

# CMA VIDYARTHI

सीएमए  
विद्यार्थी

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For CMA Students Only

November 2023



# Happy Diwali

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

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## *From the Desk of Chairman . . . . .*

Dear Students,

Greetings!

Wish you and your family a happy and prosperous Diwali.

The months of October was full of exciting events for members and students.

To start with, WIRC felicitated rank holders and successful students for Dec22 and June23 examinations. More than 700 students attended the ceremony at Mumbai. Similar programs were conducted at Nashik and Pune. It was a great pleasure for me to be part of these events and connect with next generation CMAs and students. It is always learning experience to talk with them and understand new technologies and trends. I highly appreciate their intelligence in various areas.

I whole heartedly congratulate Pune Chapter committee to reinitiate and host a grand cultural program after Students felicitation event. It made me feel nostalgic since I was active participant in my student days and organizer as a committee member.

Pre-campus placement program for successful final pass students were conducted at 3 locations, WIRC office Mumbai, at Pune Chapter and at Ahmedabad Chapter. The students got useful tips in these 12 days orientation program. Further to this, Campus placement has planned on 7th, 8th and 9th of November. I am sure the students will be benefited from the knowledge received in orientation program. Anticipating a great placement in this year!!

Exams are there in Dec 2023, I hope all of you already started studies. Last one month is very crucial, be positive and approach the exams with positive mindset.

After examination we will be having a Regional Students Cost Convention at Nashik program details will be shared very soon. We are planning to have a various competition including sports event. After examination start preparation for the SRCC. I am confident this event will be a grand success.

Once again all the best for the examination.

Thanks & Regards,

**CMA Chaitanya Laxmanrao Mohrir**  
*Chairman, ICMAI-WIRC*

## Communique Chief Editor. . 📩



Dear Students,

Festive Greetings!

“Do the best you can, Do what you can, with what you have, where you are, ‘It’s never too late to be what you might’ve been.”

I am happy to communicate with you through CMA Vidyarthi which we are restarting after a gap of one years. We are taking this initiative for the students’ Professional development.

WIRC Successfully Conducted Students Felicitation Programme organised for CMA Foundation, Intermediate & Final Completed in December 2022 & July 2023 term of Examination on 9th October, 2023 at Patkar Hall, Churchgate Mumbai. I assure you that you all are going to have a very successful & fulfilling professional life once you enter the world of CMAs.

WIRC organized session via MS Team on “Rising stars of CMA”, an initiative by Students Co-ordination Committee in which successful fresh CMAs shared their CMA journey with CMA fraternity. For the 1st time it was live on You Tube.

WIRC successfully conducted the 12 Days “Pre-Placement Orientation Programme” for Qualified Cost Accountants (June 2023 term) from 13th October to 22nd October 2023 at Mumbai, as per the Headquarter guidelines.

October 23 month was Navratri Festival month and WIRC Students Coordination Committee organised Garba Reel Competition. We have received wonderful response for the competition and I Congratulate all the winner of the Garba reel Competition. Also I congratulate Chapter Coordination Committee of WIRC for organising “Nine Avatar of Maa Durga” with Nine Eminent Speakers.

Technology is very important part for communication and 1st day of Navratri Festival WIRC launch its WhatsApp channel for members and students. I request all the students kindly join the channel for professional updates.

Upcoming exam in Dec-2023 will be in offline mode and I hope all of you have started preparation for the exam and I am sure you will succeed in the examination.

WIRC will be planning to start Revisionary lectures for few subject with ONLINE mode. We will share the update with you very soon.

WIRC will also be planning to launch MCQ Question Bank for students and will share the update very soon.

I urge the students to share knowledge by way of article to make E Vidyarthi Bulletin Knowledge Pack. We welcome suggestions and feedback for betterment of E Vidyarthi.

I wish all the Students and their family Members a very Happy Diwali!!!

**CMA Mihir Narayan Vyas**  
*Hon. Secretary, ICMAI-WIRC and  
 Chairman, Editorial Board &  
 Students Coordination Committee,  
 ICMAI-WIRC*



# Overcoming Cognitive Bias in Strategic Decision-Making, with AI

Vaidik V. Shahane

CMA Intermediate

*As we proudly say today, “Behind Every Successful Decision, there is always a CMA”*

Every choice we make has the potential to significantly shape the success of our organizations. However, our decision-making processes are often influenced by cognitive biases. These biases act as mental shortcuts, simplifying the decision-making process, but they can also steer us in the wrong direction. In this article, we delve into the transformative role of artificial intelligence (AI) in enhancing our decision-making abilities by mitigating the influence of these biases.

## Understanding Cognitive Biases:

Cognitive biases are like little bugs in our decision-making process. They make us take shortcuts, which can be useful, but they can also lead to problems. Some of these biases that can hinder with business decisions are Reasoning by Analogy, Illusion of Control, Escalating Commitment.

## The Role of AI in Business Decision-Making:

Think of AI like your super-smart business assistant. It's used by companies big and small to help make decisions that lead to success. AI is the secret weapon for making better business decisions.

## Here's how it can help:

- **Bias Detection:** It warns you if you're starting to make choices based on your beliefs instead of the facts.
- **Feedback Mechanisms:** It lets you know if your plans aren't working out so you can make better choices.

- **Behavioural Analysis:** AI watches how you behave and can tell you if you're acting too confidently or recklessly.
- **Automated Monitoring:** It keeps an eye on projects and tells you if things are going off track, so you don't waste time and money.
- **Data-Driven Decision Support:** AI looks at tons of data without any biases and helps you choose based on facts, not feelings.
- **Algorithmic Decision-Making:** AI can make choices based on rules, reducing the impact of your biases.
- **Natural Language Processing:** It understands what people are saying and tells you if there's any bias in their words.

By using AI to make decisions, we can be more accurate, less biased, and make choices that lead to better outcomes. However, there are Potential Challenges and Ethical Considerations that shall not be overlooked, AI is a great helper but it's not perfect. Sometimes, it can have its own biases. We need to use AI responsibly and make sure it doesn't lead us down the wrong path.

## Conclusion:

Cognitive biases can trip us up, but with AI by our side, we can make better decisions. AI can help us see the facts more clearly and avoid falling into the traps of our own thinking. So, the next time you're making a big decision, consider giving AI a helping hand to guide you toward a smarter choice.







# “Unlocking the Power of ChatGPT and AI: Revolutionizing Learning in the Digital Age”

Riya Kokate

CMA Intermediate

Nowadays, everything is going digital. Remember the days of planning a road trip or navigating through the complexities of public transportation with the help of paper maps? Those days are long gone. It is now simpler than ever to choose the quickest route, avoid traffic, and explore new locations thanks to navigation apps. This futuristic idea is already a reality because of Digitalization. The current industrial revolution known as the industry 4.0 can be related to both digitalization and artificial intelligence. Before understanding artificial intelligence, let's take a look towards the meaning of intelligence. “Intelligence means the ability to learn and solve problems.” This definition is taken from Webster’s dictionary. But the question here arises is how much intelligent should the computers be made? And the most adequate answer to this is as intelligent as humans. What if somehow computers could solve real world problems? Yes, they would be called intelligent. Artificial could be understood as copy of something natural or real. This could be a way to easily understand “Artificial intelligence”.

AI is becoming more and more integrated into our daily lives, as it helps us with various tasks and activities. Some examples of AI could be:

- 1) **Chatbots:** Chatbots are computer programs that can interact with humans using natural language. They can provide information, entertainment, customer service and also help in solving day to day problems.
- 2) **Face ID:** Face ID is a feature on iPhones that allows users to unlock their phones using their face. It creates a 3D map of your face with the use of AI.
- 3) **Google Navigation:** Google Navigation is a feature on Google Maps that uses AI to provide the best route and traffic information based on the user’s location and destination
- 4) **Banking and Finance:** Banking and Finance sectors use AI to provide Customer Service, detect frauds and automate transactions.

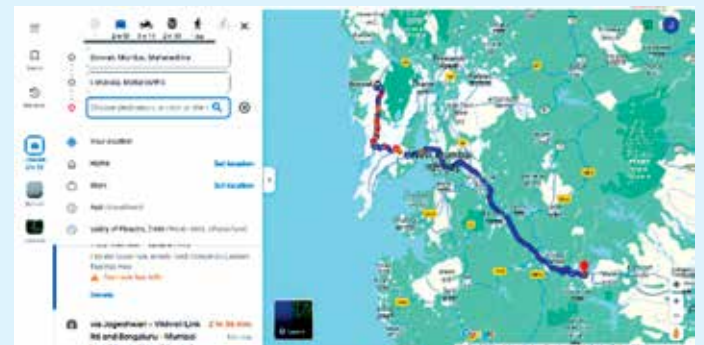
AI is best at replacing manual tasks and alleviating the burden of repetition. ChatGPT is an AI-powered language model developed by OpenAI. It is a chatbot that can talk to you and help you with various tasks. There are many possibilities and applications of ChatGPT in our day-to-day learning process.

One can start with creating a curriculum. You can ask ChatGPT to design a learning plan for you based on your needs and preferences. However, ChatGPT does not create a curriculum for study by itself. You need to provide it with clear and specific points that indicate what you want to learn and how you want to learn

it. For example, you can ask ChatGPT to explain a concept. ChatGPT is a powerful tool that can enhance your educational experience, but it is not a substitute for a teacher or a textbook. You should always verify the accuracy and reliability of the information provided by Chat GPT.

Another way of using ChatGPT could be asking for an example regarding a particular topic. This way of learning with the help of examples can provide more conceptual clarity in theoretical subjects. ChatGPT can also help in suggesting educational videos of different professors available on various platforms as per your requirements.

Testing your caliber with the help of ChatGPT could be done by creating personalized exercises with clear and brief prompts that indicate what kind of exercises you want and for what topic. For example, you can ask ChatGPT to generate a quiz, a fill-in-the-blank exercise, a crossword puzzle, or a word search for a particular topic or concept. You can also specify the difficulty level, the number of questions, the format, and the feedback options for the exercises. You can also create your own prompts based on your learning objectives and preferences. ChatGPT will use its knowledge and creativity to respond to your prompts and generate personalized exercises for you. Daily Practice of different interactive and interesting way of practicing can help with objectives during examination period. Such Personalized exercises can be shared with other aspiring students to help them with their preparation as well.



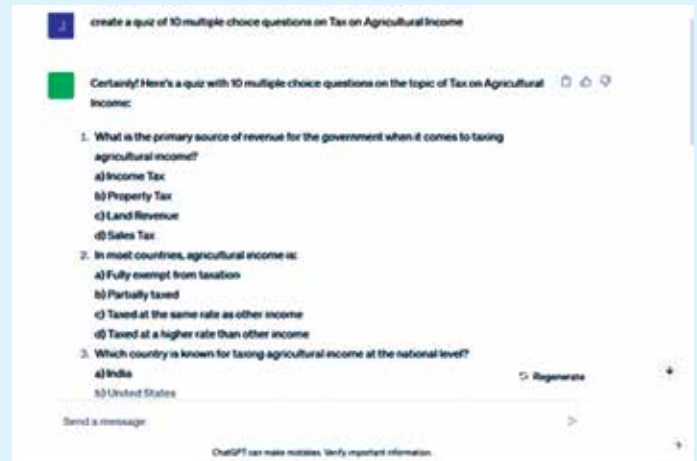
Whereas ChatGPT is not a reliable source for studying practical subjects like accounting, as it may not be accurate or consistent with the rules and standards of accounting. ChatGPT is not a substitute for learning. It may give you answers that are superficial or irrelevant, without explaining the logic or reasoning behind them. ChatGPT for Practical subjects can only be used as a verification tool in some cases wherein you can compare your answers with its answers and identifying the gaps

or errors in your understanding. Therefore, I suggest you use ChatGPT as a supplement to your learning, not as a replacement. You can use it to generate notes, understand concepts, or practice your skills.

At the end I would like to list down some challenges faced while using ChatGPT for learning purposes:

- 1) In some cases, ChatGPT may not be able to handle complex or specialized topics or questions.
- 2) It may facilitate plagiarism or academic dishonesty if not used properly.
- 3) It might not reflect your own writing style.
- 4) It is not always trustworthy when it comes to giving you factually correct information.

The purpose of this article was to identify effective strategies for learning with the help of ChatGPT. Based on the analysis conveyed, it can be concluded that there are multiple possibilities for self-evaluation. In terms of clarity, the main statements made in this article provides a clear summary of the role of Artificial Intelligence and ChatGPT in our day-to-day usage for learning.



#### Reference:

- 1) <https://medium.com/@kc471044/digitalisation-in-daily-life-d7e3581ca07b>
- 2) *Artificial Intelligence | An Introduction - GeeksforGeeks*
- 3) *AI in daily life. Examples of artificial intelligence in everyday life. (exponenta.io)*
- 4) *Using ChatGPT for Assignments | Tips & Examples (scribbr.com)*

# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

## TIME TABLE & PROGRAMME – DECEMBER 2023

### FOUNDATION COURSE EXAMINATION

(Multiple Choice Questions through offline OMR based from Centre)

Day & Date	Foundation Course Examination Syllabus-2016	
	Time 10.00 A.M. to 12.00 Noon. Paper – 1 & 2 (200 Marks)	Time 2.00 P.M. to 4.00 P.M. Paper – 3 & 4 (200 Marks)
Sunday, 17th December 2023	<b>Paper – 1</b> : Fundamentals of Economics & Management (100 Marks 50 Multiple Choice Questions)	<b>Paper – 3</b> : Fundamentals of Laws & Ethics (100 Marks 50 Multiple Choice Questions)
	<b>Paper – 2</b> : Fundamentals of Accounting (100 Marks 50 Multiple Choice Questions)	<b>Paper – 4</b> : Fundamentals of Business Mathematics & Statistics (100 Marks 50 Multiple Choice Questions)
	Foundation Course Examination Syllabus-2022	
	<b>Paper – 1</b> : Fundamentals of Business Laws and Business Communication (100 Marks 50 Multiple Choice Questions)	<b>Paper – 3</b> : Fundamentals of Business Mathematics and Statistics (100 Marks 50 Multiple Choice Questions)
	<b>Paper – 2</b> : Fundamentals of Financial and Cost Accounting (100 Marks 50 Multiple Choice Questions)	<b>Paper – 4</b> : Fundamentals of Business Economics and Management (100 Marks 50 Multiple Choice Questions)



# A new perspective on switching to Green Energy

**Kalyani Borkar**

*CMA Completed*

In an ever advancing technological world, we are now facing a defining challenge of climate change. In order to combat this pressing issue of climate change, there is a growing consensus that we must shift away from fossil fuels and embrace renewable sources of energy at the earliest. The next decade shall be a pivotal period for making the switch to green power. Undoubtedly, this transition poses numerous benefits for the world economy. However, it also comes with its own array of challenges that often go unnoticed by the public, at large. In this article, we will explore the undeniable need for green energy while highlighting the potential problems that we may face along the path.

The numerous benefits of Green Energy are widely known to all include:

1. Reduced Carbon Footprint.
2. Lower energy costs.
3. Sustainable development.
4. Reduced operational costs.
5. Economic growth.
6. Energy Independence.

As a layman, these are the only points known to us. The only opinion we, as individuals, ever have is that green energy is the best thing for the future and needs to be implemented as early as possible. However, what one tends to miss are the difficulties we shall face while transitioning to renewable energy. This transition to green power is likely to cause over a million job cuts by the year 2050. As stated in one of the articles in Money control, "If plans were implemented to phase down coal to limit global warming to 1.5 degrees Celsius (2.7 degrees Fahrenheit), only 250,000 miners - less than 10 percent of the current workforce - would be required worldwide, the GEM report stated". (i)

Some of the other problems to address while transitioning to Green Energy are:

1. Huge initial costs for setting up of infrastructure

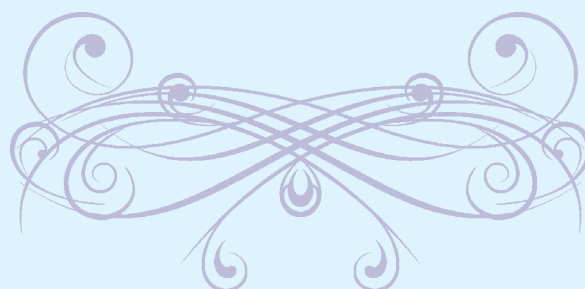
2. Availability of newer resources needed
3. Dependency on weather, time of day, seasons etc
4. Storage of energy may become costly and/or difficult
5. Change in land use, potential disruption of existing ecosystem

In view of these challenges, the International Labour Organisation (ILO) has coined the term 'Just Transition' to define the framework and principles that aim to ensure that the transition to a greener, more sustainable economy does not leave workers and communities behind. It recognizes that in this transition to a greener economy, there may be significant economic and social consequences. It focuses on making this transition in such a way that no group of workers or people is left behind.

Some of the key elements of a Just Transition include:

1. Ensuring that workers are not left unemployed or economically disadvantaged due to shutting down of certain carbon intensive factories or mines etc as a result of shifting to green energy.
2. Considering the social and economic impacts of transitioning to renewable energy.
3. Ensuring fair and equitable distribution of burdens and benefits.
4. Understanding the broader impact on industries that are heavily reliant on coal mining or fossil fuel production.
5. Heavy investment in local economies, infrastructure and services.

Ultimately, just transition is just about ensuring that the path to a more sustainable future is a fair and inclusive one. In the next ten years or so, switching to a sustainable source is undeniably the solution to climate crisis and the time to act on it is now. The benefits are well worth the effort but let us also ensure that it is just as well.







# Reverse Charge Mechanism (RCM) Under GST Regime

Suyog Malpure

CMA - Final

In the Era of Development, upgradation and adoption of new technology, etc. PM Modi's Govt. planned to impose the new Goods & Services Tax (GST) Act in the whole extent of India which ultimately reduced double taxation & the burden of 17 different types of indirect Taxes borne by the various taxpayers. We must say Government has made a perfect implementation of Tax system through GST as it covers all the types of Transactions & those who are not covered in Regular Tax structure they have tried to cover all those in RCM.

## What is Reverse Charge Mechanism (RCM) :

In GST Era, which was implied from 1st of July 2017 payment of taxation was bifurcated in two major parts which clears the view of taxpayer, Reverse charge Mechanism (RCM) & Forward Charge Mechanism (FCM) are those two heads where a particular tax payer get to know where they belongs & their responsibilities for payment of Taxes.

Usually in GST, Tax Liability is paid by the supplier for any kind of supply of goods or services, But under some circumstances where recipient of that particular goods & services are liable to pay the Tax liability to the government are said to RCM transactions.

Lets try to focus on those transactions which falls under impact of RCM :

## Supply of Certain goods attracting RCM liability :

As per section 9(3) of CGST Act, 2017 & the specified list issued by the CBIC determines following items where RCM liability falls on recipient of Goods. This list includes the items which are mostly produced by conducting agricultural activities like Cashew Nuts, Bidi (Tendu) Leaves, Tobacco Leaves, Raw Cotton Silk which are can produced & supplied by any agriculturist but taxable in the hands of recipient, here it can said as government allowing some deductions to promote production of such goods at farmers side.

Continuing this, Supply of Lottery is earlier taxed at 31.2% (incl. Surcharge & Cess) as per Income Tax Act, 1961 but after CBIC's inclusion supply of Lottery attracts RCM in the hands of distributors & agents. Not ending with this, supply of old, seized or any detained goods by the any government or local authority will be liable to liability under Reverse Charge mechanism by the buyer of such goods. Such goods may include used vehicles, waste products or Scrap.

## Supply of Certain services attracting RCM liability:

As per section 9(3) of CGST Act, 2017 & the specified list issued by the CBIC determines following items where RCM liability falls on recipient of Services. Service

category includes all such transactions where GST implementation & tax collection is bit difficult, In short it finds out the unorganized structure sectors & collects taxes from such business models through RCM mode. Many transactions in Service Category had Litigation's, contradictory & consequences, but GST council, CBIC & Supreme Court of India resolved those time to time which gave justice to taxpayer. Following are those transaction which are summarized in few points :

## a) Services by Transport Mode :

Basically, Transport are divided in two parts GTO & GTA (i.e. Goods Transport Operator & Agent) were Operator is kept outside the purview of GST & GTA are being taxed at 5% but depending upon following circumstances :

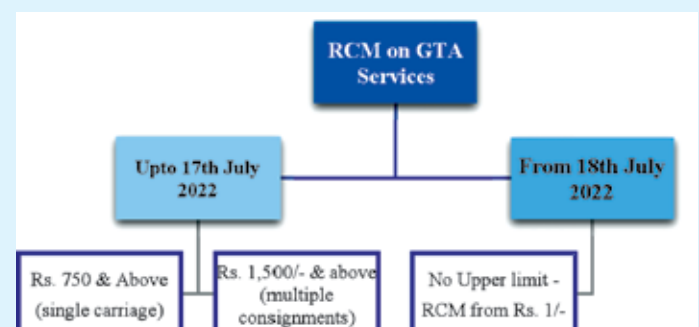
### i) Single Consignee

When Transporter is not carrying goods of any other consignees in a particular transporting vehicle, in that case if value so such service exceeds Rs. 1,500/- then recipient of such goods is liable to pay tax under RCM @5% on total value of Lorry Receipt.

### ii) Multiple Consignee

When Transporter is carrying goods of multiple recipients (consignees) in a single transportation vehicles in such cases 5% RCM on total value of Consignment note if it exceeds Rs. 750/-

But from w.e.f. 18th July 2022 and as per notification 03/2022-Central Tax (Rate) issued by CBIC, Exemption of both Rs. 750/- & Rs. 1,500/- has been omitted & brought down to zero Rupees. In simple way start from Rs. 1/- RCM will be applicable on any type consignment.



## b) Legal Services

If legal services are rendered by an advocate, senior advocate, group or firm of advocate, then recipient will be paying tax @18%. This will not include legal services from foreign lawyers, because they are not



on roll of advocates of any bar councils in India. But there's pending decision from GST Council & CBIC on Taxability of service provided by any senior advocate to advocate.

#### c) Sponsorship

Sponsorship received by any business corporate of firm are liable for RCM payment @18% Similarly like other points, clarification on in-kind sponsorship or any type of sponsorship except cash are not yet cleared.

#### d) Services by any Government

It includes any types of services received by Central, State or Union Government or any Local Authority to be taxed at 18%

#### e) Service by Director

A Director of any body corporate or any company providing any services may be in assistance or courtesy but such transaction are taxed @18% if consideration is received against such services.

#### f) Services provided by Artist

Any service by any artist like music composer, author, photographer, designer or any other like, allowing any producer, music company, publisher who puts up or releases idea or creativity are payable 18% of Tax.

#### g) Security Services

Any registered person located in taxable territory receiving security services from any type of person shall pay tax under reverse charge mechanism @18%

#### h) Residential Dwelling

Renting of residential property was being covered under GST from 18th July 2022 vide notification no. 05/2022 - Central Tax (Rate). before this notification Landlord was liable to pay tax if the total turnover from providing such services exceeds Rs. 20 Lakhs p.a. But after this amendment, Tenant is required to pay RCM @18 %. Also, ITC in respect of such tax payment is not eligible.

You can refer to the following table for better understanding to know the exact responsibility of GST liability.

Sr. No.	Landlord under GST	Tenant under GST	Applicability of GST
1	Unregistered	Unregistered	Not Applicable
2	Registered	Unregistered	Not Applicable
3	Unregistered	Registered	GST @ 18% Payable by Tenant
4	Registered	Registered	GST @ 18% Payable by Tenant

But from January 1st, 2023 as per the clarification issued by the CBIC proprietor of sole proprietorship registered under GST takes residential property on rent for residential purpose in his personal capacity, hence GST will not be applicable.

#### i) Renting of Motor vehicles

Renting of commercial motor vehicles by any person are liable to pay RCM @ 5% inspite of Supplier's type of person on another hand Input Tax Credit on such payment is blocked under Sec 17(5) of CGST Act, 2017

#### j) Import of service

RCM is charged on the services rendered in India by the foreign service provider, It can be related to any sector, relating to this a common & most popular dispute was raised since implementation of GST whether RCM is applicable of Transportation (freight) charges on CIF or FOB basis import shipments of goods.

Earlier Tax on Ocean Freight was previously payable as per the notification no. 10/2017 - Integrated Tax (Rate) dated 28th June 2017 (Sr. No.10). However recently this provision was challenged & the Honorable Supreme Court has turn around the

decision in the favour of assessee by stating such levy of IGST on ocean freight is UN-constitutional [Mohit Minerals (P) Ltd. vs Union of India]. Further CBIC has officially withdrawn this entry from respective notification via vide notification no. 13/2023 - Integrated Tax (Rate) dated 26th Sept 2023, effective from 1st Oct 2023.

This could be also said as the highest ever time taken decision by GST Council & CBIC in history of GST. Such decision were earlier challenged in the High Court of Gujarat and such decision was also in the disregard of GST council on implementation of unlawful Tax imposing on Assessee also ordered Government to refund the amount of Tax paid on Ocean Freight [Louis Dreyfus Company India (P) Ltd. vs Union of India]

So these were few services / transaction occurs frequently in regular business activity among the specified list of CBIC. Hope this explanation have cleared you view regarding the applicability, changeability & thoroughly meaning of RCM concept as per CGST & IGST Act, 2017

For more better understanding here's at a glance view of all specified Goods & Services attracting Tax through Reverse Charge Mechanism.

**(i) Goods**

Sr. No.	Description of Goods	Supplier of Goods	Recipient of Goods
<b>[Impact of Tax Liability (RCM)]</b>			
1	Cashew Nuts, not shelled or peeled	Agriculturist	Any registered person
2	Bidi wrapper leaves (Tendu)	Agriculturist	Any registered person
3	Tobacco Leaves	Agriculturist	Any registered person
4	Raw Cotton	Agriculturist	Any registered person
5	Silk Yarn	Any manufacturer of silk yarn or raw silk	Any registered person
6	Supply of Lottery	State Govt., Union Territory, or any Local Authority	Lottery distributor or selling agent
7	Used vehicles, seized & confiscated goods, old & used goods, waste & scrap	Central Govt., State Govt., Union Territory, or any Local Authority	Any registered person

**(ii) Services :****a) As per 9(3) of CGST Act, 2017**

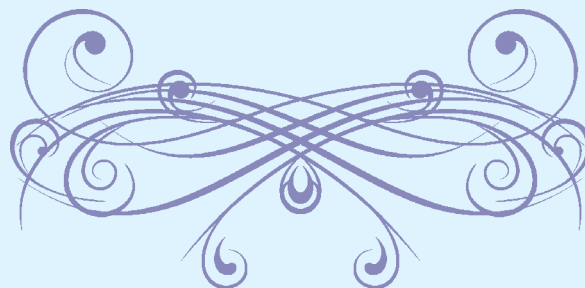
Sr. No.	Description of Services	Supplier of Services	Recipient of Services [Impact of Tax Liability (RCM)]
1	Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road	Goods Transporter Agency	Any registered person
2	Services provided by the way of legal services	Advocate or Firm of Advocates	Any business entity located in taxable territory
3	Services supplied by an arbitrary tribunal	An Arbitrary Tribunal	Any business entity located in taxable territory
4	Services provided by the way of sponsorship to anybody	Any types of person	An body corporate or firm
5	Services supplied by any government or any local authority to a business entity excluding : a) Renting of immovable property b) Services by Dept. of Post c) Services in relation to aircraft or vessel, inside or outside precincts of port or airports d) Transport of goods & passenger	Central Govt or State Govt. or Local Authority	Any business entity located in Taxable Territory
6	Renting of a residential dwelling to a registered person	Any persons	Any Taxable person
7	Services supplied by any person by way of transfer of development rights or Floor Space Index (FSI) (including additional FSI) for construction of a project by a promoter.	Any persons	Promotor
8	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate.	The company or a body corporate located in the taxable territory.
9	Services supplied by an insurance agent to any person carrying on insurance Business	An Insurance Agent	Any person carrying on insurance business
10	Services by way of transfer or permitting the use or enjoyment of a copyright covered under section 13(1)(a) of the Copyright Act, 1957	Music Composer, Photographer, Artist, Author or like.	Music Company, Producer, or like

11	Supply of services by the members of Overseeing Committee to Reserve Bank of India.	Members of the Overseeing Committee constituted by the RBI	Reserve Bank of India
12	Services of lending of securities under Securities Lending Scheme, 1997 of SEBI	Lender	Borrower
13	Services supplied by Individual Direct Selling Agents	Individual's Direct Selling Agents (DSA's)	A Banking Company or NBFC
14	Services provided by business facilitator to a banking company	Business Facilitator	A Banking Company or NBFC
15	Services provided by the way of securities	Any person	Any registered person
16	Services provided by way of renting of a motor vehicle	Any person	Any registered person
17	Radio taxi or passenger transport services provided through an e-commerce operator	Taxi Driver or rent-a-cab operator	Electronic Commerce Operator
18	Providing accommodation services in hotels, guest houses, inns, campsites, clubs or any space utilized for the purpose of lodging & rental residential.	Any person except person supplying such services through E-Com is liable to register under GST Act	Electronic Commerce Operator
19	Any type Housekeeping services	Any person except person supplying such services through E-Com is liable to register under GST Act	Electronic Commerce Operator

The list of services as notified under the CGST Act is replicated under IGST Act also. In addition to the same, following two additional services are notified under IGST Act.

b) Category of services on which IGST has to be paid under RCM.

Sr.No.	Description of Services	Supplier of Services	Recipient of Services [Impact of Tax Liability (RCM)]
1	Any service supplied by any person who is located in non-taxable territory to any person other than a non-taxable online recipient.	Any person located in a non-taxable territory.	Any person located in the taxable territory other than a non-taxable online recipient.
2	Services supplied by a person located in the nontaxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India.	Any person located in a non-taxable territory.	Importer, as defined in clause (26) of section 2 of the Customs Act, 1962, is located in the taxable territory







# Tax Implications of Virtual Digital Assets

**A. Samanvita**

*CMA - Final*

The taxation of virtual digital assets is a topic that has gained significant attention in recent years. As the popularity and use of crypto currencies and other virtual assets continue to grow, governments around the world are grappling with how to regulate and tax these new forms of wealth.

Virtual digital assets such as crypto currencies are not exempt from taxation. In fact, many countries have implemented specific regulations and guidelines for taxing these assets. It is important for individuals and businesses involved in the buying, selling, or trading of virtual digital assets to understand their tax obligations.

One key aspect of taxation is identifying taxable events related to virtual digital assets. These can include transactions such as buying or selling crypto currencies, exchanging one crypto currency for another, or using crypto currencies to purchase goods or services. Each of these events may trigger a tax liability. Lets us understand the taxation of crypto currencies in India with two different tax regimes present:

- Direct Taxation (Income tax)
- Indirect taxation (GST)

## 1) Direct Taxation Regime (Income Tax)

In 2022 the Union Budget has cleared its stand that it is not going to prohibit Indians from dealing in Crypto currencies but to regulate it. Various provisions have been proposed in the Income-tax Act to regulate investments in crypto currencies, NFTs or other virtual digital assets. These provisions are applicable from the assessment year 2023-24. Thus, any transfer of a virtual digital assets on or after 01-04-2022 shall be taxable as per new provisions proposed by the Finance Bill, 2022.

### 1.1 Meaning of Virtual Digital Asset [Section 2(47A)]

A new clause (47A) has been inserted in Section 2 to provide an exclusive meaning of Virtual Digital Asset.

#### It means:

- (a) Any information or code or number or token (not being Indian currency or foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme; and can be transferred, stored or traded electronically;

- (b) Non-fungible Token (NFT) or any other token of similar nature, by whatever name called;

- (c) Any other digital asset, as the Central Government may, by notification in the Official Gazette specify.

In simple words, the virtual digital asset shall mean a crypto currency, NFT or another virtual digital asset as notified by the Central Govt. It will not cover subscriptions to any OTT platform, mobile applications, e-commerce platforms, etc.

### 1.2 Classification of Virtual Digital Asset

The Govt. did not clarify if the virtual digital assets will be a currency, commodity, or security. In the absence of any such clarification, the virtual digital asset should be classified as a capital asset.

In view of Section 2(14) of the Income-tax Act, a capital asset means

*“Property of any kind held by a person, whether or not connected with his business or profession. The term ‘property’ has no statutory meaning, yet it signifies every possible interest that a person can acquire, hold, or enjoy.”*

Therefore, crypto currencies or NFTs should be deemed capital assets, if purchased for investments by the taxpayers. Therefore, any gain arising on the transfer of such assets shall be taxable as capital gains. However, if the transactions in such assets are substantial and frequent, it should be held that the taxpayer is trading in such assets. In this case, income from the sale of such assets should be taxable as business income.

### 1.3 Taxation under the Head Capital Gains [Section 115BBH]

If gains arising from the transfer of virtual digital assets are treated as capital gains, their further classification into short-term or long-term gains would depend upon the period of holding of such assets.

If a virtual asset is held for more than 36 months from the date of purchase, it will be considered a long-term capital asset; otherwise a short-term capital asset.

### 1.4 Computation of capital gains

The capital gains from the sale of virtual digital assets shall be computed in the following manner:

Particulars	Amount
Full value of consideration	xxx
Less: Cost of acquisition	(xxx)
Long-term capital gains/Short-term capital gains	XXX

Section 115BBH(2)(a) provides that no deduction in respect of any expenditure (other than cost of acquisition) or allowance or set off of any loss shall be allowed to the assessee under any provision of this Act in computing the income referred to in Section 115BBH(1)(a).

In other words, while computing the short-term or long-term capital gains, except the cost of acquisition, no other deduction or exemption shall be allowed. Thus, the following items shall be ignored while computing the capital gains from the transfer of virtual digital assets:

- (a) Expenditure incurred in connection with the transfer of a virtual digital asset; (b) Cost of improvement relating to a virtual digital asset;
- (c) Indexation of cost of acquisition of a virtual digital asset;
- (d) Exemption under Section 54F.

### 1.5 Tax rates on capital gains

As per Section 115BBH (1), the income arising from the transfer of virtual digital assets shall be taxed at the rate of 30%. Thus, short-term and long-term capital gains both shall be taxed at a flat rate of 30%. Further, no deduction under Chapter VI-A or an exemption under Section 54F shall be allowed from such capital gains. However, relief under Section 87A can be claimed.

### 1.6 Taxation under the Head Business Income (PGBP)

If the transactions in virtual digital assets are substantial and frequent, it should be held that the taxpayer is trading in such assets. In this case, income from the sale of such assets should be taxable as business income. The gains (without deduction of any expense or allowance) shall be taxable at the flat rate of 30% plus surcharge and cess.

### 1.7 Taxation under the Head of other Sources [Section 56(2) (x)]

Section 56(2) (x) applies when any person receives any benefit whose value exceeds Rs. 50,000. This provision is applicable notwithstanding the residential status or class of assessee. The donor or donee can be an individual, partnership firm, LLP, company, AOP, BOI, co-operative society or artificial juridical person, whether resident or non-resident.

The deemed income under this provision arises from the following transactions: (a) Receiving monetary benefits without consideration;

- (b) Receiving immovable property without consideration or for inadequate consideration; and
- (c) Receiving specified movable properties without consideration or for inadequate consideration.

### Benefit arising from movable property

The deemed income under this provision can arise from the following transactions:

- (a) Where any property is received without consideration and the aggregate fair market value of which exceeds Rs. 50,000, the whole of the aggregate fair market

value of such property will be chargeable to tax.

- (b) Where any property is received for a consideration that is less than the aggregate fair market value of the property by an amount exceeding Rs. 50,000, the difference between fair market value and consideration is chargeable to tax. In both the situations, the limit of Rs. 50,000 shall be checked for every transaction and not in aggregate of all transactions.

This provision is applicable to any property in the nature of shares and securities, jewellery, archaeological collections, drawings, paintings, sculptures, any work of art, or bullion. Where the transaction involves any other movable property, excess of consideration over the fair market value shall not be chargeable to tax.

The Finance Bill, 2022 proposes to include virtual digital assets within the scope of movable assets. Thus, after the amendment, Section 56(2) (x) shall apply to the following properties:

- (a) Shares and securities;
- (b) Jewellery;
- (c) Archaeological collections;
- (d) Drawings;
- (e) Paintings;
- (f) Sculptures;
- (g) Any work of art;
- (h) Bullion; and
- (i) "Virtual Digital Assets."

Thus, if a person receives a virtual digital asset without consideration (gift) or for inadequate consideration and the value of such benefit exceeds Rs. 50,000; it shall be taxable in the hands of the recipient under Section 56(2) (x) as income from other sources.

### 1.8 Determination of fair market value of virtual digital assets

The fair market value of the virtual digital asset for taxability under Section 56(2) (x) shall be determined in accordance with Rule 11UA or if it is purchased from registered dealer then the invoice value of such asset shall be its fair market value.

#### If received in other mode (i.e. data mining)

In case the virtual digital assets are received by any other mode (i.e., data mining, etc.) the fair market value of such asset shall be estimated to be the price that it would fetch if sold in the open market on the valuation date. If the value of such asset exceeds Rs. 50,000, then the assessee may obtain the report of the registered valuer in respect of the price it would fetch if sold in the open market on the valuation date.

The value of the benefit arising under this provision shall be taxed at the rate applicable to the assessee. Such income shall not be taxed at 30% under Section 115BBH because it does not arise due to the transfer of a virtual digital asset. However, when the recipient further transfers such assets, the resultant gains shall be taxable under Section 115BBH.

### 1.9 Deduction of Tax at Source [Section 194S]

A new Section 194S has been proposed to be inserted in Income-tax Act for the deduction of tax from the payment of consideration on the transfer of virtual digital asset. This provision is applicable from 01-07-2022.

Any person responsible for paying any sum by way of consideration for the transfer of a virtual digital asset is required to deduct tax at source.

Tax is required to be deducted under this provision if the amount is payable to a resident person.

Tax is required to be deducted at the rate of 1% of the consideration. The rate shall not be further increased by Surcharge and Health & Education Cess.

If the deductee does not furnish his PAN to the deductor, the tax shall be deducted at the rate of 20% as prescribed under Section 206AA.

*or forming part of the land which are agreed to be severed before supply or under a contract of supply;*

If we carefully go through the definition of goods, we can find out that crypto currency is not a movable property; it is not even an actionable claim. Hence, we cannot classify the same as goods.

Section 2(102) of the Central Goods and Service Tax Act defines service as follows:-

*“services” means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.*

Explanation. — It is clearly clarified that the expression “services” includes facilitating or arranging transactions in securities;

The services’ definition explicitly states that whatever is not good but it is a service, so crypto currencies should be classified as services.

## 2) INDIRECT TAX REGIME (GST)

In this era where we see the boom of crypto currency, it is pertinent to go into its roots to identify its taxability both under Income Tax Act and the Goods and Service Tax Act. Now we have completed the direct taxation, now let’s understand the taxability under the goods and services tax act.

### 2.1 Crypto currencies classified as securities-excluded from GST? Let us examine how securities are being defined in the act.

As per section 2(101) of the Central goods and services tax act, 2017, securities are

*“securities” shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956). It is a well-known fact that crypto currencies are not covered under any act, so the question of getting covered under the securities contracts (Regulation) Act, 1956 is out of context. Hence, crypto currency cannot be classified as securities.*

### 2.2 What is its stand in GST, whether it is goods or services?

As per section 2(52) of the Central Goods and Service Tax Act, Goods are being defined as follows:-

*“goods” means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to*

### 2.3 Taxation of Crypto currency

The seller of crypto currency or digital assets must collect GST from the buyer and deposit it with the government. There is no defined HSN Code and GST Rate for digital assets. Thus, HSN Code 960899 under the category ‘others’ with a tax rate of 18% can be used for reporting the sale of crypto.

### 2.4 Why is there so much discussion for whether it is a service or goods?

Yes, there is a lot of discussion about whether crypto currency is a service or a good because under GST point of taxation is different for services and goods. There is also a different basic exemption limit being assigned both to the goods and services. Further taxation under the reverse charge mechanism is different under goods and services, and hence, this would make a lot of difference.

### Conclusion:

We know that the dust on taxation of crypto currency under the Income Tax Act is settled by levying Income Tax on the gain u/s.115BBH. But we don’t know that the air on the taxation under GST is not settling anytime soon unless the government comes up with detailed legislation on the same.







# Taxability of Virtual Digital Assets

**Manthan Deepak Thakkar**

*CMA - Final*

## 1. Introduction.

Bitcoin was the first crypto currency to hit the market in year 2009, and it was invented by a person Satoshi Nakamoto. After that several crypto currencies were launched, some of the most popular crypto currencies are Bitcoin, Ethereum, Bitcoin Cash, Litecoin etc. As per various estimate, more than 7500 crypto currencies exist as on January 2022.

As per recent study, The National Association of Software and Service (NASSCOM), the crypto currency market in the country is expected to grow exponentially this decade. Precisely, the digital currency industry is expected to reach \$241 million in India by Year 2030.

Further study also adds that more than 60% of states in India are emerging as crypto hubs while more than 15 million retail investors are actively trading digital assets in Country.

Taking into consideration about above estimates and study GOI has introduced taxability of virtual digital assets in Finance Bill 2022 w.e.f. 1st April 2022.

## 2. What Is Virtual Digital Assets

- As Per Income Tax Act any
    - any information or code or number or token, not being Indian currency or foreign currency generated through cryptographic means or otherwise, by whatever name called providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value or a functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme; and can be transferred, stored or traded electronically;
    - a non-fungible token or any other token of similar nature, by whatever name called by;
    - any other digital assets, as the central government may, by notification in the official gazette specify;
- Provided that the central government may, by notification in the official gazette, exclude any digital assets from the definition of Virtual Digital Assets subject to such condition as may be specified therein.
- “Crypto and Non-fungible token are defined as Virtual Digital Assets (VDA’s)”

Provided that the central government may, by notification in the official gazette, exclude any digital assets from the definition of Virtual Digital Assets subject to such condition as may be specified therein.

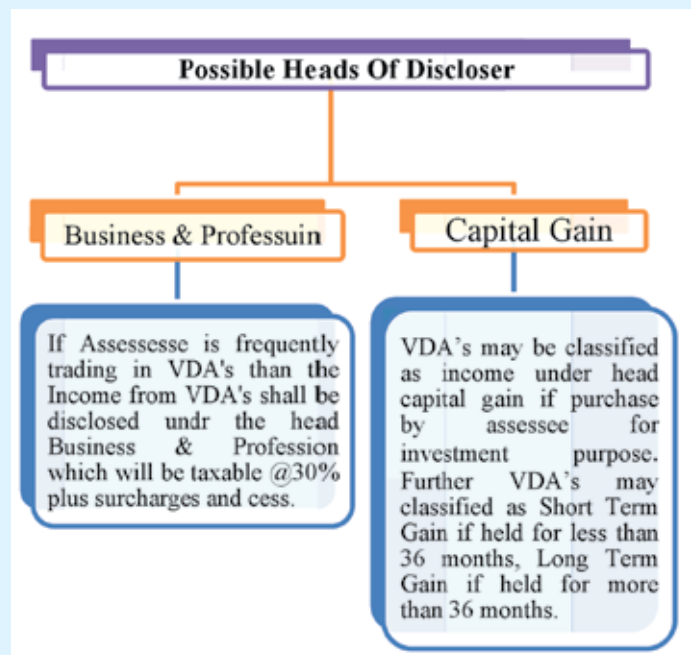
“Crypto and Non-fungible token are defined as Virtual Digital Assets (VDA’s)”

## 3. Understanding Discloser and Taxability of VDA's

Finance Bill 2022 doesn't clarify under which head of Income, Income from VDA's shall be taxable or

disclosed, but clarify tax rate and disallowance u/s 115BBH:

- As per Sec 115BBH income resulting from transactions in VDA's on and after 1st April 2022 shall be taxed at a flat rate of 30%.
- Deduction only in respect of Cost of Acquisition of VDA's from consideration received will be allowed.
- No deduction in respect of an expenditure or allowance or set off of losses shall be allowed to assesses under any of the provision of this Act in computing income.
- Carry forward of losses generating from transfer of VDA's shall not be allowed to assesses under any of the provision of this Act in computing income.
- For the purpose of this section the word “transfer” as defined u/s 2(47) shall apply.



## Applicability of TDS U/s 194S

Finance Bill 2022, introduce Sec 194S in Income Tax Act, which is effective from 1st July 2022.

Virtual Digital Assets include crypto currencies & non-fungible token. TDS is applicable at the rate 1% if transaction in More than ₹ 10000/- or ₹ 50000/- in case of specified person, in a particular year.

Here Specified person refers to:

- Individual or HUF who does not have income under business and profession
- Individual or HUF having business income up to ₹ 1 crore

- Individual or HUF having professional receipt up to ₹ 50 lakh

### 1. Who is liable to deduct TDS?

In peer-to-peer transaction, the buyer is required to deduct TDS u/s 194S

If the buyer is non-specified person, the tax shall be deposited as per TDS provision and statement shall be filed in Form 26Q, if the buyer is a specified person, the tax shall be deposited, and the statement shall be filed through a challan-cum-statement in Form 26QE

### 2. How to deduct tax if the consideration is in kind?

If consideration for transfer of VDA's is in kind or partly in kind and case is not significant to meet the TDS liability, then person responsible to pay such consideration is required to ensure that the Tax must be deducted and paid before payment of consideration.

The liability in such a case may be discharged either by the payer or by the payee himself.

The CBDT has clarified that where the payee (i.e., seller) himself pays tax, the buyer will release the consideration in kind after the seller provides proof of payment of such tax, i.e., challan details, etc. This would be then required to be reported in the TDS statement along with the challan number. Form 26Q and Form 26QE have included provisions for reporting such transactions.

### 3. How to deduct tax in case of exchange of VAD's?

In the case of exchange of VDAs, the transfer of VDAs shall happen from both sides, i.e., the buyer as well as the seller. Thus, in such cases, both buyer and seller shall be liable to deduct tax at source.

Buyer → Broker → Exchange → Broker → Seller

Both need to pay tax with respect to transfer of VDA and show the evidence to other so that VDAs can then be exchanged. This would then be required to be reported in TDS statement along with challan number. Form 26Q and Form 26QE have included provisions for reporting such transactions.

### 4. Will the amount of consideration for transfer of VDA's include GST?

The CBDT has clarified that the TDS shall be on consideration for transfer of VDA less GST.

### 5. Weather TDS U/s 194Q also be applicable on the Transfer of VDA's?

The CBDT has clarified that once tax is deducted u/s 194S, tax would not be required U/s 194Q.

Computation of Income from Transfer of Virtual Digital Assets/Non-fungible Token

Particular	₹ Amount
Sales Consideration	XXXX

Less: Cost of Actuation	(XXXX)
Income from Transfer of Virtual Digital Assets/Non-fungible Token	XXXX

Advantages / Disadvantage of Crypto currency

#### i) Advantages Of Crypto Currency

- Fund transfer between two parties become easy without need of third party like credit/debit card or banks.
- It's a cheaper alternative compared to other online transactions.
- Payment is safe and secured.
- Fund transfers are completed minimal processing fees.
- Modern crypto currency systems come with a user "wallet" or account address which is accessible only by a public key and private key. The private key is only known to the owner of the wallet.

#### ii) Disadvantages Of Crypto Currency

- Payments are not irreversible.
- Crypto currencies are not accepted everywhere and have limited value elsewhere.
- The almost hidden nature of crypto currency transactions makes it easy for them to be the focus of illegal activities such as money laundering, tax-evasion and possibly even terror-financing.

All the above can be solved by Central Bank Digital Currency (CBDC). RBI on 31st Oct 2022 has launched pilot run of CBDC for (wholesale segment) (e-W) from 1st Nov 2022. And first pilot for Digital Rupee - retail segment (e-R) is planned for launch within a month in selected location in closed user groups comprising customers and merchants.

### What is CBDC?

CBDC are legal tender that is issued by the central bank in digital form. In simple words it as good as physical currency. Further CBDC can be described as i) Wholesale CBDC (e-W) & ii) Retail CBDC (e-R).

### What is Wholesale CBDC (e-W)?

Wholesale CBDCs are similar to holding reserves in a central bank. The central bank grants an institution an account to deposit funds or use to settle interbank transfers. Central banks can then use monetary policy tools such as reserve requirements or interest on reserve balances to influence lending and set interest rates.

### What is Retail (e-R)?

Retail CBDCs are government-backed digital currencies used by consumers and businesses. Retail CBDCs eliminate intermediary risk that private digital currency issuers might become bankrupt and lose customers' assets.

### Advantages / Disadvantage of CBDC's

Advantages

- CBDC offers alternative to western payment system.

- CBDC makes day-to-day monetary transactions easy.

#### Disadvantages

- RBI have complete control thus led to privacy issue for user.

Probably start a competition between RBI & commercial banks.

“My Opinion and view On Virtual Digital Assets- Crypto Currency”

Crypto currency markets are extremely volatile in nature and haven't proved to be a good long-term investment.

Irreversible nature of crypto currency makes it non-suitable for day-to-day transactions, being cheaper

alternative to other payment gateway, Irreversible nature reduces the faith of vendors to use it for receiving funds as like BHIM, Bharat Pay, Paytm, Phone Pay, Google Pay, etc.

Crypto being not backed by any central body in entire world becomes good sources funding for many illegal activities such as money laundering, tax-evasion and possibly even terror-financing. The volume of illegal activity will not be traceable, because once you make an entry in the block chain, it can never be erased. And with the block chain stored decentralised across multiple computers, no hacker can access the entire chain in one go; any information stored in it is safe for good but becomes threat to national security as it can be used for money laundering, tax-evasion and possibly even terror-financing.

# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body Under An Act of Parliament)

## INTERMEDIATE AND FINAL EXAMINATION TIME TABLE & PROGRAMME DECEMBER 2023

<b>ATTENTION: INTERMEDIATE &amp; FINAL EXAMINATION (DECEMBER – 2023 TERM) WILL BE HELD ON ALTERNATE DATES FOR EACH GROUP</b>				
Day & Date	FINAL (Time: 10.00 A.M. to 01.00 P.M.)		INTERMEDIATE (Time: 2.00 P.M. to 5.00 P.M.)	
	Programme for Syllabus 2016	Programme for Syllabus 2022	Programme for Syllabus 2016	Programme for Syllabus 2022
Sunday, 10th December, 2023	Corporate Laws & Compliance (P-13)	Corporate and Economic Laws (P-13)	Financial Accounting (P-05)	Business Laws and Ethics (P-05)
Monday, 11th December, 2023	Corporate Financial Reporting (P-17)	Cost and Management Audit (P-17)	Operations Management & Strategic Management (P-09)	Operations Management and Strategic Management (P-09)
Tuesday, 12th December, 2023	Strategic Financial Management (P-14)	Strategic Financial Management (P-14)	Laws & Ethics (P-06)	Financial Accounting (P-06)
Wednesday, 13th December, 2023	Indirect Tax Laws & Practice (P-18)	Corporate Financial Reporting (P-18)	Cost & Management Accounting and Financial Management (P-10)	Corporate Accounting and Auditing (P-10)
Thursday, 14th December, 2023	Strategic Cost Management – Decision Making (P-15)	Direct Tax Laws and International Taxation (P-15)	Direct Taxation (P-07)	Direct and Indirect Taxation (P-07)
Friday, 15th December, 2023	Cost & Management Audit (P-19)	Indirect Tax Laws and Practice (P-19)	Indirect Taxation (P-11)	Financial Management and Business Data Analytics (P-11)
Saturday, 16th December, 2023	Direct Tax Laws and International Taxation (P-16)	Strategic Cost Management (P-16)	Cost Accounting (P-08)	Cost Accounting (P-08)
Sunday, 17th December, 2023	Strategic Performance Management and Business Valuation (P-20)	Electives (Any one of three Papers): (i) Strategic Performance Management and Business Valuation (P-20A) (ii) Risk Management in Banking and Insurance (P-20B) (iii) Entrepreneurship & Start up (P-20C)	Company Accounts & Audit (P-12)	Management Accounting (P-12)





# E-invoicing under GST

**Rushikesh Anil Sagawekar**

*CMA - Intermediate*

'e-Invoicing' or 'electronic invoicing' is a system in which B2B invoices and a few other documents are authenticated electronically by GSTN for further use on the common GST portal.

In its 35th meeting, the GST Council decided to implement a system of e-Invoicing, covering specific categories of persons, mostly large enterprises. Later on, it has been expanded to cover mid-sized businesses and small businesses as well.

e-Invoicing does not imply the generation of invoices on the GST portal but it means submitting an already generated standard invoice on a common e invoice portal. Thus, it automates multi-purpose reporting with a one-time input of invoice details. The CBIC notified a set of common portals to prepare e invoice via

Notification No.69/2019 – Central Tax.

Under the electronic invoicing system, an identification number will be issued against every invoice by the Invoice Registration Portal (IRP), managed by the GST Network (GSTN). The National Informatics Centre launched the first IRP at [einvoice1.gst.gov.in](http://einvoice1.gst.gov.in).

All invoice information gets transferred from this portal to both the GST portal and the e-way bill portal in real-time. Therefore, it eliminates the need for manual data entry while filing GSTR-1 returns and generation of part-A of the e-way bills, as the information is passed directly by the IRP to the GST portal.

## Who must generate e invoice and its Applicability?

Turnover criteria or e Invoice limit

Phase	Applicable to taxpayers having an aggregate turnover of more than	Applicable date	Notification number
I	Rs 500 crore	01.10.2020	61/2020 – Central Tax and 70/2020 – Central Tax
II	Rs 100 crore	01.01.2021	88/2020 – Central Tax
III	Rs 50 crore	01.04.2021	5/2021 – Central Tax
IV	Rs 20 crore	01.04.2022	1/2022 – Central Tax
V	Rs 10 crore	01.10.2022	17/2022 – Central Tax
VI	Rs 5 crore	01.08.2023	10/2023 - Central Tax

The taxpayers must comply with e-invoicing in FY 2022-23 and onwards if their e invoice limit or turnover exceeds the specified limit in any financial year from 2017-18 to 2021-22. Also, the aggregate turnover will include the turnover of all GSTINs under a single PAN across India.

If the turnover in the last FY was below the threshold limit but it increased beyond the threshold limit in the current year, then e-Invoicing would apply from the beginning of the next financial year i.e. FY 2023-24.

Suppose, ABC ltd aggregate turnover was as follows-

- FY 2017-18: Rs 15 crore
- FY 2018-19: Rs 17 crore
- FY 2019-20: Rs 24 crore
- FY 2020-21: Rs 19 crore

- FY 2021-22: Rs 18 crore

Suppose, QPR ltd started business in FY 2019-20 and earned aggregate turnover as follows-

- FY 2019-20: Rs 4 crore
- FY 2020-21: Rs 7 crore
- FY 2021-22: Rs 11 crore

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

On the other hand, QPR ltd should comply with e-Invoicing from 1st October 2022 since its previous year's annual turnover exceeds Rs.10 crore.

The following transactions and documents listed below fall under

Documents	Transactions
Tax invoices, credit notes and debit notes under Section 34 of the CGST Act	Taxable Business-to-Business sale of goods or services, Business-to- government sale of goods or services, exports, deemed exports, supplies to SEZ (with or without tax payment), stock transfers or supply of services to distinct persons, SEZ developers, and supplies under reverse charge covered by Section 9(3) of the CGST Act.

### Who need not comply with e-Invoicing?

However, irrespective of the turnover, e-Invoicing shall not be applicable to the following categories of registered persons for now, as notified in CBIC Notification No.13/2020 – Central Tax, amended from time to time

Notified Businesses	Documents	Transactions
1)An insurer or a banking company or a financial institution, including an NBFC		
2) A Goods Transport Agency (GTA)		
3) A registered person supplying passenger transportation services		
4) A registered person supplying services by way of admission to the exhibition of cinematographic films in multiplex services	Delivery challans, Bill of supply, financial or commercial credit note or debit note, bill of entry, and ISD invoices.	Any Business-to-Consumers (B2C) sales, Nil-rated or non-taxable or exempt B2B sale of goods or services, nil-rated or non- taxable or exempt B2G sale of goods or services, imports, high sea sales and bonded warehouse sales, Free Trade & Warehousing Zones (FTWZ), and supplies under reverse charge covered by Section 9(4) of the CGST Act.
5) An SEZ unit (excluded via CBIC Notification No. 61/2020 – Central Tax)		
6) A government department and Local authority (excluded via CBIC Notification No. 23/2021 – Central Tax)		
7) Persons registered in terms of Rule 14 of CGST Rules (OIDAR)		

### Time limit to generate e-Invoice

Until 30th April 2023, there has been no time limit fixed by the GST systems or the GST law to generate e-invoices. From 1st May 2023\* onwards, taxpayers with Annual Aggregate Turnover (AATO) equal to or more than INR 100 crore must generate e-invoices for tax invoices and credit-debit notes within 7 days of invoice date, failing which such invoices and CDNs will be considered non-compliant.

Further, there is no defined time limit or period within which e invoice must be generated for the rest of the applicable taxpayers. Therefore, such taxpayers are advised to create e invoice on or after the invoice/CDN date preferably a week before the filing of GSTR-1 returns since it takes T+3 days for details of e-invoices to get auto-populated into GSTR-1.

\*However, on 6th May 2023, the department has deferred the time limit of 7 days to report the old e-invoices on the IRP portals by three months. Also, the department is yet to announce the new implementation date.

### Benefits of e-Invoicing to businesses

Businesses will have the following benefits by using e-invoice initiated by GSTN-

- e-Invoice resolves and plugs a major gap in data reconciliation under GST to reduce mismatch errors.
- e-Invoices created on one software can be read by another, allowing interoperability and helping reduce data entry errors.

- Real-time tracking of invoices prepared by the supplier is enabled by e invoice.
- Backward integration and automation of the GST return filing process – the relevant details of the invoices would be auto-populated in the various returns, especially for generating part-A of e-way bills.
- Faster availability of genuine input tax credit.
- Lesser possibility of audits/surveys by the tax authorities since the information they require is available at a transaction level.
- Faster and easy access to formal credit routes such as invoice discounting or financing, especially for small businesses.
- Improved customer relations and growth in prospects for small businesses to do business with large enterprises.

### How can e-invoicing curb tax evasion?

It will help in curbing tax evasion in the following ways-

- Tax authorities will have access to transactions as they take place in real-time since the e invoice will have to be compulsorily generated through the GST portal.
- There will be less scope for manipulating invoices since the invoice gets generated before carrying out a transaction.
- It will reduce the chances of fake GST invoices, and only genuine input tax credit can be claimed as all invoices need to be generated through the GST portal. Since the input credit can be matched with output tax details, it becomes easier for GSTN to track fake tax credit claims.



# Inspection, Search, Seizure and Arrest (Under GST) Inspection, Search and Seizure

**Ashish Suresh Koyande**

*CMA Final*

1. **Power of inspection [Section 67(1)]:** Where the proper officer, not below the rank of Joint Commissioner, has reasons to believe that-

- (a) a taxable person has-
- suppressed any transaction relating to supply of goods or services or both, or
  - suppressed the stock of goods in hand, or
  - claimed input tax credit in excess of his entitlement under this Act, or
  - indulged in contravention of any of the provisions of this Act or the rules made thereunder to evade tax under this Act; or
- (b) (i) any person engaged in the business of transporting goods, or (ii) an owner or operator of a warehouse or a godown or any other place is keeping goods which have escaped payment of tax or has kept his accounts or goods in such a manner as is likely to cause evasion of tax payable under this Act, he may authorise in writing any other officer of central tax to inspect any places of business of the taxable person or the persons engaged in the business of transporting goods or the owner or the operator of warehouse or godown or any other place.

2. **Power of search and seizure [Section 67(2)]:** Where the proper officer, not below the rank of Joint Commissioner, either pursuant to an inspection carried or otherwise, has reasons to believe that-

- any goods liable to confiscation, or or
- any documents or books or things, which in his opinion shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he-
- may authorise in writing any other Central tax officer to search and seize, or
- may himself search and seize such goods, documents or books or things.

**Detention of goods which cannot be seized:** Where it is not practicable to seize any such goods, the proper officer, or any officer authorized by him, may-

- serve on the owner or the custodian of the goods an order that
- he shall not remove, part with, or otherwise deal with the goods
- except with the previous permission of such officer.

**Period of retention of documents and things:**  
The documents or books or things so seized shall be

retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.

3. Unrelied documents to be returned within 30 days of issue of notice [Section 67(3)]: The documents, books or things seized, or any other documents, books or things produced by a taxable person or any other person, which have not been relied upon for the issue of notice under this Act or the rules made thereunder, shall be returned to such person within a period not exceeding 30 days of the issue of the said notice.
4. The officer authorised shall have the power to seal or break open the door etc. in which any goods, accounts, registers or documents of the person are suspected to be concealed, where access is denied. [Section 67(4)]
5. Copies or extracts of seized documents can be taken by taxable person. [Section 67(5)]
6. Provisional release of seized goods on execution of a bond and furnishing of a security or on payment of applicable tax, interest and penalty payable, as the case may be. [Section 67(6)]
7. Goods to be returned, if notice not given within 6 months from date of seizure. Extension for further a further period not exceeding 6 months. [Section 67(7)]
8. Perishable or hazardous or other notified goods shall be disposed of as soon as may be after its seizure. [Sec. 67(8)]
9. Officer shall prepare an inventory of seized goods in prescribed manner. [Section 67(9)]
10. There can be seizure by the Proper Officer of accounts, registers or documents produced before him of person evading tax and the proper officer shall retain the same for so long as may be necessary in connection with any proceedings under this Act or the rules made thereunder for prosecution. [Section 67(11)]
11. Purchase of goods or services by authorised officer from business premises to check issue of tax invoice and on return of goods so purchased by such officer, such person shall refund the amount so paid towards the goods after cancelling any tax invoice or bill of supply issued earlier. [Section 67(12)]

## **Arrest and Miscellaneous Provisions**

1. **Meaning of cognizable offence:** Generally, cognizable offence means serious category of offences in respect of which a police officer has the authority

to make an arrest without a warrant and to start an investigation with or without the permission of a court.

2. Meaning of non-cognizable offence: Non-cognizable offence means relatively less serious offences in respect of which a police officer does not have the authority to make an arrest without a warrant and an investigation cannot be initiated without a court order.
3. Cognizable and non-cognizable offences under CGST Act: In Section 132 of CGST Act, it is provided that the offences relating to taxable goods and/or services where the amount of tax evaded or the amount of input tax credit wrongly availed or the amount of refund wrongly taken exceeds ₹5 crore, it shall be cognizable and non-bailable and in such cases the bail can be considered by a Judicial Magistrate only. Other offences under the Act are non-cognizable and bailable and all arrested persons shall be released on bail by Deputy/Assistant Commissioner.

#### 4. Power to arrest [Section 69]:

- a) Officer empowered by Commissioner has power to arrest a person, where there is a reason to believe that such person has committed the specified alleged offences.
- b) The person committing an offence under section 132(1)(a)/(b)/(c)/(d) and punishable u/s 132(1)(i) and Section 132(1)(ii) or Sec. 132(2) can be arrested by a CGST officer upon authorization by the Commissioner.
- c) Where a person is arrested under this Section for an offence specified under section 132(5), the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within 24 hours.
- d) Where a person is arrested for any offence specified under section 132(4), he shall be admitted to bail or in default of bail, forwarded to the custody of the Magistrate. In the case of a non-cognizable and bailable offence, the Deputy Commissioner or the Assistant Commissioner shall, for the purpose of releasing an arrested person on bail or otherwise, have the same powers and be subject to the same provisions as an officer-in-charge of a police station.

#### 5. Power to summon persons to give evidence and produce documents [Section 70]:

- a) Proper officer has power to summon person whose attendance he considers necessary either to give evidence or to produce a document or any other thing in any inquiry.
- b) Every such inquiry shall be deemed to be a "judicial proceedings" within the meaning of Indian Penal Code.

- c) A person who is issued summon is legally bound to attend either in person or by an authorized representative and he is bound to state the truth before the officer who has issued the summon upon any subject which is the subject matter of examination and to produce such documents and other things as may be required.
- d) Such person is liable for prosecution and in addition, if a person does not appear before a CGST/SGST officer who has issued the summon, he is liable to a penalty upto ₹25,000 under section 122(3)(d) of the Act.

#### 6. Access to business premises [Section 71]:

- a) Any officer under this Act, authorised by the proper officer not below the rank of Joint Commissioner shall have access to any place of business of a registered person to inspect books of account, documents, computers, computer programs, computer software whether installed in a computer or otherwise and such other things as he may require and which may be available at such place, for the purposes of carrying out any audit, scrutiny, verification and checks as may be necessary to safeguard the interest of revenue.

Every person in charge shall, on demand, make available to the authorised officer or the audit party deputed by the proper officer, or a cost accountant or chartered accountant nominated under section 66 the following records

- i. records as prepared or maintained by the registered person and declared to the proper officer in such manner as may be prescribed;
- ii. trial balance or its equivalent;
- iii. statements of annual financial accounts, duly audited, wherever required;
- iv. cost audit report, if any, under section 148 of the Companies Act, 2013;
- v. the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961; and
- vi. any other relevant record.
- b) Such records are to be made available to the said persons within 15 working days from the day when such demand is made, or such further period as may be allowed by the said officer or the audit party or the chartered accountant or cost accountant.

7. Officers to assist proper officers [Section 72]: All officers of Police, Railways, Customs, and those officers engaged in the collection of land revenue, including village officers, officers of State tax and officers of Union territory tax shall assist the proper officers in the implementation of this Act. Besides this Assistance can also be provided by other notified officers.





# Satyam Scandal: A Wake-up Call for Indian Business Ethics

**Drishita Bhushan Khanna**

*CMA - Intermediate*

## Introduction:

Ethics in business is a universal imperative, and India is no exception. A prominent Indian case study that underscores the significance of ethical conduct in the corporate world is the Satyam Computer Services scandal. In this concise article, we'll examine the case, its implications, and the lessons learned.

## The Satyam Scandal:

### Background:

In 2009, Satyam Computer Services, one of India's largest IT services companies, plunged into a crisis that sent shockwaves through the business world. The company's founder and then-chairman, Ramalinga Raju, admitted to a massive financial fraud that had been ongoing for years. Satyam had inflated its revenue and profits, misreported cash balances, and fabricated bank statements.

### Implications:

The Satyam scandal had far-reaching implications:

1. **Shareholder Losses:** Shareholders suffered substantial financial losses as the company's stock price plummeted.
2. **Employee Distrust:** The fraud left employees demoralized and uncertain about their job security.
3. **Reputation Damage:** Satyam's reputation was severely tarnished, impacting not only the company but also India's image in the global business arena.
4. **Legal Consequences:** The scandal led to legal actions against the individuals involved, including Raju,

who was subsequently convicted and sentenced to prison.

### Lessons Learned:

The Satyam scandal served as a catalyst for change in Indian business ethics:

1. **Regulatory Reforms :** The Indian government introduced stricter regulatory reforms to enhance corporate governance and prevent similar frauds.
2. **Enhanced Transparency :** Companies are now required to provide more detailed financial disclosures, improving transparency for investors.
3. **Accountability:** The Satyam case highlighted the importance of holding individuals accountable for their actions, leading to more robust enforcement of corporate wrongdoing.
4. **Corporate Culture:** Organizations realized the importance of fostering an ethical corporate culture from the top down.

### Conclusion:

The Satyam scandal serves as a stark reminder of the critical role ethics and values play in the Indian business landscape. It was a wake-up call that prompted significant regulatory changes, increased transparency, and a renewed commitment to ethical behavior. This case study underscores the importance of ethical conduct in business, not only for the well-being of individual companies but also for the reputation and trust of the Indian business ecosystem as a whole. It is a testament to the fact that ethics is not just a choice; it's a necessity for long-term success and sustainability in the corporate world.



*Initiative by Students coordination Committee*

## Winners of Instagram Reels Garba Competition

1



**Mr Vraj Shah**

2



**Mr. Shubham Tela**

3



**Ms. Vidhi Shah**

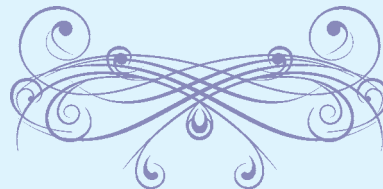
## Instagram Reels Garba Competition

Students Coordination Committee of WIRC organised Instagram Reels Garba Competition on the occasion of Navratri. The Reels were posted on the WIRC Instagram Handel. Winners declared based on Highest Likes received on the Instagram Post.

***First Winner*** - **Mr. Vraj Shah**

***Second Winner*** - **Mr. Shubham Tela**

***Third Winner*** - **Ms. Vidhi Shah**





## Traits in a successful person (behold the power within yourself)

**Devyani Malvadkar.**

*CMA - Intermediate*

“There is no substitute for Hardwork”

Success doesn't come spontaneously. We have to simply work hard and achieve it. In today's world where society being abstract one must rise up with thriving success and glorious victories. An individual isn't inbuilt with success by birth, he writes and creates his own story.

Every person is different and unique in their own way and so success is of myriads. Thus, it varies from person to person, even from situation to situation.

As the definition of success is idiosyncratic in itself for each one of us as it's associated with one's happiness. Success is nothing but a path to assist you till your destination. Some achieve it earlier while some of them take time to reach their desired aim. Unless and until we polish our inherent qualities and capabilities we'll never come to know the hidden master champ within us.

Regardless of the arena in which you want to succeed, there are few qualities that one should possess to become a successful person. Keep a positive attitude even in unfavourable conditions. Many times we get disturbed due to minor failures. Instead one must take it positively of being experienced a failure and choose another gateway. This encourages you and increases your potential and capacity.

When we set our goals we all are pretty sure that we will definitely achieve it, but do we really achieve it? Don't give up until you have reached your goal to be proud of yourself. Our strategy is all prepared but we fail to recall that “SUCCESS doesn't come without SACRIFICES.”

It's just incomplete without a sacrifice. The more you sacrifice the more you get closer to it. Success skills are required to attain future goals. One must be persistent, consistent and focused.

Formerly success used to constitute of only a few terms but today it is beyond the imagination of a person. Unleash the power of skills present in you, this is another step taken towards your aim. Such people the moment they live only acquire knowledge and keep gaining good thoughts and values. Always remember, more you work hard late nights the highest your being paid off.

Be addicted to your passion, keep challenging yourself. Mind that you are accountable for your victory as well as for failures too. As such no one else will do that for you. You have to fight all alone for your SUCCESS. You have to be the Captain of your own ship only if you want to achieve great heights.

A successful person is ambitious, humble, loyal, honest and self-disciplined. One must work on improving these qualities instead of thinking about when will reach to our goal. Be creative, active in various ways. Be courageous and confident that Yes I will.

An achieved success is a combination of hardwork, determination, patience and a right kind of support. Stay motivated by power, fame and influence.

If you're willing to put in efforts and stay committed to your goals no one can confront you. A day will come where everyone will be proud of you.

Thank you!!

### 12 Days Pre-Campus Orientation Programme

The Members in Industry and Placement Committee of the Institute in association with Western India Regional Council (WIRC) organized a 12 days Pre-Campus Orientation Programme for June 2023 qualified Cost Accountants during 13th October, 2023 to 23rd October 2023 at WIRC office, Mumbai. Around 68 Students from all over the Region participated in the orientation programme.

There were many eminent faculties who gave detailed presentations on various topics during the scheduled days, which are useful to the participants in their professional career.

A valedictory session of the Orientation Program was organized on 23rd October 2023 at WIRC Office, Mumbai.

CMA Aruna Vinayak Pai, Vice President, RtBrick India was the Chief Guest and CMA Vinayak Pai, Manager, ZenSar was Guest of Honour.

CMA (Dr) Ashish Thatte, Chairman-Training & Placement Committee of ICAI, CMA Mihir Vyas, Hon. Secretary, WIRC and CMA Nanty Shah, treasurer WIRC were also present on the occasion. The Certificates were distributed to the participants at the hands of Chief Guest and Guest of Honour



## “Achieving True Wealth: The Power of Learning Over Earning”

**Ashish Maheshwari**

*CMA Completed*

“Hi, I know that in this world, everyone is chasing money, and everyone wants to earn to do the things they love. But in my opinion, I don’t think that’s the right approach. I also want to earn money, but my goal is not just that. According to me, it’s essential to learn to earn. If you prioritize learning, you’ll eventually find ways to earn. It’s better to focus on how to earn rather than just running after money. By paying attention to how to earn and learning, you’ll start earning on your own. There’s only one letter of difference between ‘earning’ and ‘learning.’ If you give importance to learning, you’ll ultimately earn through your knowledge and skills.” True wealth is not solely measured by one’s monetary income but is more profoundly connected to the knowledge, skills, and personal growth acquired over time.

Quotes **“Wealth is not about what you Earn, But it about what you Learn”** ~ CMA Ashish Maheshwari

In conclusion, while earning money is undoubtedly important for a secure and comfortable life, it’s equally crucial to recognize that true wealth extends far beyond financial means. Accumulating knowledge, developing skills, embracing lifelong learning, and using these assets to enhance one’s life and the lives of others is a profound form of wealth that transcends monetary value. In essence, wealth is not just about what you earn but, more significantly, about what you learn and how you apply that knowledge to create a richer and more meaningful life.

**“Achieving True Wealth: The Power of Learning Over Earning”**

## Rising Stars of CMA

WIRC organized session via MS Team on “Rising stars of CMA”, an initiative by Students Co-ordination Committee in which successful fresh CMAs shared their CMA journey with CMA fraternity. For the 1st time it was live on You Tube and there were more than 500 viewers.

CMA Mihir Vyas, Hon. Secretary – WIRC and Chairman Students Coordination Committee welcome the students. CMA Chaintanya Mohrir, Chairman – WIRC & CMA Debasish Mitra, Past Central Council members also address the students. CMA Mohit Nagdev moderated both the sessions

1st Episode was conducted on 24th September 2023 with Rising Star CMA Vivek Rathod. He recruited through Campus Placement in Indian Oil Cororation Ltd. He share his placement experience with students and guided students for upcoming placement.

2nd Episode was conducted on 1st October 2023 with Rising Star CMA Jay Chauhan. He is 9th Rank holder in Intermediate - December 2021 & 9th Rank Holder in Final - December 2022 and recruited through Campus Placement in Tata Motors. He share his CMA Journey with all the students. CMA Chaintanya Mohrir, Chairman – WIRC & CMA Mihir Vyas, Hon. Secretary were present on the occasion.





## “The Books”

Vraj Shah

*Intermediate*

They feed our imagination, amuse and inform us, and introduce us to new ways of understanding the world. Most of human knowledge is recorded in books. Books come in two types: FACT BOOKS- that tell you about real things and FICTION BOOKS- which are made-up stories, or novels.

### Do books have a future?

Some people have suggested that the Internet threatens the long-term survival of books, as more and more works can be downloaded. But books still have many advantages: they are more easily read than a screen, are good to handle, and can be taken almost anywhere.

With nanotechnology (engineering on a molecular scale) you can create books ‘smaller than a grain of salt’. A book called “Teeny Ted from Turnip Town”, made in 2007 at Simon Fraser University, Canada, measures 0.07\*0.1 mm (0.0027\*0.0004 in). The only way to read it is with an electron microscope at 8,000 times magnification.

### Printing in the Past:

The world’s oldest printed book is a copy of the Diamond Sutra – one of Buddhism’s most sacred texts – which was printed in China in 868 BCE.

Printing didn’t take off in China, though, because the Chinese script has thousands of different characters.

Johann Gutenberg of Germany came up with the idea of the “Printing Press” in about 1450. In that printing press, the first book printed was “The Bible”, in 1455.

The printing press could produce books quickly and in multiple copies – a technological breakthrough that has been compared to the invention of the Internet.

### Record Breaker:

The oldest book in the world dates from 2,500 years ago. It is six pages of gold, hinged together at the top and written in ancient Etruscan – a language no one can read today.

The most expensive book ever sold at auction is ‘The Codex Leicester’ – the manuscript (handwritten) notebooks of Renaissance genius Leonardo da Vinci. It was bought by Microsoft founder Bill Gates for US\$30.8 million in 1994.

A copy of James Audubon’s ‘Birds of America’ sold for \$8.8 million in 2000, making it the world’s most expensive printed book.

The Nobel Prize for Literature, founded in 1901, is given for outstanding work in the field of literature in any language. Moody French philosopher Jean-Paul Sartre is the only person known to have declined it.

### Best Sellers:

The best-selling book of all time is ‘the Bible’, followed by the collected works of Chinese communist leader Mao Zedong.

The world’s best-selling novel is thought to be Charles Dickens’s ‘Tale of Two Cities’.

The best-selling book in French is ‘Le Petit Prince’ (The Little Prince) by Antoine de Saint-Exupery.

The best-selling practical book is ‘Scouting for Boys’ by Robert Baden-Powell, founder of the international scout movement.

### In Numbers:

The Library of Congress in Washington, DC, is the largest library in the world.

853 km (530 miles) – The total length of all the bookshelves in the library

32 million – The number of books in the library

470 languages – The books are written in

2.7 million – The total number of recordings stored in the library

13 million – The number of photographs

4.5 million – Maps are there

61 million – The number of manuscripts in the library

## Drawing Competition

On the occasion of Ganesh Festival, Students Coordination Committee of Western India Regional Council of ICMAI organised Drawing Competition on 27th September 2023. Mr. Atharva Palshetkar was the 1st Winner & Ms. Renuka Gupta was the 2nd Winner.



# CMA- ‘A Budding Profession’

**Tanpreet Kaur Saluja**

CMA – *Final*

## **Introduction:**

Since the country is racing to build up 5 Trillion Rupee Economy, in the coming future, many economic reforms gave a kick start to the Indian economy and opened new horizons for Cost & Management Accountancy.

This is mainly because of the basic economic dictum that Expenditure leads to economic growth. When there is expenditure, the same needs to be properly collected, classified, allocated and apportioned with precision for absorption in the Cost of Product/Service, for which the expenditure is made.

For accomplishment of the above, Cost Accounting, Cost Audit and Management Audits are the vital tools and therefore, lot of recognition to the profession of Cost & Management Accounting is on the anvil. Therefore, the Esteemed Institute of Cost Accountants of India and with the joint efforts of its Regional Councils and Various Chapters shall pave way to sufficiently produce eminent Cost & Management Accountants to serve the country to achieve its goal comprehensively, within a phased time.

## **The Institute’s Role:**

Since the Institute enjoys the statutory status being enacted by an act of Parliament, its responsibilities are ever increasing to cope up with the Statutory Requirements, In particular by the Ministry of Corporate Affairs. The Act initially christened the Institute as the “The Institute of Cost & Works Accountants of India” it must be the endeavor of the Institute not to deviate from the purpose it came into existence. So to say, Management Accounting & Management Audit must be regarded as a separate branch due to the fact that the Institute conducts a high level course viz., Management Accounting.

The Institute must strengthen its Councils viz., Central Council and the 4 Regional Councils by adequate Representation, who will contribute in applying good techniques followed by sister Institutes like CIMA and others.

## **Role of Regional Councils:**

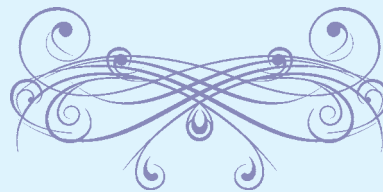
They must have adequate strength of members including some nominated persons from the Industry in addition to the Ministry of Corporate Affairs. The Members must be provided with the objectives and goals to be achieved by them during its tenure.

## **Role of Various Chapters:**

The Role, Scope and the strength of composition of the Members must be commensurate to the level of requirement of the Industry both in Public Sector and Private Sector. Also, participation of Student Members must be higher and the Chapter should help the members in understanding the actual requirement for pursuing their career successfully and with a purpose to achieve the Institutes objective in all earnest.

## **Conclusion:**

The objectives to be attained by the Members and the Students pursuing this noble profession, must be clearly spelt out periodically and experts should measure the effectiveness, and must create a Professional Environment to enable recognition by the Govt. of India and Key Industries; Since we arrive at true cost of production of a product/service with precision and we are enriched with Cost Reduction Techniques, the profession has a very vital role to achieve the 5 Trillion economy with least cost.





# Diwali: A Festival of Luminosity and Spiritual Renewal

**Shubham Tela**

*CMA Completed*

Diwali, also known as Deepawali, is a Hindu festival of lights that celebrates the spiritual victory of light over darkness, good over evil, and knowledge over ignorance. It is one of the most popular and important festivals in India, and is also celebrated by Hindus, Jains, Sikhs, and some Buddhists all over the world.

Diwali typically falls in the Hindu month of Kartika, which is around October or November. The festival begins on Dhanteras, which is the thirteenth day of the dark half of the lunar month. Dhanteras is a day to worship Lord Dhanvantari, the god of medicine and healing, and Goddess Lakshmi, the goddess of wealth and prosperity.

On the second day of Diwali, Naraka Chaturdashi, people celebrate the victory of Lord Krishna over the demon Narakasura. On the third day, Lakshmi Puja, is the main day of Diwali. People worship Goddess Lakshmi and Lord Ganesha, the god of knowledge and wisdom, and pray for wealth and prosperity in the coming year.

The fourth day of Diwali, Govardhan Puja, celebrates Lord Krishna's victory over the rain god Indra. On the fifth and final day of Diwali, Bhai Dooj, brothers and sisters celebrate their bond and exchange gifts.

## Preparations for Diwali

In the weeks leading up to Diwali, people begin to prepare for the festival by cleaning their homes, decorating them with lights and flowers, and buying new clothes and gifts. On the day of Diwali, people perform a special puja (worship ritual) to Goddess Lakshmi and Lord Ganesha. They light diyas (oil lamps) and candles all over their houses and businesses. They also make rangolis, which are colorful designs made from colored

sand, rice, and flowers, at the entrances of their homes.

## Significance of Diwali

Diwali is a time for celebration, reflection, and renewal. It is a time to celebrate the triumph of good over evil, light over darkness, and knowledge over ignorance. It is also a time to reflect on the past year and to set goals for the new year.

For Hindus, Diwali is also a time to celebrate the return of Lord Rama to his kingdom of Ayodhya after defeating the demon king Ravana. For Jains, Diwali is a time to celebrate the attainment of moksha (liberation) by Mahavira, the last Tirthankara (spiritual teacher). For Sikhs, Diwali is a time to celebrate the release of Guru Hargobind Singh from prison.

## Diwali in the Modern World

Diwali is still a popular and widely celebrated festival today. Even though people are busier and more stressed than ever before, they still make time to celebrate Diwali with their loved ones. Diwali is also a time for businesses to thrive. People buy new clothes, gifts, and sweets to celebrate the festival, which gives a boost to the economy.

## Conclusion

Diwali is a festival that brings people together from all walks of life. It is a time to celebrate the triumph of good over evil, light over darkness, and knowledge over ignorance. Diwali is also a time to reflect on the past year and to set goals for the new year. It is a festival of luminosity and spiritual renewal, and it is a time for people to come together and celebrate their shared humanity.

## Exciting News for CMAs & CMA Students!

ICMAI-WIRC has partnered with Curelo to bring exclusive discounts on medical, pathology, and diagnostic tests, as well as health packages. These discounts are available for CMA Members and students in every city across the nation where Curelo operates.

Use Code: ICMAI-WIRC25 to unlock a 25% discount on all lab tests.

**To access these amazing discounts from Curelo, simply register at this link: <https://curelohealth.com>**



# Overcoming Cognitive Bias in Strategic Decision-Making, with AI

*As we proudly say today, “Behind Every Successful Decision, there is always a CMA”*

**Pooja Sanjaykumar Shah**

*CMA Completed*

Every choice we make has the potential to significantly shape the success of our organizations. However, our decision-making processes are often influenced by cognitive biases. These biases act as mental shortcuts, simplifying the decision-making process, but they can also steer us in the wrong direction. In this article, we delve into the transformative role of artificial intelligence (AI) in enhancing our decision-making abilities by mitigating the influence of these biases.

## Understanding Cognitive Biases:

Cognitive biases are like little bugs in our decision-making process. They make us take shortcuts, which can be useful, but they can also lead to problems. Some of these biases that can hinder with business decisions are Reasoning by Analogy, Illusion of Control, Escalating Commitment.

## The Role of AI in Business Decision-Making:

Think of AI like your super-smart business assistant. It's used by companies big and small to help make decisions that lead to success. AI is the secret weapon for making better business decisions.

## Here's how it can help:

- **Bias Detection:** It warns you if you're starting to make choices based on your beliefs instead of the facts.
- **Feedback Mechanisms:** It lets you know if your plans aren't working out so you can make better choices.

- **Behavioural Analysis:** AI watches how you behave and can tell you if you're acting too confidently or recklessly.
- **Automated Monitoring:** It keeps an eye on projects and tells you if things are going off track, so you don't waste time and money.
- **Data-Driven Decision Support:** AI looks at tons of data without any biases and helps you choose based on facts, not feelings.
- **Algorithmic Decision-Making:** AI can make choices based on rules, reducing the impact of your biases.
- **Natural Language Processing:** It understands what people are saying and tells you if there's any bias in their words.

By using AI to make decisions, we can be more accurate, less biased, and make choices that lead to better outcomes. However, there are Potential Challenges and Ethical Considerations that shall not be overlooked, AI is a great helper but it's not perfect. Sometimes, it can have its own biases. We need to use AI responsibly and make sure it doesn't lead us down the wrong path.

## Conclusion:

Cognitive biases can trip us up, but with AI by our side, we can make better decisions. AI can help us see the facts more clearly and avoid falling into the traps of our own thinking. So, the next time you're making a big decision, consider giving AI a helping hand to guide you toward a smarter choice.



## Poem

**Jinal Gandhi**

*CMA Final*

My Content is as follows:

A quick journey of a CMA Aspirant  
 Midnight studies and Coffee cup,  
 Deficiency of Sleep but still Heads up,  
 Transform your Lamp-light into the Spot-light,  
 After a long distance relationship, may your Efforts & Success finally Reunite !!!



## Glimpses of CMA Campus Placement Programme for Qualified Cost Accountants of June 2023 term



## CAMPUS PLACEMENT

The Institute of Cost Accountants of India conducted Campus Placement for the June 2023 Final passed Students on 7th, 8th & 9th October 2023 at Aruna Manharlal Shah Institute of Management, Mumbai. Total 16 Companies participated in Campus and selected/shortlisted 57 Students. CMA Chaitanya Mohrir, Chairman WIRC present on the occasion and interacted & guided Fresh CMAs.

Sl No.	Company Name	No. of Students selected	CTC Offered (Rs. In Lakhs)_Approx.
1	Vedanta Limited	8	11.45 to 13.45 LPA
2	Tata Trent Limited	3	9 LPA
3	ITC Limited - Hotels	4	12.5 LPA
4	ITC Limited - FOODS	3	12 LPA
5	CEAT Ltd.	2	10 LPA
6	SARASWAT CO-OP BANK LIMITED	11	6.25 to Rs.10 LPA
7	Minda Corporation Limited	2	7.50 LPA
8	Expound Technivo	8	5 to 9 LPA
9	LTIMindtree Limited	3	9 LPA
10	Holcim Global Hub Business Services	4	7.50 LPA
11	RSM Astute Consulting Pvt. Ltd.	3	6.50 LPA
12	Prism Johnson Limited	3	9.75 LPA
13	Hindustan Coca Cola Beverages Pvt. Ltd	1	10 LPA
14	ITC Limited - Tobacco	2	12 LPA
15	BSE Limited	Awaiting for Result	
16	KD Practice	Awaiting for Result	
	<b>TOTAL</b>	<b>57</b>	

## Glimpses of Students Felicitation Programme organised for CMA Foundation, Intermediate & Final Completed in December 2022 & July 2023 term of Examination



CMA Chaitanya Mohrir, Chairman WIRC, CMA Jyotirmoy Mukhopadhyay, Chief Financial Officer(Mfg) - Accounts & Costing, KGK Diamonds (I) Pvt. Ltd, CMA Arindam Goswami, Vice Chairman WIRC, CMA Ashish Thatte, CCM-ICMAI, CMA Mihir Vyas, Hon. Secretary WIRC, CMA Nanty Shah, Treasurer WIRC during lighting the lamp.



CMA Chaitanya Mohrir, Chairman WIRC, felicitated Chief Guest, CMA Jyotirmoy Mukhopadhyay, Chief Financial Officer(Mfg) - Accounts & Costing, KGK Diamonds (I) Pvt. Ltd during the Inaugural Session.



CMA Vivek Bhalerao, RCM-WIRC, CMA Mahendra Bhombe, RCM-WIRC, CMA Harshad Deshpande, CCM-ICMAI, - CMA Chaitanya Mohrir, Chairman WIRC, CMA Jyotirmoy Mukhopadhyay, Chief Financial Officer(Mfg), Accounts & Costing, KGK Diamonds (I) Pvt. Ltd, CMA Arindam Goswami, Vice Chairman WIRC, CMA Nanty Shah, Treasurer WIRC, CMA Mihir Vyas, Hon. Secretary WIRC alongwith Rank Holders.



CMA Mihir Vyas, Chairman Students Coordination Committee & Hon. Secretary, WIRC and CMA Nanty Shah, Treasurer, WIRC alongwith CMA Intermediate & Final Rankholders



View of Participants.



WIRC Council Members alongwith Staff members during Felicitation Function organised by WIRC on 9th October 2023

WIRC Successfully Conducted Students Felicitation Programme organised for CMA Foundation, Intermediate & Final Completed in December 2022 & July 2023 term of Examination on 9th October, 2023 at Patkar Hall, Churchgate Mumbai. More than 700 students attended the ceremony at Mumbai.

CMA Mihir Vyas, Chairman Students Co-ordination Committee & Hon. Secretary, ICMAI - WIRC welcomed Guests and students and delivered his welcome address. CMA Jyotirmoy Mukhopadhyay, Chief Financial Officer(Mfg) - Accounts & Costing, KGK Diamonds (I) Pvt. Ltd was the Chief Guest of the Programme. Inaugural Session was started by lighting the lamp by all dignitaries on dais.

CMA Chaitanya Mohrir, Chairman, ICMAI-WIRC, CMA Arindam Goswami – Vice-Chairman, ICMAI-WIRC, CMA Nanty Shah Treasurer – ICMAI-WIRC, CMA (Dr) Ashish Thatte, CCM- ICMAI, CMA Neeraj Joshi, CCM-ICMAI

address the CMA Fraternity and guided the students about various options opening other than job opportunities and advised them to become entrepreneurs.

Chief Guest CMA Jyotirling Mukhopadhyay, CFO (KGK Diamond (I) PVT. Ltd., congratulated students and guide them on how to improve the Professional Skills and became a proud CMA.

CMA Harshad Deshpande CCM-ICMAI, Mahendra Bhombe, RCM, ICMAI-WIRC, CMA Manisha Agrawal, RCM, ICMAI-WIRC, CMA Vivek Bhalerao, RCM, ICMAI-WIRC graced the occasion

All the Central Council Members & Regional Council Members along with Chief Guest, congratulated & presented the medals to the students. More than 700 Students participated in the Felicitation Programme along with Parents. CMA Nanty Shah, Treasurer ICMAI-WIRC proposed vote of thanks.



**Glimpses of 12 days Pre-Campus Orientation Programme for June 2023 qualified Cost Accountants during 13th October 2023 to 23rd October 2023 at WIRC office, Mumbai.**



**Glimpses of Drawing Competition organised by Students Coordination Committee of WIRC on 27th September 2023**

