspective of the maximization of shareholder value and client satisfaction. It needs to incorporate wider sustainability goals.

Evaluate your portfolio: Using the perspective of the redefined mission, the bank needs to evaluate its portfolio. Assess all direct and indirect environmental and social impacts of the financial services provided by the bank to its clients, including retail banking (saving accounts, credit, mortgages), commercial banking (company loans, trade finance), investment banking (stock issuances and trading, project finance, stock analysis, M&A and other corporate advising), asset management, private banking, trust banking and other forms of financial services.

Redefine your strategy: The evaluation of the bank's portfolio will lead to strategic choices. To become a sustainable bank, a redefinition of the bank's strategy is inevitable. Based upon an assessment of its past experience, its present capabilities and its future ambitions, the bank needs to select the social and environmental issues it wants to assign top priority to

Develop sector and regional/country policies: For the specific sectors and countries the bank chooses to be active in, it needs to develop concrete policies that allow the bank to deal with challenges that will inevitably arise. These policies serve a dual purpose: they define the ambitions and goals the bank wants to achieve and help promote, its vision of sustainability in concrete terms.

Build capacity, train, motivate and reward employees: To put the ambitions formulated in specific policies into practice, the bank needs to devote considerable attention and resources to capacity building, training, motivating and rewarding its employees. All employees involved need to be trained with regard to the social and environmental issues related to the sectors, issues and countries in which the bank is active. Specific attention should be paid to internalising the bank's mission and specific goals by employees. Additionally, a sustainable human resources policy attracts, stimulates and rewards people who are able to contribute to the bank's mission and sustainability goals most effectively.

Foster innovation : Global sustainability is not an easy goal to achieve. Radical changes are needed to use our natural resources efficiently, equitable and prudently to fulfil the needs of a growing global population, while preserving existing ecosystems and preventing climate change. At the same time, the global wealth and opportunities have to be redistributed, providing equal chances, securing human rights and a decent living to all global citizens. To achieve all these goals, we need many innovations. Banks and other financial institutions need to use all their intellectual and financial skills to help other companies nurture technical innovations and bring them to the market, to assist the poor in creating a means of living, and to set up businesses which manage resources and ecosystems in a sustainable way.

Environmental and Social Risk Management System: To ensure that the minimum standards of the banks policies are applied to all financial services, banks need a rigorous Environmental and Social Risk Management System. This should include the following elements: Perform an initial sustainability review to identify the bank's key sustainability risks and opportunities, and to guide appropriate policy development; adopting strong and comprehensive policies is not enough; implementing a well-functioning Environmental and Social Risk Management System is of crucial importance.

Ensure fair and inclusive retail financing practices : Take all necessary steps to ensure that the bank's retail products are equally available to all retail clients, irrespective of race, ethnicity, gender or other community characteristics, for the same interest rates. Ensure that appropriate reinvestment is made of disadvantaged communities' deposits. Take all necessary steps to avoid engaging in or enabling so-called predatory lending to

retail consumers. Similarly review the lending patterns of any retail lender, particularly subprime lenders, which the bank may purchase or whose loans it may help securitize or for which it may serve as trustee.

Challenges for sustainable Banking

The move towards sustainable banking also entails certain challenges

Clear priority for sustainability in organizations' budgets: The biggest challenge for sustainable banking, as reported by the respondents, is budget limitations. Closing this budget gap is essential to ensuring that banks have the resources needed for long term and meaningful investment in sustainable banking activities. Convincing decision makers using an evidence-based business case can facilitate the prioritization of sustainability in the organization's budgets

Data collection and analysis : Some of the banks struggle with linking their realized benefits with their sustainable banking activities. Establishing a strong data collection and analysis culture, as well as being equipped with the tools to implement this, is pertinent to establishing such linkages.

Conclusion

Financial institutions should bear full responsibility for the environmental and social impacts of their transactions. Financial institutions must also pay their full and fair share of the risks they accept and create. This includes financial risks, as well as social and environmental costs that are borne by communities.

It is high time that businesses pivoted from their policies that emphasized profit generation to prioritizing sustainable practices that preserve the natural and human infrastructure that supports them and all commerce and industries. Banks have to lead the way in this transformation since they regulate the cash flow that enables business operations. The first step in this transformation is to realize that the old policies motivated by profits alone are short-term thinking results. Sustainability policies are born of long-term thinking. They do not hinder businesses but instead enable them to maintain healthy operations and profits well into the distant future. Sustainable banking is not for the weak; it involves creating a profound change in your business. While it may still feel that this is a choice open to individual banks (or corporations in general) to either follow or ignore, the trends in the financial world and expectations within society unmistakably point toward a obligation to take up this challenge.

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Banking Sector- What holds for India

CMA N. Rajaraman

Mob.: 75062 55388

E-mail: rajaraman.chandra@gmail.com



With the augmentation of digital technologies, consumers have become more demanding of virtual experiences in today's time. The pandemic has only amplified the need for easy access to banking products, services and information and surged the need for stress-free access to banking products and services. The future of banking will be driven by major technological changes and will transform drastically. The future of banking is 'Digital'. The COVID-19 pandemic has re-designed our lives in terms of how we shop, work, even how we bank, and this has led to a major change in customer behaviour.

However, the digitization of the banking sector is not quite sudden. Financial sector digitization began in the early 90s when Automated Teller Machine (ATM) and Electronic Fund Transfers (EFT) were introduced. Consequently, internet banking was permitted in India, followed by the National Electronic Fund Transfer (NEFT), Immediate Payment System (IMPS), RTGS, etc. Lately, India has been heavily relying on the UPI or digital wallet payment system. Intending to digitize the economy, the Government brought in demonetization in 2016, and then GST was introduced in 2017. With such bold initiatives, the Government of India has voiced its intention loud and clear – to make the banking and financial services sector truly digital. Furthermore, these steps have conceded incredible results. The transactions through debit and credit cards, UPI platforms have seen an upsurge, especially over last year due to the pandemic.

How Have the Banks Digitized?

As India's banking industry experiences major positive changes, the country's banks are also altering. They are heavily investing in digital technologies to be at par with leading global competitors.

While for a common man, digitization of banking services may mean digitizing payments and receipts, but it encompasses lot of other activities too. Just like any other business or organisation, banks also have vendors and customers. In the last few years, banks have been thoughtfully improving their tech quotient to cater to both customers as well as vendors. Under these circumstances, banks and other financial institutions have encouraged the implementation of technology in almost all functions of banking, whether it be credit rating, CIBIL score, investment banking, lending, borrowing, private banking, consumer service and loans, etc. This has resulted in employee productivity improvement and providing better consumer experiences.

Multiple technology solution providers in the Indian market are also assisting banks and other financial institutions to ramp up their technology game. These solution providers help banks to assess their current technology footprint and suggest appropriate technology that can be used to accelerate their digital business. Some examples of the latest technology used are:

1. **Vendor management for banks:** Application Programming Interface known as API makes vendor management easier for banks ensuring reconciliation between vendor invoices received and vendor invoices uploaded on the GST portal amongst other benefits.

2. **Digital lending through DSA:** DSA or Direct Selling Agents act like loan agents for banks. They reach out to potential customers or borrowers and oversee their end-to-end loan processing.

There are multiple benefits of digital banking such as:

- **Improved accountability:** Since each transaction has a record and is easy to track, the transactions become transparent. With transparency follows accountability. These two together create a safe and secure banking space for the citizens of the country.
- **Improved tax revenues:** Digital transactions make certain that tax frauds and evasions are kept in check. Since every transaction is tracked electronically, the odds of suppressing income and evading taxes reduce significantly. Enhanced tax collections mean a better development rate for the nation.
- **Wider reach of banking services:** In the past, banking was considered only for the affluent and educated working class. Rural India, which is a larger part of the population, did not have adequate access to banking services. However, the scenario has completely transformed in the last few years. The rural as well as the urban customers, who were not proficient with the banking domain are also using digital payments to a significant extent. This has been an extremely exciting journey for the Indian economy as even a small roadside vendor now has a bank account and accepts payments through digital wallets.
- **Convenience:** The convenience of digital banking is noteworthy. Payments and receipts can be made with a click of a button from anywhere with a fully secured gateway. Furthermore, apart from receipts and payments, other digitization technologies have eased out the bank's compliances and smoothened the service rendering process.
- **The Start-up age:** Indigenous start-ups in just four months in 2021 raised approximately INR 7.8 billion, despite successive multiple Pandemic wave. Our country is leading the start-up space globally. With several start-ups coming up and growing each day, it is only natural and crucial for the banks, which usually fund these start-ups, to become equally tech reliant.

The Government of India has taken multiple steps and measures to enable better and more accessible banking experiences. With the growth trajectory seeming optimistic, the Indian banks, both private and public are comprehending the importance of using digital technologies such as Robotic Process Automations (RPA's) Artificial Intelligence, Machine Learning. These technologies open new possibilities. Financial institutions including banks would have to re-assess their digital strategy to check if they are capable of meeting future needs. Besides, what also needs to be done is to outline the roadmap to challenge such technology disruption. Precisely, transaction banks are changing their digital investment attention from one that is largely internal to one that is externally driven. Beyond technical abilities, banks are now more than ever closely considering the needs of their clients.

Trends in the Banking Sector

CMA Sanket Pandit

Mob.: 90494 84444

E-mail: cmasanketpandit@gmail.com



Money is an important part of society. And our relationship with money – how we use it, who we trust to look after it, and how we as financial customers expect to be treated – is changing. Let's take a look at those transformative trends which are happening in Banking sector

Trend 1: Digital money

Money has well and truly gone digital. You can now pay for goods and services at the tap of a screen via mobile apps or by scanning QR code on your phone in a shop. These days, physical money often doesn't come into it.

Essentially, digital money refers to any form of money or payment that only exists electronically – and this can be as simple as a payment or money transfer that takes place online (typically facilitated by a traditional bank) or as complex as an entire crypto currency like Bitcoin (which generally sits outside of traditional money institutions).

Digital money can therefore involve Debit cards, smartphones, apps, online banking, money transfer platforms, and crypto currency platforms – but however the transaction occurs, the key factor is no tangible money changes hands. This trend was accelerated by the COVID-19 pandemic, as people and businesses became reluctant to handle physical money, and contactless payments surged. Also this trend increased manifold times due to Digital India movement launched by the prime minister.

In short, the trust that people have long placed in banks and traditional forms of payment is increasingly being placed in digital money. And this is giving rise to a whole host of new services that are set to challenge traditional financial service providers.

Trend 2: The rise of finance apps

Facilitating this new wave of digital money are mobile payment apps and so-called “digital wallets” – typically app-based services that allow users to pay for things (for example, via contactless payments) and transfer money to others.

What's really important about this trend is many of these apps and services are being offered not by traditional banks but by tech giants and digital-native startups, such as Apple, Google, Samsung, and PayPal. Powered by data and AI capabilities, this new breed of fintech providers is threatening the long-established monopoly that traditional banks and financial service providers have over money and payments.

Trend 3: Buy Now Pay Later as a form of consumer lending

With the rise in fintech companies, the concept of Buy Now Pay Later [BNPL] has revolutionized the banking ecosystem in India. Banks have understood the importance of effectively leveraging this concept to improve customer experience and build positive sentiment. It is now considered to be the new form of consumer lending – where banks are extending the necessary credit in interest free or spaced-out interest-bearing installments to its consumers.

BNPL has the potential to change how credit is extended and banks will have to do a background check on customers to ensure that defaults and resultant liabilities do not mount.

CONCLUSION

The banking today is re-defined and re-engineered with the use of Information Technology and it is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations. Thus, there is a paradigm shift from the seller's market to buyer's market in the industry and finally it affected at the bankers level to change their approach from “conventional banking to convenience banking” and “mass banking to class banking”. The shift has also increased the degree of accessibility of a common man. ■

Dear CMA Colleagues,

WIRC is planning to send only E-copy of the WIRC Bulletin from January 2022 onwards. If any member requires the Hard Copy in future, please write to WIRC (wirc.admin@icmai.in) with Name, Membership Number and Address to enable us to send the same.

With regards,

CMA Arindam Goswami,
Chief Editor - WIRC Bulletin

Banking and Insurance in India

CMA Lt. Dhananjay Kumar Vatsyayan (Ret.)

Mob.: 95455 51752, 89990 70378

E-mail: dvatsyayan@yahoo.com



1. HISTORICAL BACKGROUND

History of these two sectors can be traced back from British period, as the first Bank was set up in 1786, Bank of Hindustan, latter on East India Company established three banks Bank of Bengal, Bank of Bombay and Bank of Madras in year 1809, 1840 and 1843 respectively. The first Bank established exclusively by Indians is Allahabad Bank in 1865. Private banks as well as banks of princely states were established till independence of India. Pre-independence banking system continued in post-independence era. Banks were mostly concentrated in urban areas and were out of reach for common population.

The LIC of India came into existence on 01st September 1956, after the Parliament of India passed the Life Insurance Corporation Act on the 19th of June, 1956. It is one of the major players in the Insurance sector of India. GIC came into existence in 1973.



[Photo 1 – Emblem of LIC Source Internet]

Prime minister of India, Mrs. Indira Gandhi nationalized all bank under “Garibi Hatao” slogan at end of seventies. Thus, Indian Govt had the monopoly in Banking & Insurance business in India. Inefficiency, bureaucracy and political influence grown rapidly in this sector, which resulted as an important road block to growth in this sector.

On one hand, manufacturing sector were starving for fund and other hand households were holding abundant of liquid fund in their control. Influence of black money (parallel economy) entered every walk of life. India reached a level of Bankruptcy at end of nineties and Indian Government forced to mortgage gold in foreign banks.

The situation changed after Shree Narsimha Rao became the Prime Minister of India. He persuaded the system of “Open Liberal Economy” instead of “Permit Raj”. Subsequent Government also followed his policy,

which resulted as many reforms in finance sector and aggressive financial policy.

2. INTRODUCTION

Strong banking and insurance sector is an essential ingredient of robust and prospering economy. Banking & Insurance function as financial intermediaries, which mobilize fund from small house hold and lend them to prospective borrower. Both banking and insurance work as financial intermediaries, but they differ in their objective, operation and risk factors. The liabilities of Insurance companies are long term and depends upon occurrence of unforeseen events. The banks depend on deposit from small investor. Thus, bank needs to maintain certain reserve to meet the demands of depositors at any point of time.

If MSME is called the backbone of Indian Economy then Banking and Insurance can be termed as the engine of Indian economy. After independence of India, the growth of banking and insurance was sluggish because of controlled economy till nineties. It gained upward momentum in 21st centuries after various reforms were initiated in this sector.

Modern India of 21 century had opened the flood gate of greater participation of private and foreign institution in order to attract capital and new technology. The FDI & private sector participation were allowed in Banking and Insurance sector as well. The participation of Foreign & Private institutions has brought new technology, efficiency and transparency. The Indian economy has started roaring like a powerful lion after that.

3. BRIEF OF OPERATION

- a. Banking – Bank accepts deposit from various house hold savers and pay interest to depositors. It lends this deposit to borrower at higher rate of interest. Thus, bank earns money from the difference between interest rate it pays to depositors and it charges from borrower. Bank also charges for various services it extends to customer like money transfer, bank guarantee etc.

Banks operate as part of a wider banking system under RBI supervision and have access to a centralized payment and clearing system. Bank maintains continuous contact with its depositors and borrowers.

Bank is having unique opportunity to create money or multiply money in the economy. Bank accept deposit of short term and lend them for long term period. So, bank

has obligation to pay money when it is demanded by depositors. So, when depositor deposit money in bank, a small portion of amount is maintained in bank as liquid money and balance being landed to borrower. Thus, money multiply in form of deposit at bank and capital at borrower end.

- b. Insurance – Insurance company charges a premium with a promise to pay lump some money in occurrence of incidents like health issue, death, fire, accident, theft, burglary etc. Thus, insurance company shares a financial burden of insurer in case of unforeseen circumstances. Insurance Sector invest its deposit collected in the form of premium in various financial instruments & share market. It deploys its fund for capital formation and participate in equity market through IPO and other debt instruments.

Insurance sector are not part of centralize payment and clearing system. So, risk factor of maintaining cash reserve ration does not arise. It can easily plan long term investment of its money.

- c. NBFC – There are many NBFC active in financial market in addition to Bank and Insurance. These institutions participate in equity market, debt market and various debt instruments like factoring etc.

4. CONTROL STRUCTURE

- a. Banking - Central Government controls the activities to bank through various legislation and fiscal policy. Reserve Bank of India (RBI) is the bank of Central Government and bank of all banks in India. RBI act on behalf of Government of India to exercise controls over banking sectors. It monitors and controls all the fiscal policy of Government, Cash reserve ratio, interest rate (On deposit & lending) and various other parameters, which bank is expected to follow.

Various type of management exists in Indian Banking sector like Nationalize bank, Private bank, foreign bank, Co-operative bank, special purpose banks (Like NABARD, HDFC, MUDRA bank, rural development banks) etc. The nationalize banks in India are also in the process of diluting Government stake and increasing

private participation in order to further improve operational efficiency, infusion of new technology and competitiveness.



[Photo 1 – Emblem of RBI – Source Internet]

- b. Insurance - Insurance Regulatory and Development Authority of India (IRDAI), is a statutory body formed under Insurance Regulatory and Development Authority Act, 1999 (IRDAI Act 1999) as an Act of Parliament. IRDA is the supreme regulator, which act on behalf of Indian Government for overall supervision and development of the Insurance sector in India.

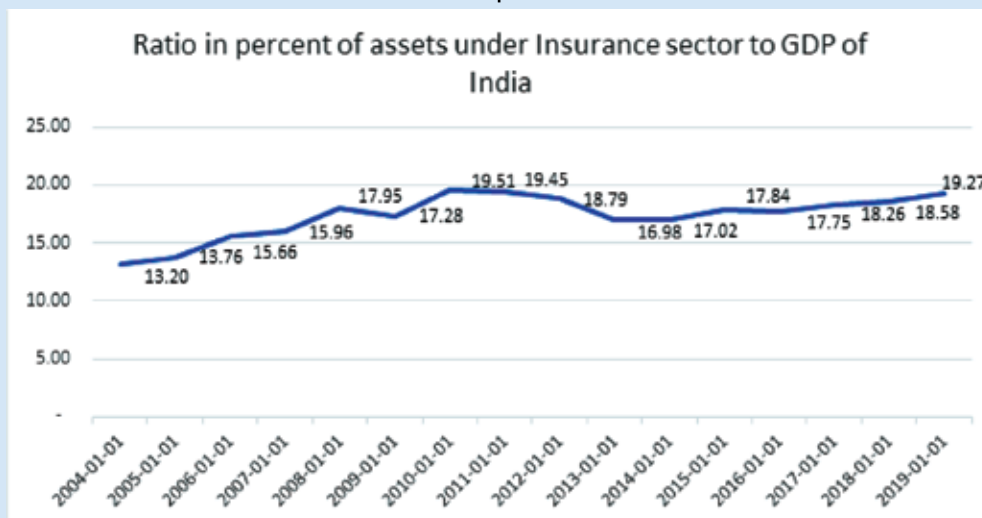
Private sector and foreign companies were allowed in 1999. In addition to LIC Public, private and foreign companies are also active in this sector.

- c. NBFC – SEBI and RBI regulates and control the operation, fund control and other areas of business. The growth of NBFC is quite significant.

5. FUTURE PROSPECTS

- a. Banking sector contributes around 7.7% of GDP and it is a major employer for employment generation.
- b. Insurance sector contributes 4.2% (FY 2021) of GDP in India, where as world average is 6.3%. Business related with life has witnessed a growth of 11% where as non-life sector has a growth of 18%. India being a fastest growing economy the growth of insurance sector is expected to continue in near future as well.

It is evident from graph 1 that insurance sector expanded during 2004 to 2010 and it witnessed a decline till 2013 which followed by expansion in its asset base.



[Graph 1 Ratio in percent of assets in Insurance sector vs GDP of India; Source - Fred Economic data]

6. PRESENT STATUS

a. Banking

- i. India's banking sector is sufficiently capitalised and well-regulated.
- ii. Bank deposits stood at Rs. 162.41 trillion (US\$ 2.17 trillion) as of December 31, 2021.
- iii. Banking system in India consists of public sector banks (12), private sector banks (22), foreign banks (46), regional rural banks (56), urban cooperative banks (1485) and rural cooperative banks (96,000) as on Sep 2021.
- iv. According to India Ratings & Research (Ind-Ra), credit growth is expected to hit 10% in 2022-23 which will be a double-digit growth in eight years.
- v. In 2019, banking and financial services witnessed 32 M&A (merger and acquisition) activities worth US\$ 1.72 billion.
- vi. The digital payments system in India has evolved after de-monetization and becoming very popular among young generation.

b. Insurance

- i. As on FY 2022, Indian Insurance market is \$131 Billions. Insurance sector has grown at 17% in last two decades and it is expected to continue in future as well.
- ii. India shares 1.72% (FY 2020) global Insurance market. India share is very low in comparison to developed economy. The growth in Insurance Premium is 0.1%.
- iii. The growth of the insurance market is being supported by important government initiatives, strong democratic factors, conducive regulatory environment, increased partnerships, product innovations, and vibrant distribution channels.
- iv. The market share of private sector companies in the non-life insurance market rose from 15% in FY2004 to 49.3% in FY2021.

7. THE CHALANGES AHEAD

a. Banking

- i. Banking sector faced a scare regarding NPA (Non-Performing Asset). Though the NPA is on decline in recent years but still high.
- ii. Corrupt practices in lending money under political influence and defaulters absconding to foreign countries are on rise.
- iii. Some banks had failed in recent past and it had shaken the confidence of depositors, which faced hardship and loss of money.

b. Insurance

- i. The reach of insurance sector is limited to manufacturing and service sector. It is still not popular in agriculture sector.
- ii. The penetration and reach of Banking and Insurance needs to improve further.
- iii. Distribution channels is still great challenge for insurance industry, agents need to upgrade themselves, agents' inability to penetrate rural area, virtual threats to agents are main points, this must be looked into.

- iv. Mentality of India population is still worst about insurance sector

8. GOVERNMENT INITIATIVES

- a. Lok Sabha passes Insurance (Amendment) Bill, 2021, which amends the Insurance Act, 1938. Under new Amendment Bill FDI limit raise from 49 percent to 74 percent.
- b. The Insolvency and Bankruptcy Code, 2016 (31 of 2016) ("the Code") came into effect with the assent of the President of India on 28th May 2016. It provides scope of re-organisation or liquidation of bankrupt institution in a time bond manner. Early identification of symptoms and simple procedures has built the confidence of lender in system.
- c. AB PM-JAY is an entitlement-based scheme under Ayushman Bharat and is fully funded by the Government. It is the largest health assurance scheme in the world and aims at providing a health cover of INR 500,000 (\$6,900) per family per year for secondary and tertiary care hospitalization to over 107 million vulnerable families (approximately 500 million beneficiaries).
- d. The Pradhan Mantri Jan Dhan Yojana (Prime Minister's People Money Scheme) launched by Prime Minister Narendra Modi in August 2015- 16, helped to add 446.3 million accounts with Rs 1.58 trillions (21.25 billion USD) in bank deposits as on Feb 2022.

This step brought bigger population like low-income group and marginal farmer under banking network. Accounts opened under Pradhan Mantri Jan Dhan Yojana has facilitated direct transfer of subsidies to bank accounts, which reduced corruption in system and extended the reach of bank to common people of India.

- e. Indian Government under supervision of RBI has revised guidelines and allowing flexibility in infrastructure -project loan & advances of core industries. The regulator has also tightened rules for asset reconstruction companies.
- f. The conversion of loan into equity for defaulting companies are possible because of more flexible and workable provisions.
- g. The government of India has further strengthened the powers of the IRDA (Insurance Regulatory and Development Authority) to ensure a more effective regulation of the sector.
- h. The system of online payment (BHIM, RuPay etc.) has encouraged youth to reduce dependence hard currencies. It will help to curtail black money.

9. CONCLUSIONS

- a. Bright futures are on the horizon for Bank & Insurance sector. There is tremendous potential to grow and sustain with growth.
- b. Banking & Insurance sector is expected to employ many youths further and boost up Indian economy to new heights.
- c. The impact of black money has reduced but still a major force in real state, political party expenditure, film Industries etc.



Analysis of Pre & Post Merger Performance of Vijaya Bank & Dena Bank with Bank of Baroda

CMA Vishnukumar T. Patel

Mob.: 96386 80959

E-mail: patelvishnu08@gmail.com

Dr. Gaurangkumar C. Barot

Mob.: 99795 39493

E-mail: gaurangcbarot@gmail.com

ABSTRACT:

In today's era to get competitive advantages, efficiency, value creation routes of Merger and Acquisition (M&A) have become the buzzwords for corporate around the world. This study Analyst Pre & Post Merger Performance of Merging Entity i.e. Vijaya Bank & Dena Bank and merged entity i.e. Bank of Baroda.

• Objective:

To analyst post Merger financial position of Dena Bank, Vijaya Bank & Bank of Baroda and find out the impact of merger to the stakeholders.

• Significances of the study:

This study will help to Merged & Merging entities Investor, Government, Society, other banks, Customer and future researcher.

• Conclusion:

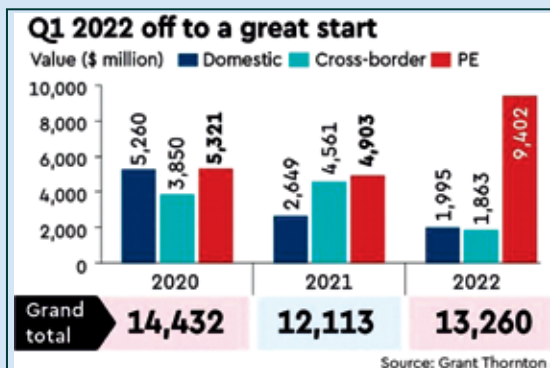
As per data analysis, it's strongly indicated that Merger of the Dena Bank, Vijaya Bank and Bank of Baroda is very progressive for merged & Merging Entity and stakeholders to create value creation and reduce possibility of insolvency.

• Key Words:

Merger, Acquisition, Ratio Analysis, Merged Entity, Merging Entity, Insolvency

• Introduction:

Indian economy system is great witnessing of Banking Nationalization and reforms since 1969. On April 4, 2022 HDFC and HDFC Bank announced that their boards have approved an all-stock amalgamation of the former into the latter (HDFC Bank). It shall be biggest M&A deals in Corporate as well as Banking System of India. The merger, of course, would be subject to regulatory approvals. As per below snapshot, In spite of Covid-19 pandemic M&A activity in India is at its high level in Quarter 1 of Year 2022 (January to March)



Ref.: <https://www.financialexpress.com/industry/mergers-acquisitions-in-times-of-pandemic-india-remains-hottest-destination-for-deal-making/2488486/> (dated 08/05/2022)

In the year 2018, Government of India has decided to Merger of 10 PSUs bank into 4 Large PSUs Bank. In this Government has decided to merge Vijaya Bank & Dena Bank into Bank of Baroda. This Merger effected from 1st April 2019 and Shareholders of Vijaya & Dena Bank gets shares of Bank of Baroda as per Swap ratio. This study Analyst Pre & Post Merger Performance of Vijaya Bank & Dena Bank with Bank of Baroda

• Review of Literatures:

The studies on M&A in India started very late. The first study could be traced of 1986. Hence the Indian Studies covered are for the time span of 1986 to 2021. The following were the major efforts at research in the subject, which have been referred for the research purpose.

i. **Kaveri (1986)** studied the effect of merger on revival of sick units. Researcher studied nine merger cases for the period of 1975 to 1984. To measure effectiveness of merger by comparing actual performance and various expectations laid down for each merger. The performance is analyzed based on various financial indicators like, profit, sales, share prices etc. The study concluded that revival of sick unit is possible through merger and merged companies performed better after merger.

ii. **Shah (2005)** examined the effect of merger on corporate performance by taking five case studies of Pharma companies. Financial ratios of 2 years before and 2 years after the merger were analysed and the study shows that four out of the five acquirer companies managed to improve operating and financial synergies. The only exception was Pfizer India Ltd. with Parke-Davis (India) Ltd, where margins and returns on capital employed showed declining trends.

iii. **Indhumathi, Selvam and Bennet E (2009)** have taken a sample of companies from various sectors which underwent acquisition in the similar industry during the period of 2002 to 2005 listed on Bombay Stock Exchange. It is proposed to compare the liquidity performance of the thirteen sample acquirer and target companies before and after the period of acquisition by using ratio analysis and t-test during the study period of three years. The study found that the shareholders of the acquirer companies improved their liquidity performance after the event.

iv. **Bharathi (2010)** studied financial efficiency of

merged banks in India. Researcher has taken sample of 9 banks' merger during the period of 1995-2005 and applied factor analysis. Five years pre and post merger ratios are grouped into seven factors to study the effect of merger on performance of the banks. Study concluded that the performance of acquirer banks have not improved much after merger.

- v. **Banerjee, Soumya (2017)** studied post merger performance of selected Indian companies. Researcher studied total 72 Indian companies which underwent merger during 2004-05 from various industries. The study found that merger is not very much fruitful to the acquiring firms, in most of the cases. The result of paired t-test is showing that only two sector viz., Financial Intermediation and Manufacturing showing significant improvement with respect to profit after tax (PAT) and return on assets (ROA) respectively.

• **Research Gaps:**

- Majority of the Indian studies are examining effect of mergers. There are few studies concentrating on acquisition and takeover. Indian studies show mixed results, some variables show improvement in performance and some deteriorate. Some studies concluded that performance of the acquirer firm deteriorate or did not change significantly after M&A and some concluded that performance of acquirer has improved.
- The literature review highlighted the research gaps in the research relating to the Pre & post Merger performance of recently merged Dena Bank, Vijaya Bank & Bank of Baroda. Study reveals impact of Merger on financial position of the Banks. Study also reveals stock index price movement in the pre and post Merger period.

• **Objective of the study:**

- To study whether Merger is Progressive to stakeholders or not?
- To Analyst Post merger performance of the Bank through comparison of ratios
- To study overall benefits to merging banks.
- To study Infrastructure (Branches & ATMs) position of the Banks

• **Data Collection:**

The study is to be dealt with secondary data. The secondary data will be collected from the published and unpublished information of selected companies. The further information needed for this study will be collected from annual reports, journals and web portals.

• **Benefits expected due to Merger:**

Following benefits but not limited to this, may be received at Long run due to merger:

- According to BOB Statement, “the complementary branch presence will add to network in western and southern state” it will help to increase marker shares.

- Help to the corporate customer of Dena Bank who were Facing restrictions in borrowings from bank because of limitations imposed by the RBI under Prompt Corrective Action (PCA).
- Reduce risk of bankruptcy & Insolvency as it will build up confidence of Stakeholders.
- Benefit of Set-off Profit & Loss and reduction of Tax Burden.
- Reduction in Fixed cost & Increase efficiency due to decrease in Branches
- Technology & Security sharing benefits available to all 3 Banks.

• **Performance Analysis:**

- Pre-Merger Position:

Table: 1

Ratios	Year	Dena Bank	Vijaya Bank	Bank of Baroda
Operating Profit (In cr.)	2015-16	925	1548	8816
	2016-17	1390	2421	10975
	2017-18	1171	3097	12005
	2018-19	1237	3156	13486
Net Profit/ (Loss) (In cr.)	2015-16	-935	382	-5395
	2016-17	-864	750	1383
	2017-18	-1923	727	-2432
	2018-19	-1755	569	434
Net NPA (%)	2015-16	6	5	5
	2016-17	11	2	5
	2017-18	12	4	5
	2018-19	4.80	3.08	3.33
EPS	2015-16	-15.5	4.44	-23.89
	2016-17	-11.89	7.57	6
	2017-18	-18.06	6.83	-10.53
	2018-19	-16.48	5.70	1.64
Return on Net Worth (%)	2015-16	-13.09	5.84	-13.42
	2016-17	-12.52	10.25	3.43
	2017-18	-20.89	7.39	-5.6
	2018-19	-19.06	5.78	0.94
Net Interest Margin (%)	2015-16	1.85	1.89	1.89
	2016-17	1.85	2.26	1.94
	2017-18	2.04	2.42	2.15
	2018-19	2.25	2.96	2.36
Net Profit Margin (%)	2015-16	-8.78	3.15	-12.24
	2016-17	-8.48	6.06	3.27
	2017-18	-21.53	5.77	-5.57
	2018-19	-20.31	3.88	0.87

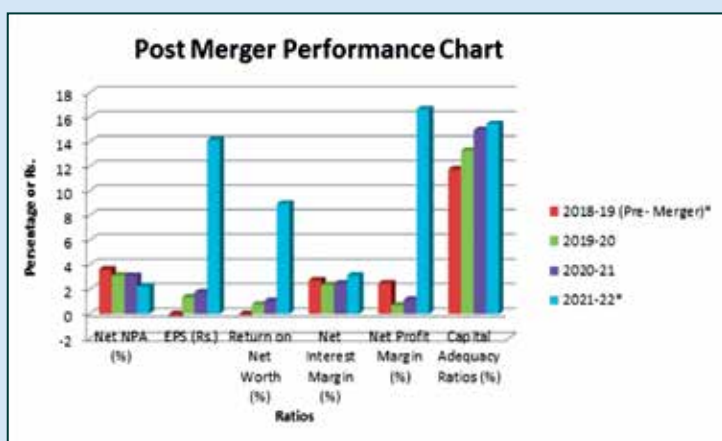
Capital Adequacy Ratios (%)	2015-16	11.00	12.58	13.17
	2016-17	11.39	12.73	12.24
	2017-18	11.09	13.90	12.13
	2018-19	11.16	13.07	13.42
No. of Branch	2018-19	1775	2119	5553
No. of ATM	2018-19	1513	2163	9572

• Post-Merger Position:

In following Table No.2 Pre-merger Consolidated (BOB+Dena+Vijaya Bank) figure of 2018-19 is compared with post merger figures:

Table No.2

Ratio	2018-19 (Pre-Merger)	2019-20	2020-21	2021-22
Operating Profit (In Cr.)	17879	19691	20629	22338
Net Profit/ (Loss) (In Cr.)	-75	546	829	7324.68
Net NPA (%)	3.65	3.13	3.09	2.25
EPS (Rs.)	-0.19	1.36	1.78	14.16
Return on Net Worth (%)	-0.10	0.76	1.07	8.98
Net Interest Margin (%)	2.75	2.37	2.49	3.13
Net Profit Margin (%)	2.52	0.71	1.17	16.66
Capital Adequacy Ratios (%)	11.77	13.30	14.99	15.47
No. of Branches	9447	9482	8214	8185
Total Deposit (In Cr.)	915159	945984	966997	978034
No. of ATMs	13248	10033	11613	11535



Disclaimer:

- Financial result for Dena & Vijaya bank for March -2019 & for Bank of Baroda March- 2022 is not available hence, whenever required Converted figure of 9 month to 12 month or average analyzed. Hence ratio may some very in this particular year.

- All figures are present standalone result of respected banks.

• Performance Analysis :

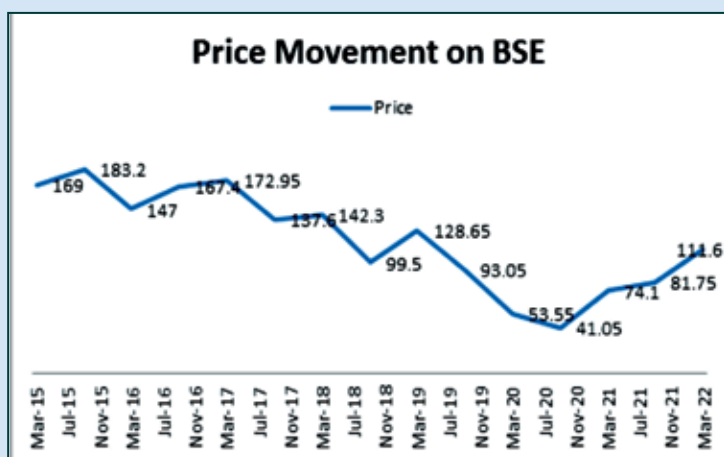
Due to Merger of Dena Bank & Vijaya Bank with Bank of Baroda, analysis can be discovering from the above table as per following:

- In Table 1 data Show that Dena Bank reported operating profit in the year 2015 to 2018 however due to NPA Provisions or incremental of bad loan Bank stated heavy net loss. Dena Bank position is not well as per the ratio analysis. However Net interest margin slightly increased.
- In Table 1 data Show that Vijaya Bank reported incremental operating profit in the year 2015 to 2018 and also reported handsome Net profit due to well managed NPA in every year. As per given ratios its clearly direct that financial and business position of Vijaya Bank is good compare to Dena Bank & Bank of Baroda.
- In Table 1 data show that business of Bank of Baroda is approx. 3 times of the (Vijaya + Dena Bank). Ratios show that Bank reported operating profit every year however due to heavy NPA provisions in year 2015 & 2017 it's reported Net Loss and remaining year reported Net Profit. However Market share is Large compared to Dena & Vijaya Bank is key point that Bank of Baroda befitted merged entity and Dena & Vijaya Bank befitted Merging entity.
- Table 2 Indicate Post merger Performance and show following results:
 - Post Merger the Merged Entity operating healthy business operation and reported every year growth in Net profit and in the Year 2021-22 Apr to Dec-2021 reported nine monthly profits of Rs. 5812 Crore.
 - Remarkable achievement of merger is continues reducing NPA every year i.e. 3.65% in March 2019 to 2.25 % in Dec-2021. It's indicating healthy Assets quality position.
 - Capital adequacy ratio is reached at double i.e. 15.47% against regulatory requirement (Minimum 8% as per rule). It's indicating solvency position of the Banks and build up stakeholder's confidence.
 - No. of Branches & ATMs also reduced accordingly fixed cost like salary, rent, and overhead expenses etc. well optimized.
 - As per BOB Statement, Cost to Deposit reduced to 3.50% in Dec-21 it is also help in improves profitability.

• Conclusion:

As per above Table 1 & 2, analysis of Pre & Post Merger performance ,financial Ratios and share price movement it's strongly indicated that Merger of the Dena Bank, Vijaya Bank and Bank of Baroda is very progressive for all 3 Banks and stakeholders to create value creation.

• Bank of Baroda Share Price Movement on BSE:



For shareholders of the Merging entity The board of the banks approve swap ratio i.e. For every 1000 equity shares of Vijaya Bank and Dena Bank, respectively, investors got 402 & 110 equity shares of Bank of Baroda. (Pre-Merger average price of Vijaya Bank, Dena Bank & Bank of Baroda on 07.03.2019 is Rs.46.1, 12.2 & 114)

As per above chart due to Covid-19 pandemic share price of Bank of Baroda at around Rs. 40 in July-2020 However producing strong Performance in the Year 2020 & 2021 hence, share price surge by 2.5 times i.e. from Rs. 40 to around Rs. 111 in March-2022.

• Limitation of the study:

- The period of pre and post Merger data analysis will be limited to four & three year respectively.
- Study is covered only financial data analysis, other factors like Impact on employee, Impact on customer etc. not covered.

- The study will be based on secondary data hence; all the limitations pertaining to secondary data will apply to the study.

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52713	Maitri Kamleshbhai Tailor	Vadodara
52715	Manan Sandipkumar Shah	Vadodara

Will Privatization Usher in Good Banking?



CMA Simran Godwani

E-mail: simrangodwani@yahoo.com

Why at all the banks that were once private, were nationalized in 1969 and later liberalized in 1991? After privatization, will the privatized banks support public welfare activities and schemes?

These are some questions that occur to any customer of a bank when he sees that the union government would like to privatize the nationalized banks by amending the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 in the monsoon session of the Parliament.

The 2008 recession also led to demand for nationalization in the UK, Australia, and the US to save the interests of the depositors and bondholders. The very purpose of nationalization — namely, serving the unbanked and under-banked — is yet to reach its frontier. Financial inclusion cannot afford the luxury of complete privatization. In fact, coexistence of private and public sector banks will lead to a healthy competition if governance issues in PSU banks are adequately addressed.

The central government may soon introduce amendments to the Banking Regulation Act, 1949. Further, through amendments to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, for privatization of banks, the minimum government stake in public sector banks (PSBs) has been reduced from 51 per cent to 26 per cent.

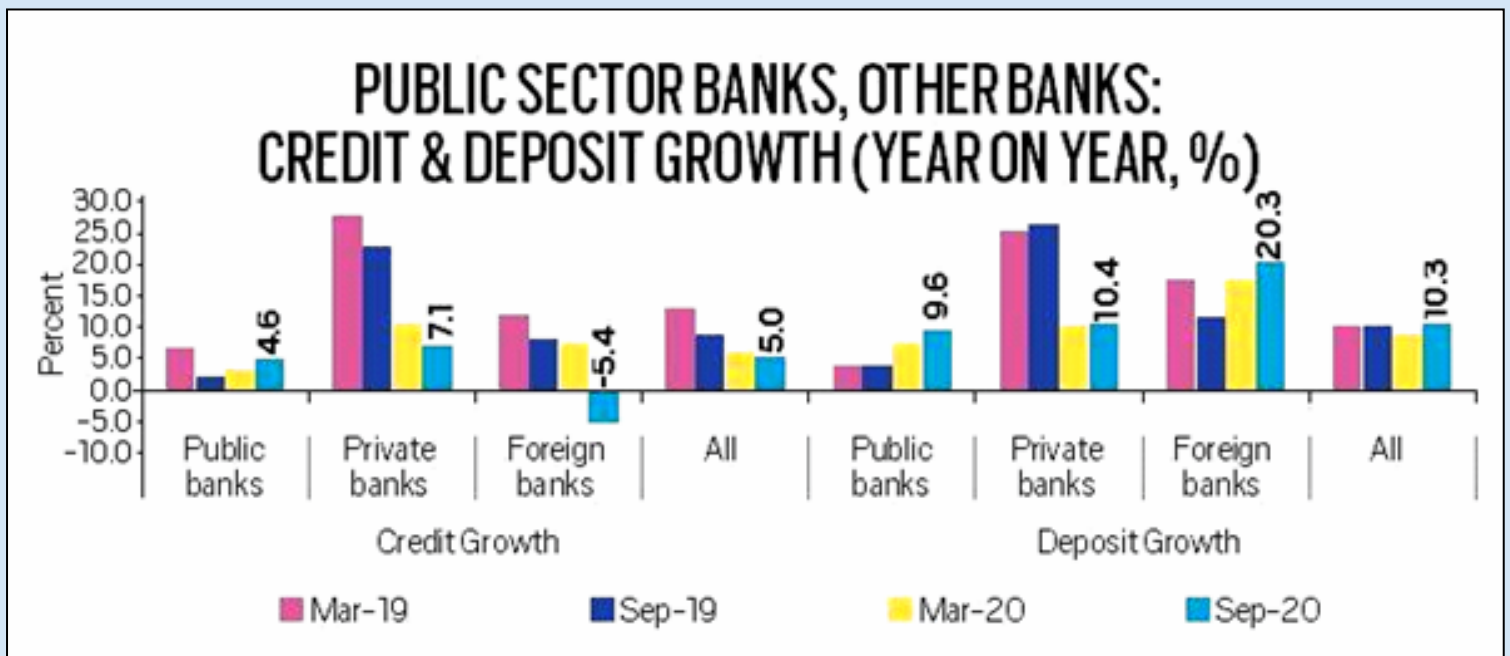
The Modi government had also started work on the ambitious plan of consolidation of banks since 2017. That year, there were 27 PSBs in the country. But from April 1, 2020, there are only 12 PSBs left in the country. In the long run, the government plans to create fewer but bigger and more efficient PSBs. However, at the same time, deposits of common people in private banks have increased from 17 per cent to 29 per cent in the last few years.

The banking system is the bloodline of any economy and banks are trustees of public money. The depositors, therefore, have more stake in the welfare of banks than the share-holders. A bank failing has more systemic implications than say, the failure of a manufacturing company. The Indian banking sector has emerged as one of the strongest drivers of the India’s economic growth. According to a PwC report, India may well be the third largest banking hub in the world by 2040, and by 2025, India’s fintech market is expected to reach Rs6.2 trillion.

Why were banks nationalized?

The RBI’s own account of bank nationalization offers three banking reasons. These are:

- Lack of banking facilities for agriculture, small-scale industrial units and self-employed.
- Bank expansion during 1951-1967 “un-served” rural and semi-urban areas as focus was firmly on urban areas.



- Private banks were “seen as being excessively concerned with profit alone” and “unwilling to diversify their loan portfolios”.

The RBI’s account further notes that the sectoral share of credit was far more skewed in 1950-51 and 1966-67 in favor of big industries and the distribution of bank branches was skewed against rural, semi-urban and urban/metro areas. Post-nationalization, the sectoral shares and distribution of branches witnessed marked changes, making them more evenly matched – indicating that sectors of the economy have been better served and geographical spread widened.

The second adverse impact would be on social commitments and financial inclusion, which PSBs are called upon to helm:

- job reservations for SCs, STs and OBCs
- zero-charge, no-frill Jan Dhan Yojana (PM-JDY) accounts for the unbanked through which direct cash transfer schemes like PM-Kisan, Ujjwala, pensions to elderly, disabled and widows.
- MUDRA loans to self-help groups (SHGs) and small rural entrepreneurs.

Private banks, which have legitimate claims to being profit-driven and outside the “affirmative” government programmes like PM-JDY and MUDRA, can neither be asked nor expected to carry such activities which are beneficial to the people and the economy.

Another adverse impact will be rising banking frauds.

Banking frauds have gone up since 2018 – as the RBI reports show. In the meanwhile, a wrong impression has gone around that private banking is safe. Although PSBs have a higher share of such frauds (both in number and value), private sector banks are fast catching up.

Here is a disturbing data from the RBI’s annual report of 2021-22. It shows, in FY20 private sector banks’ share of frauds were 35.2% in number of cases and 18.5% in value, which jumped to 58.6% in numbers and 29.1% in value in FY22. That is, the number of banking frauds are more in private sector.

With no PSBs, who will rescue private banking failures?

It is a misconception to treat banks with other manufacturing or service industries. Banks are predominantly run using public funds by way of deposits; shareholders’ capital is generally small. To prevent banks from taking undue business risks using public money, there are checks and balances like Statutory Liquidity Reserve Ratio

and Cash Reserve Ratio. These apart, they have to adhere to various regulations regarding credit dispensation like group exposure limits, income recognition norms, provision for bad debts, etc. Hence wholesale privatization is not only undesirable but also dangerous as the public money is involved.

We have a long history of private bank failures. After the formation of Reserve Bank of India in 1935 and up to the period of our getting Independence (1947), there were 900 bank failures in our country. From 1947 to 1969, 665 banks failed. The depositors of all these banks lost their money.

After nationalization of banks in 1969, 36 banks failed but these were rescued by merging them with other government banks.

However, there is no evidence that all is well with the private banks, and they can deliver better to the people the banking requirements than PSBs.

The present government gives the impression that growth comes from the rich and the rich do not cry on inflation. They can pursue non-inclusive growth agenda more effectively if they change the institutional architecture, so that expenditure on institutions meant for delivering to the poor can be minimized, if not eliminated. This is undesirable both politically and economically. While privatization by itself is not bad, the timing and motive behind the move at the moment, are suspect, particularly after the consolidation of PSBs took place.

Banks owned by sovereign government provides tremendous comfort level to depositors. The common man feels that a government bank cannot fail and his money is safe. Disturbing this structure will, therefore, be dangerous.

Over the years, government banks have contributed to the economic growth of the common man. Only after nationalization of banks could small borrowers get credit and there was a shift from class banking to mass banking. The nationalization of private banks in 1969 resulted in the opening of tens of thousands of branches in remote corners of the country. Job opportunities were created for a large section of educated youth. Forty-two crore ordinary people have opened bank accounts as a result of the immense contribution of state-owned banks in opening Jan Dhan Yojana account, a recent government initiative.

Banks have been given freedom to charge interest rates to different categories of the borrowers based on their risk perception. The core content changed in the banks. Although technology took the front seat, cost of banking went up over the years. During the last eight years, Jan Dhan accounts brought more than 43 crore persons into the fold of banking.

Comparing government banks with private banks is like comparing oranges and apples. Private banks operate with the sole aim of adding shareholder value whereas government banks also try to serve society and ensure implementation of all government programmes for the social sector. Performance should not be measured simply based on profitability or business handled but with the contribution to society, direct as well as indirect.

The government must ensure better supervisory mechanism of banks instead of attempting wholesale privatization.

What is more relevant, Substance over form or form over substance?

CMA (Dr.) Ashish P. Thatte

Mob.: 98209 73559

E-mail: ashishpthatte@gmail.com



Introduction

Recently I was forced to think about this old term called 'Substance over Form'. The accounting principle for number of years says that it's always Substance over Form and not Form over Substance but according to me we have forgotten this principle and giving more importance to Form over Substance. Recently on television we saw what happened in Maharashtra wherein one political party is broken into two and they are fighting in court over the same issue that is Substance over Form or Form over Substance? Of course we have competent courts to take the judgement and I am sure they will take the decision accordingly. Let us come out of the same and see in the context of Companies (Cost Records and Audit) Rules 2014 (CCRA) amended from time to time.

What is Substance Over Form?

Substance over form is the concept that the financial statements and accompanying disclosures of a business should reflect the underlying realities of accounting transactions. Conversely, the information appearing in the financial statements should not merely comply with the legal form in which they appear. In short, the recordation of a transaction should not hide its true intent, which would mislead the readers of a company's financial statements.

Thus far, the substance over form argument assumes that someone is attempting to deliberately hide the true intent of a transaction - but it may also arise simply because a transaction is extremely complex, which makes it quite difficult to ascertain what the substance of the transaction is - even for a law-abiding accountant.

Substance over Form in GAAP and IFRS

Substance over form is a particular concern under Generally Accepted Accounting Principles (GAAP), since GAAP is largely rules-based, and so creates specific hurdles that must be achieved in order to record a transaction in a certain way. Thus, someone intent on hiding the true intent of a transaction could structure it to just barely meet GAAP rules, which would allow that person to record the transaction in a manner that hides its true intent. Conversely, International Financial Reporting Standards

(IFRS) are more principles-based, so it is more difficult for someone to justifiably hide the intent of a transaction if they are using the IFRS framework to construct financial statements.

Substance over Form for Auditors

Outside auditors are continually examining the transactions of their clients to ensure that the substance over form criterion is being followed. The issue is of some importance to auditors, since they are being asked to attest to the fairness of presentation of a set of financial statements, and fairness of presentation and the substance over form concept are essentially the same thing.

Examples of Substance Over Form in Accounting

Let us understand 'substance over form' by small example. X Limited has paid a commission of Rs.3,00,000. to its agent. However, while recording, the company recorded it as Rent. Now what can be the implication of this change in presentation? With respect to net result of the business there shall be no impact as both commission and rent shall be debited to profit and loss account and net profit or loss shall remain unchanged. But with respect to audit and regulatory point of view, it can make a difference. In case of tax audit, the auditor is required to report on compliance with respect to TDS of the company. Take in the same example, the company has debited the amount to rent instead of commission. If we go by its form, on a rent of Rs.3,00,000 there is no requirement of tax to be deducted u/s 194I. However, if we go by the substance of transaction, i.e., its original nature being commission, tax is required to be deducted @ 10% u/s 194H.

Relevance for Interpretation on CCRA

*If we see Rule 3 of CCRA which says "For the purpose of sub-section (1) of Section 148 of the Act, the class of companies, including foreign companies defined in clause (42) of section 2 of the Act, **engaged in the production of the goods or providing services**, specified in the Table below, having an overall turnover from all its products and services of rupees thirty five crore or more during the immediately preceding financial year, shall include cost records for such products or services in their books of account,"*

From the above text of law one can easily conclude that engaged in production of goods or providing services in Legal Form than any substance. Many companies approach CMAs and ask them about interpretation of the Rule 3 and many a times we conclude that since company is not producing in its own name means they do not fall under Rule 3 and exempted from compulsory maintenance of Cost Records and after threshold limits for audit as well.

Example of application of CCRA

- Company A does not hold a licence for telecommunication services and provides services of transmission or Telecommunication to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature and regulated by the Telecom Regulatory Authority of India under the Telecom Regulatory Authority of India Act, 1997. The question arises if the company would fall under CCRA or not? Here according to me importance must be given to Substance over Form and not Form over Substance and company A would fall under CCRA.

- Company B manufactures Pharmaceutical goods purely from third party but sales the same under their brand name. The question arises who is producing goods? A third party or Company B? Hence engaged in production of goods or providing services is wider term and should be looked from the point of view of Substance over Form. Usually this is accounting term but according to me it can be used for some legal interpretations as well.
- Company C is in providing ground safety services bit does not hold any licences under Airport Economic Regulatory Authority still would be covered under compulsory maintenance of Cost Records as per Table B entry No. 8 of Rule 3.

Conclusion

While deciding application of Law or in specific deciding applicability of CCRA, CMAs should give importance to Substance Over Form wherein mostly companies gives emphasis to Form over Substance to avoid falling under Rule 3 or Rule 4 of CCRA as the case may be.

Reference: www.accountingtools.com ■



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN,
12, SUDDER STREET, KOLKATA 700 016.

Telephones : +91-33-2252-1031/1034/1035
+91-33-2252-1602/1492/1619
+91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

Ref. No.: G/128/07/2022

Date: July 7, 2022

NOTIFICATION

Sub : Admission / Registration / Enrolment in Foundation / Intermediate /Final Course under CMA Syllabus 2022 to be commenced from 1st August, 2022 and onwards (June 2023 term of Examinations and onwards).

This is to notify that the CMA Syllabus 2022 shall be effective from 1st August, 2022 and onwards (June 2023 term of Examinations and onwards). Hence, the admission / registration / enrolment in Foundation/ Intermediate/ Final Course under Syllabus 2016 shall be closed on 31st July, 2022 and there will be no extension of admission / registration / enrolment in Foundation / Intermediate / Final Course under Syllabus 2016 beyond the last date of 31st July 2022.

This is for information of all concerned.

CMA Kaushik Banerjee

Secretary

Insolvency & Bankruptcy Processes soon may become costly

CMA Harshad Deshpande

Mob.: 98904 20201

E-mail : harshad_de@hotmail.com



The Insolvency and Bankruptcy Board of India (IBBI) was established on 1st October, 2016 under the Insolvency and Bankruptcy Code, 2016 (Code). It is a key pillar of the ecosystem responsible for implementation of the Code that consolidates and amends the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of the value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders.

It is a unique regulator: regulates a profession as well as processes. It has regulatory oversight over the Insolvency Professionals, Insolvency Professional Agencies, Insolvency Professional Entities and Information Utilities. It has been tasked to promote the development of, and regulate, the working and practices of, insolvency professionals, insolvency professional agencies and information utilities and other institutions, in furtherance of the purposes of the Code.

IBBI released 'Discussion Paper on Financial Self-Sufficiency of the Insolvency and Bankruptcy Board of India' on 24th June 2022. It proposed to review the existing fee structure and introduce the fee and other charges on service providers, professionals appointed by IP, and on the processes under the Code. Accordingly, the existing as well as revised fee structure as proposed, in relation to Service Providers i.e., Insolvency Professionals (IPs) and Insolvency Professional Entities (IPEs), fees on other professionals

appointed by IPs; Service Provider Organisations i.e., Information Utilities (IUs), enrolment for examinations and on resolutions in corporate insolvency resolution process

It is interesting to note following introductions are made in Fees payable category:

1. Other Professionals appointed by IPs - 2.00% of fees paid to professionals appointed by IP for the processes undertaken during preceding financial year.
2. Professional services providers to IPs like Valuers, Advocates, Accountants & others will have to pay 2% of the fees paid to them to IBBI.
3. Regulation Fee on Resolution in CIRP - 0.25% on the aggregate amounts or its equivalent provided in the resolution plan, where such amount is more than the liquidation value.

Successful Resolution Applicant has to make this provision for this success fees when the amount is more than liquidation value. When the resolution amount is already more than the Liquidation Value, the Resolution Applicant may find this as additional cost and whereas when the Value will be equal to or less than Liquidation Value, no such fees will be payable. This might drag Resolution Plan value nearer to Liquidation Value. Moreover many times term of repayment is longer, in such this fees which will have to be paid upfront will be calculated based on based on the Total Resolution Plan amount.

Increased Fee Structure – Existing Rate vis-à-vis Proposed Rate

Particulars	Existing Rate	Proposed Rate	Increase %
1. Insolvency Professionals – Individuals			
(i) Registration Fees (Onetime)	Rs.10,000/-	Rs.20,000/-	100%
(ii) Registration Fees (5 yearly)	Rs.10,000/-	Rs.20,000/-	100%
(iii) Annual Professional Fee	0.25% p.a. of professional fee earned in preceding in PY	2.00% p.a. of professional fee earned in preceding in PY	700%
2. Insolvency Professional Entities			
(i) Recognition Fees (Onetime)	Rs.50,000/-	Rs.2,00,000/-	300%
(iii) Annual Turnover Fee 0.25% p.a. of turnover	0.25% p.a. from services rendered in preceding in PY	2% p.a. from services rendered in preceding in PY	700%
4. Information Utility			
(i) Application Fee for Registration (One-time)	Rs.5,00,000/-	Rs.10,00,000/-	100%

(ii) Application Fee for Renewal (5 yearly)	Rs.5,00,000/-	Rs.10,00,000/-	100%
(iii) Renewal Fee (5 yearly)	Rs.50,00,000/-	Rs.1,00,00,000/-	100%
(iv) Annual Fee	Rs.50,00,000/-	The slab-based structure	
Upto 100 crore		20%	
More than 100		10%	
5. Enrolment Fee for Examinations			
(i) Enrolment Fee for Limited Insolvency Examination Each attempt	Rs.1,500/-	Rs.5,000/-	233%
(ii) Enrolment Fee for Valuation Examination	Rs.1,500/-	Rs.5,000/-	233%

Need for financial independence of IBBI

At present, the Board is meeting only about 20% of its budgetary requirement from the fee income on Service Providers (including IPs, IPEs, IPAs, IU, RVs, RVEs and RVOs), the examinations (LIE and Valuation) conducted and other income from CIRP Form Filings and frivolous complaints. Majority of fund requirement is thus met from Grant-in Aid received from the Central Government.

IBBI is currently relying on budgetary grant as its main source of funding, there is a need for gradually shifting from current Grant-in-Aid arrangement to a system where the Board recovers all or part of its costs through levy of fees and charges.

The following table indicates the actual expenditure incurred by the Board vis-à-vis the internal receipts of the Board and shortfall thereof-

Financial Statements of IBBI

(Rs. in lakhs)

Financial Year	Actual expenditure during the year (A)	Internal Receipts during the year (B)	Shortfall (B)-(A)
2016-17	116.13	89.73	-26.40
2017-18	1,484.61	330.41	-1,154.20
2018-19	2,282.47	551.83	-1,730.64
2019-20	2,665.92	599.22	-2,066.70
2020-21	2,812.27	690.43	-2,121.84
2021-22*	2,735.97	567.58	-2,168.39
Total	12,097.37	2,829.20	-9,268.17

Expected increase in expenditure of IBBI during next five years

a) The additional regulatory requirement in next five years includes the various areas that are likely to be implemented or would expand their existing contours in the forthcoming years, namely, Pre-packaged insolvency resolution process, Cross-border insolvency, Group insolvency, Use of mediation in insolvency, Fresh start process, Individual insolvency resolution and bankruptcy process.

b) The need for improvising organisational resources, processes, and infrastructural arrangements. This includes building organizational capabilities in next five years in various areas namely, Human Resource, Deployment of technology and associated infrastructure of the Board in terms of own office space and establishment of regional offices across the country, if required, needs to be assessed.

Impact

Increase in Fees is ranging from 100% to 700%. These fees will be payable from pockets of IP, IPE, IU, Service providers to IP and successful resolution applicants. These additional costs will be recovered by Professionals & Services providers in form of increase in their Fees. In turn finally these costs will have to be born by Creditors, Banks, Financial Institution and Operational Creditors. Hence it will add to Process Costs and reduce the recovery made by Creditors. In discussion paper there are references to UK & USA Insolvency Code. As compared to other Nations Insolvency & Bankruptcy Process Costs in India are relatively low. However this increase in Fees will inflate whole ecosystem of IBC as the fees will be levied on whole supply chain of IBC as well as Successful Resolution Applicants.

Financial independence will provide autonomy to IBBI to incur expenditure for further development of Insolvency Profession at much faster rate. Question remains that will Government will continue to aid the important activity from economic perspective or it will make IBBI self-reliant and inflate the Insolvency & Bankruptcy process Costs ?

Public comments

IBBI solicits comments on the proposals discussed above and the draft IP Regulations, IU Regulations, CIRP Regulations, and Press Release (for enrolment fee for examinations). After considering the comments, the Board proposes to make changes regulations.

Submission of comments

Comments may be submitted electronically by 15th July, 2022. For providing comments, Visit IBBI website, www.ibbi.gov.in; and Select 'Public Comments'.

Spirituality In CMA Profession



CMA Ashish Deshmukh

Mob.: 77580 60463

E-mail: ashishdeshmukh13@gmail.com

Abstract

People believe that spirituality means to live a life of yogis, to remain away from the materialistic values and suffer oneself. Spirituality has nothing to do with person's external values, how he lives, what he wears, what he eats, and what he speaks. The subject of

spirituality is connected to the inner life of man. All the activities that make a person ethical make a person full of joy. CMA can develop his personality and practice together if spirituality is practiced. Spirituality could provide CMA a feeling of perfection. Spirituality removes an ego remained inside the body because of knowledge and makes all rounded development of CMA while performing his duties.

Spirituality Vs Knowledge

Spirituality lies beyond knowledge. Once the thirst of knowledge is satisfied, the journey of Spirituality evolves.

The Human being is the pinnacle of evolution of life on the Earth. Other species have strong organs, for example- In case of Dog, smell sense is powerful. Tiger, Lions have more energy than man. Elephant has more power and memory, but what differentiates Man is the only his Highly developed Mind....!

It's the faculty of mind that helps a Man discover the deepest secrets of nature and make his life safe, comfortable and enriched. It is mind that lets him enjoy music, literature and various arts and make his life beautiful.

But it is mind again that tells him that there is something beyond matter, beyond earthly life, and beyond mind itself. He calls it variously as God, Almighty, Creator, etc.

He makes some discoveries and tries to formulate certain rules based on that - these rules become religion. But eventually, the religions, too, become dry and rigid, and lose the seed of their occult findings.

The human mind then tries to make individual progress - a brave jump into the unknown, sometimes alone, sometimes with a guide. These attempts, too, result into creation of the secret societies, cults and philosophies. These attempts, we collectively call spiritualism. The emphasis here is on the individual's efforts.

Success in Spiritualism

Success in spiritualism requires dedication of one's whole life, mind and body. The earnest seekers often give up everything, go to the Himalayas and spend their life in contemplation. This is the way of Sannyasa.

But it is not possible for every seeker to thus give up

everything and devote the whole life to the search, because there are responsibilities towards the family and towards the society. What is one to do then?

There must be a way where one can remain engaged in the worldly action, while still being focused on the search of what is beyond.

The solution to this problem must lie in a method - or a set of methods - where we can use our mundane activities and turn them towards the search of Divine, so that no action is avoided and no effort is wasted.

The Indian tradition has found an answer to this and it is 'yoga'. Yoga literally means a union, and in this case, it is the union of the individual soul with the Higher Truth, or whatever you call it.

Yoga

What then, is this Yoga? Yoga is the method of turning your daily life into a life dedicated to the Divine within.

From the outside, a yogi may appear to be engaged in activities like everyone else, but it is his attitude that makes all the difference.

Now, every seeker is not made in the same mould. Some are men of Will (or men of action, which is the same thing), while some others are men of Heart, and some still others are men of Intellect.

Paths suggested in Yoga

Accordingly, there are three major paths in yoga - the path of action (Karma Yoga), the path of devotion (Bhakti Yoga) and the path of knowledge (Jnana Yoga).

Since a professional like CMAs, in today's age is always engaged in action - sometimes meaningless action - the path most suitable for professionals in general may be the path of action, i.e. Karma Yoga.

Of course, these are only broad ways of defining the paths. In reality, every path has some part of the others. These Paths keep on meeting others at several junctions and lead to spiritual destination.

Karma Yoga

Let's now therefore understand Karma Yoga.

The most famous treatise on Karma Yoga is the Geeta. This short essay is not enough to explain the deep philosophy of the Geeta, so let's just understand the central message. Essentially, the Geeta says that the universe (and the human life in it) is not a random accident, but a self-expression of the Divine.

The creation - space, galaxies, earth, the life on earth and everything in between - is his expression of His power, His Prakriti. Man's body, mind and ego, are all part of this Prakriti, while his real Self is the silent witness. So long as his actions are shaped by his mind and ego, a man is a slave of Prakriti.

To go beyond using the path of Karma Yoga, the first step is to dedicate the fruits of one's work to the Divine.

The next step is to realize that we are not the doers of our work, but it is Prakriti that is working through our ego, mind and body. Proceeding thus, one ultimately realizes that it is the Divine in the heart who is directing everyone's action.

This realization brings peace and perfection in one's work. This is the kernel of the philosophy and method of Karma Yoga.

Does Karma Yoga, or yoga in general, help in our professional life? Without doubt, it does.

Before we go into the details, we must first understand firmly that professional success is not the aim of yoga.

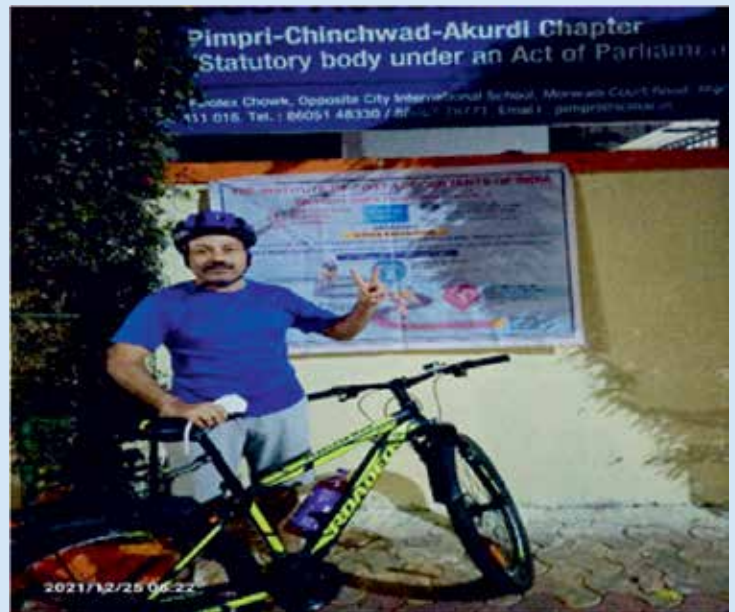
Its aim is always the union with God, the Divine within our hearts. Being CMA, our Professional success may at the most be a small side-effect of practicing spirituality, but, of course, it is that side-effect that we are interested in discussing here.

1. Healthy Body

A yogi is required to have a healthy body, and so he (or she - yoga is for everyone) must follow a certain regimen when it comes to food, sleep and exercise. Healthy Body is the first key for the success of your CMA Professionalism. WIRC had arranged bicycle expedition from Pune to Mumbai (150Km) and many CMAs had participated and completed this event. Such initiatives should be encouraged on regular basis at the chapter level. Our Pimpri Chinchwad Akurdi Chapter arranged Sports event (for Football, Cricket, Badminton, etc) every year without fail and fear of Corona.



Cycle Expedition flagged off from Pune and reached to Pimpri Chinchwad Akurdi Chapter



Our team participated from PCA Chapter

This is the initial attempts to inculcate a desire in mind to have a healthy body.

2. Asanas

In fact the exercise aspect of it, the practice of yogic postures, also known as Asana-s, has become so famous that it is now synonymous with yoga.

Say 'yoga' and immediately one thinks of a person sitting or standing in a difficult posture, like upside down!

In any case, this regimen of diet, sleep and exercise (including, importantly, some breathing exercises, also known as Pranayama) helps one achieve health - a positively pleasant state of being, which is not just an absence of disease.

3. Healthy Mind-

A healthy body leads one to a healthy state of mind.

This healthy body and healthy mind can help a professional like CMAs to excel in the professional field, too.

We are too familiar with young among us becoming victims of an unhealthy lifestyle that ultimately leads to diseases like diabetes, blood pressure, etc.

Yoga can help avoid these problems.

Next, a yogi is required to practice meditation and focus his attention in his heart or at a point between the eyebrows. This practice of meditation and concentration becomes part of one's nature, and one is better focused on the work at hand, leading to better professional results.

These effects, though noteworthy, pale in significance against the one most important effect of yoga in life - the difference in attitude that it brings.

The topic of 'difference in attitude' would lead me to give an example of our Prime Minister, Mr Narendra Modi. He always thinks of uplifting of entire world without thinking

about himself. He preaches “Vasudheiv kutumbkm”. This attitude makes him available all resources he needs from the entire world. Recently, he visited Denmark and met PM of Denmark. Headline of prominent Newspaper there, reads “Hele verden vil vaere venner med Indien”. It means “Everyone wants to be friend with India”, This statement reflects the importance of India in the world. It all just happened with ‘difference in attitude’.

Yoga’s philosophy helps us learn that ultimately, we are not the doers of our work. We are merely the instruments that the Supreme Being uses.

This realization changes our outlook to life in a fundamental way. Though we are still engaged in doing our work skilfully - because God’s work must be done in a beautiful way, and no work is big or small - any negative outcome does not disturb our tranquillity, because Prakriti’s ways are inscrutable, and no outcome can be guaranteed, whatever may be the efforts.

Something can always go wrong, and we are prepared for such eventuality.

So we are at peace with ourselves.

We are also at peace with others, because we know that just like us, they are also instruments of Prakriti, of God’s conscious expression of power, so we do not blame others for failures.

But we keep doing the work, because work we must - even if we decide not to work, Prakriti ensures that we do something or the other, so why not do something meaningful, and do it well?

Such is the effect of yoga that it impacts others around you, in a silent and mysterious way. Their attitude and behaviour changes, and the workplace becomes a joy to work at.

Could there be yogi-s among us? I am sure there are.

But there are no outward signs. The only sure shot sign is the inner peace that reflects through their calm and measured handling of matters.

Sometimes this comes naturally to some people, and the Indian theory says that this is the result of yoga practiced in their previous life, because yoga is a journey of several lifetimes.

Always remember Krishna’s friendly advice to Arjuna - tasmad yogi bhava-arjuna:

“Therefore, O Arjuna, be a yogi!”

I end this small essay with a reply of Shankaracharya to Acharya Govindpad, to his question-“ko Ahm?”

मनो बुद्ध्यहंकार चित्तानिनाहं
न च श्रोत्र जविहे न च घ्राणनेत्रे ।
न च व्योम भूमरिन् तेजो न वायुः
चदानन्द रूपः शर्वीसहम् शर्वीसहम् ॥ १ ॥

न च प्राणसंज्जो न वै पंचवायुः
न वा सप्तधातुः न वा पंचकोशः ।
न वाक्पाणपिदं न चोपस्थपायु
चदानन्द रूपः शर्वीसहम् शर्वीसहम् ॥ २ ॥

न मे व्देषरागौ न मे लोभमोही
मदो नैव मे नैव मात्सर्यभावः ।
न धर्मो न चार्थो न कामो ना मोक्षः
चदानन्द रूपः शर्वीसहम् शर्वीसहम् ॥ ३ ॥

न पुण्यं न पापं न सौख्यं न दुःखं
न मंत्रो न तीर्थं न वेदा न यज्ज्व ।
अहं भोजनं नैव भोज्यं न भोक्ता
चदानन्द रूपः शर्वीसहम् शर्वीसहम् ॥ ४ ॥

न मे मृत्युशंका न मे जातभिदः
पति नैव मे नैव माता न जन्मः ।
न बन्धुर्न मतिरं गुरुर्नैव शषियः
चदानन्द रूपः शर्वीसहम् शर्वीसहम् ॥ ५ ॥

अहं नरिक्लिपो नरिक्कार रूपो
वभिरुव्याप्त सर्वत्र सर्वेन्द्रियाणीम् ।
सदा मे समत्वं न बंध्योर्नमुक्ती
चदानन्द रूपः शर्वीसहम् शर्वीसहम् ॥ ६ ॥

We, CMAs are also the form of that ‘Paramanad Shiva’!
Tathastu!

Advanced to Fellow Membership (WIRC)-July 2022

SR. NO.	MEMBER NO.	NAME	CITY
1	42432	Prashant Trimbak Yadav	Aurangabad
2	11507	Sanjeev Kumar Rastogi	Mumbai
3	30335	Rajendra Laxman Shirsat	Nasik
4	31061	Mabusa Maktum Daudi	Pune
5	40438	Mahesh Bhau Nivale	Thane
6	42493	Saurabh Vinod Agarwal	Surat

Analysis and optimization of Healthcare Operation

CMA Virendra Chaturvedi

Mob.: 93100 39375

E-mail: cwaviren@gmail.com



Introduction

A company's culture is extremely important for its good performance and smooth operation. A culture of an organization supports and motivates all employees who willing to do better than one that does not. Key performance indicator (KPI) makes the culture of Performance in Organization.

To create a performance culture, Very firstly it is important to communicate business objectives across organization so that People can know their own KPIs and responsibilities. When people feel responsible for KPIs, they are more likely to push themselves and receive more satisfaction from a job well done.

Where These KPI helps organization to assess its own performance, it also helps to compare their performance with other Healthcare Organization. With the help of these KPI An organization can make Projected future plan and focus on the key areas of improvements. By monitoring its plan, one can bring transparency and accountability in healthcare operation and lead to better delivery of care.

KPIs encourage for personal growth

Monitoring performance against respective employee or Team target either it is good or bad, creates an environment of learning because all teams are able to see exactly how they are performing at any given point of time through Real-time KPI Dashboard and it encourage them to achieve their goals and better understanding how to do so in the future.

This sense of continuous improvement allows people to achieve more than the Target and give employees workplace satisfaction and continued personal growth.

While analyzing KPIs, organization must ensure up-to-date and high quality data. If data is incorrect it will make all efforts futile and will not solve the purpose. Broadly we can classify these KPI in two parts. Operation Healthcare KPI and Financial KPI.

Every Healthcare Organization is willing to observe, analyze and optimize its healthcare Process. Organization can monitor its Performance through well-defined performance measure or say Key Performance Indicator (KPI) .

A hospital key performance indicator (KPI) is a quantifiable measure that monitors the quality of healthcare provided by the hospital and measures the overall success of the business. If goals are the destination, KPIs are the road signs that keep you on track. KPIs let you know if you're headed in the right direction (ideally, North, towards that sales goal).



Where These KPI help organization to assess its own performance, It help to compare their performance with other Healthcare facilities . With the help of these KPI An organization can make a clear roadmap for future plan and implement quick improvements that can have a significant impact on quality of care and help to bring transparency and accountability, leading to better overall delivery of care.



An important note to remember is that if you don't have good data, you won't make good decision. It is difficult to analyze the KPIs and make decisions without accurate metrics. Remember that "garbage in, garbage out." To take targeted actions, you must ensure the hospital data that you are basing your metrics on is up-to-date and high quality. Broadly we can classify these KPI in two parts. Operation Healthcare KPI and Financial KPI

Operational Healthcare KPIs

Operational healthcare KPIs focus on the performance of the healthcare facility. These KPI help hospitals to optimizing operational costs and increase its operational

efficiency. Operation KPI measures the efficiency of the day-to-day business. By monitoring operational KPIs, a hospital gains insight in its internal workflow, becomes aware of ineffective practices, and is able to optimize where needed.

Following are some major Operational healthcare KPI

Average Hospital Stay	Staff-To-Patient Ratio
Bed Or Room Turnover	Bed Occupancy Rate
Patient Wait Time	Medical Equipment utilization
No of Rooms in Use at One Time	Average hospital stay length
Referral rate from Area doctors	Readmission Rate

Average Length of Stay (ALOS)

Length of stay is a term which is used to calculate the number of days a patient stayed in a hospital for treatment ALOS is calculated by dividing total inpatient days by total discharges.

$$\text{Length of stay} = \frac{\text{Length of stay (Patient days)}}{\text{Total number of discharges}}$$

(where Length of stay = date of discharge - date of admission)

In the month of April -22, Four patients admitted in XYZ hospital named Sheela, Priya, Kumar, Mani. Sheela is admitted on 4th april 2022 and discharged on 10th april 2022. Priya is admitted on 2nd april 2022 and discharged on 13th april 2022. Kumar is admitted on 15th april 2022 and discharged on 20th april 2022. Mani is admitted on 22nd april 2022 and discharged on 30th april 2022.

Step 1: Length of Stay	Step 2: Total LOS	Step -3 Avg Length of Stay
LOS of Sheela = [(4-4-2022) - (10-4-2022)] = 6	(6+11+5+8) = 30 days	= 30/4 = 7.5 days
LOS of Priya = [(2-4-2022) - (13-4-2022)] = 11		
LOS of Kumar = [(15-4-2022) - (20-4-2022)] = 5		
LOS of Mani = [(22-4-2022) - (30-4-2022)] = 8		

Bed Occupancy Rate (BOR)

BOR is a measure of utilization of the available bed capacity in the hospital. it indicates the percentage of beds occupied by patients in a given period of time. It reflects efficiency in the use of hospital bed

$$\text{Bed Occupancy Rate (BOR\%)} = \left(\frac{\text{Total number of inpatient days for a given period}}{\text{Available beds} \times \text{Number of days in the period}} \right) \times 100$$

We can understand with an Example. In XYZ Hospital 4000 inpatients days were served in a hospital with 150 beds in Year 2021. Here BOR will be 7.3% .

$$\text{BOR (\%)} = \left[\frac{4000}{(150 \times 365)} \right] \times 100 = 7.3\%$$

Take one more Example : During April 22, In 500 beds ABC Hospital Total number of inpatients were 18692 ,Total discharged were 16913 and Length of stay was 12785. Here BOR of April 22 = (12785) / (500) x (30) = 85.23%

Bed Turnover Rate (BTR)

This KPI showcases the average duration of each patient’s stay . It help to know how quickly patients are moving in and out of the facility. In case BTR is low it should be

checked whether care provided to the patient was adequate and Patients didn’t leave while still sick. Similarly, a high number should be scrutinized to make sure the patient wasn’t neglected leading to a longer stay than necessary.

This KPI also help to know how efficient and effective the room cleaning process is It is important to quickly clean and prepare the room for the next patient But it’s equally important to ensure a high cleaning standard is adhered to because consequences of cross-contamination between old and new patients could be dire. Therefore, hospitals should aim to have a balanced turnover rate that is fast but doesn’t sacrifice quality of service.

$$\text{Bed or Room Turnover} = \frac{\text{Number of Discharges (including deaths)}}{\text{Number of Beds,}}$$

- In XYZ hospital, there were 2358 discharges in the year 2021
- Number of beds in that hospital was 300
- Hospital Bed turnover rate = 2358/300 = 7.86

Patient Wait Time

Patient wait time is an average amount of time a patient must wait between checking in and seeing a Doctor. Longer wait times are negatively associated with Healthcare service provider. This KPI can help with staffing and scheduling and provide insight into patient satisfaction.

Average Number Of Patient Rooms In Use At One Time: Shows how well space is used to treat patients and helps determine if more or less space is needed in the facility. Think about this as an occupancy rate, like at a hotel.

Staff-to-Patient Ratio:

This KPI indicates the ratio between healthcare professionals (nurses, doctors, etc.) and other staff members (administrative personnel, maintenance staff, etc.). To ensure that the hospital is running efficiently and providing high-quality care for patients, it’s important to have a good balance between medical professionals and other staff members. A very low professional healthcare staff number means that the patients might not receive sufficient care on time, while a very high number may indicate issues with maintaining and operating the hospital.

The quality of care you receive in a healthcare facility is highly dependent on the amount of attention a patient receives. The easiest way to track this is by comparing the number of staff to the number of patients. This healthcare metric is so critical that the some countries have a legally enforced staff-to-patient ratio to ensure a minimum quality of care.

$$\text{Staff-to-Patient Ratio} = \frac{\text{Number of Staff}}{\text{Number of Patients.}}$$

Use of Medical Equipment:

Monitoring use of medical equipment will ensure that the hospital’s machines are up to standard and no equipment is sitting in a corner collecting dust. It also help to determine if equipment becomes outdated or obsolete and how many units of advanced medical equipment your hospital needs.

If the medical equipment utilization KPI is neglected, it

will lead to high maintenance costs and wasted manpower
Patient Follow-Up Rate: This healthcare metric measures the percentage of patients who are followed up by the care provider (nurse, doctor, etc.) after their stay in the hospital. Monitoring this healthcare metric can help to decrease your hospital’s readmission rate and increase patient satisfaction.

$$\text{Patient Follow-Up Rate (\%)} = \left(\frac{\text{Number of Follow-Ups}}{\text{Total Number of Patients}} \right) * 100$$

Readmission Rates

At first glance, you might think readmission would have a positive impact on hospital revenues, but it can actually hurt them. Hospitals will receive lower reimbursement from Medicare if the readmission rate is excessive for certain conditions

Overall Patient Satisfaction

This is one of the most important healthcare KPIs in measuring the quality of your healthcare services. A low patient satisfaction rate means that your healthcare facility isn’t providing proper care for the patients, so you may be losing clients and profit. A high patient satisfaction score indicates that you provide high-quality services, which can help you advertise and attract new (and returning) patients.



Financial Key Performance Indicators for Hospitals

A hospital’s main objective isn’t generating revenue. But without a healthy financial outlook, a hospital cannot stay in businesses and provide the services it was built for. Financial metrics are the backbone of every KPI program and must be included in every review. These KPI gives healthcare execs much-needed visibility into their organizations, reveal areas of improvement, and help to compare performance with competitors or the industry as a whole.

Following are some major Financial KPI

Cost Efficiency	Revenue & Profitability
Patient Drug Cost Per Stay	Average Revenue per occupied Bed
Average Treatment Charge	Revenue Trends
Average cost per Discharge	Revenue Per Patient
Patient Acquisition Cost	Patient Room/Bed Turnover
Sales & Marketing spend / Patient	Operating Margin
Break Even sales volume	Operating Cash flow
Fixed Cost and Variable cost	Operating expense
Permanent Employee Wages	EBITA Percentage
Doctor & Nurse wages	

Receivable & Claim Efficiency
Net Days In Accounts Receivable
Penal wise Deduction percentage
Claims Denial Rate
Account Receivable (AR) turnover rate
Average Insurance Claim Processing Time
Bad Debt

Patient Drug Cost Per Stay

There are many drugs having high price tags. Medical staff need to take care of cost of medicine while prescribing to Patient as there are many patients who can’t afford to pay for those medicine or their insurance doesn’t cover those medicine , so if medical staff does not take care of cost of medicine while prescribing it to Patient , this could in turn result in a higher-than-expected write-down for the hospital if it is not able to collect payment.

$$\text{Patient Drug Cost per Stay} = \frac{\text{Total Drug Cost}}{\text{Number of Stays}}$$

Average Treatment Costs

This healthcare metric indicates the efficiency and effectiveness of your hospital’s treatments. For example, you could measure the average cost of fertility treatment in your clinic and see how it compares to other clinics. If your charge is significantly higher, it means you need to optimize your spending. Additionally, this healthcare KPI is useful if you’re seeking to reduce hospital costs.

Average treatment cost could be broken down by age group, condition, patient history and risk factors to provide further insight.

$$\text{Average Treatment Charge} = \frac{\text{Total Treatment Charges}}{\text{Number of Treatments}}$$

Average Cost per Discharge

This healthcare KPI shows how much on average is spent on a patient’s discharge. By monitoring this metric, you can see which areas of care (such as cardiac care, cancer care, emergency care, etc.) are the most and least profitable, so it’s a great metric to monitor when you’re looking to avoid overspending.

$$\text{Average Cost per Discharge} = \frac{\text{Total Cost of Discharges}}{\text{Number of Discharges}}$$

Patient Acquisition Cost (PAC)

The PAC is the amount of money spent to convert a possible patient or a potential lead into an actual patient. This KPI help to understand the unit economics of how effective a company is at acquiring each of their customers.

$$\text{Patient Acquisition Cost} = \frac{\text{Sales and Marketing Costs}}{\text{Number of New Patients}}$$

Average Revenue Per Occupied Bed (ARPOB)

ARPOB stands for Average Revenue Per Occupied bed. It is a financial term used in the hospitals where it indicates the percentage of beds occupied by patients in a specific time period. ARPOB helps to find the revenue that we attain for every occupied bed. This ARPOB calculation can be done based on the inpatient revenue and number of days the

beds has been occupied.

$$\text{Average Revenue Per Occupied Bed} = \text{Inpatient Revenue} / \text{Occupied Bed Days}$$

If in XYZ Hospital an inpatient revenue of 5 Lacs and the number of days the hospital beds have been occupied is 12 days, Average Revenue Per Occupied Bed = (Inpatient Revenue / Occupied Bed Days) = 5 / 12 = 0.4167 Lacs

Revenue Per Patient

The revenue generated per patient, per day it admits for treatment in a Hospital. The indicator also looks into the efficiency with which hospital units conduct their operations.



Operating Margin and Net Margin

Hospitals must ensure that it can pay for wages, operating costs, supplies, and other expenses. It is important not to confuse hospital total margin and operating margin KPIs. Total margin is the difference between total revenue and cost as a proportion of total revenue. While Operating margin is the difference between total operating revenue and cost as a proportion of total operating revenue. Operational healthcare KPIs focus on the performance of the healthcare facility. Improving on these metrics will help your hospital or clinic increase operational efficiency, in turn optimizing operational costs and increasing patient satisfaction. Where Operating margin help to know the Operational performance of the healthcare facility, Net Margin KPI helps in making long- and short-term financial decisions.

$$\text{Total margin} = (\text{total revenue} - \text{total costs}) / \text{total revenue}$$

$$\text{Operating margin} = (\text{Operating revenue} - \text{Operating cost}) / \text{Operating revenue}$$

$$\text{Net Profit Margin} = \text{Net Income} / \text{Net Sales}$$

Employee compensation & Professional Fees

Health care industry is manpower oriented Industry. Employees' wages and Benefits make a major cost for a Healthcare Organization. So managing this cost a big challenge to one healthcare organization. While employee wages are an expense to healthcare providers, the expense also comes with an anticipated benefit. Blindly working to decrease this figure may also end up decreasing the benefit it provides. If this healthcare KPI is very low, you may be

saving financially at a cost of lower quality services due to low staff motivation, low staff retention rate, or low staff-to-patient ratio so Before creating your KPI for employee wages, consideration should be given to how this will impact the organization. One should ensure that it is not underpaying or overpaying your employees.

Insurance Claim Processing Time

Different insurers can take varying amounts of time to issue payment to your facility but Hospital should ensure that it submit all documents properly and on time and reply in case of any query on priority so that insurers make the payment on time . If insurance claims are processed faster and with a higher success rate, patients incur less cost and are therefore more likely to return to the hospital. A low processing time and cost signals an efficient internal structure and a streamlined workflow.

Claims Denial Rate

Below are the common reasons claim denial issue arise at Healthcare facility.

1. Use of incomplete or wrong billing codes
2. Missing information like missing date of an accident etc
3. Claim not filed within the allotted time
4. Inaccurate patient information
5. Not following the preauthorization guidelines for insurers.
6. Duplicate claim submissions for the same treatment for the same patient
7. Inaccurate insurance ID number on the claim
8. Non-covered services
9. Services are reported separately

To reduce your percentage of denials, you should review them on a quarterly basis, determine where the problems are, how they can be avoided and train staff or make changes to your workflow to improve your reimbursements. A low claim denial rate shows that the hospital is not buried in fruitless paperwork and is able to prioritize its patients. Typically, institutions should be looking for a claims denial rate below five percent.

Claim denial rate = number of denied claims / total number of submitted claims



AR Turnover

In Healthcare organization almost 80% billing is credit billing. Healthcare organization receive their payments from TPA , ESI, CGHS, ECHS Penal , respective state government penal or Pvt Companies . This performance metric is used by management to determine how efficiently the care facility is collecting its receivables (money). A high AR turnover indicates that payments are being collected in a timely manner, while a low turnover indicates collection issues.

$$\text{AR Turnover} = \text{Net Credit Sales} / \text{Average Account Receivable}$$

Days in Accounts Receivable

The AR turnover ratio is an efficiency ratio that measures how many times a year (or set accounting period) that a company collects its average accounts receivable. To calculate the AR turnover down to the day, divide your ratio by 365. This is the average number of days it takes customers to pay their debt

Days in Accounts Receivable is the average number of days a practice takes to get paid for services provided to its customers. Faster the returns the better an organization is doing at generating revenue.

Days in AR can range from 30 days to 120 days or even more but having a number less than 36 is the ultimate goal for all specialties. Days in A/R are reflective of an organization's revenue cycle efficiency. Accounts Receivable in the

healthcare industry is one of the key factors affecting an organization's cash flow. It is not uncommon for practices to get help from third-party or offshore medical billing service providers to recover their lost revenue.

Bad Debt

One can see the effectiveness of collection efforts through the Bad Debt value. This KPI also help to determine the effectiveness of pre-service financial counseling .Higher Bad Debt shows inefficiency in previous areas of the revenue cycle, including POS collections and financial counseling. A lower bad debt average indicates efficiency in the revenue cycle process, especially with regard to patient collections.

Conclusion

KPI's makes the culture of Performance in Organization which supports and motivates all of those destined to do better than one that does not.

Employee morale, culture and capacity all contribute to performance of a organization. With the help of KPI's Organization simplify its performance management by allowing everyone to not only see what they're doing, but what others are doing as well. Tracking KPIs acknowledge employees' hard work and secure their feeling of accountability and responsibility. KPIs are also important because they keep Business objectives at the forefront of every decision making. ■

Career counselling programmes organised by WIRC

WIRC organised Career Counselling programme at N G Bedekar College of Commerce, Thane on 27th July 2022.

CMA (Dr). Ashish Thatte, Central Council Member was Chief Guest for the programme. CMA Binoy Thomas address the students.

CMA Rashmi Agnihotri, HOD - Finance and CMA (Prof.) Mugdha Keskar, from N G Bedekar College of Commerce co-ordinated the programme.

Prof. Mahesh Patil, Vice Principal, N G Bedekar College of Commerce was also present for the programme. More than 200 students attended the programme.

WIRC organised Career Counselling programme at Shankar Narayan College of Commerce, Bhayander on 6th August 2022. CMA Binoy Thomas address the students.

Prof. Fauziya Patel, Head of the Department, Accounting and Finance, Shankar Narayan College of Commerce co-ordinated the programme.

Minutes of 63rd Annual General Meeting of WIRC of ICAI

Minutes of the 63rd Annual General Meeting of the Western India Regional of The Institute of Cost Accountants of India held on Friday, 29th July 2022 at 5.00 p.m. at WIRC Office Premises at 4th Floor, Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.

The meeting was presided over by CMA Dinesh Kumar Birla, Chairman, CMA Shriram Mahankaliwar, Vice Chairman, CMA Mahendra Bhombe, Hon. Secretary & Treasurer.

CMA Dinesh Kumar Birla, Chairman WIRC, chaired the Meeting and welcome all the members at the AGM.

At the request of the Chairman, Members observed two minutes silence as a mark of respect towards the departed soul of the deceased CMA's during the year.

Total 14 Members were present in the meeting. After confirming the requisite quorum, Chairman requested, CMA Mahendra Bhombe, Hon. Secretary & Treasurer WIRC, to conduct the proceedings of the meeting as per the agenda.

Agenda 1: To receive the Western India Regional Council's Sixty Third Annual Report.

Hon Secretary read out the Agenda No 1. As mentioned above & informed members that the 63rd Annual Report of Western India Regional council of The Institute of Cost Accountants of India for the year 2021-22 is already circulated to all the members by mail. Further, Hardcopies of the Annual report are also distributed to the members present in the AGM. Hon Secretary requested the members to receive, approve & adopt the following resolution with Members consent as Proposer & second.

“RESOLVED THAT Sixty Third Annual Report of Western India Regional Constituency of the Institute of Cost Accountants of India for the year 1st April 2021 to 31st March, 2022, be and is hereby received and approved”

CMA (Dr) Ashish Thatte (M/27543) proposed the above Resolution and CMA Prashant Murkar (M/24647) seconded the Resolution.

The above Resolution was unanimously approved by the Members present in the AGM.

Agenda 2: To Consider and adopt the Accounts of the Western India Regional Council for the year ended 31st March 2022, together with the Auditor's Report thereon.

Chairman requested, CMA Mahendra Bhombe, Hon. Secretary & Treasurer WIRC to take next agenda as mentioned above. In meanwhile CMA Shriram Mahankaliwar, Vice Chairman informed members that WIRC received only one query on the Annual Accounts from Member 'CMA Meet Jogatar (M/ 52172) which was read out in the AGM. Further he informed the members that, WIRC already had sent an email reply to CMA Meet Jogatar (M/ 52172) and the member satisfactorily acknowledged the same.

Since, there was no other query received in respect of Annual accounts for the year 2021-22. CMA Mahendra Bhombe, Hon. Secretary & Treasurer, Placed the following resolution in the AGM.

“RESOLVED THAT the Audited Income and Expenditure Account of Western India Regional Constituency of The Institute of Cost Accountants of India for the year ended 31st March, 2022 and the Balance sheet as at date, together with the Statuary Auditor's Report thereon, be and are hereby adopted”.

CMA Rahul Modh (M/35524) proposed the above Resolution and CMA Jignesh Tarbundiya (M/42114) seconded the Resolution.

The above Resolution was unanimously approved by the Members present in the AGM

Agenda 3: To appoint Auditors for the year 2022-2023 and fix their remuneration.

CMA Mahendra Bhombe, Hon. Secretary & Treasurer WIRC, informed the members that, the current Auditor “CA Vikas M. Vishwasrao and Associates“ has already completed 3 years term and proposed the change of Auditor for the year 2022-23. He further informed that, we have received only one consent letter from “M/s. K R Khare & Associates” Chartered Accountants. Mr. K R Khare is a Fellow member having more than 40 years' experience.

CMA Mahendra Bhombe, Hon. Secretary & Treasurer, Placed the following resolution in the AGM.

“RESOLVED THAT M/s. K R Khare & Associates, CHARTERED ACCOUNTANTS, BE AND ARE HEREBY APPOINTED AS auditors to audit Accounts of WIRC-ICAI for the year 2022-23, at remuneration of Rs.65,000/- per annum plus a lumpsum out of pocket expenses of Rs.5000/- Plus applicable GST“

CMA Ashwinkumar Dalwadi (M/8996) proposed the above Resolution and CMA Ashishkumar Bhavsar (M/22646) seconded the Resolution.

The above Resolution was unanimously passed by the Members present in the AGM.

Agenda 4: To transact any other business as may be brought before the meeting with the permission of the Chair.

CMA Dinesh Kumar Birla, Chairman informed members that there has been no request for any other matter and such he informed that the agenda is concluded.

Since there were no more agenda items, CMA Dinesh Kumar Birla, Chairman declared the meeting to be officially concluded and closed the AGM, with marking of 14 members attended the AGM.

Any Other Matter

Additional Centers / Satellites Centers - CMA (Dr.) Ashish Thatte requested to the Chairman to find out the possibilities for opening additional centers/satellites centers at Amravati, Gwalior and other prominent cities wherever we are not having any chapter. The chairman agreed to the point raised by CMA (Dr.) Ashish Thatte and he will definitely take up the matter in the council for necessary approval.

CMA Mahendra Bhombe, Hon Secretary & Treasurer WIRC proposed Vote of thanks and concluded the meeting.

CMA Dinesh Kumar Birla
Chairman, WIRC - ICAI

STUDENTS CORNER

Preparing Yourself for an Interview



CMA Priyanka Jain
Finance Advisor
PwC (Pricewaterhousecoopers)

On the day of the interview

Be punctual Leave early to arrive on time. Have ample margin for eventualities such as vehicle breakdowns, traffic snarls etc. Reach the interview venue at least 10-15 minutes in advance so that you are well settled to face the interview before you set off.

Before the interview

Knock at the door gently before entering the interview room. On entering, smile at each of the interview panel members and greet the time of the day, softly. Wait standing straight, with arms resting easily and sit only after being asked to. After being asked to sit, draw the chair gently and swiftly and sit setting into a convenient posture. Avoid making creaking noise by dragging the chair or by violently flopping into the chair.

Sit comfortably, but erect. Maintain eye contact with each of the interview panel members, but avoid looking defiantly. It is ok to bend forward but if there is a table in front, you should not put the elbows/hands on the table. Remember, all your actions and body language are observed by the interviewer. It is essential that the first impression you make of yourself is a very good impression.

During the interview

- If a panel of members conducts the interview, it is advisable to look at all the persons while answering and not only at the person who has asked the question. If a member of the panel interrupts while answering a question of some other members, it is advisable to politely ask him to hold on till the current answer is completed.
- Maintain very comfortable poise throughout the interview by maintaining interest and eye contacts even if you feel that you may not be selected. Keep a smiling face and show high level of confidence while you speak. Maintain the difference between confidence and arrogance.
- If you have not heard a question properly or understood it clearly, you can request the interviewer to repeat

the question rather than answer a question heard/understood wrongly.

- There is nothing wrong in admitting that you do not know the answer to a question rather than trying to confuse, bluff and give a long winding answer
- On general topics, you should not worry about correct answers but should answer honestly what you feel. You should not be afraid of giving controversial answers as long as you have the logic to support them. Never give answers which you think the interviewer wants to hear.
- Any gaps in the career should be confidently presented, without feeling defensive, emphasizing how you utilized the period constructively. If you did not clear an exam in the first attempt, do not feel defensive or try to hide the fact.

At the end of interview

At the end of the interview, the interviewee is usually asked if he has any questions to the panel. Some of the questions to be asked are:

- Exact profile being looked for.
- More details about the organization.
- Location of posting.
- If there is a probation or if one would be confirmed immediately.
- If there is a formal induction programme planned

At the end of the interview if the panel has nothing more to ask, you should usually conclude by thanking the panel for giving opportunity for being interviewed. You should shake hands only if offered by the panel members. You should wish the panel the time of the day with a smiling face and take their leave. Put back the chair in position, collect your things in a swift motion and softly walk out of the room.

I hope you got a lot of insights & this article will surely help you to crack any interview in your times ahead.

I congratulate & wish you all the best !!!!!

Students Glossary

J Curve

A J Curve is an economic theory which states that, under certain assumptions, a country's trade deficit will initially worsen after the depreciation of its currency—mainly because in the near term higher prices on imports will have a greater impact on total nominal imports than the reduced volume of imports. This results in a characteristic letter J shape when the nominal trade balance is charted as a line graph.

January Effect

The January Effect is a perceived seasonal increase in stock prices during the month of January. Analysts generally attribute this rally to an increase in buying, which follows the drop in price that typically happens in December when investors, engaging in tax-loss harvesting to offset realized capital gains, prompt a sell-off.

Jack Welch

Jack Welch was the chair and chief executive of General Electric (GE) from 1981 to 2001. Under his leadership, Welch dramatically increased the market value of GE from \$14 billion to \$410 billion. He had a reputation as one of the top CEOs of all time. Fortune dubbed him “Manager of the Century” in 1999. When Welch retired, GE awarded him a severance estimated at \$420 million, the largest ever at the time. Welch died on March 1, 2020, at the age of 84.

Jackpot

A jackpot is a large windfall derived from an act of gambling. In finance, jackpots refer to large investment returns reaped over a short period of time.

Jackson Hole Economic Symposium

The Jackson Hole Economic Symposium is an annual symposium, sponsored by the Federal Reserve Bank of Kansas City since 1978, and held in Jackson Hole, Wyo., since 1981. Every year, the symposium focuses on an important economic issue that faces world economies. Participants include prominent central bankers and finance ministers, as well as academic luminaries and leading financial market players from around the world.

K-Percent Rule

The K-Percent Rule was a proposal by economist Milton Friedman that the central bank should increase the money supply by a constant percentage every year.

K-Ratio

The K-ratio is a valuation metric that examines the consistency of an equity's return over time. The data for the ratio is derived from a value-added monthly index (VAMI), which uses linear regression to track the progress of a \$1,000 initial investment in the security being analyzed.

Kagi Chart

The Kagi chart is a specialized type of technical analysis developed in Japan in the 1870s. It uses a series of vertical lines to illustrate general levels of supply and demand for certain assets, including the price movement of rice, a core Japanese agricultural product. Thick lines are drawn when the price of the underlying asset breaks above the previous high price and is interpreted as an increase in demand for the asset. Thin lines are used to represent increased supply when the price falls below the previous low.

Kairi Relative Index (KRI)

The Kairi Relative Index is a metric that traders use to indicate when it is time to buy or sell an asset. It measures the deviation of the price from the simple moving average (SMA) of that asset's price over a period of time, typically 10 to 20 days.

Kaizen

Kaizen is a Japanese term meaning change for the better or continuous improvement. It is a Japanese business philosophy that concerns the processes that continuously improve operations and involve all employees. Kaizen sees improvement in productivity as a gradual and methodical process.

L Share Annuity Class

The L share annuity class is a version of a variable annuity that starts paying out earlier than most but has relatively high administrative costs. It is designed for investors who want to be able to begin withdrawing funds from an account after a comparatively short period of time. Other share classes offered by variable annuities are A share, B share, C share, O share, and X share annuity classes.

Labor Intensive

The term “labor-intensive” refers to a process or industry that requires a large amount of labor to produce its goods or services. The degree of labor intensity is typically measured in proportion to the amount of capital required to produce the goods or services: the higher the proportion of labor

costs required, the more labor-intensive the business.

Labor Market

The labor market, also known as the job market, refers to the supply of and demand for labor, in which employees provide the supply and employers provide the demand. It is a major component of any economy and is intricately linked to markets for capital, goods, and services.

Labor Market Flexibility

Labor market flexibility is an important aspect of the labor market. It allows companies to make certain decisions about changing their labor force in response to fluctuations in the market and to help boost production.

Labor Productivity

Labor productivity measures the hourly output of a country's economy. Specifically, it charts the amount of real gross domestic product (GDP) produced by an hour of labor. Growth in labor productivity depends on three main factors: saving and investment in physical capital, new technology, and human capital.

M1

M1 is the money supply that is composed of currency, demand deposits, other liquid deposits—which includes savings deposits. M1 includes the most liquid portions of the money supply because it contains currency and assets that either are or can be quickly converted to cash. However, “near money” and “near, near money,” which fall under M2 and M3, cannot be converted to currency as quickly.

M2

M2 is a calculation of the money supply that includes all elements of M1 as well as “near money.” M1 includes cash and checking deposits, while near money refers to savings deposits, money market securities, and other time deposits (in amounts less than \$100,000). These assets are less liquid than M1 and not as suitable as exchange mediums, but they can be quickly converted into cash or checking deposits.

M3

M3 is a measure of the money supply that includes M2 as well as large time deposits, institutional money market funds, short-term repurchase agreements (repo), and larger liquid assets.

M-Pesa

M-Pesa is a mobile banking service that allows users to store and transfer money through their mobile phones. M-Pesa was introduced in Kenya as an alternative way for

the population of the country to have access to financial services. Safaricom, the largest mobile phone operator in Kenya, launched M-Pesa in 2007. The service is a blend of two entities where M means mobile and Pesa means money or payment in the Swahili language.

Maastricht Treaty

The term Maastricht Treaty refers to the international agreement that was responsible for the creation of the European Union (EU). The agreement was signed in 1992 in the Dutch city of Maastricht and became effective in 1993. It led to greater cooperation between the 12 member nations that signed the treaty by promoting unified citizenship, along with economic, social, and progress. The treaty also laid down the foundation for a single currency, the euro. It was amended several times since it was signed. As of October 2021, 27 member states were part of the European Union.

Nacha

Nacha is the steward of the electronic system that connects all U.S. bank accounts and facilitates the movement of money among them. According to the organization, \$55.8 trillion moved through its Automated Clearing House (ACH) Network in 2019.

Naked Call

A naked call is an options strategy in which an investor writes (sells) call options on the open market without owning the underlying security.

Naked Option

A naked option is created when the option writer (seller) does not currently own any, or enough, of the underlying security to meet their potential obligation.

Naked Put

A naked put is an options strategy in which the investor writes, or sells, put options without holding a short position in the underlying security. A naked put strategy is sometimes referred to as an “uncovered put” or a “short put” and the seller of an uncovered put is known as a naked writer.

Naked Shorting

Naked shorting is the illegal practice of short selling shares that have not been affirmatively determined to exist. Ordinarily, traders must borrow a stock or determine that it can be borrowed before they sell it short. So naked shorting refers to short pressure on a stock that may be larger than the tradable shares in the market.

What's New

GST

- Provisions of Section 110(c) and Section 111 of CGST Act 2017 have been made effective w.e.f. 5th July 2022. **[Notification No. 9/2022–Central Tax Dated 05th July 2022]**
- Taxpayers having aggregate turnover upto Rs. 2 crores will be exempt from the requirement of furnishing Annual Return for FY 2021-22. **[Notification No. 10/2022–Central Tax Dated 05th July 2022]**
- The due date of furnishing FORM GST CMP-08 for the quarter ending June, 2022 has been extended till 31.07.2022. **[Notification No. 11/2022–Central Tax Dated 05th July 2022]**
- Late fees waived for delay in filing FORM GSTR-4 for FY 2021-22. The revised due date is 28th July 2022. **[Notification No. 12/2022–Central Tax Dated 05th July 2022]**
- The time limit for issuance of demand under Section 73 for the period 2017-18 upto 30th September 2023. Time limit to be calculated after excluding the period 1st March 2020 to 28th Feb 2022 on account of COVID based on the Supreme Court decision on sumoto basis and the same is applicable for any purpose of refund. **[Notification No. 13/2022–Central Tax Dated 05th July 2022]**

CGST Rules Amendment

- Rule 21A Suspension of registration: GST registration which has been suspended on account of not filing of GST returns but such registrations are not cancelled by the officer. Said suspension of registration shall be deemed to be revoked upon furnishing of all the pending returns
- Rule 42 ITC Reversal: No need for reversal of ITC on account of tax-free sale of MEIS / SEIS by exporter. Accordingly, Rule 43 has been amended to exclude the value of such sale
- Rule 46 Tax Invoice: The taxpayer who are required to prepare E-Invoice based on aggregate annual turnover limit but are exempted from preparation of E-Invoice such as,
 1. Insurer or a banking company or a financial institution, including a non-banking financial company (Rule 54 (2))
 2. Goods Transport Agency (Rule 54 (3))
 3. Passenger Transportation Service (Rule 54 (4))
 4. Supplying services by way of admission to exhibition

of cinematograph films in multiplex screens (Rule 54 (4A))

5. Invoice issued by SEZ Units (Central Tax Notification No 13/2020 dated 21.03.2020 as amended)
6. Invoices for B2C transactions by registered taxpayer to whom E-Invoice is applicable (Central Tax Notification No 13/2020 dated 21.03.2020 as amended)

Are required to give declaration that “ I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule”

- Rule 86 Re-Credit of erroneous refund sanctioned and re-paid by taxpayer: GST refund amount sanctioned under Section 54(3) (Inverted duty) and Under Rule 96(10) (export of goods and services with payment of tax) which has been deposited by taxpayer along with interest and penalty shall be re-credited to the electronic credit ledger by the proper officer by an order made in FORM GST PMT-03A. In case, excess refund is granted either under inverted duty or payment of duty on the export goods under the claim of refund, then such refund can be denied and can be re-credited in the such order by way of PMT-03A.
- Rule 87 (3) Mode of Deposit in Electronic Cash Ledger: (ia) Unified Payment Interface (UPI) from any bank; and (ib) Immediate Payment Services (IMPS) from any bank has been added as mode of depositing cash in electronic cash ledger for ease of doing business and paying to the Government.
- Rule 87 (13) Cash Ledger Balance Transfer between distinct entities: Transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger to the electronic cash ledger for central tax or integrated tax of a distinct person is allowed, in FORM GST PMT-09
- Rule 88A Manner of calculating interest on delayed payment of tax:
 1. Interest is payable on tax payable which is paid in cash for the cases where there is a delay in filing of GSTR return from the due date. This is not applicable when returns are filed after the proceeding are initiated under section 73 or 74 of CGST Act 2017.
 2. In all other cases other than mentioned above interest will be payable on gross tax payable amount

3. Interest on ITC wrongly availed and utilised is payable on the amount which is availed and utilised for the period from date of availment till the date of reversal.

- Rule 89 (1): Invoice w.r.t. supplies made to SEZ unit can be endorsed by specified officer or authorised officer as defined under rule 2 of the Special Economic Zone Rules, 2006
- Rule 89 (2): Separate provision has been incorporated w.r.t. GST refund on export of electricity
- Rule 89 (4): Value of export of goods to be considered as FOB value of exports as per Shipping Bill or Invoice value whichever is less
- Rule 89 (5): Now refund under inverted duty structure can be claimed on Input services as well. Now, any person who has not applied refund under inverted duty structure can still apply considering input services, so as to get more refund.
- Rule 96: Application for refund of integrated tax paid on the goods exported out of India shall be deemed to have been filed on such date when mismatch in respect of the shipping bill is rectified, same is effective from 01.07.2017.
- Rule 96: Refund application shall be held if the Commissioner or Officer is of the opinion that verification of credentials of the exporter, including the availment of ITC by the exporter, is considered essential before grant of refund, same is effective from 01.07.2017
- Rule 96 (5A): Cases where export refund application is withheld shall be transmitted to proper officer of Central tax, State tax or Union territory tax, as the case may be, electronically, same is effective from 01.07.2017
- Rule 96 (5B): Where refund is withheld since goods were exported violation of the provisions of the Customs Act, 1962, in such cases Customs passes an order and then, such claim shall be transmitted to the proper officer of Central tax, State tax or Union territory tax, as the case may be, electronically, same is effective from 01.07.2017
- Amendments in Form GSTR-3B:

A. Separate reporting in GSTR-3B w.r.t

1. Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of section 9 [to be furnished by the electronic commerce operator]
2. 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]

B. ITC

1. ITC reversal to be made w.r.t ITC availed by banking company or financial institution, Common ITC reversal on exempt supplies and reversal w.r.t. capital goods and ineligible ITC. Meaning taxpayer has to first avail the ITC which is required to be reversed and then after same should be reversed
2. Current tab of ineligible ITC to be renamed as Other details and following details to be disclosed
 - a. ITC reclaimed which was reversed under Table 4(B) (2) in earlier tax period
 - b. Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions

In the name of simplified return and ease of doing business, the taxpayers will have to concentrate only on maintenance of accounts. It will be really difficult, and time consumed to file GSTR-3B returns henceforward.

- GSTR-9: Taxpayer will now report Non-GST Supply in Sr no 5F of GSTR-9 separately and have an option to report exempted and nil rates supplies in consolidated manner under 5D in Exempt Supply.
- GSTR-9: Reporting of HSN code for outward supplies (B2B supplies) is now mandatory for all taxpayers. Taxpayers whose turnover in Previous financial year is –

Turnover > 5cr	6 digit or 8 digit HSN reporting
Turnover < 5cr	4 digit HSN reporting

HSN Code for outward supplies has been made mandatory for outward supply for the year 2021-22 and optional for inward supply for 2021-22 but it is mandatory for outward supply & inward supply from the year 2022-23 onwards. Taxpayers will have to gear up for the same. **[Notification No. 14/2022–Central Tax Dated 05th July 2022]**

- Exemption from registration for any person engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed Rs 40 lakhs has been amended for “Fly ash bricks; Fly ash aggregates; Fly ash blocks” w.e.f. 18.07.2022 and now there is no condition of with 90 per cent or more fly ash content for availing above exemption and said manufacturer shall not be eligible to opt for composition levy. **[Notification No. 15/2022 and 16/2022–Central Tax, Notification No. 03/2022 and 04/2022–Union Territory Tax Dated 13th July 2022]**
- GST Rate changes -

S.No.	Description	From	To	Remarks
1	Services supplied by foreman to chit fund	12%	18%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
2	Job work in relation to processing of hides, skins and leather	5%	12%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022

3	Job-work in relation to manufacture of leather goods and footwear	5%	12%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
4	Job-work in relation to manufacture of claybricks	5%	12%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
5	Works contract for roads, bridges, tunnel, or terminal for road transportation for use by general public, railways, monorail, metro, effluent treatment plant, crematorium etc.	12%	18%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
6	Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals etc. & subcontractor thereof	12%	18%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
7	Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and subcontracts thereof	5%	12%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
8	Transport of passengers, with or without accompanied belongings, by ropeways.	18%	5%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
9	GTA Services in relation to transportation of goods provided by GTA			Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
	a. GTA does not exercise the option to itself pay GST on the services supplied by it	-	-	
	b. GTA exercises the option to itself pay GST on services supplied by it. - GTA has to make declaration in Annexure V on or before the 15th March of the preceding Financial Year. For. F.Y. 2022-23 due date is 16.08.2022	5%	5%	
		12%	12%	
10	Transport of goods by ropeways.	18%	5%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
11	Renting of goods carriage where the cost of fuel is included in the consideration charged from the service recipient.	18%	12%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
12	Supporting services in transport	5% / 12%	18%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
13	Like CETPs, common bio-medical waste treatment facilities for treatment or Disposal of biomedical waste	Nil	12%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
14	Hotel accommodation priced upto Rs.1000/day	Nil	12%	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
15	Room rent (excluding ICU) exceeding Rs5000 perday per patient charged by A hospital shall be taxed to the extent of amount charged for the room	Nil	5% Without ITC	Notification No. 03/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022

16	Exemption on transport of passengers by air to and from North East states & Bagdogra is being restricted to economy class only.	Nil	12%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
17	Transportation by rail or a vessel of railway equipment and material	Nil	5%	
18	Storage or warehousing of commodities which attract tax (nuts, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea.)	Nil	18%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
19	Fumigation in a warehouse of agricultural produce	Nil	18%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
20	Services by RBI, IRDA, SEBI, FSSAI, GSTN	Nil	18%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
21	Renting of residential dwelling to business entities (registered persons)	Nil	18%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
22	Services provided by the cord blood banks by way of preservation of stem cells	Nil	18%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
23	Tax exemption on training or coaching in recreational activities relating to Arts or culture, or sports is being restricted to such services when supplied by an individual	Nil	18%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
24	GTA services of transportation of goods where consideration charged on a consignment transported in a single carriage does not exceeds Rs.1500 and where consideration charged for transportation of all such goods for a single consignee does not exceed Rs. 750	Nil	5% / 12%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
25	Services by way of slaughtering of animals.	Nil	18%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
26	Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto	Nil	18%	Notification No. 04/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
27	In case of GTA, supplier of service pays under forward charge and issues a tax invoice with applicable GST rates			Notification No. 05/2022-Central Tax (Rate) / IGST (Rate) / Union Territory Tax dtd 13th July 2022
28	Services of speed post, express parcel post, life insurance and agency services provided to a person other than Central Government, State Government or Union territory or local authority			Notification No. 05/2022-Central Tax (Rate) / IGST (Rate) / Union Territory Tax dtd 13th July 2022
29	Service by way of renting of residential dwelling by any person to a registered person.	-	18%	Notification No. 05/2022-Central Tax (Rate) / IGST (Rate) / Union Territory Tax dtd 13th July 2022

30	Declaration in specified format to be obtained from GTA service provider			Notification No. 05/2022-Central Tax (Rate) / IGST (Rate) / Union Territory Tax dtd 13th July 2022
31	Printing, writing or drawing ink	12%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
32	Knives with cutting blades, Paperknives, Pencil sharpeners and blades thereof, Spoons, forks, ladles, skimmers, cake-servers etc	12%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
33	Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps; Bicycle pumps	12%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
34	Machines for cleaning, sorting or grading, seed, grain pulses; Machinery used in milling industry or for the working of cereals etc; Pawan Chakki that is Air Based Atta, Chakki; Wet grinder;	5%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
35	Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce and its parts, Milking machines and dairy machinery	12%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
36	LED Lamps, lights and fixture, their metal printed circuits board; MCPCB	12%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
37	Drawing and marking out instruments	12%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
38	Solar Water Heater and system;	5%	12%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
39	Prepared/finished leather/chamois leather / composition leathers;	5%	12%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
40	Tetra Pak (Aseptic Packaging Paper)	12%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
41	Cut and Polished diamonds	0.25%	1.50%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
42	Cheques, lose or in book form	Nil	18%	Notification No. 06/2022 & 07/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
43	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, Topographical plans and globes, printed	Nil	12%	Notification No. 06/2022 & 07/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
44	Parts of goods falling under HSN 8801 (Balloons and Dirigibles, Gliders, Hand Gliders and Other Non-Powered Aircraft)	Nil	18%	Notification No. 06/2022 & 07/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
45	E-waste	5%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
46	Tar (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants.)	5%/18%	18%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022

47	Ostomy appliances including pouch or flange, stoma adhesive paste, barrier cream, irrigator kit, sleeves, belt, micro-pore tapes	12%	5%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
48	Orthopaedic appliances, such as crutches, surgical belts, and trusses; Splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens [other than hearing aids	12%	5%	Notification No. 06/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
49	Petroleum operations and coal bed methane	5%	12%	Notification No. 08/2022-Central Tax (Rate) / IGST (Rate) / Union Territory Tax dtd 13th July 2022
50	Various types of edible oils and coal will not be allowed for refund of accumulated ITC			Notification No. 09/2022-Central Tax (Rate) / IGST (Rate) / Union Territory Tax dtd 13th July 2022
51	All Fly ash brick, Fly ash aggregates; Fly ash blocks	3%	3%	Notification No. 10/2022-Central Tax (Rate) / IGST (Rate) / Union Territory Tax dtd 13th July 2022
52	GST exemption withdrawn on any prepacked and prelabelled specified food items, grains etc. This proposed to avoid issue of branded (registered or otherwise) while deciding the taxability. In other words, food grains which are packed and labelled which with registered brand or otherwise will be subjected to GST.			Notification No. 06/2022 & 07/2022- Central Tax (Rate) / IGST (Rate) / Union Territory Tax dated 13th July 2022
53	Scientific and technical instruments supplied to public funded research institutes, Regional Cancer centre, Departments and laboratories of Central Government, State Government	0.05	Applicable rate	Notification No. 11/2022-Central Tax (Rate) / IGST (Rate) / Union Territory Tax dtd 13th July 2022

Circulars

- Clarification has been issued w.r.t mandatory furnishing of correct and proper information of inter-State supplies and amount of ineligible/blocked Input Tax Credit and reversal thereof in return in FORM GSTR-3B and statement in FORM GSTR-1 in line with changes made in these forms as per Notification 14/2022 CT dated 5th July 2022.

[Circular No. 170/02/2022-GST dated 6th July 2022]

- In order to maintain uniformity, clarification has been issued with illustrations for imposing demand, penalty and interest under CGST Act 2017, where fake invoices are issued, and ITC availed thereof.

[Circular No. 171/03/2022-GST dated 6th July 2022]

- It is clarified that ITC availed by the recipient of deemed export supplies would not be subjected to provisions of Section 17 of the CGST Act, 2017. Further, such ITC shall not be included in Net ITC for the purpose of refund under Rule 89(4) and 89(5) as applicable for other inwards supplies.

It is clarified that ITC on all the services mentioned in 17(5) (b) viz. food and beverages, membership of club and travel benefit which are obligatory for an employer to provide the same to its employees will be available.

Availment of ITC is not barred under 17(5)(b)(i) of the CGST Act in case of leasing, other than leasing of motor vehicles, vessels and aircrafts.

Perquisites provided by the employer to the employee in terms of contractual agreement entered into between the employer and the employee, will not be subjected to GST when the same are provided in terms of the contract between the employer and employee. In other words it is clarified that recovery made on account of canteen, transport etc from employees will not be subjected to GST when the same are provided in terms of employment contract. The tax-payers are advised to check terms of employment and ensure that such clauses are available.

It is clarified that any payment towards output tax, whether self-assessed in the return or payable as a consequence of any proceeding instituted under the provisions of GST Laws, can be made by utilization of the amount available in the electronic credit ledger of a registered person. Amount in ECL cannot be used for

making payment of any interest, penalty, fees or any other amount payable under the said acts. Similarly, electronic credit ledger cannot be used for payment of erroneous refund sanctioned to the taxpayer, where such refund was sanctioned in cash. Amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of the GST Laws

[Circular No. 172/04/2022-GST dated 6th July 2022]

- Clarification on issued to state that taxpayer would be eligible for claiming refund under inverted duty structure where they are supplying goods under some concessional notification like merchant exports, supplies to DSIR units etc. Previously Refund applied were litigated in such cases.

[Circular No. 173/05/2022-GST dated 6th July 2022]

- Process of re-crediting the erroneous refund granted back into the electronic credit ledger after payment of erroneous refund by the tax payer has been specified for following categories:-
 - a) Refund of IGST obtained in contravention of sub-rule (10) of rule 96.
 - b) Refund of un-utilised ITC on account of export of goods/services without payment of tax.
 - c) Refund of un-utilised ITC on account of zero-rated

supply of goods/services to SEZ developer/Unit without payment of tax.

- d) Refund of un-utilised ITC due to inverted tax structure.

The taxpayer shall make a written request, in format enclosed as Annexure-A as enclosed with the circular. Suggestive time limit of 30 days from the date of application by the taxpayer in Annexure A is specified for re-crediting the amount in ECL through FORM GST PMT-03A.

[Circular No. 174/06/2022-GST dated 6th July 2022]

- Manner of filing refund of unutilized ITC on account of export of electricity has been specified along with statement to be submitted along with refund application.

[Circular No. 175/07/2022-GST dated 6th July 2022]

- Circular pertaining to Refund of taxes paid on inward supply of indigenous goods by retail outlets established at departure area of the international airport beyond immigration counters when supplied to outgoing international tourist against foreign exchange has been withdrawn as the rule has been omitted, retrospectively w.e.f. 01.07.2019.

[Circular No. 176/08/2022-GST dated 6th July 2022]

- FAQs on GST applicability on 'pre-packaged and labelled' goods:

S.N	Question	Clarification
1	What change has been made with respect to packaged and labelled commodity with effect from the 18th July, 2022?	W.e.f. GST has been made applicable on supply of such "pre-packaged and labelled" commodities attracting the provisions of Legal Metrology Act. For example, items like pulses, cereals like rice, wheat, and flour (Aata), etc., earlier attracted GST at the rate of 5% when branded and packed in unit container. With effect from 18.7.2022, these items would attract GST when "prepackaged and labelled"
2	What is the scope of 'prepackaged and labelled' for the purpose of GST levy on food items like pulses, cereals, and flours?	For the purposes of GST, the expression 'prepackaged and labelled' means a 'pre-packaged commodity' as defined in clause (1) of section 2 of the Legal Metrology Act, 2009, where the package in which the commodity is prepacked, or a label securely affixed thereto is required to bear the declarations under the provisions of the Legal Metrology Act and the rules made thereunder. Supply of such specified commodity having the following two attributes would attract GST: i) It is pre-packaged; and ii) It is required to bear the declarations under the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder.
3	What is the scope of this coverage taking into account various exclusion(s) provided under the Legal Metrology Act and the rules made thereunder?	A single package of these items [cereals, pulses, flour etc.] containing a quantity of more than 25 Kg/25 litre would not fall in the category of pre-packaged and labelled commodity for the purposes of GST and would therefore not attract GST

4	Whether GST would apply to a package that contains multiple retail packages. For example, a package containing 10 retail packs of flour of 10 Kg each?	Yes, if several packages intended for retail sale to ultimate consumer, say 10 packages of 10 Kg each, are sold in a larger pack, then GST would apply to such supply. However, a package of say rice containing 50 Kg (in one individual package) would not be considered a pre-packaged and labelled commodity for the purposes of GST levy, even if rule 24 of Legal Metrology (Packaged Commodities) Rules, 2011, mandates certain declarations to be made on such wholesale package
5	At what stage would GST apply on such supplies, i.e., whether GST would apply on specified goods sold by manufacturer/producer to wholesale dealer who subsequently sells it to a retailer?	GST would apply whenever a supply of such goods is made by any person, i.e. manufacturer supplying to distributor, or distributor/dealer supplying to retailer, or retailer supplying to individual consumer
6	Whether tax is payable if such goods are purchased in packages of up to 25 kg/25liters by a retailer, but the retailer sells it in loose quantities in his shop for any reason?	GST applies when such goods are sold in prepackaged and labelled packs
7	Whether tax is payable if such packaged commodities are supplied for consumption by industrial consumers or institutional consumers?	Supply of packaged commodity for consumption by industrial consumer or institutional consumer is excluded from the purview of the Legal Metrology Act
8	'X' is a rice miller who sells packages containing 20 kg rice but not making the required declaration under legal metrology Act and the Rules made thereunder (although the said Act and the rules requires him/her to make a declaration), would it still be considered as pre-packaged and labelled and therefore be liable to GST?	Yes
9	Any other relevant issue?	The Legal Metrology Act and rule thereunder prescribe criterion(s) for exclusion and provides certain exemptions. if supplied in such manner as to attract exclusion, or such exemption, the item shall not be treated as prepackaged commodities for the purposes of GST levy.

- GST has issued advisory to taxpayers for filing of GSTR-3B. GSTN has advised taxpayer to continue to file the return as per the old format till the time new format is implemented on the portal. **[GSTN Press release dated 22nd July 2022]**

Customs:

Tariff:

- Basic Custom Duty exemption on import of cotton falling under ITCHS 5201 has been extended up to 30th Sep 2022. [Notification No. 38/2022-Customs dtd. 04th July 2022]
- BCD on import of Open cells for use in manufacture of TV Panels of heading 8524 will attract BCD @ 5% subject to IGCRD procedure. [Notification No. 39/2022-Customs dtd. 12th July 2022]
- Customs Duty is exempted for import of Diethylcarbazine (DEC) tablets subject to the condition of furnishing of certificate that the goods are to be supplied free of cost for the National Filariasis Control Programme or other Centrally sponsored programme against Filariasis. IGST on specified goods imported by specified in relation to petroleum operations or coal

- bed methane operations undertaken is increased to 12%. **[Notification No. 40/2022-Customs dtd. 13th July 2022]**
- Exemption from Customs duty on import of specified defence equipments and parts goods by Other Entity is also allowed, which earlier was exempted for imports by Ministry of Defence or the Defence forces, or the Defence Public Sector Units or other Public Sector Units. This exemption is subject to conditions specified in the notification. **[Notification No. 41/2022-Customs dtd. 13th July 2022.**
- IGST exemption on import of research equipment by public funded and research institutions, Government Departments and laboratories (other than hospitals), I.I.T and Regional Cancer Institutes etc. has been withdrawn and now IGST will be applicable on said imports. **[Notification No. 42/2022-Customs dtd. 13th July 2022.**
- TRQ holders can import gold through IIBX under India-UAE CEPA. **[Notification No. 43/2022-Customs dtd. 20th July 2022]**
- Extension of the concessional Agriculture Infrastructure and Development Cess [AIDC] of Nil on Lentils (Mosur) up to 31.03.2023. **[Notification No. 44/2022-Customs dtd. 23rd July 2022]**

Non-Tariff

- To catch hold main persons of behind illegal import or exports of specified goods like narcotic drugs, psychotropic substances, precursor chemicals, controlled substances or their substituents, Gold, Silver, precious – semi precious stones, liquor, currency etc, the customs

officers are authorised to put controlled delivery of such consignment. The customs officer can put tracking devices in the package so as to catch hold of entire gang operating such illegal imports. CBIC notifies Controlled Delivery (Customs) Regulations, 2022 [Notification No. 59/2022-Customs(NT) dtd. 12th July 2022

- Updated Tariff value for specified goods -

TABLE-1

Sl.No.	Chapter/ heading / sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	1401
2	1511 90 10	RBD Palm Oil	1482
3	1511 90 90	Others – Palm Oil	1442
4	1511 10 00	Crude Palmolein	1545
5	1511 90 20	RBD Palmolein	1548
6	1511 90 90	Others – Palmolein	1547
7	1507 10 00	Crude Soya bean Oil	1572
8	7404 00 22	Brass Scrap (all grades)	5329

TABLE-2

Sl.No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	[4]
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	585 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	614 per kilogram
3.	71	(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; (ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	614 per kilogram
4.	71	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; (ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	585 per 10 grams

TABLE-3

Sl.No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value(US \$)
[1]	[2]	[3]	[4]
1	080280	Areca nuts	7065

[Notification No. 60/2022-Customs (NT) dated 13th July 2022].

• Updated Tariff value for specified goods -

TABLE-1

Sl.No.	Chapter/ heading / sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	1171
2	1511 90 10	RBD Palm Oil	1346
3	1511 90 90	Others – Palm Oil	1259
4	1511 10 00	Crude Palmolein	1358
5	1511 90 20	RBD Palmolein	1361
6	1511 90 90	Others – Palmolein	1360
7	1507 10 00	Crude Soya bean Oil	1460
8	7404 00 22	Brass Scrap (all grades)	4813

TABLE-2

Sl.No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	548 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	611 per kilogram
3.	71	(iii) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; (iv) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	611 per kilogram
4.	71	(iii) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; (iv) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	548 per 10 grams

TABLE-3

Sl.No.	Chapter/ heading / sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	7065

[Notification No. 62/2022-Customs (NT) dated 15th July 2022].

- Name of Country of Export has been amended from 'Singapore' to 'Any country including Indonesia' for the producer 'PT. ENERGI SEJAHTERAMAS' and Exporter 'Sinarmas CEPESA Pte. Ltd.' in Customs notification No. 28/2018-Customs (ADD) dated 25.05.2018 which imposed Anti-dumping duty on imports of 'Saturated Fatty Alcohols' from Indonesia, Malaysia, Thailand and Saudi Arabia *[Notification No. 23/2022-Customs (ADD) dated 12th July 2022].*

Instructions:

- EXPORT POLICY condition has been imposed by the DGFT that the exporters of petroleum products would be required to declare at the time of exports that 50% of the quantity mentioned in the shipping bill has been/will be supplied in the domestic market during the current FY. Instruction are issued to sensitize the Customs Officers for the above amendments *[Instruction No. 11/2022-Customs dated 03rd July 2022]*
- Instructions are issued to sensitize the Customs Officers w.r.t. Standard Operating Procedure (SOP) (Version 1.1) for "Implementation of Central Government notification prohibiting import of mobile phones with duplicate, fake and non-genuine International Mobile Equipment Identity. *[Instruction No. 12/2022-Customs dated 07th July 2022]*
- Power plants like solar panel, solar cell etc., which generates the electricity is not covered under Manufacture and Other Operations in Warehouse (no.2) Regulations, 2019 under section 65 of the Customs Act, 1962. *[Instruction No. 13/2022-Customs dated 09th July 2022]*
- Central Government has amended the export policy of wheat flour (atta), stipulating that such exports would be subject to recommendation of Inter Ministerial Committee (IMC) on export of wheat, with effect from 12th July 2022. during the period from 6th July, 2022 till 12th July, 2022 certain consignments of wheat flour, as specified therein, will be allowed to be exported. Provisions under Para 1.05 of the Foreign Trade Policy, 2015-2020 regarding transitional arrangement shall not be applicable under the above said Notification and that necessary modalities with regard to quality of wheat flour will be notified separately *[Instruction No. 14/2022-Customs dated 11th July 2022]*
- No change in BCD rate for Open Cells used in manufacture of TV panels. *[Instruction No. 15/2022-Customs dated 20th July 2022]*
- Compendium of orders/ circulars/ guidelines issued from WPC Wing, Department of Telecommunications (DoT)

in regard to Import licensing requirement from WPC wing for import of wireless equipment *[Instruction No. 16/2022-Customs dated 21st July 2022]*

Circular:

- Benefit of exemption of duties is accorded to Chemiluminescence Immuno Assay (CLIA) kits. Clarification has been issued on whether Electro chemiluminescence Immuno Assay (ECLIA) kits are covered under the ambit of CLIA diagnostic kits for duty exemption. *[Circular No. 10/2022-Customs dated 25th July 2022]*

Central Excise:

- Government extends excise duty benefits to ethanol-blended petrol. Earlier the exemption for available for 10% Ethanol mixed Petrol. Now even higher ethanol mixed petrol will also be eligible for exemption. *[Central Excise Notification No. 12/2022 dated 04th July 2022]*
- 12% ethanol blended petrol that is a blend and 15% ethanol blended petrol that is a blend is exempted from special additional excise duty. *[Central Excise Notification No. 13/2022 dated 12th July 2022]*
- 12% ethanol blended petrol that is a blend and 15% ethanol blended petrol that is a blend is exempted from whole of the additional duty of excise (Road and Infrastructure Cess). *[Central Excise Notification No. 14/2022 dated 12th July 2022]*
- 12% ethanol blended petrol that is a blend and 15% ethanol blended petrol that is a blend is exempted from Agriculture Infrastructure Development Cess (AIDC). *[Central Excise Notification No. 15/2022 dated 12th July 2022]*
- Concessional rate of excise duty on Aviation Turbine Fuel drawn by operators or cargo operators from RCS airports. *[Central Excise Notification No. 16/2022 dated 15th July 2022]*
- Special Additional Excise Duty on exports of Petrol & Diesel has been reduced. *[Central Excise Notification No. 17/2022 dated 19th July 2022]*
- Special Additional Excise Duty on production of Petroleum Crude and export of Aviation Turbine Fuel has been reduced. *[Central Excise Notification No. 18/2022 dated 19th July 2022]*
- Special Additional Excise Duty and Road and Infrastructure Cess is exempted on the excisable goods, namely Petrol, Diesel and Aviation Turbine Fuel from when exported from units located in the Special

Economic Zones (SEZ). [**Central Excise Notification No. 19/2022 dated 19th July 2022**]

- Road and Infrastructure Cess on export of Petrol has been reduced [**Central Excise Notification No. 20/2022 dated 19th July 2022**].
- Excise Circular No. 1027/15/2016-CX dated 25.04.2016 w.r.t. Excisability of waste/ residue arising during the process of manufacture has been withdrawn in light of the Supreme Court judgement. Cases kept in call book on the said subject may be decided accordingly by Apex court. [**Central Excise Circular No 1084/2022 dated 07th July 2022**]

DGFT:

- Import of Potatoes under ITC(HS) Code 0701 9000 is allowed from Bhutan without payment Import License upto 30.06.2023. [**Notification No. 17/2015-2020 Dated 4th July 2022**]
- Export Policy of wheat flour (atta) remains 'Free', but export shall be subject to recommendation of Inter-Ministerial Committee (IMC) on export of wheat. The Notification will come into effect from 12th of July, 2022. The provisions as under Para 1.05 of the Foreign Trade Policy, 2015-2020 regarding transitional arrangement shall not be applicable under this Notification. Necessary modalities with regard to quality of wheat flour will be notified separately. [**Notification No. 18/2015-2020 Dated 6th July 2022**]
- The requirement of advance registration of minimum 15 days from the expected date of arrival of import consignment under Steel Import Monitoring System (SIMS) has been abolished. [**Notification No. 19/2015-2020 Dated 6th July 2022**]
- ITC (HS) 2022 Schedule-I import policy is amended in sync with the Finance Act 2022. This shall come into force with immediate effect. [**Notification No. 20/2015-2020 Dated 7th July 2022**]
- Nomination of 29 Non-Official Members for Board of Trade [**Notification No. 21/2015-2020 Dated 8th July 2022**]
- Import of Human Embryo under ITC (HS) 05119999 is "Prohibited" in accordance with the Assisted Reproductive Technology (Regulation) Act, 2021 and The Surrogacy (Regulation) Act, 2021. [**Notification No. 22/2015-2020 Dated 20th July 2022**]
- Paper Import Monitoring System (PIMS) registration shall be required at the point of import by a unit in SEZ / FTWZ or at the time of import by EOU of the items covered under PIMS
PIMS registration shall not be required by the DTA unit at the time of Customs clearance from the SEZ / FTWZ /EOU to DTA if no processing has taken place of the item of paper that has already been registered under PIMS at the time of entry into SEZ / FTWZ / EOU. [**Policy Circular No. 41/2015-2020 Dated 5th July 2022**]
- Items of copper falling in Chapter-74 of ITC (HS) and

items of Aluminum falling in Chapter-76 of ITC (HS) are made from Free' to 'Free subject to compulsory registration under Non-Ferrous Metal Import Monitoring System (NFMIMS)' by DGFT Notification No.61/2015-2020 dated 31.03.2021. Clarifications has been issued for above imports through air mode, multiple consignments against a NFMIMS registration, applicability of NFMIMS is applicable to shipments under Advance Authorization, DFIA and SEZs etc. [**Policy Circular No. 42/2015-20 Dated 27th July 2022**]

- For the purpose of discharge of export obligation under EPCG Authorizations, in case of supplies made to SEZ units prior to 01.04.2015, the exporters can submit confirmatory evidence in lieu of 'Bill of Exports' such as:
 1. ARE-I form duly attested by jurisdictional Central Excise authorities of EPCG authorization holder.
 2. Evidence of receipt of the supplies by the recipient in the SEZ.
 3. Evidence of payment made by the SEZ, unit to the EPCG authorization holder.

[**Policy Circular No. 43/2015-20 Dated 27th July 2022**]

- Online Procedures /modalities for each fiscal year during the period 2022-26 for import under the Memorandum of Understandings (MoUs) between Government of the Republic of India and (i) the Government of the Republic of the Union of Myanmar for import of 2,50,000 MT of Urad and 1,00,000 MT of tur from Myanmar, (ii) Government of Republic of Malawi for import of 50,000 MT of pigeon peas from Malawi, (iii) Government of Republic of Mozambique for import of 2,00,000 MT of pigeon peas from Mozambique are laid down [**Public Notice No. 17/2015-20 Dated 18th July 2022**]
- The name of Urban Exim Care Association, enlisted under Appendix 2E of FTP, 201520, has been amended as 'Urban Exim Chamber of Commerce & Industry' and address and contact details have been updated. [**Public Notice No. 18/2015-20 Dated 18th July 2022**]
- Standard Input Output Norms (SIONs) appearing under C-594 (Carbon/ Alloy Steel Seamless Tubes), C-791 to C-796 (Seamless Stainless Steel Tubes) and C-831 (Stainless Steel Seamless Tubes/Pipes) are suspended with immediate effect. Exporter desirous of obtaining Advance Authorisation for export of above said products may apply under Para 4.07 of Handbook of Procedures 2015-20. [**Public Notice No. 19/2015-20 Dated 27th July 2022**]
- Procedure for submission of requests for seeking Inter-Ministerial Committee's (IMC's) approval for export of Wheat Flour has been defined. [**Trade Notice No. 14/2015-2020 Dated 18th July 2022**]

Corporate Law:

- MCA has clarified that spending of CSR funds for the activities related to this campaign, such as mass scale production and supply of the National Flag, outreach

and amplification efforts and other related activities, are eligible spending towards CSR activities under the Companies Act, 2013. **[General Circular No. 08/2022 dated 26th July 2022]**

SEBI:

- Advisory issued under Regulation 46 and 62 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. **[Circular Ref. No: NSE/CML/2022/32 dated 04.07.2022]**
- SEBI modifies Cyber Security/resilience framework of KYC Registration Agencies. **[Circular Ref. No: SEBI/HO/MIRSD/TPDIP/CIR/2022/95 dated 05.07.2022]**
- SEBI directs Qualified Registrars to an Issue and Share Transfer Agents (QRTAs) to report Cyber-attacks, threats, cyber-incidents. **[Circular Ref. No: SEBI/HO/MIRSD/TPDIP/CIR/2022/96 dated 05.07.2022]**
- Listed companies to file quarterly Investor Complaints Report with SEBI within twenty-one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter. **[Circular Ref. No: NSE/CML/2022/33 dated 07.07.2022]**
- Extension of time for filing of information required under Regulation 46 and 62 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in NEAPS (NSE Electronic Application Processing System). **[Circular Ref. No: NSE/CML/2022/36 dated 15.07.2022]**
- Due to withdrawal of exemption granted to services by SEBI, all the Market Infrastructure Institutions, Companies who have listed / are intending list their securities, other intermediaries and persons who are dealing in the securities market, are hereby informed that the fees and other charges payable to SEBI shall be subject to GST at the rate of 18% with effect from July 18, 2022. **[Circular No. SEBI/HO/GSD/TAD/CIR/P/2022/0097 dated 18.07.2022]**
- KYC user agency (KUA) shall allow SEBI registered intermediaries to undertake Aadhaar Authentication of their clients as sub-KUA for the purpose of KYC. **[Circular No. SEBI/HO/MIRSD/SEC-5/P/CIR/2022/99 dated 20.07.2022]**
- Implementation of Circular on ‘Guidelines in pursuance of amendment to SEBI KYC (Know Your client) Registration Agency (KRA) Regulations, 2011. KYC records of all existing clients (who have used Aadhaar as an OVD) shall be validated within a period of 180 days from November 01, 2022. **[Circular No. SEBI/HO/MIRSD/SEC-5/P/CIR/2022/100 dated 27.07.2022]**
- Settlement of Running Account of Client’s Funds lying with Trading Member (TM) - The running account of funds shall be settled on first Friday of October 2022, January 2023, April 2023, July 2023 and so on for all the clients. If first Friday is a trading holiday, then

such settlement shall happen on the previous trading day. **[Circular Ref. No: SEBI/HO/MIRSD/DOP/P/CIR/2022/101 dated 27.07.2022]**

- Development of Passive Funds - Units of ETFs, direct transaction with AMCs shall be facilitated for investors only for transactions above a specified threshold of INR 25 Cr and same shall be applicable from 01.11.2022. **[Circular No. SEBI/HO/IMD/DF2/CIR/P/2022/102 dated 28.07.2022]**

RBI/FEMA:

- Requirement for obtaining prior approval in case of takeover / acquisition of control of non-bank PSOs and sale / transfer of payment system activity of non-bank PSO. **[RBI/2022-23/80 CO.DPSS.POLC.No.S-590/02-14-006/2022-23 dated 4th July 2022]**
 - Specified categories of Central Government securities would be opened fully for non-resident investors without any restrictions, apart from being available to domestic investors as well. **[RBI/2022-23/86 FMRD.FMID.No.04/14.01.006/2022-23 dated 07th July 2022]**
 - The Reserve Bank introduced the ‘Fully Accessible Route’ (FAR) in pursuance of the announcement made in the Union Budget 2020-21 that certain specified categories of Central Government securities would be opened fully for non-resident investors without any restrictions, apart from being available to domestic investors as well. **[RBI/2022-23/86 FMRD.FMID.No.04/14.01.006/2022-23 dated 7th July 2022]**
 - All eligible current account transactions including trade transactions with Sri Lanka may be settled in any permitted currency outside the Asian Clearing Union (ACU) mechanism until further notice. **[RBI/2022-2023/89 A.P. (DIR Series) Circular No. 09 dated 08th July 2022]**
 - “Unity Small Finance Bank Limited” has been included in the Second Schedule to the Reserve Bank of India Act, 1934. **[RBI/2022-23/81 DoR.RET.REC.52/12.07.160/2022-23 dated 6th July 2022]**
 - Investments by FPIs in government securities and corporate bonds made between July 08, 2022 and October 31, 2022 (both dates included) shall be exempted from the limit on short-term investments till maturity or sale of such investments.
- It has been decided to allow FPIs to invest in commercial papers and non-convertible debentures with an original maturity of up to one year, during the period between July 08, 2022 and October 31, 2022 (both dates included). These investments shall be exempted from the limit on short-term investments till maturity or sale of such investments. **[RBI/2022-23/87 A.P. (DIR Series) Circular No.07 dated 07th July 2022]**
- AD Cat-I banks can utilise the funds raised from overseas foreign currency borrowings between July 08, 2022 and October 31, 2022 (both dates included) in terms of paragraph Part-C(5)(a) of the Master Direction – Risk Management and Inter-Bank Dealings dated

July 05, 2016, as amended from time to time, for lending in foreign currency to constituents in India. Such lending shall be subject to the end-use prescriptions as applicable to External Commercial Borrowings (ECBs) in terms of paragraph 2.1(viii) of the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended from time to time. This facility will be available till the maturity / repayment of the overseas foreign currency borrowings. **[RBI/2022-23/88 A. P. (DIR Series) Circular No. 08 dated 07th July 2022]**

- To promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR, it has been decided to put in place an additional arrangement for invoicing, payment, and settlement of exports / imports in INR. Before putting in place this mechanism, AD banks shall require prior approval from the Foreign Exchange Department of Reserve Bank of India, Central Office at Mumbai. **[RBI/2022-2023/90 A.P. (DIR Series) Circular No.10 dated 11th July 2022]**
- National Bank for Financing Infrastructure and Development General (Amendment) Rules, 2022 to add other terms and conditions of service of the whole-time directors. **[Notification No. G.S.R. 580(E) dated 15th July 2022]**
- (Urban) Co-operative Banks (UCBs) are required to lay down, with the approval of their boards, transparent policies and guidelines for credit dispensation, in respect of each broad category of economic activity, keeping in view the credit exposure norms and various other guidelines issued by Reserve Bank from time to time. Accordingly, loan policy of the bank shall be reviewed by the Board at least once in a financial year. **[Notification No. RBI/2022-23/93 DOR.CRE. REC.56/13.05.000/2022-23 dated 26th July 2022]**

Income Tax/CBDT:

- CBDT notifies 'Uttar Pradesh Electricity Regulatory Commission' under Section 10(46) of Income-tax Act, 1961 in respect of the following specified income arising to that Commission, namely:- (a) Amount received in the form of Government grants; (b) Amount received in the form of licence fees & Fines; and (c) Interest earned on (a) & (b) above. **[Notification No. 79/2022- Income Tax [S.O. 3105(E). dated 06th July 2022]**
- CBDT notifies new Income Tax Rule 21AL Other Conditions required to be fulfilled by original fund **[Notification No. 80/2022- Income Tax dated 08th July 2022]**
- Central Government notifies 'Bihar Electricity Regulatory Commission' constituted by State Government of Bihar in respect of the specified income under section 10(46) of Income Tax Act, 1961. **[Notification No. 81/2022-Income Tax dated 08th July 2022]**
- Advertisement CBDT notifies Income Tax Rule 16. Application under section 158AB to defer filing of appeal before the Appellate Tribunal or the jurisdictional High Court and inserts new Form No. 8A. **[Notification No. 83/2022-Income Tax dated 12th July 2022]**
- Directorate of Income Tax (Systems) notifies that Form 3CEF, 10F, 10IA, 3BB, 3BC, 10BC, 10FC, 28A, 27C, 58D, 58C and 68 shall be furnished electronically and shall be verified in the manner prescribed under Income tax Rule 131(1). **[Notification No. 03/2022-DGIT dated 16th July 2022]**
- Procedure of PAN application & allotment through Simplified Proforma for incorporating Limited Liability Partnerships (LLPs) electronically {Form: FiLLiP} of Ministry of Corporate Affairs. **[Notification No. 04/2022- dated 26th July 2022]** ■

Abdul Kalam Quotes On Education

Abdul Kalam believes that students play a significant role to transform India into a developing country. Here are some Abdul Kalam quotes on education for students.

- *The best brains of the nation may be found on the last benches of the classroom.*
- *All of us do not have equal talent. But, all of us have an equal opportunity to develop our talents.*
- *Excellence happens not by accident. It is a process.*
- *The purpose of education is to make good human beings with skill and expertise... Enlightened human beings can be created by teachers.*
- *Creativity is seeing the same thing but thinking differently.*
- *Small aim is a crime; have great aim.*
- *Educationists should build the capacities of the spirit of inquiry, creativity, entrepreneurial and moral leadership among students and become their role model.*

CHAPTER NEWS

AHMEDABAD

CEP on GST Week

Chapter jointly with Baroda Chapter organized webinar on “Celebration of GST Week” during 1st July’2022 to 5th July’2022. The webinar was on different topics such as 5 Years journey of GST and important aspects of input tax credit by Mr. Sanjay Saraswat, 5 Years of GST: A deep dive on ticklish issues by CMA D S Mahajani, GST changes in 47th GST council meeting by CA Vipul Khandhar, A deep analysis of recent judgment under GST by CMA Vikas Agrawal.

Guidance lecture to foundation students on examination

Chapter organized a guidance lecture for foundation students on 4th July 2022. The lecture was conducted by Secretary and Oral Coaching Committee Chairman CMA Mitesh Prajapati. He has explained how to appear in professional examination. He also gave details about the paper pattern of examination. The way of explanation was very simple and understandable to students.

Professional & Communicative Skills Enhancement Programs in association with GLS University

Chapter organized professional & communicative skills enhancement programs in association with GLS University during 18th July 22 to 23rd July 22 to develop communication skills of students. Topics covered were Self-Development & Personality Enhancement, Corporate Etiquettes & Body language, Emotional Intelligence, Interview Techniques & Communication, English language improvement techniques, Resume Building & Group Discussion Technique were

Eminent faculty from GLS University conduct lectures on various topics of communication. Large number of students participated in the program.

GTU Agree Start-up Investment summit

Chapter participated in “Ahmedabad Chamber of Commerce of Welfare Foundation GTU Agree Start-up Investment summit” held on 21st July 22 & 22nd July 22 at GTU campus, Chandkheda, Ahmedabad. CMA Malhar Dalwadi participated as knowledge partner alongwith CA Branch & CS Chapter of Ahmedabad and share views to help the start-up for further development.

BARODA

World MSME Day Celebration

Chapter participated in “WORLD MSME DAY CELEBRATION” on 27/06/2022 with different association of Vadodara with MP Ranjan Bhatt, Ms. Manisha Vakil, Minister of Women & Child Development and Minister of Social Justice & Empowerment Mayor Keyur Rokadia. CMA Mihir Vyas, Chairman & CMA Amar Petiwale Participated from in the event.

Awareness Seminar on – “Cost & Management Accountancy Course”

Chapter organised Awareness Seminar on “Cost & Management Accountancy Course on 11th July 2022 at BBA Seminar Hall at Parul University.

Awareness Program was conducted by CMA Mihir Vyas-Chairman, CMA Kartik Vasavada –Secretary, CMA Priyank Vyas-Treasurer & CMA Dhaval Shah- Member of Student Committee of Baroda Chapter.

CMA Hardik Diwanji-Vice Chairman Baroda Chapter was the Guest of Honour. Prof.Priyanka Pradhan, Assistant Professor-PIBA-FMS, Parul University Coordinated the programme.

Oral Coaching for Foundation & Intermediate

Chapter started oral coaching for Intermediate & foundation from 19th July & for Foundation from 20th July 2022.

BHOPAL

Seminar on “New opportunities for Cost Accountants in Practice”

A seminar on “New opportunities for Cost Accountants in Practice” was organised by Chapter on 16th July 2022. CMA Dinesh Birla, Chairman WIRC, motivated and guided to Practicing members and highlighted new areas of practice. CMA (Dr.) Suresh Kumar Soni, Chairman Bhopal Chapter gave welcome speech. Senior members CMA Malganya, CMA Sanjay Kasliwal, CMA Ritesh Sharma, CMA Traptigangal, CMA Ajay Singh Tomar, CMA Jagrati Gupta, CMA AmbikaJha, CMA Girish Ramje attended the seminar. CMA Vikas Gour Secretary Bhopal Chapter proposed vote of thanks.

NASIK OJHAR

International Yoga Day

Chapter had celebrated “International Yoga Day” on 21st Jun. 2022. CMA Suvarna Kute - Certified Yoga Teacher by AYUSH and Mrs. Netra Pawar - Certified Yoga Instructor guided the participants. CMA Kailas Shinde- Chairman PD Committee welcomed all participants and felicitated the Yoga Teachers. CMA Arpita Fedge, Secretary proposed vote of thanks. Students and members actively participated in the session.

GST Day Celebration and CEP on Show Cause Notice

Chapter celebrated GST Day - 2022 on 1st July 2022 by organising CEP jointly with AIMA (Ambad Industries Manufacturers Association Nashik) on Show Cause Notice, it's Reply and Adjudication.

CMA R.K. Deodhar- Renowned Indirect Tax Consultants and CMA Dipak Joshi- Indirect Tax Consultant and Author of the books on GST were the guest speakers for the seminar. The seminar started with lighting the lamp and sarswati pooja. CMA Arpita Fedge, Secretary of Nasik Chapter, welcomed all the dignitaries and speakers. On behalf of Nasik Ojhar Chapter, CMA Dipak Jagtap, Vice Chairman and CMA Arifkhan Mansuri- Vice Chairman of the chapter felicitated Mr. Nikhil Panchal - President - AIMA, Mr. Lalit Boob- Hon Gen Secretary AIMA Nasik. Speakers were guided to participants about how to tackle the show cause notices and how we can reply to those cases.

The Seminar was coordinated by CMA Arpita Fegde, secretary of the Chapter.

Career Counselling Program

Career program for SSC & HSC pass out students was organised by Rajyog Prathishtan at Gonde Dhumla on 3rd July 2022. CMA Bhushan Pagere, Chairman of Nasik Chapter was a special invitee for career counseling to students. He addressed 200 students & guided about CMA Course & opportunities after completion.

Participated Career exhibition fair

Chapter participated in Three days Education Fair 2022 which was organised by Lokmat Media Pvt. Ltd., at Lakshika Hall, Nashik during 24th June to 26th June 2022. Many schools students along with their parents visited stall.

Seminar on Internal Audit in ERP Environment

The Institute of Cost Accountants of India, Internal Auditing and Assurance Standards Board of ICAI, Task Force on MSME and

Start-up and Nashik Ojhar Chapter jointly with Laghu Udyog Bharti-Nashik had conducted a full day seminar on Internal Audit in ERP Environment and MSMEs and operational issues on 3rd July 2022 at Hotel The Vern BLVD Nashik.

CMA P Raju Iyer, President of ICAI and CMA Chittaranjan Chattopadhyay CCM and Chairman of Task Force on MSME & Start up ICAI, CMA Neeraj Joshi – CCM Chairman – Management Accounting Committee ICAI were present for the seminar and grace the occasion.

The seminar was started with lighting of lamp. CMA Suvarna Kute CMA member of Nasik Chapter welcomed to all and also gave the details of the seminar theme.

President CMA P Raju Iyer felicitated by CMA Bhushan Pagere, Chairman of Chapter. CMA Chittaranjan Chattopadhyay was felicitated by CMA Arpita Fegde, Secretary of Chapter and CMA Neeraj Joshi was felicitated by CMA Kailas Shinde, Chairman P.D Committee of Chapter. CMA R. K. Deodhar, Senior member and Ex-Chairman of Chapter addressed the attendees.

1st session Speaker was CMA Neeraj Joshi, CCM and Chairman of Management Accounting Committee of ICAI.

Afternoon session were conducted jointly with Laghu Udyog Bharti. President CMA P Raju Iyer, CMA Chittaranjan Chattopadhyay CCM Chairman of Task Force on MSME & Start up – ICAI, CMA Bhushan Pagere, Chairman of Nashik Ojhar Chapter alongwith Mr. Vivek Kulkarni-President of Laghu Udyog Bharti and Mr. Nikhil Tapadia – Secretary of Laghu Udyog Bharti were on dais. Mrs. Dhanlaxmi Patwardhan, Treasurer of Laghu Udyog Bharti welcomed to all dignitaries and all present members. On behalf of Laghu Udyog Bharti Mr. Vivek Kulkarni felicitate the Hon. President CMA P Raju Iyer, CMA Chittaranjan Chattopadhyay and speakers of the event CMA Amit Apte and CMA Anant Govande. On behalf of Chapter, CMA Arpita Fegde and CMA Dipak Joshi welcome and felicitated Mr. Vivek Kulkarni and Mr. Nikhil Tapadia President and Secretary respectively.

2ns session speakers were CMA Amit Apte, Past President ICAI. He spoke on Inventory Management and CMA Anant Govande spoke on Working Capital Management. Introduction was given by CMA Pradyna Chandorkar.

Vote of thanks was proposed by Mr Nikhil Tapadia Treasurer of Laghu Ugyog Bharti. More than 130 members from Laghu Udyog Bharti and Nasik Chapter attended the event.

Trek to Vishramgad Fort

On 16th July 2022 Chapter organised a trek to Vishramgad (Patta) Fort for Members and Students. Also tree Plantation activity was taken up at the Fort. CMA Kailash Shinde P.D Committee Chairman and CMA Mayur Deshmukh and CMA Dipak Jagtap had arranged and executed the activity successfully.

NAVI MUMBAI

CEP on Internal Audit: Value Enhancer for Business

Chapter conducted CEP on “Internal Audit: Value Enhancer for Business” on 26th June 2022 at K.B Patil College, Vashi. This was the First Offline CEP in the past 2 years post Covid pandemic and the transition from Online to Offline was smooth and seamless.

CMA Prabhakar Mukhopadhyay was the speaker. CMA Vaidyanathan Iyer Chairman of the Chapter welcomed the audience and CMA Vivek Bhalerao, P.D. Committee Chairman of the Chapter introduced the speaker and emphasized on the importance of Internal Audit as a Value enhancer.

The interactive workshop came to an end with the vote of thanks proposed by CMA Debasish Mitra CCM and Managing Committee Member of the Chapter.

Investor’s Oath Programme

Ministry of Corporate Affairs (Govt. of India) organized an Investor Oath programme under Azadi ka Amrit Mahotsav at Vigyan Bhawan, New Delhi on 7th June 2022 in Hybrid mode in 75 locations all over India. CMA Vaidyanathan Iyer, Chairman of the Chapter participated in this program during the MCA iconic day event under the ‘Azadi ka Amrit Mahotsav’ and took an Oath. Smt Nirmala Sitharaman, Finance Minister of India, addressed the event.

PIMPRI-CHINCHWAD-AKURDI

Webinar on ‘Demystifying the Cult of Cryptocurrency: A Discourse on Bitcoin’

Chapter conducted webinar on ‘Demystifying the Cult of Cryptocurrency: A Discourse on Bitcoin’ on 25th June 2022. CMA Sagar Malpure, P.D. Committee of PCA Chapter welcomed and introduced the speaker Prof. Samuel Mitra and Prof. Payal Sharma, St. Xavier College (Autonomous), Kolkata.

Prof. Samuel Mitra discussed on overview of Blockchain Technology, Basic understanding of how Blockchain works, Cryptocurrency – A Brief Reflection, Banning Bitcoin: Boon or Bane etc. He has focused on Developing as Research in Blockchain Technology/Cryptocurrency in which he highlighted on the topic Literature Review, Research Gaps, Research Objectives, Conceptual Framework, Developing Research Model, Formulating Hypothesis, Methodology Description, Data Analysis, Interpretation of Results, Discussions and Conclusions, Implications and Recommendations etc.

Prof. PayPal Sharma highlighted Roadmap in which she has covered the following topics such as: Overview of Bitcoin, When did Bitcoin Start, Common Queries Related to Bitcoin, Legal Aspects of Bitcoins, Taxability of Bitcoin in India, Global Scenario of Bitcoins, Crypto Crime Trends, How Bitcoin Scams Work etc.

Question-Answer session was conducted during the session. The session was well interactive. There was overwhelming response from practicing members, members from the industries, professionals and students.

Webinar on ‘Mutual Fund’

Chapter conducted webinar on ‘Mutual Fund’ on 2nd July 2022. CMA Pradeep Deshpande Vice-Chairman of PCA Chapter welcomed and introduced the speaker CMA Dr. Virendra Tatake, Director – Indira Global Business School, Pimpri-Chinchwad, Pune.

CMA Dr. Virendra Tatake in speech briefed on why investment is necessary in Mutual Fund.. He further highlighted on SIP, STP, SWP and its advantages. He covered the topics during the session such as Is SIP always beneficial?, SIP in rising market, falling market & Volatile market, Mutual Fund Investment Strategy, Aggressive Mutual Fund Portfolio Plan, Defensive Mutual Fund Portfolio Plan, Balanced Mutual Fund Portfolio Plan, Important Ratios etc.

Webinar on ‘ESG & BRS Reporting’

Chapter conducted webinar on ‘Environment, Social & Governance (ESG) & BRS Reporting’.

CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter welcomed and introduced the speaker CS Deepak Jain, Company Secretary & Motivational Speaker, Mumbai.

CS Deepak Jain in his speech explained on MCA’s National Guidelines on Responsible Business Conduct (NGRBC) and SEBI’s BRSR. He focused on principles which are important for the foundation of the Sustainability Reporting Framework.

Inauguration of Coaching Classes through Google Meet on 15.7.2022

Chapter conducted inaugural function of 23rd batch of Online Coaching classes on 15th July 2022 through Google Digital Platform.

CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter welcomed the audience and CMA Pratap Bhagwani has introduced the Chief Guest CMA Dr. Ajay Mahajan, Dy General Manager, Tata Motors Ltd. and CMA Priya Hardikar, Chief Finance Officer (CFO), KPIT.

CMA Dr. Ajay Mahajan in his speech congratulates all the students for choosing CMA option and guided them about future career.

CMA Priya Hardaker in her speech said, our Institute has developed globally and I am very proud of my Institute that I was the student of this Institute. Use study materials, suggested answers and compendium provided by the Institute. It is enough for your study purpose. Always check the website of our institute in which you will get updated information related to examination, mandatory trainings, revised copy of material, model test papers etc.

The faculties of PCA Chapter also interacted with the students and guided them. All the faculties gave assurance to the students regarding completion of syllabus in time.

PUNE

Fifth GST Day Celebration Conference - Understanding the litigations in GST"

Chapter arranged Fifth GST Day Celebration Conference - Understanding the litigations in GST on 2nd & 3rd July 2022 at MTDC Resort, Panshet, Pune.

CMA (Dr.) Sanjay Bhargave, Adv Shailesh Sheth and Adv G Y Patwardhan were Speakers for the programme. On the inaugural session, CMA Shrikant Ippalpalli, welcomed & introduced the speakers to the participants.

Programme started with lighting of lamp in the hands of dignitaries Adv Shailesh Sheth, CMA Dr. Sanjay Bhargave, Advisor, ICAI-Pune Chapter, CMA Neeraj Joshi, CCM, ICAI, CMA Chaitanya Mohrir, RCM, WIRC, CMA Nagesh Bhagane, Secretary, CMA Shrikant Ippalpalli and CMA Rahul Chincholkar Managing Committee member of ICAI-Pune Chapter & CMA Shripad Bedarkar.

On this occasion CMA Chaitanya Mohrir, RCM, WIRC felicitated our member CMA Shripad Bedarkar for appointed as a President of Western Maharashtra Tax Practitioners Association.

CMA Nagesh Bhagane, Secretary ICAI-Pune Chapter proposed vote of thanks and conclude the inaugural session.

Adv Shailesh Sheth explained on the Understanding the litigations in GST & summons, Audit, SCN & Adjudication and Appeal.

CMA Dr. Sanjay Bhargave and Adv Shailesh Sheth delivered lecture on Litigation prone areas in Manufacturing and Construction industry and also explained prone areas in CSR and Trust. Inputs in these sessions will be helpful to handle litigations.

CMA Rahul Chincholkar, Managing Committee member of ICAI-Pune Chapter proposed vote of thanks.

Offline Oral Coaching batches

After a long period of pandemic Chapter started Offline Oral Coaching batches for Session 12 (July to December 2022) at CMA Bhawan for Foundation, Intermediate & Final courses.

CMA Rahul Chincholkar, Chairman-Coaching committee

welcomed the students. He and other Faculty members congratulated the students for selecting CMA Course as career option. Also guided the students how to study and focus for achievement of goal.

CEP on "47th GST Council Meeting - Impact & Changes in 3B reporting"

Chapter arranged CEP on "47th GST Council Meeting - Impact & Changes in 3B reporting" on 22nd July 2022 at CMA Bhawan, Karvenagar

CMA Dr. Sanjay Bhargave, Practicing Cost Accountants and CMA Rahul Chincholkar Practicing Cost Accountants were Speakers for the programme. CMA Shrikant Ippalpalli, Managing Committee member of ICAI-Pune Chapter welcomed and introduced the speakers to the participants.

CMA Dr. Sanjay Bhargave guide the participants on 47th GST Council Meeting and its impact. He also explained the amendments in the GST Act & rules. CMA Rahul Chincholkar described the changes in the GSTR 3B reporting.

CMA Shrikant Ippalpalli, Managing Committee member of Chapter proposed vote of thanks.

SURAT SOUTH GUJARAT

Chapter Representation at Schools, Colleges & Universities- Navsari

CMA Nanty Shah- Chairman along with CMA Keval Shah- Vice Chairman met Ms. Vaishali Parekh- Principal, SS Aggarwal College on 25 June, 2022. The purpose of the visit was to spread awareness about CMA Course among the students.

Industry Visit- Sumul Dairy

Chapter organized Industry Visit at The Surat District Co-operative Milk Producer's Union Ltd. (SUMUL), on 16th July 2022. CMA Nanty Shah- Chairman, CMA K.C. Gupta- Secretary along with around 82 students visited to the Sumul Dairy factory and experienced the manufacturing and packaging of the products. Sumul Dairy authorities explained the students about health benefits and precautions needed for consuming and storing milk and milk products.

Soft Skill Training Session

Chapter organized a Soft Skill Seminar on Time Management "More Time... More Money" on 17th July 2021 at Chapter Office. The Speaker of the Program was CMA Keval Shah- Vice Chairman-, JCI President and Practicing Cost Accountant. CMA Nanty Shah – Chairman of the Chapter felicitated CMA Keval Shah. It was an interesting and interactive session and students got ample to learn from it. Some Management games were also a part of the session. Around 30 students took the benefit of the session.

Industry Visit - Balaji Wafers, Valsad & National Salt Memorial - Dandi

Chapter organized Industry Visit at Balaji Wafers Pvt. Ltd., Chikhli, on 23rd July 2022. CMA Nanty Shah- Chairman, CMA K.C. Gupta- Secretary along with around 52 students visited to the Balaji Wafers factory. CMA Nanty Shah- Chairman, CMA K.C. Gupta- Secretary felicitated the Balaji Wafers management and also Shri Bhavin Patel- Asst. Manager, HR & Admin., Balaji Wafers Pvt. Ltd. The authorities from Balaji Wafers addressed the students also explained them about health benefits and precautions needed for consuming and storing milk and milk products. After completing the students proceeded towards the National Salt Memorial- Dandi.



Prof. Priyanka Pradhan, Assistant Professor was being felicitated by CMA Mihir Vyas-Chairman, Baroda Chapter during awareness seminar organised by Baroda Chapter at Parul University on 11th July 2022.



CMA Dinesh Birla, Chairman WIRC is being felicitated during Seminar on “New Opportunities for Cost Accountants in Practice organised by Bhopal Chapter on 16th July 2022. Also seen CMAs Sanjay Kasliwal, Vikas Gour, Rakesh Malik, Basanti lal Malganya & Suresh Kumar Soni.



CMA Arpita Amol Fegde, CMA Neeraj Joshi, CMA P Raju Iyer President of ICAI, CMA Bhushan U. Pagere, CMA Chittaranjan Chattopadhyay CCM, CMA R. K. Deodhar, CMA Kailas Shinde during Seminar on Internal Audit in ERP Environment organised by Nasik Ojhar Chapter on 3rd July 2022.



CMA Arpita A. Fegde, CMA Dipak Jagtap , Mr. Nikhil Panchal President AIMA, CMA Dipak Joshi, CMA R.K.Deodhar & CMA Arifkhan Mansuri during GST Day Celebration organised by Nasik Ojhar Chapter on 1st July 2022.



CMA Nagesh Bhagane, CMA Chaitanya Mohrir, Adv Shailesh Sheth, CMA Neeraj Joshi, CMA (Dr.) Sanjay Bhargave, CMA Rahul Chincholkar CMA Shripad Bedarkar and CMA Shrikant Ippalpalli, during inaugural session of Fifth GST Day Celebration Conference organised by Pune Chapter on 2nd & 3rd July 2022 at MTDC Resort, Panshet.



CMA Dhananjay Kondhare felicitating speaker CMA (Dr.) Sanjay Bhargave during CEP organised by Pune Chapter on 22nd July 2022.



CMA Nanty Shah and CMA K.C. Gupta felicitating Shri Manish M. Bhatt (AGM- Sales & Marketing, Sumul) during Industry Visit organised by Surat South Gujarat Chapter at Sumul Dairy on 16th July 2022.



Industry Visit- Balaji Wafers organised by Surat South Gujarat Chapter

Glimpses of New Council Members' First Meeting - 30th July 2022



Felicitation of CMA Shriram Narayan Mahankaliwar, Newly elected Chairman, WIRC



Felicitation of CMA Vinayak Balkrishna Kulkarni, Newly Elected Vice Chairman of WIRC



Felicitation of CMA Ashish Bhavsar, Newly Elected Hon. Secretary of WIRC



Felicitation of CMA Chaitanya Laxmanrao Mohrir, Newly Elected Treasurer of WIRC



New Office Bearers of WIRC for the year 2022-23 along with the CCMs & RCMs

To,



If undelivered please return to:
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