



**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA**  
( Set up by an Act of Parliament )



**THE BEACON**

A New Rise...

Newsletter

**PUNE BRANCH OF WICASA OF ICAI**

**ISSUE No. 8: AUGUST 2020**

( Subscribers copy not for sale )



## CHAIRMAN'S COMMUNICATION

### CA SAMEER LADDA

Vice Chairman, Pune Branch of WIRC Of ICAI (2020-21)  
Chairman, Pune Branch Of WICASA ICAI



A warm wishes to all dear students. There is no end of battle against the corona and at present there is no answer when this battle will end. So we have to live with this corona with at most care of self and others.

Though the problem of corona is continued Pune Branch of ICAI and WICASA also celebrated CA Day with lot of full energetic programs. ***We had planning to take wicasa election in March 2020. But due to corona we could not conduct the same. There were 11 candidates who were willing to contest and serve the WICASA and Pune Branch of ICAI. But due to corona the election could not happened and all the contestants showed their wisdom and willingness to work in WICASA irrespective of posts. That's the beauty of these student's mind. Hats off you students we are proud of you. Finally the new WICASA Committee comes into existence with a combination of 6 committee members and 5 co-opted members. Congratulations to the team.***

***Now after a break exam season is again coming, we hope this time there will be no issue for conducting exams. Those students who have November 2020 attempt start studying hard. All the best!***

***Last year's WICASA Committee of Pune under the leadership of CA Abhishek Dhamne had set the bench mark of winning Best Branch Awards at National and Regional Level. I am very much confident that new team will also do the best to achieve such milestone.***

***Students other than these 11 students please come forward to contribute/participate in Pune ICAI activities.***

***All the best***

**Regards**

**CA Sameer Ladda.**



## VICE-CHAIRMAN'S COMMUNICATION

### MANMATH SHEWALKAR

Vice Chairman, Pune Branch Of WICASA ICAI



सखेह नमस्कार,

It gives me an immense pleasure to come before you as a Vice Chairman of such a prestigious WICASA. First of all, I would like to thank CA Sameer Ladda Sir, Chairman, Pune WICASA for allowing us volunteering in WICASA activities even before we got elected. I would like to thank to all my entire committee members for their continuous support.

This month we prepared this Newsletter in a different way. We named our newsletter, **The Beacon, a New Rise**. As the name itself suggest our objective behind this, likewise **The Team Pune WICASA** will be acting like Guiding Lamp for the students. We have also added a page **“Art Corner”** wherein we'll try to promote extracurricular skills in students.

In the month of July, we celebrated CA Foundation Day. Our mother body ICAI has completed 71 glorious years on 1st July, 2020. Due to Covid Pandemic, though it was not possible to conduct the activities physically, Pune WICASA arranged sessions & activities virtually like Session on Aatm Nirbhar Bharat, Ek Sangitmay Sham Corona Warriors ke Naam, etc.

As WICASA is a platform given by ICAI for the students, by the students and of the students, feel free to reach out to us for any help or query. Stay Connected.

For the students who have started preparation for November Exams, all the very best pals and now I would like to conclude with two lines written by Hafeez Banarasi

चले चलिए के चलना ही दलील-ए -कामरानी\* है...  
जो थक कर बैठ जाते हैं ,वो मंज़िल पा नहीं सकते...

\*दलील-ए -कामरानी - Evidence/Indication of Success



# INDEX

YEAR 2020 AND PUNE WICASA

BANKERS AND BALANCE SHEET

NEW EDUCATION POLICY

SPECIAL PURPOSE VEHICLE

FOCUS

THE ART CORNER

GLIMPSE FROM PAST EVENTS

The Edits by-

*Anuja Toshniwal*

EDITOR, PUNE WICASA

*Manmath Shewalkar*

VICE CHAIRMAN, PUNE WICASA



# ” TEAM PUNE WICASA ”



**CA SAMEER LADDA**  
CHAIRMAN,  
PUNE WICASA



**MANMATH SHEWALKAR**  
VICE CHAIRMAN,  
PUNE WICASA



**MONIKA TRIVEDI**  
SECRETARY,  
PUNE WICASA



**SHRAVAN LADDA**  
TREASURER,  
PUNE WICASA



**ROHAN KASAT**  
JOINT SECRETARY,  
PUNE WICASA



**PRANAV KOTALWAR**  
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EDITOR,  
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**SANKET GUJALWAR**  
CO-OPTED MEMBER,  
PUNE WICASA



**SANIDHYA GATTANI**  
CO-OPTED MEMBER,  
PUNE WICASA



**TUSHAR TOSHNIWAL**  
CO-OPTED MEMBER,  
PUNE WICASA



## YEAR 2020 AND PUNE WICASA

- AVINASH KADAM  
( WRO0323438 )



After successful international conference, we entered in year 2020, looking forward to conduct more such exciting events for our fellow CA students. Admiring the former committee of the year 2019-2020, we were now all set to form the whole new committee for the year 2020-2021. While we all were engaged in sorting out the best committee for the year, an unwelcomed situation had already begun to rise in our country. And due to which our Hon. PM Narendra Modi, announced a lock-down throughout the country. Hoping for the situations to get better in amid covid-19, the elections were kept on hold for the proper execution of the same. Moving on with the pandemic situations, we carried out the following activities and events to keep our fellow students enthusiastic and lively in lockdown:

1. **Live webinars**
2. **Explore quarantine (included music, art Dance)**
3. **Kaun Banega Chatur Chanakya**
4. **Blood donation camp on the occasion of CA day.**

Each and every successful event held, were supported by the committee members even before being elected. Their passionate approach for holding of events, reaching it to large number of students and conducting it flawlessly, made them an exceptional volunteer for the same.

Candidates nominated done their commendable job and carried on the events during COVID-19 situations in an extra ordinary way. As physically elections were not possible due to covid pandemic, WICASA Committee has been formed by “Coupon System” And Five Nominated candidates were selected as Co-opted Committee Members for Pune WICASA.



On 30st July 2020, in AGM of Pune branch of ICAI, which was held through virtual platform of zoom meetings, **CA Sameer Ladda** (Vice Chairman of Pune Branch of ICAI & Chairman of Pune WICASA ) with recommendation and guidance of **CA Abhishek Dhamne** (Chairman Pune Branch Of ICAI) ,**CA Kashinath Pathare** (Secretary of Pune Branch Of ICAI) and **CA Chandrashekhar Chitale** (Council Member) announced the whole new WICACA committee as follows:

1. **Vice Chairman:** Manmath Shewalkar
2. **Secretary:** Monika Trivedi
3. **Joint Secretary:** Rohan Kasat
4. **Treasurer:** Shravan Ladda
5. **Joint Treasurer:** Pranav Kotalwar
6. **Editor Madam:** Anuja Toshniwal
7. **Co-opted Member:** Sanket Gujalwar
8. **Co-opted Member:** Lokesh Agrawal
9. **Co-opted Member:** Akash Patil
10. **Co-opted Member:** Sanidhya Gattani
11. **Co-opted Member:** Tushar Toshniwal

We all congratulate the team and wish them good luck for the upcoming year. We also look forward through this year that WICASA Team will carry out their roles and responsibilities to keep the bond between the students and the ICAI as appropriate. With all the hopes we can expect the above team so elected will mark a new benchmark of leadership to be admired and inspired by the future leaders in the upcoming years.



## BANKERS AND BALANCE SHEET

- Mohit Rohra  
( WRO0572698 )



The tax audit season has started and all the businessmen & professionals are about to finalize the financial statements in the traditional way. I would like to highlight some points that need to be considered by business owners & tax professionals.

Having got some experience to work as an intern in the field of direct taxation, the traditional approach that I have come across is the view i.e. –How not to pay (or pay minimum) direct tax.

The conventional way adopted is to focus more on window dressing the Profit & Loss by way of ‘minimizing the profits to the best way they can’. The idea backing the approach is the more you save for your client, the more you make him happier.

With more focus being put on saving taxes; what most businessmen & professionals miss out is analyzing the picture that the financial statements portray in the eyes of a banker. Rather more time shall be deployed in finalization of Balance sheet than Profit & Loss. Audited financial statements being the most critical document that is unalterable at the time of availing finance, a more mature & comprehensive approach should be used at the time of finalization.

Following are the suggestions to bring that focus:

- 1. Pay taxes, save on other costs:** At the time of availing finance, bankers & credit rating agencies use financial statements as a base for rating the borrower on the basis of which the spread above Fixed Lending Rate is decided, and it forms an important part in loan pricing. Many of them do not have a much knowledge of the factors that are given due consideration by internal & external rating agencies, making it a hidden & ignored subject.



The traditional approach is by way of understating the top line sales and/or understating profits. By this way they are themselves suppressing their opportunities to grow and earn more returns in long run. The alternative approach should be to flaunt the world by keeping them at actuals and portraying a strong business performance.

**2. Concentrate on ratios:** Preparation of financial statements is no less than an art that needs to be preached by us the financial artists. All financial institutions interpret the business performance based on year by year comparison of performance and focus more importantly on ratios.

One must try and gain the know-how of those ratios and aligning themselves with the comparative industry standards. This shall help the business prosper in long term and attain sustainable growth.

A financial statement is prepared with a motive to share the story of a business in a given time frame. There are various characters to this story which happen to play their roles and are inter-linked to each other in many ways. It is the acumen of the artist who is able to read them and interpret it, and thus, it is also the skill of the presenter who can make the story look as beautiful as it can. The fact remains not many are skilled with it.

**3. Be truthful:** The financial statements shall not be bubbled just to make it look attractive and appealing to the financial institutions. There is an industry practice of maintaining two set of financial statements i.e. one for revenue authorities and the other for financial institutions. All of these qualify to be fraud and serious legal actions have been initiated against those found guilty. As it is rightly said that “Bubbles do burst eventually”.



In case your actual performance as per the benchmarks is not up to the mark, they shall strive hard to achieve the targeted performance rather than comforting those financial institutions with a lie.

So, be truthful with your financial statements, record genuine transactions and don't scum to any kind of such malpractices.

**4. Do it the right way:** In this information driven world, all financial institutions are now aware that were traditionally used to deceive the lenders. Our nation has been changing which could be witnessed from the scheme "Vivad Se Vishwaas" introduced for faceless assessment.

It's time we stop underestimating the knowledge, power and rights of the lending institutions and start doing the business it's right away. To survive in long-term, it's necessary the businessmen and professionals accept the changes and adopt accordingly.

Concluding, financial statements are not the only basis for decision making but the most important and crucial consideration by bankers out of various aspects in appraisal & assessment.

Thus, it becomes necessary that we equip ourselves and draft a strong story for its audience.



## NEW EDUCATION POLICY- 2020

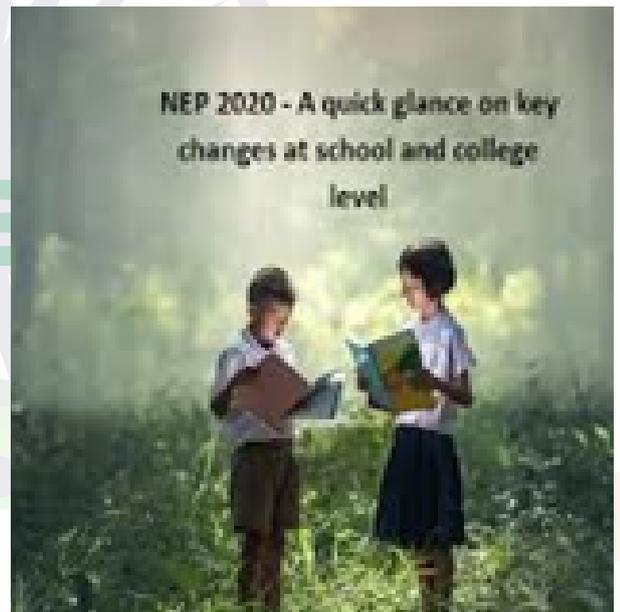
-Shamily Nair  
( CRO0409390 )



The Union Cabinet approved the National Education Policy (NEP) 2020 on 29th July 2020. This is the first education policy of the 21st century to replace the thirty-four-year-old National Policy on Education (NPE), 1986. This policy brought some significant changes that will reshape our entire education system.

Let's look at some of the important changes our very own. HRD ministry has been renamed as Ministry of Education. Investment in the education sector has been increased from 1.6% to 6%, which is a welcoming investment.

The 10+2 structure of school curriculum is to be replaced by a 5+3+3+4 curricular structure corresponding to ages 3-8, 8-11, 11-14, and 14-18 years respectively. This will include 12 years of schooling and three years of Anganwadi and pre-schooling.



The new structure will lead to schooling from the age of 3. According to the ministry, these children will now be a part of Early Childhood Care and Education (ECCE) which is a globally accepted and followed practice.

Every state or district will be encouraged to establish 'Bal Bhavans' as a special daytime boarding school, to participate in art-related, career-related, and play related activities. These exercises will help in shaping the minds of these young children and will help them to use their skillsets in a best way possible.



The mother tongue or regional language will be the medium of instruction in all schools up to Class 5 (preferably till Class 8 and beyond), according to the NEP. Besides, Sanskrit will be offered at all levels and foreign languages from the secondary school level.

Research indicates that having a strong mother tongue foundation leads to a much better understanding of the curriculum as well as a more positive attitude towards school.

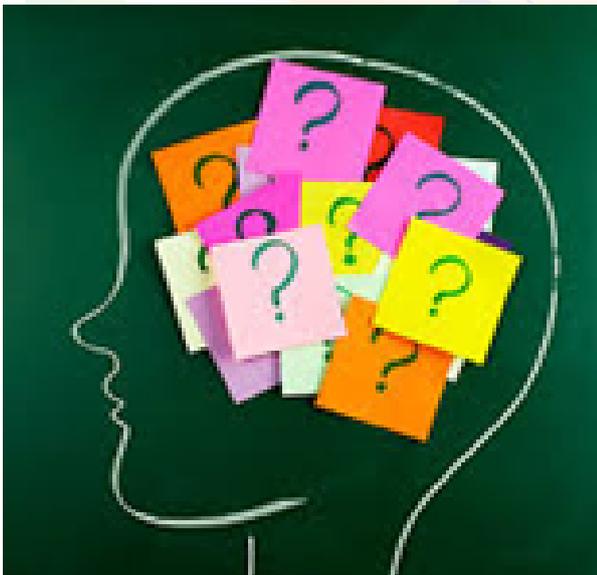
The progress cards of all students for school-based assessment will be redesigned. It will be a holistic, 360-degree and multidimensional report card, which will reflect in great detail the progress and uniqueness of each learner in the cognitive, affective, and psychomotor domains. The progress card will include self assessment, peer assessment, and teacher assessment. This aspect is basically barring the concept of ranking the students on the basis of marks. This is a welcoming change as today's report card does not take into account the benchmarks of what a child should know at the end of every year or reflect his ability to learn.

The board exams for class 10 and 12 will continue. However, the board exams will be made 'easier' as they will primarily test core capacities, competencies rather than months of coaching or memorisation. Bringing in the concept of “Core Competence” (Unique Strength) in the education system is by far the best decision taken by the government. NEP has also brought in a holistic programme aimed at eliminating the rigid separation of streams. Students will now be able to choose subjects like History and Physics at the same time in class 11 and 12.



Academic bank of credits is one of the best things to happen to our education system as it will provide the students an option to take a sabbatical for a year. This will definitely boost the chances of re-joining of students who have left abruptly in the middle of a term/curriculum. The students can re-join and continue the course from where they left. This is a step towards promoting the importance of completing the curriculum.

A National Book Promotion Policy will be formulated, and extensive initiatives will be undertaken to ensure the availability, accessibility, quality, and readership of books across geographies, languages, levels, and genres.



National Educational policy has paved the way for foreign universities to set up campuses in India. Internationalisation of education will be facilitated through both institutional collaborations as well as student and faculty mobility. This will allow the entry of top world-ranked universities to open campuses in India. The NEP 2020 is like a breath of fresh air many beneficial things to offer.

The NEP will help bridge the gap between current education system and the globally accepted standards of education. A door to plethora of opportunities will open if the policy is implemented precisely and methodically.



## INDIAN COS 'PARK YOUR ASSETS'

- Pranav Chikodikar  
( WRO0577055 )



The title of this write up must be giving you a guess that it must be something regarding SPV, yes you are right. This is a write-up regarding the SPV.

### What is Special Purpose Vehicle?

Special Purpose Vehicle is a legal entity registered under relevant Act for the time being in force for fulfilling some requisite requirement/(s) of a Company , registered under Companies Act,2013.In most of the cases in India, SPV's are Companies, but in very rare cases we find that they are Partnership Firm(s),Trust(s) etc. In Canada and United Kingdom SPV's are formed as Charitable Trusts ; while in USA they are formed as Limited Liability Corporations(LLC).

### As per Reserve Bank of India:

SPV means any company, trust, or other entity constituted or established for a specific purpose - (a) activities of which are limited to those for accomplishing the purpose of the company, trust or other entity as the case may be; and (b) which is structured in a manner intended to isolate the corporation, trust or entity as the case may be, from the credit risk of an originator to make it bankruptcy remote.

### Why are SPV's formed ?

Usually any Holding Company incorporates SPV as its subsidiary company for transferring the risk of collecting 'Receivables', in order to focus on its core business. SPV's are formed to securitize the assets of the aforesaid Holding Company in order to facilitate off-Balance sheet funding. Many commercial banks/financial institutions transfer their mortgages to SPV's, thus lowering their leverages on their balance sheets.



### **Birth of SPV's in India:**

Former Union Finance Minister of India, Mr. P. Chidambaram initiated the need for setting up SPV's in India in 2009, mainly to finance projects in Infrastructure Sector. The budget speech of 2009 stated that the proposed SPV's will finance debt funds of longer maturity directly to 'eligible projects' in order to supplement loans from commercial banks and/or financial institutions etc.

The 'eligible projects' mainly included are :

- 1.Road
- 2.Port
- 3.Airport
- 4.Tourism

### **How SPV works?**

There are , we can say, three variables in this process. The first one being, 'The Holding Company', the second being the 'SPV', and the third one being 'The Investors'.

Further there are three stages in this. They are-

1. Origination.
2. Pooling of Assets.
3. Securitization.

In the first stage, the Holding Company transfers all its Receivables (Illiquid Assets) to SPV and thus transfers the risk of collecting the Receivables to the later. In return, it receives the amount of its transferred Receivables less the commission/fees, as the case may be, charged by the SPV. Thus assets are transferred off the Balance sheet of Holding Company giving it a recourse to off-Balance sheet funding.

In the second stage, the SPV collects similar assets from many other like companies, thus creating a pool/group of assets (i.e. Receivables).



In the third stage, SPV issues securities to investors, thus converting documents containing all the details of Receivables to 'Securities'. The SPV sells the Securities to Investors by appointing Merchant Bankers. Merchant Bankers charge Professional fees for issuing the Securities. The 'Investors' can be Mutual Funds, Companies, Partnership firms, LLP's Individuals ,etc.

Thus, the Holding Company gets rid of its Receivables and increases its Share Capital by holding majority shares in such SPV.





## FOCUS

-Sanidhya Gattani  
(WRO0612370)



‘Focus’, that one word each one of us hears innumerable times in life. Be it a student, be it a businessman or be a senior citizen, every person needs to have it in whatever they do.

Focus and concentration are traits that are difficult to master but we as human beings, must keep trying for attainment.

We live in a world that is so full of distractions which is what makes focus a difficult task.

In order to focus on one thing, you must, by default, ignore many other things.

Let me put it in a better way. One can focus only when he has said a yes to one option and no to all other options in place of it. Of course, focus doesn’t mean a permanent no to other things but a present no. You always have the option to do something else later, but in the present moment focus requires that you give in your everything to that one thing. Focus acts as a key to productivity because as you say no to the other options, your efficiency for completing the current option, increases.

Most of the times what happens is the trouble is not with focusing but the problem is with deciding. What I mean is that most humans have a brain which is capable of focusing if we get the distractions out of their way. Have you ever had a task that you had to be done? What happened later? You got it done, because the deadline made the decision for you that you have to do it. Maybe you took it for granted beforehand, but once the deadline arrives, you are forced to make a decision, you take action and complete it.



A lot many times we fail to 'choose' between the options given and then they end up choosing multitasking to convince themselves that they are being productive. But I feel its ineffective.

Have you ever been in the middle of writing an email when someone interrupts you? When the conversation is over and you get back to the message, it takes you a few minutes to reconcile what you were writing and get back on track. Something similar happens when you multitask. Multitasking forces you to pay a mental price each time you interrupt one task and jump to another. This reduces your efficiency.

Focus often fades because of lack of feedback. The first thing you can do is to measure your progress. Your brain has a natural desire to know whether or not you are making progress towards your goals, and it is impossible to know that without getting feedback. From a practical standpoint, this means that we need to measure our results.

We all have areas of life that we say are important to us, but that we aren't measuring. That's a shame because measurement maintains focus and concentration. The things we measure are the things we improve.

The second thing you can do to maintain long-term focus is to concentrate on processes, not events. All too often, we see success as an event that can be achieved and completed. If you want to be a great writer, then having a best selling book is wonderful. But the only way to reach that result is to fall in love with the process of writing.

If you want to become significantly better at anything, one should fall in love with the process of doing it. You have to fall in love with building the identity of someone who does the work, rather than merely dreaming about the results that you want.



Same goes with the process of becoming chartered accountant, focus on the journey and fall in love with the process of completing it. Don't do it just for the sake of completion but with the own energy and willingness of achieving it. Be consistent with the focus and enthusiasm that you had at the time of entering the course.

Start being different and innovative through your thoughts. Rather than having thoughts like it's boring and difficult course ,have a new perspective towards it....think as in you will be interacting with lots of new people.....getting exposures of lots of new industries and at the end a huge box of opportunities.

Think this course not as difficult but different and enjoy the journey.

So, to conclude don't focus on what you are going through but focus on where you are going to. Because it is commonly said, "Difficult roads always leads to beautiful destinations."



## The Art Corner



ये मुसीबत लें आये  
हवाओ मे उडणे वाले...  
और पैदल चल रहे हे  
रोज कमा कर खाणे वाले...!!!

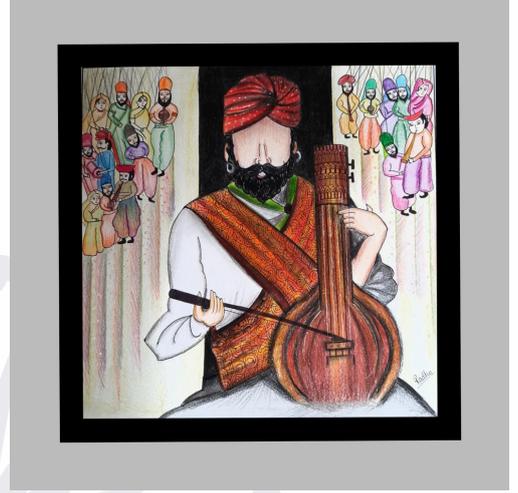
हम बैठे हैं अपने घर में  
बढे ही आराम के साथ...  
उनके हालात इथने बत्तर  
के देखे से भी ना देखे जाय...!!!

हम ले रहे हैं Ac की थंडी हवाये  
उनके नशिब में तो सुरज की हाय...

घर बैठे बैठे कही तोंद ना निकाल आये  
ये चिंता कुछ लोगो को खाई जाये...  
वो मजदूर इस बत से परेशान हैं  
के बच्चा को कही भूक ना लग जाये...!!!

वो नंगे पैर कैसे चलते होंगे...?  
रास्तो पे तो पैर जलते होंगे...?  
इतना सह कर भी मुक्कमल खडे हैं  
शायद वो घर पोहचणे ही वाले हैं...!!!

- AKASH PATIL



- RADHA CHANDAK



- SAGUN GAVADA





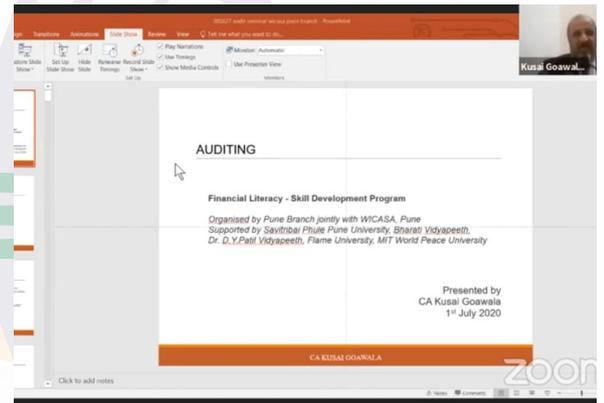
# GLIMPSE OF PAST EVENTS



**Flag Hoisting on the Occasion of CA Foundation Day**



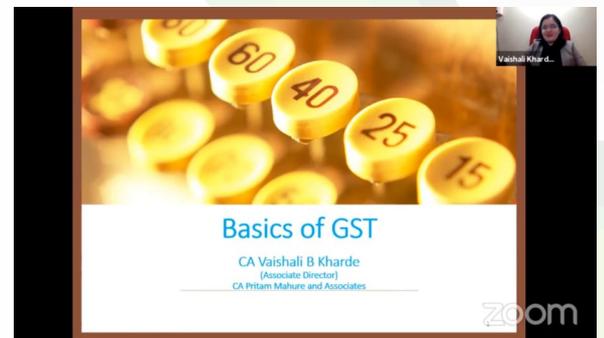
Seminar on **"ATMA NIRBHAR BHARAT"** on the Occasion of CA Foundation Day Celebration - BY **Mr. Avinash Dharmadhikari**, Ex-IAS Officer



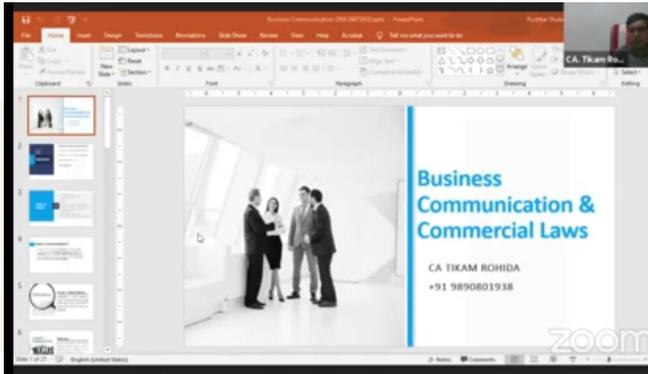
Live Webinar on **"Financial Literacy Skill Development Prog." - Auditing-** BY CA **Kusai Goawawala**



Live Webinar on **"Financial Literacy Skill Development Prog." - Income Tax-** BY CA **Mehul Shah**



Live Webinar on **"Financial Literacy Skill Development Prog." - Basic Concept of GST -** BY CA **Vaishali Kharde**



Live Webinar on **"Financial Literacy Skill Development Prog." - Business Communication & commercial Law- BY CA CA Tikam Rohida**



**Investor Awareness Programm** On The Occasion of CA Foundation Day-**BY Mr. Nilesh Shah**



Live Webinar On **"About CA Day"** For CA Students Jointly with Pune, Satara, Nagpur & Pimpri-Chinchwad Branches of WICASA- **CA. Dr. S. B. Zaware**



Interactive Session on **Handling Change** Jointly with Pune WICASA-**BY CA Swami Krishnadasji**



**Final round of Kaun Banega Chatur Chanakya (KBCC)- Quiz Competition for Members** Organised by WIRC of ICAI in Support with Pune Branch of WIRC of ICAI



Live Webinar on **"The Secret Of Scoring Marks"** for CA Students jointly with Pune WICASA- **BY CA Vijay Athavle**