



Western India Chartered Accountants Students Association (WICASA) of The Institute of Chartered Accountants of India.



NEWSLETTER AUGUST, 2020

HAPPY 74TH INDEPENDENCE DAY

*On this 74th Day of Independence,
let us all pledge for freedom from
the Coronavirus by staying at
home and helping each other in
this tough time.*



#KeepDistance
#StaySafe
#WearMask

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CA. Lalit Bajaj

Vice Chairman:

CA. Vishal P Doshi

Secretary:

CA. Murtuza Kachwala

Treasurer:

CA. Anand Jakhota

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WIRC CHAIRMAN'S COMMUNICATION



Dear Students,

The path to accomplishing your biggest dreams and goals is clear thanks to the relevant information made available by WICASA of WIRC. However, possessing knowledge is different from learning to apply it to achieve professional and personal success.

To attain your goals, you need to keep upgrading yourself and to become the best version of yourself, you'll need to learn to instil certain codes of behaviour.

- Be true to yourself: Every time you do what you say you're going to do; you build self-respect and a positive identity. If you commit to exercising 20 minutes each day, then do it. Regardless of the outcome, your character is being strengthened.
- No self-pity: Successful people understand that making excuses for themselves weakens their personal power. The key in life is not what happens to you, but how you respond to circumstances and how fast you rebound from setbacks.
- Know & believe that 'failure' is feedback: Successful people understand that failure is just an illusion. Hence when they chase after a goal, they believe two things can happen: They achieve their desired result or they get feedback. Falling short of your goal isn't failure, it's a lesson for next time.
- Keep your mind & ears open: Reading books does not guarantee that you will become a professional in your field. Listen and learn from the experience of others, especially their work ethic, it is very useful for your future career.
- Become more active: For complete growth you also need to become socially active whether as member of a student council, develop strategies to help other students move ahead, help publish a newsletter, etc.
- Separate your expectations from the expectations of others: Your family, friends, and teachers, all have their own idea about your future. Listen respectfully to others, but form your own judgements. Learn to cultivate independent thoughts, as this will help you become a better professional.
- Do not strive for perfection: The desire to be perfect in everything is a wonderful recipe to bring about anxiety, fear and self-doubt. Aim for consistency, perseverance and diligence, everything else including success will follow.

WICASA of WIRC follows and encourages students to follow the principles highlighted above. Last month we organized the Kaun Banega Chatur Chanakya (KBCC)-Semi Finals as part of the indoor sports programme for CA Students. Participating students greatly enjoyed KBCC which gave them the opportunity to expand and grow in other directions.





Even in modern day information age, students in India are still not sure of future careers and growth prospects. To give them a broader perspective on real life career growth, we conducted Career Counselling at Gokuldharm High School & Junior College, Mumbai and at the Maharana Pratap High School, Deopur Dhule. We are expanding our Career Counselling into the hinterland to ensure that bright students get the information they deserve to build a successful career for themselves and their families.

WICASA organized practical workshops on 'Tally Summit 2020' & 'Course on Using Excel for Financial Modelling' last month. Both these events saw a large turnout of students and excellent feedback regarding high quality of material provided in these meetings.

The intensive, 10-day summit Tally Summit gave students a practical and working knowledge on the procedure of analysing, recording and reporting of financial transaction in Tally ERP 9. Students were really pleased with the hands-on experience they gained in this summit.

Similarly, the three-day workshop on 'Excel: An Intelligence Tool for Financial Modelling' was a deep-dive series to give students a practical understanding of how to create financial models to implement them for better investment decisions. The students learnt about Financial Statement Analysis, Building Financial Models and about Financial Modelling & Valuation in the space of three days, preparing them for professional analysis in the near future.

Periodically, we need to take a step back, recalibrate ourselves and rework goals to fuel us on our path toward growth. Your goals are the destination and your actions, habits and strategies are your vehicles. There are many potential vehicles to help you reach your goal but the key lies in finding the right ones uniquely suited to you. As you keep growing and progressing, you need to continually evolve and be open to new ideas.

The holistic application of these thoughts is what WICASA looks to inculcate in all our students. I trust that you will continue to take advantage of this wonderful opportunity and become the high-quality finance professionals that make us proud.

Remember, "Be bold enough to use your voice, brave enough to listen to your heart, and strong enough to live the life you've always imagined."

And as always, stay safe, stay healthy.

CA. Lalit Bajaj

Chairman, WIRC.





WICASA CHAIRMAN'S COMMUNICATION



My Dear Students,

Be so focused on your goals that no one can stop you from achieving them!

Your journey in becoming a Chartered Accountant will be like a roller coaster ride. You all will have your ups and downs, your struggles. But, one thing is clear it will be worth remembering. We all face failures and disappointments in life but, remember those failures always teach you a lesson! What life would be if we have no hustle, struggle and failures in life? So, remember to always face difficulties and win over your failures! The two words before your name will be all worth the struggle.

On 15th August we celebrate Independence Day, I hope you all have independence in your life from fear of clearing your exams and all the unnecessary burden baggage which you carry. To reduce your burden, we at WICASA try our level best to conduct as many sessions as possible to bring clarity to your concepts. In last month we conducted various sessions and in the upcoming months we have many sessions in pipeline. All the sessions are planned considering your requirements and difficulties with the best faculties. Previously our sessions were limited to Mumbai now, with the support of information technology, we are conducting all the sessions on online platforms which you all can access across India. Thus, staying at home also can help you gain knowledge.

We have also started 'CA Career Counselling' to help out students for any career guidance required. So, students please feel free to reach out to us. We are always here to provide you assistance and guidance required during all times.

Waiting to read your interesting articles and view your creatives. Hope to see you all in the forthcoming sessions.

Thanks & Regards,

CA Hitesh Pomal





UPCOMING EVENTS

Half Day Webinar On	Faculty	Date	Timing
Guide to GST Return Filing	CA Sunil Sharma	August 17, 2020	2:00 PM to 4:00 PM
Guide to Focus and Develop Mental Health	Prof. Rima Engineer	August 19, 2020	
Basics of M&A and Due Diligence	CA Rahul Bagaria	August 26, 2020	
Advance Excel Functions	CA Kedar Pande	August 31, 2020	
Sunday Special			
ABC Analysis of Your Exam Preparation	CA Durgesh Singh	August 23, 2020	12:00 Noon to 2:00 PM
Students Soft Skills in Virtual Era	CA Krunali Shah		2:00 PM to 4:00 PM
Automation Using Excel	CA Sandeep Modi		4:00 PM to 6:00 PM
2020 Induction Program for CA Foundation Students			
CA Course Syllabus	CA (Dr.) Debashis Mitra	September 13, 2020	11:05 AM to 11:20 AM
Skills Development for CA Students	CA Jay Chhaira		11:20 AM to 11:35 AM
Dream, Design and Decode the Alchemist within You	Padma Shree CA T.N. Manoharan		11:35 AM to 12:05 PM
Professional Achievements being a Chartered Accountant	CA Shubhangi Soman		12:05 PM to 12:35 PM
How to Build a Meaningful Career	CA Alok Kedia		12:35 PM to 12:50 PM
Q & A Session	-		12:50 PM to 1:00 PM





ARTICLES



Anjali P. Shah
SRN: WRO0620892

Internal Audit– An Insight into Pharmacy Procurement Cycle

Introduction:

Procurement is an important function in hospital pharmacies, as Purchase cost makes up a significant percentage of total cost. It is crucial as organization’s profitability depends largely on it. Pharmacies can control a number of factors within the Pharmacy Procurement Cycle that can support better outcomes for patients and enhance the bottom line for facilities. This write provides an insight on internal controls pertaining to procurement cycle. These control mechanisms can provide a basis for consistent quality, better financial performance and improved regulatory compliance when implemented appropriately and adhered to during day-to-day operations.

Procurement Cycle:

Drug costs make up an increasing percentage of healthcare expenses. Proper management of drug procurement is essential for addressing cost and promoting patient safety and quality care. To ensure pharmacy procurement activities are operating appropriately, with internal controls in place, firstly all the processes involved in procurement cycles should be clearly understood. With in-depth understanding of processes only internal audit can be carried out efficiently and can give value-addition to the entity. Basic and the first step in internal audit is understanding the entity and its processes. Below mentioned chart highlights important processes of Procurement cycle.



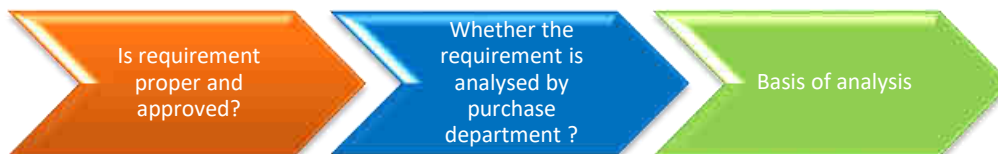
A. REQUIREMENT:

Procurement cycle initiates with “requirement”. Requirement is first analysed and it is ascertained whether the material to be procured is actually required or not. Same could be done by comparing stock available and forecasting future requirements. Re-order levels are to be decided for fast-moving and costly inventories.





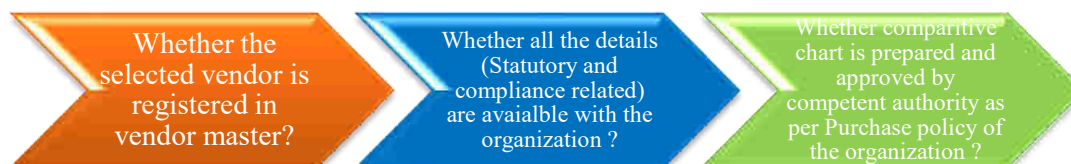
Key considerations during Internal audit:



B. VENDOR SELECTION:

After analysing requirement, and deciding upon quantities required, vendor selection is the next step in procurement cycle. Vendor master should be maintained and kept updated in every organization. Further before placing any order vendor should be registered. Quotations should be called upon from different vendors, comparing rates offered. After comparison, vendor offering the most competitive quote should be selected.

Key considerations during Internal Audit:



C. PRICE NEGOTIATION:

Once the vendors are selected, prices should be negotiated to get the most cost-effective quote. Negotiating is one of the most important part of the procurement cycle, as effective negotiation will result into cost savings and increased profitability.

Key considerations during Internal Audit:

- Whether the rates decided are effectively negotiated?
- Whether the negotiation, original quote and negotiated quotes are all approved and documented?

D. PURCHASE ORDER:

Once vendor selection and price negotiation are done, purchase order is placed with the selected vendor. While placing order, rates and quantity decided should be correctly mentioned and order should be communicated to vendor in written form.

Key considerations during Internal Audit:





E. GRN PROCESSING:

At time of receipt of goods, goods should be physically verified at gate with invoice and purchase order. After that receiving should be done at stores and goods receipt note should be prepared on real-time basis, indicating quantity received, rates, date and time of receipt.

Signature of person delivering the goods should be taken and a copy of GRN should be handed over to him. Expiry date and batch number should be verified and confirmed before accepting the goods.

Key considerations during Internal Audit:

- Whether GRN is approved?
- Ensure three-way check with Purchase Order (PO), GRN and invoice.
- Ensure there is segregation of duties and functions of placing order, preparing GRN and payments are segregated and maker-checker concept is followed.
- Confirm rates with PO on test-check basis.
- Ensure timely preparation of PO and GRN.

F. INVOICING AND PAYMENTS:

This is the last process of procurement cycle. GRN once prepared, should be forwarded along with invoice from stores department to Finance & Accounts department for payment cycle. Upon receipt of invoice, availability of all approved documents i.e. PO, GRN should be checked. Invoices should be checked upon for rates charged and accuracy of taxes. Further if applicable, GST related details should also be effectively checked and after assuring complete accuracy regarding taxes and rates, payment for the vendor should be processed.

Key considerations during Internal Audit:



CONCLUSION:

Internal audit is an effective tool of risk assessment. It adds value to the organization and all the stakeholders. It ensures effective monitoring over entity's internal control systems. Role of internal audit in pharmacies is pivotal and with changing environment of business is gaining further importance. Cost management techniques in pharmacy purchasing along with tight inventory controls can result in financial improvements. The proper use of pharmaceuticals in achieving positive patient outcomes is essential. When coupled with proper inventory management, organizations can reduce the risk for regulatory non-compliance and derive further financial benefits from an integral hospital function.





Rajvi Nathvani
SRN: WRO0582724

INDEPENDENT DIRECTORS- Prove your Competence!

As per the provisions of [Section 149 of the Companies Act, 2013 \('the Act'\)](#), the only two requirements for the appointment of an independent director ('IDs') are that the person:

- should, in the opinion of the board, be a “person of integrity and possess relevant industrial expertise and experience”
- should be unrelated to the company and any other related parties, for which the Rules prescribe various restrictions on eligibility

Interestingly, neither the Act nor any related Rules or Regulations prescribe in detail, the qualifications of an independent director. This has historically paved way for two kinds of appointments:

- The first is the useless independent director, who is informally expected to do nothing but collect sitting fees
- The other is the prestige appointment, where the independent director is an industry expert and well-known, but simply doesn't have the time nor the inclination to act as a proper watchdog

To break the above norm and strengthen corporate governance, Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, effective from December 1, 2019, requires all existing IDs or persons who wish to become IDs to clear an **online proficiency self-assessment test** conducted by the Indian Institute of Corporate Affairs (IICA).

The main features of the test are as follows:

- To be passed within one year from date of inclusion of name in databank, failing which name shall stand removed from databank
- 60-minute MCQ test, 50 questions to be answered, each question carrying two marks
- Minimum passing score – 60% in aggregate
- No limit on number of attempts
- Test based on Companies' law, securities law, accountancy, ethics, etc.



- Exemption from passing the test if has served as a director or key managerial personnel, for at least ten years, as on the date of inclusion of his name in the data bank, in one or more of the following, namely:
 - (a) listed public company; or
 - (b) unlisted public company having a paid-up share capital of rupees ten crore or more; or
 - (c) body corporate listed on a recognized stock exchange

The **industry has reacted unfavourably** to the aforesaid additional requirement, which is evidenced by various news articles capturing the below:

- About 170 independent directors of NSE-listed companies have resigned in January and February 2020 owing to the Ministry of Corporate Affairs deadline for registration process and passing an online self-assessment test. Some have said they do not have the time to study and appear for the exams
- Many have expressed concerns that professionals with certain minimum qualifications like CA / CS / MBA should not be required to give the test
- Some critics of the move have said that this could shrink the pool of available people while others said it may not necessarily achieve the goal of improved corporate governance
- Quite a few believe that uniform exam to decide eligibility for all would not achieve the intent since board of different companies needs multiple skills depending upon the business, they are into

While one appreciates the need for IDs to be capable and knowledgeable for that particular company, the larger question arises on whether it is incumbent that all of them should know, or be particularly familiar, with all appropriate laws.

That being said, few experts also consider this as a **small step in the right direction** since the qualified IDs will be able to perform their functions diligently and thus reduce cases of blind conformity with the executive management.

Corporate governance, being more of a behavioural rather than a legal issue, can be **best achieved by adhering to fair principles and not just the law**.





Praanav Vatani
SRN: WRO0620878

BHARATVAARSH
(Celebrating 73 Years of Independence)

स्वतंत्रता का दाम बड़ा गहरा है
इस देश का हर अंदाज़ सुनहरा है
विश्व पर छा रहा, भारत का एक नया चेहरा है

इंसानियत की मिसाल, भारत ही बनता है
चुनौती दे कोई तो, खाख में मिलता है
दुनिया की मिट्टी में कमल सा खिलता है
सर्पो की बस्ती में, चंदन सा मिलता है
विश्व का आरंभ यहीं मिलता है
धर्म का प्रारंभ भी यही मिलता है

यहीं से शांति का संदेश फहराता है
हर भारतीय के मन में सदैव तिरंगा लहराता है





QUIZ

1. Vidya received Rs. 90,000 in May, 2019 towards recovery of unrealized rent, which was deducted from actual rent during the P.Y. 2017- 18 for determining annual value. Legal expense incurred in relation to unrealized rent is Rs. 20,000. The amount taxable under section 25A for A.Y. 2020- 21 would be-
 - a. Rs. 70,000
 - b. Rs. 63,000
 - c. Rs. 60,000
 - d. Rs. 49,000
2. Brought forward loss from house property can be set-off against-
 - a. Any head of Income to the extent of Rs. 2,00,000.
 - b. Any head of Income without any limit.
 - c. Income from house property without any limit.
 - d. Income from house property to the extent of Rs. 2,00,000.
3. When can the transaction value be rejected for computation of value of supply?
 - a. When the buyer and seller are related and price is not the sole consideration.
 - b. When the buyer and seller are related or price is not the sole consideration.
 - c. It can never be rejected.
 - d. Both (a) and (b).
4. Which of the following is not included in aggregate turnover?
 - a. Exempt supplies of goods or services or both.
 - b. Export of goods or services or both.
 - c. Inter- State supply of goods or services or both.
 - d. Value of inward supplies on which tax is paid under reverse charge.
5. In case of continuous supply of services, where due date of payment is ascertainable from the contract, invoice shall be issued:
 - a. before or at the time when the supplier of service receives the payment.
 - b. on or before the due date of payment.
 - c. either (a) or (b).
 - d. none of the above.

Mail your answers at wicasa@icai.in

Answers for the month of July, 2020

1. (d) 2. (d) 3. (c) 4. (d)





- **2020 Induction Programme for Direct Entry Students-**
Day & Date- **Saturday, 8th August, 2020**
Time-**10.00 a.m. to 1.00 p.m.**

- **Cut-off date for conversion from Earlier Scheme to Revised Scheme to appear in November, 2020 Intermediate Examinations extended to 1st August, 2020-**
For conversion from Earlier Scheme to Intermediate Course of Revised Scheme of Education and Training, the students may visit Self Service Portal at <https://eservices.icai.org/>

- **Additional Examination Centres for CA Students at all levels-**
For the convenience of the students ICAI has decided to include more examination centres across India. For detailed list, kindly follow the link below:
<https://resource.cdn.icai.org/60517exam49295.pdf>

- **The revised version of Notes for information of guidance for applicants of Intermediate (IPC-Old) Examination / Accounting Technician Examination (ATC) for November 2020 Examination and Intermediate (New Course) Examination has been issued today due to inadvertent error in Point No.22 of Guidance Note issued on August 5, 2020-**
The link for revised notes for information of Guidance of application is given below:
 - https://icaiaexam.icai.org/Announcements/IPCE_Old_Guidance_November2020.pdf
 - https://icaiaexam.icai.org/Announcements/IPCE_New_Guidance_November2020.pdf

- **Announcement on Examination Schedule for Foundation, Intermediate and Final for November, 2020-**
Students can fill the exam form on <https://icaiaexam.icai.org/> from **August 5, 2020 to August 25, 2020 (without late fees)** and up to **September 4, 2020 (with late fees)**. For further details, visit the link mentioned below:
<https://resource.cdn.icai.org/60304icai-exam-nov2020.pdf>





JULY, 2020 EVENT SNAPSHOTS

Annual General Meeting- July 12, 2020



Raksha Bandhan Celebration- August 3, 2020



Thank you for your overwhelming response!

They are doing their part, we have done our part, have you?

Its better late than never, you can still send your photographs giving your contribution on- wicasa@icai.in and we will post the photographs in the upcoming newsletter!





TOPICS FOR UPCOMING NEWSLETTER

Dear Readers,

As you all read the articles submitted by our hard- working students, we give our readers the opportunity to submit your articles. By submitting your articles not only our readers' knowledge will be enhanced but also your writing skills. The best article under each topic will be published in our upcoming newsletters. Below are the topics on which you can write:

➤ **Academic Topics**

- Need of Indian Accounting Standards.
- How can a Person Minimize His/ Her Financial Risk?
- Ways to Prevent a Fraud to Take Place and Role of Auditor.
- Audit of Banks.

➤ **Non- Academic Topics**

- Atma Nirbhar Bharat- How will India Become Self- Reliant?
- How has The Covid- 19 Pandemic Affected Small Business?
- Exam Preparation Strategy and Mindset After Cancellation of May, 2020 Exam.
- Prospective Areas where Chartered Accountants can Work Successfully.

➤ **Guidelines**

- Article should be of minimum 1 page and maximum 3 pages.
- Article should be sent with your photograph and Student Registration Number (SRN).
- Article should be in editable version (MS- Word Format), Font- Calibri, Font size- 12.
- Article should be original nature and neither copied nor published in any other print or electronic media.

➤ **Creatives**

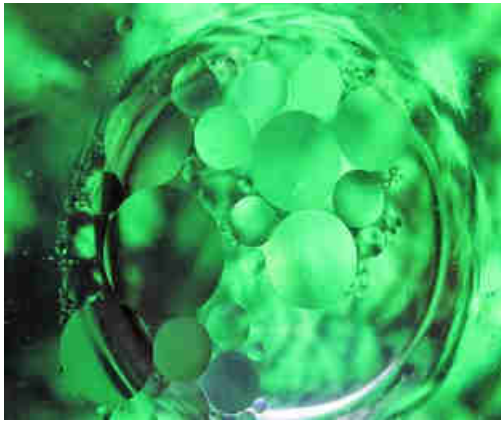
For all the creative minds, if writing is not your cup of tea, you may highlight your creativity skills by sending your art to us. Since, creativity has no fixed parameters so, you can send to us: drawing, poem, photographs and all the art work which is unusual in your way!

Kindly submit your Articles and Creatives at- wicasa@icai.in.





CREATIVES

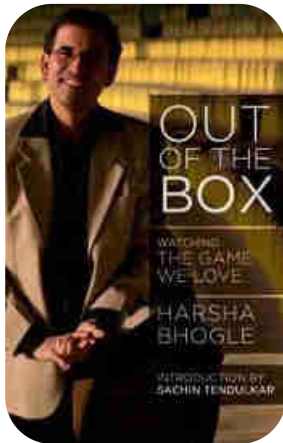


Captured by: Sharda Yeole
SRN: WRO0616999

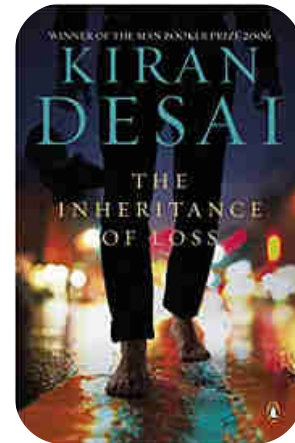


Captured by: Vedika Pawar
SRN: WRO0557816

MUST READ



Out of the Box
Harsha Bhogle



The Inheritance of Loss
Kiran Desai

Branches: • Ahmedabad • Ahmednagar • Akola • Amravati • Anand • Aurangabad • Baroda • Bharuch • Bhavnagar • Bhuj
• Dhule • Gandhidham • Goa • Ichalkaranji • Jalgaon • Jamnagar • Kalyan-Dombivali • Kolhapur • Latur • Nagpur • Nanded •
Nashik • Navi Mumbai • Navsari • Pimpri Chinchwad • Pune • Rajkot • Ratnagiri • Sangli • Satara • Solapur • Surat • Thane •
Vapi • Vasai

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Kurla Complex, Bandra East, Mumbai-400051.

WIRC Website: <https://www.wirc-icai.org>

