



**The Institute of Chartered  
Accountants of India**  
(Set up by an Act of Parliament)



**WICASA Pimpri-Chinchwad Branch  
of WIRC**

# DAWN OF DREAMS





# WICASA Pimpri-Chinchwad Branch of WIRC of ICAI



## WICASA MANAGING COMMITTEE MEMBERS 2025-26



**CA. Dhiraj Baldota**  
WICASA Chairman



**Mr. Omkar Tengale**  
Vice-Chairman



**Ms. Sanyukta Dhadave**  
Secretary



**Mr. Siddhant Chordiya**  
Treasurer



**Ms. Ishika Mandal**  
Editorial Head



**Mr. Rinku Agrawal**  
Co opted  
Vice-Chairman



**Ms. Anuva Babel**  
Co opted  
Secretary



**Ms. Mayuri Farkande**  
Co opted  
Treasurer



**Mr. Varsham Bagli**  
Co opted  
Editorial Head



**Ms. Sakshi Jain**  
Co opted MCM



**Ms. Prajakta Joshi**  
Co opted MCM



**Ms. Aarya Jain**  
Co opted MCM

# TABLE OF CONTENTS

<b>SR. NO.</b>	<b>SUBJECT</b>	<b>PAGE NO.</b>
1.	WICASA Co-opted Treasurer's Communique	4
2.	Article Archives	7
3.	Poetry Corner	30
4.	The Art Gallery	34
5.	Photographic Journeys	36
6.	ICAI Announcements for the month of October 2025	44
7.	Due Dates for the month of November 2025	46
8.	Upcoming events for the month of November 2025	48



# CO-OPTED TREASURER'S COMMUNIQUE



*Dear Members and fellow Students,*

As we welcome this edition of our newsletter, Dawn of Dreams, I am grateful for the opportunity to share a few words from the heart. This theme beautifully captures the quiet yet powerful feeling that accompanies every new beginning – that moment before the sun fully rises, when everything feels possible even if the path ahead is still taking shape.

In many ways, our journey as CA students mirrors a dawn. We wake up every day with responsibilities, expectations, and challenges, yet we also carry hopes, ambitions, and dreams that guide us forward. This phase of our lives is filled with uncertainty, but it is also filled with immense potential. And sometimes, all we need is a little light to remind us that we are moving in the right direction.

As the Co-opted Treasurer, I see every initiative, every event, and every student effort as an investment – not just financially, but emotionally and academically. WICASA isn't just an organisation; it's a community where each of us contributes in our own unique way. Whether it's participating in activities, submitting articles, volunteering, or simply learning quietly in the background, your involvement shapes who we collectively become.



Every month, I witness students stepping out of their comfort zones—sometimes with confidence, sometimes with hesitation, but always with sincerity. And that, to me, is the essence of this dawn we speak of. Progress doesn't always shout; sometimes it whispers. It shows up in the extra hour you studied, the question you finally asked, the event you attended even when you felt unsure, or the contribution you made even when you doubted its value. These small, quiet choices are what shape us into stronger, more capable professionals.

This edition of the newsletter is a reflection of those choices. It carries the creativity, dedication, and curiosity of our student community. The articles, poems, insights, and updates within these pages are more than content—they are expressions of thought, effort, and growth. They remind us that learning is not limited to textbooks, and development is not confined to classrooms. Much like the first light of dawn, these contributions illuminate the path ahead for others as well.

As we move forward, I encourage each one of you to nurture your dreams with patience and persistence. The journey of Chartered Accountancy can be demanding, and at times, overwhelming. But it is also a journey that builds resilience, sharpens perspectives, and reveals strengths we often don't realise we possess. Trust your pace, trust your progress, and trust the little sparks within you that push you to become better every day.





May this Dawn of Dreams remind us all that beginnings are not defined by perfection—they are defined by courage. And as long as we continue showing up for ourselves and for our community, the future ahead will only grow brighter. Let's continue supporting one another, learning from one another, and dreaming boldly as we step into the many horizons waiting for us.

*With Warmth regards,*

**Mayuri Farkande**  
**Co-opted Treasurer**  
**WICASA Pimpri-Chinchwad Branch**  
**WIRC of ICAI**





**ARTICLE ARCHIVES**





**MS. THANISHKA  
POTHUMAHANTI  
WRO0710746  
PUNE**

## **Generative AI: Boon or Bane for CA Students**

The Chartered Accountancy (CA) course has long been one of India's toughest professional programs — a test of memory, patience, and endurance. Students juggle vast syllabi, frequent amendments, and demanding articleship duties. Into this high-pressure ecosystem entered a new player: Generative Artificial Intelligence (AI) — tools like ChatGPT, Gemini, Perplexity, and Notion AI — promising to simplify learning, drafting, and research. But the question arises: Is AI a blessing that empowers CA students or a shortcut that weakens their professional foundation?

This paper explores the dual impact of AI tools on CA education — their potential to enhance efficiency and understanding, and their risks of overdependence, misinformation, and ethical breaches.

### **Understanding Generative AI**

Generative AI refers to models capable of creating new content — text, summaries, spreadsheets, reports, or even presentations — based on user prompts. For CA students, this technology can explain complex accounting concepts, summarize standards like Ind AS, draft audit queries, generate practice questions, or even create templates for professional communication. Essentially, it acts as a 24/7 digital assistant that can support both study and work, provided it is used wisely.





## **Common AI Tools for CA Students include:**

- ChatGPT and Gemini – for explanations, examples, and summaries.
- Perplexity AI – for sourced, research-based answers.
- Notion AI – for organizing and summarizing notes.
- Grammarly and QuillBot – for refining written communication.
- CA-specific search engines – for quickly finding laws and provisions.

The increasing adoption of AI by firms, educators, and ICAI itself shows that this is not a passing trend but a professional shift.

## **Why CA Students Turn to AI**

Several challenges drive students toward AI tools:

1. Huge syllabus spanning Accounting, Auditing, Law, and Taxation.
2. Constantly changing laws, especially in GST and Income Tax.
3. Severe time pressure while balancing articleship, classes, and self-study.
4. Resource overload – too many PDFs, notes, and video lectures.

For many, AI becomes the “study buddy” who never sleeps, answers instantly, and organizes chaos into clarity.

## **The Boon: How AI Benefits CA Students**

### **1. Accelerated Concept Mastery**

AI can simplify complex topics by breaking them down into step-by-step explanations and summaries. It supports spaced revision and faster understanding. When students use AI to generate summaries or quizzes after self-study, learning retention improves. Studies cited from Nature and The 74 Million show that AI-assisted tutoring boosts efficiency when used as a support, not a replacement.



## **2. Articleship Productivity**

AI speeds up drafting of audit reports, management letters, and client emails. It can also suggest analytical procedures, sampling methods, and reconciliation checklists — saving time for actual professional work. Big firms like Deloitte and PwC are already using internal AI assistants for similar purposes, with strict confidentiality controls.

## **3. Enhanced Communication and Career Readiness**

AI helps students draft resumes, cover letters, and professional emails, and prepare for interviews. International bodies such as UNESCO and the World Economic Forum highlight AI literacy as a core employability skill for future professionals.

## **4. Macro-Level Productivity**

Reports by McKinsey show AI's potential to significantly boost productivity across knowledge-based professions. For CA students, combining technical knowledge with AI fluency offers a competitive edge in a digital-first economy.

In short, when used with awareness, AI acts as a scaffold, not a crutch — enabling faster learning, better practice, and smarter work habits.

## **The Bane: Where AI Becomes a Risk**

### **1. Inaccuracy and “Hallucinations”**

AI can produce confident but wrong information —especially risky in fields like taxation or law, where even small errors can have major consequences. Students copying AI answers without verification risk learning incorrect sections or citing nonexistent circulars.

### **2. Erosion of Core Reasoning Skills**

Excessive reliance on AI to solve problems can weaken critical thinking and conceptual understanding. Research warns that while AI may help with practice problems, it can harm performance on exams requiring deep reasoning.





### **3. Ethics and Confidentiality**

Uploading confidential client data into public AI tools violates ICAI's ethical principles — integrity, objectivity, competence, confidentiality, and professional behavior. The Digital Personal Data Protection Act (2023) also imposes strict rules on data sharing, making careless AI use a legal liability.

### **4. Over-Reliance and Exam Integrity**

Since ICAI exams prohibit AI assistance, over-dependence can leave students unprepared for independent reasoning. UNESCO and OECD both stress that AI must never replace human judgment in assessments.

### **5. Audit-Specific Concerns**

In auditing, AI adoption remains limited due to data security and reliability issues. Professionals must still rely on skepticism, evidence-based reasoning, and human judgment — qualities that AI cannot replicate.

## **Institutional and Expert Perspectives**

Global and national bodies recommend responsible integration of AI in education and accounting:

- ICAI has established an AI Committee, developed “CA-GPT,” and introduced certificate courses to promote ethical and effective AI use.
- ICAEW advises professionals not to upload confidential or personal data to open AI tools.
- UNESCO, OECD, and ACCA emphasize developing AI literacy, transparency, and accountability rather than banning AI altogether.

## **Responsible Use Framework for CA Students**

The paper proposes a “Responsible Use Playbook”, summarizing best practices:



1. Attempt questions unaided first; use AI for hints, not solutions.
2. Cross-verify all AI-generated answers with ICAI material or official sources.
3. Use AI to strengthen reasoning, not to replace it.
4. Never share client or personal data in open AI tools.
5. Always review and cite authoritative sources.
6. Apply ICAI's ethical principles to every AI task.
7. Practice "AI-free" study sessions to maintain exam readiness.
8. Enroll in ICAI's AI and technology skill courses for structured learning.

## **Case Vignettes: Boon vs. Bane**

- Boon: A student uses AI to summarize GST rules and then verifies them with the Bare Act — leading to faster recall.
- Bane: Another trainee uploads client invoices into an AI chatbot for cleaning data, violating confidentiality.
- Boon: AI helps draft a polite audit query, refined, and reviewed by a senior — improving efficiency.
- Bane: AI fabricates a fake CBDT circular; the student cites it without verification — resulting in loss of credibility.

## **Conclusion: A Tool of Transformation — or Temptation**

Generative AI is not a threat to learning; it is a mirror reflecting how responsibly it is used. For CA students, AI is a boon when paired with discipline, ethics, and verification — enabling smarter study and productivity. But it becomes a bane when used to avoid effort or compromise professional standards.

The ICAI's proactive approach — through CA-GPT and AI literacy programs — signals that the future Chartered Accountant must combine technical mastery with technological responsibility. In the end, AI is like a calculator — powerful when used wisely, dangerous when used blindly.





# MR. DHRUV PATIL

## WRO0654135

### PUNE



## Valuation: Art or Science?

### Setting the background

"Value" everything has a value. We put numbers on companies, assets, even ideas. Some people even try to value love... and then end up with alimony. Yet, valuation lies at the very centre of finance today, whether it's assessing a business, a merger or acquisition, or an investment. But the age-old question still haunts financial professionals: how do we truly define value? Is valuation an art, something only the great artists can master? Or is it a science, governed by inputs, universal laws, and predictable outputs?

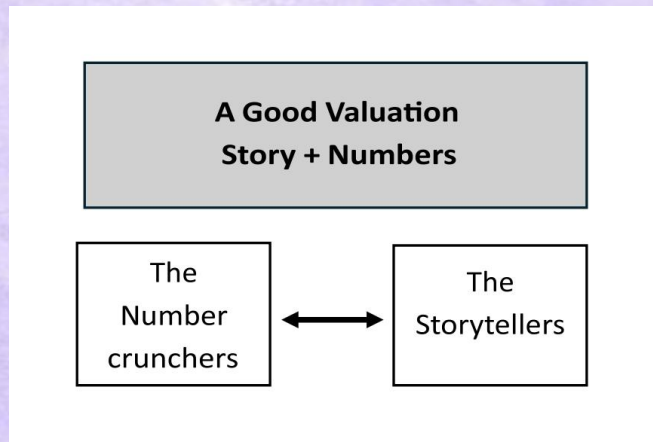
I say it's not clearly one. Valuation is a more of a craft, it's a blend of both art and science. Valuation like any craft is a skill that one learns **by doing**. The more they do, the more better they get at it. Valuing a business is like weather prediction, though scientific methods exist still, one can never fully predict what the weather will be. So, is valuation merely pricing an asset? No, mind you valuation is **not pricing**, pricing is what the buyer and seller agree at for the transaction, pricing is the outcome of valuation, it is the middle ground where both the buyer's and seller's valuations intersect.

### So, what exactly is valuation then?

If you open Wikipedia, it will tell you that valuation is the analytical process of determining the current or projected worth of an asset or company using objective and subjective methods. Sounds technical right? I don't know about you guys but I definitely ain't as smart as Wikipedia thinks I am.



According to me, A good valuation is nothing but a good story with great numbers. As Aswath Damodaran often says: numbers without a story are lifeless, and stories without numbers are fantasies.



Valuation is **not a science** as it deals with the future, which is inherently uncertain and subjective which cannot be derived from formulas and laws and requires fair bit of judgement, on the other hand it is **not merely an art** either, as it is anchored in financial data, cash flows and elements that constraint imagination. Valuation is thus the blend of both the elements the number elements from science and the growth and story element of art.

**Valuation = Story + Number**

**Valuation depends on who is valuing – Bias in valuation**

While valuing a company, we rarely begin with a blank slate. Our perceptions are shaped by prior information, whether from the media or expert opinions, influencing even our choice of **which company to value**. These initial biases often shape the final valuation outcome. Equally important is **who performs the valuation**. Since valuation involves estimating growth and sustainability both subjective factors, the individual's perspective plays a major role. What's the point of all of this, if we cannot use it? So, lets try to value one of the biggest start-up of India – Zomato.





## Clue 1 – Total Addressable Market (TAM)

The valuation process begins with defining the **Total Addressable Market (TAM)** — the total revenue opportunity available in the food delivery sector. India's growing digital economy, rising disposable income, and increasing reliance on online convenience provide a massive addressable market. Within this, Zomato's share represents its immediate opportunity.

Total Addressable Market	Expected market Size (Rs. 000000')	Description
Indian Food Delivery, normal growth	11,25,000	Food Delivery (\$13 Billion approx.)
Indian Food Delivery, solid growth	20,00,000	Food Delivery (\$23 Billion approx.)
Indian Food Delivery, high growth	30,00,000	Food Delivery (\$35.5 Billion approx.)
Indian Food & Grocery delivery market	50,00,000	Food Delivery + Grocery (\$55 Billion approx.)

## Clue 2 – Market Share

Next, we consider **market share**. Alongside Swiggy, Zomato dominates nearly 90% of India's food delivery market. This duopoly structure indicates market maturity but also limits aggressive expansion within the domestic segment. Yet, Zomato's consistent ability to sustain market share, while diversifying into adjacent verticals like Blinkit (quick commerce) and Paytm Insider (entertainment), strengthens its long-term narrative.

Network effect	Potential Market Share	Competition
No network effect	10%	Open coemption
Weak network effect	20%	Four to five winners in the market
Strong network effect	40%	Two winners in the market
Dominant network effect	60%	Market dominance



### Clue 3 – Operating margin

The **operating margin** serves as a quantitative checkpoint in this story. Zomato's gradual improvement in unit economics, driven by better cost management and scale efficiencies, supports a positive valuation outlook. However, profitability still depends on controlling promotional spends and achieving sustainable order volumes — emphasizing that valuation must remain grounded in realistic expectations.

Operating margins levels	Operating margins	Benefit
Strong economies of scale (no competition)	45%	Strong pricing power + scaling benefit
Strong economies of scale (strong competition)	35%	Weak pricing power + scaling benefit
Weak economies of scale (no competition)	25%	Strong pricing power + no scaling benefit
Weak economies of scale (serious competition)	15%	Weak pricing power + no scaling benefit

### Clue 4 – the most important clue – Story

The final piece of the puzzle lies in the **story** — the qualitative element that ties the numbers together. Zomato's story is one of India's evolving consumption habits: the growth of discretionary spending, the urban preference for convenience, and the digital integration of lifestyle services. A bet on Zomato, therefore, is a bet on India's consumption-led growth and behavioral transformation.

Now combining all the clues together, we find the valuation of Zomato lying somewhere as present below,

Story	TAM (Rs. Millions)	Market Share	Revenue Slice	Target Margin	Cost of Capital	Value/Share (Rs.)
Delivery Giant	50,00,000	40%	25%	45%	9.50%	150.02
Delivery Star	50,00,000	40%	22%	35%	9.50%	93.00
Delivery Leader + Competition	50,00,000	40%	15%	35%	10.99%	61.55

Probable

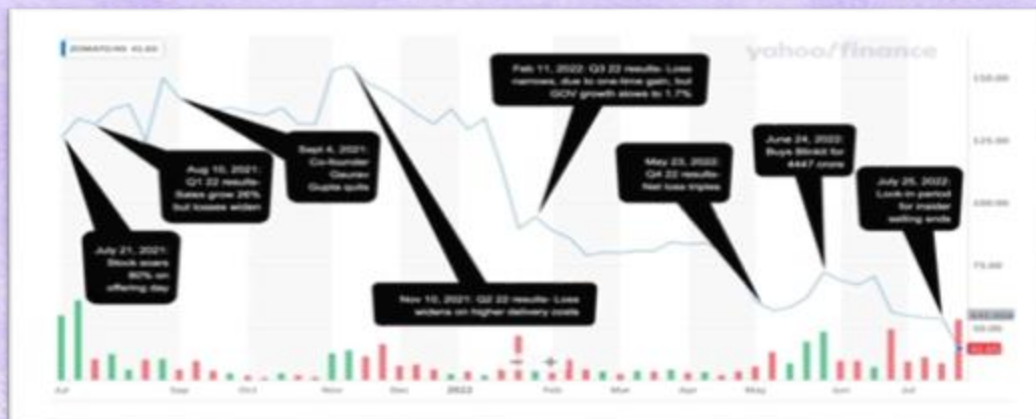




Delivery Giant + India's high growth	30,00,000	40%	25%	45%	9.50%	94.31
Delivery Star + India's Growth	30,00,000	40%	22%	35%	9.50%	59.02
Delivery Leader + Competition + High Growth India	30,00,000	40%	20%	25%	10.99%	35.52
Delivery Giant + Low growth India	11,25,000	40%	25%	45%	9.50%	36.48
Delivery Star + low growth India	11,25,000	40%	22%	35%	9.50%	24.02

Under different scenarios, the value of Zomato could be upto Rs. 150 .02 if it continues improving on its margins and India keeps on growing. This is seen in the graph below where the value of Zomato peaked at Rs. 155 within an year of its listing due to positive market sentiment. However, valuation is a continuous process, in the next few quarters Zomato acquired Blinkit, Paytm insider thus expanding on its business streams and Zomato now trails at around Rs. 300 way higher than its rock bottom of Rs. 41.65.

In valuation, numbers justify the story, but the story gives meaning to the numbers. The case of Zomato exemplifies how valuation is not merely about financial models or discount rates; it is about weaving a credible narrative supported by consistent data. Thus, the art and science of valuation converge not in the formulas, but in the judgment behind them.





## **MS. ARUNDHATI PATIL WRO0771072 PUNE**

### **Section 14A and Rule 8D: Disallowance of Exempt Income-Linked Expenditure**

Under Indian tax laws, certain categories of income are expressly exempt from taxation—examples include agricultural income, partners' share of profit from a partnership firm, income of eligible charitable institutions, and interest on specified tax-free securities. However, taxpayers may incur expenditure in the process of earning such income. For instance, interest on borrowings used to invest in tax-free bonds is a common scenario.

The deductibility of such expenditure has long been a contentious issue in Indian tax jurisprudence, with courts delivering both favourable and adverse rulings over the years. Taxpayers argue that the Income-tax Act does not expressly prohibit such claims, while the Department maintains that allowing them would indirectly erode the tax base, as the related income is exempt.

Before 2001, the Supreme Court in some cases accepted this taxpayer-friendly view, holding that apportionment of expenses did not apply to a composite and indivisible business. This led to ambiguities and inconsistent assessments.





To address this, Section 14A was introduced by the Finance Act, 2001, with retrospective effect from 1 April 1962. The legislative intent was to explicitly disallow expenditure incurred in relation to exempt income, irrespective of the composite nature of the business.

## **Section 14A of ITA, 1961**

As per Section 14A, the expenditure incurred by a taxpayer in relation to exempt income, (like certain dividends, agricultural income, etc.), should not be considered as a deduction while computing the total income of the taxpayer.

Section 14A(2) provides that where the Assessing officer (AO) is not satisfied with the correctness of the assessee's claim of expenditure related to exempt income, the AO shall:

1. Examine the accounts of the assessee.
2. Record an explicit dissatisfaction in writing as to why the claim is incorrect.
3. Determine the amount of expenditure incurred related to exempt income in accordance with Rule 8D.

This provision shall also apply to cases where an assessee claims that no expenditure has been incurred by him in relation to exempt income.

These provisions apply even if exempt income has not accrued, arisen, or been received in the year, provided expenditure was incurred in relation to such income.

## **Rule 8D as per Income Tax Rules**

Rule 8D of the Income-tax Rules, 1962 prescribes the computation of disallowance where expenditure is not directly identifiable:

1. Expenditure directly relating to exempt income



2. 1% of the annual average of the monthly averages of the opening and closing balances of the value of investment yielding exempt income.

The total disallowance cannot exceed the total expenditure claimed by the assessee.

## **Points to be considered**

### **1. Applicability of Section 14A Irrespective of the Intention Behind the Investment.**

The scope of Section 14A is not influenced by the taxpayer's motive or dominant purpose in making an investment. This was firmly established by the Supreme Court in *Maxopp Investment Ltd. V. CIT* [2018], affirming the Delhi High Court's interpretation in *Maxopp Investment Ltd. V. CIT* [2011].

The Supreme Court clarified that:

- The “dominant purpose” test is irrelevant for Section 14A disallowance.
- Even if investments are made for control, strategic purposes, or held as stock-in-trade, proportionate expenditure relating to exempt income remains disallowable.
- The principle of apportionment is integral to Section 14A and applies wherever such nexus exists.

### **2. Tribunal Recognition of Strategic Investments and Their Exclusion from Section 14A Disallowance**

The concept of strategic investments in the tax context generally refers to holdings acquired by an entity for long-term strategic purposes—such as obtaining control over subsidiaries, securing business synergies, or supporting group entities—rather than for the primary objective of earning dividend income.





Several Tribunal decisions have recognised that such strategic investments, particularly in group or subsidiary companies, may warrant exclusion when computing disallowance under Section 14A read with Rule 8D. The rationale is that the dominant purpose of these investments is not the earning of exempt income, and in certain fact situations, the direct nexus between such investments and expenditure is not established.

It is noteworthy that, the Tribunal's exclusion of strategic investments appears inconsistent with the Supreme Court's ruling in *Maxopp Investment Ltd. V. CIT* [2018] (SC), which held that the "dominant purpose" of an investment is irrelevant for Section 14A. However, these ITAT decisions rest on a factual distinction: it's not about why you made the investment, it's about whether you actually spent anything to earn that exempt income.

### **3. No Interest Disallowance Where Own Funds Exceed Dividend-Yielding Investments**

A well-established judicial principle holds that where an assessee possesses sufficient own funds—such as share capital, reserves, and surplus—to cover the value of its investments generating exempt income, it is to be presumed, in the absence of contrary evidence, that such investments were made from own funds rather than borrowed funds. In such circumstances, no disallowance of interest expenditure under Section 14A read with Rule 8D(2)(ii) is warranted.

This principle was applied by ITAT Ahmedabad in *Arvind Limited v. NFAC, Delhi*. The assessee had own funds of ₹3,158 crore against total investments of ₹883 crore. Applying the presumption recognised by several High Courts, the Tribunal held investments must be deemed to have been made from own funds; hence, no interest disallowance could be made.

### **4. Scope of "Income Not Forming Part of Total Income" Includes Dividend Taxed at Source**



In *Godrej & Boyce Mfg. Co. Ltd. v. DCIT* [2017] (SC), the Supreme Court held that “income which does not form part of total income under this Act” in Section 14A covers:

- Dividend income where Dividend Distribution Tax is paid u/s 115-O.
- Income from mutual funds taxed u/s 115-R.

Once such income is excluded from the recipient's total income, related expenditure is disallowable.

The Court rejected the argument that disallowance is inapplicable because tax was borne by the dividend-paying company. What matters is not who paid the tax, but whether the income forms part of your total income as the recipient. And since dividend income and mutual fund income are excluded from the recipient's taxable income, Section 14A squarely applies.

## **Conclusion**

Section 14A, reinforced by Rule 8D, ensures expenditure linked to tax-exempt income does not erode the tax base. Judicial rulings—from *Maxopp Investment Ltd.* On apportionment, to the presumption of own fund use, to the wide reading in *Godrej & Boyce*—have clarified its scope. The consistent position is that the provision applies irrespective of investment intent, but disallowance is limited to actual expenditure having a proximate nexus with exempt income. This balanced approach prevents tax leakage while avoiding unjustified disallowances.





# **MR. ABHISHEK PURANIK**

## **WRO0654135**

### **MUMBAI**



## **Credit Rating and Financial Ratios: Technical Assessment for Borrowers**

**“Ratio toh suna hi hoga?”**

Yes, paratha aur sabzi ke beech ka nahi, but the financial ratios that decide whether a borrower is King Khan of creditworthiness or Kachra from Lagaan. And if you're wondering who gives this judgement, it's our Credit Rating Agencies (CRAs), the movie reviewers of the financial world!

**What's This Whole Thing About, Anyway?**

Someone asks for ₹10 crore. Will you just say, “Bhai, tu toh dikhta acha hai, lele paisa”? Of course not! You'll check:

- Can they repay the loan?
- Do they already have loans?
- Are they making enough profit?

And to answer these, we use two key tools:

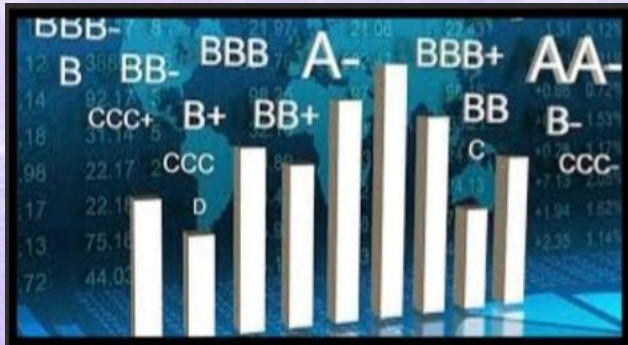
1. Credit Rating
2. Financial Ratios

It's all about trust. It's the difference between blindly giving your friend money and asking for their passbook first!



## What Is a Credit Rating?

Just like Rotten Tomatoes reviews movies, CRAs (Credit Rating Agencies) rate how trustworthy a borrower is.



Rating	Meaning
AAA	Excellent
AA	Very Good
A	Good
BBB	Okayish
BB & Below	Risky
D	Default

In India, we have CRISIL, ICRA, CARE, Fitch. These are like the "Chacha Chaudharys" of finance. But don't trust blindly - remember IL&FS? It had a AAA rating, yet defaulted in 2018, shaking public trust.

### Factors that influence credit rating:

- Repayment history
- Profits & financial performance
- Industry trends
- Management quality
- Future plans

According to RBI 2023 data, over 65% of bank loans are approved after checking CRA ratings.

## What Are Financial Ratios?



Instead of reading a 300-page balance sheet, just calculate a few ratios and boom - you get a clear picture.

A financial ratio is simply a comparison of two figures from financial statements. It tells a story.





Example: ₹100 crore in sales is impressive. But is it earned from ₹90 crore worth of assets or ₹500 crore worth? That difference tells us a lot!

## How to Read a Ratio?

1. Compare across time – Is it improving or declining?
2. Compare with others – Against competitors or industry average.
3. Look deeper – Don't just trust the number. What's behind it?

## Types of Financial Ratios

Let's meet the four “filmy” characters of the ratio world:

### 1. Liquidity Ratios: “Khaane ke paise hai kya?”

Can the company pay its short-term dues?

Current Ratio =  $\text{Current Assets} / \text{Current Liabilities}$

- Ideal = 2:1
- If a company has ₹10 crore assets & ₹8 crore liabilities  $\rightarrow 1.25 \rightarrow$  not too great.

Quick Ratio =  $(\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$

- More accurate. Because let's be real, turning stock into cash is like getting a quick refund from IRCTC – unlikely!

### 2. Solvency Ratios: “Zinda rehne ke chances kitne hai?”

Can the company survive in the long run?

Debt-to-Equity =  $\text{Total Debt} / \text{Shareholder's Equity}$

- Ideal: Below 2
- If it's too high, it means the company is borrowing from too many “friends” – dangerous!

Debt-to-Asset =  $\text{Debt} / \text{Assets}$

- Shows how much of assets are funded by debt.



Interest Coverage Ratio =  $\text{EBIT} / \text{Interest Expense}$

- If it's less than 1.5, red flags start waving!

Fun fact: Reliance in 2021 reduced its debt-equity ratio and became net debt-free!

### 3. Profitability Ratios: "Kitna kamata hai?"

These tell how profitable a company is. A Munna Bhai or a Circuit?

- Net Profit Margin =  $\text{Net Profit} / \text{Revenue}$
- ROA (Return on Assets) =  $\text{Net Income} / \text{Assets}$
- ROE (Return on Equity) =  $\text{Net Income} / \text{Equity}$

Example: In 2024, HDFC Bank had an ROE of ~17%. Solid! Paytm's? Not so much post-IPO

### 4. Efficiency Ratios: "Kaam kitne smartly karte ho?"

Measures how well a company uses its resources.

Inventory Turnover =  $\text{COGS} / \text{Avg Inventory}$

- High = products selling fast. Low = stock just lying around, like those old Diwali sweets.

Debtors Turnover =  $\text{Credit Sales} / \text{Avg Debtors}$

- High = money's coming in quick! Low = customers playing hide & seek.

### How the Technical Check-Up Happens?

So how does it go from loan application to loan sanction?

1. Documents Submission

Financial statements, audit reports, everything!

2. Financial Analysis

CA teams jump in, calculate all key ratios, detect red flags.





### 3. Credit Report Checking

Agencies like CIBIL, Equifax, Experian pitch in. A CIBIL score below 650? Tough luck!

### 4. Industry Analysis

Is the borrower's sector growing or declining?

### 5. Qualitative Judgement

Management experience, reputation, future plans.

### 6. Compliance with RBI Guidelines

RBI & SEBI are always watching. Just like those uncles who comment on your career during weddings.

### 7. Final Decision

Based on all the above, the lender decides: Yes, No, or Maybe with strict terms.

## Recent RBI Update



A huge recent change is the RBI's new rule, which starts in January 2025. It says that banks and credit bureaus have to update credit records every 15 days, instead of just once a month or even longer. This is a big deal for borrowers! It means

your good behavior gets recognized way faster and you're less likely to get rejected because of old data. And don't forget the laws! The SARFAESI Act from 2002 gives banks the power to take and sell a borrower's secured assets without a court to get back bad debts. It's a key tool for lenders! Plus, the Insolvency and Bankruptcy Code, 2016 (IBC) has made the process of dealing with companies that can't pay their bills much easier and faster. These laws, along with various RBI rules, form the legal backbone of how we check on borrowers in India.



## **Is It Actually Working? The Facts!**

This is the big question! With all this tough analysis, are we winning the fight against bad loans?

The answer is a definite YES, and the data totally proves it! According to the RBI and the Ministry of Finance, the Gross Non-Performing Assets (NPA) ratio for Public Sector Banks has seen a huge drop. The GNPA ratio went from a crazy high of 14.58% in March 2018 to a much, much better 3.12% in September 2024! This shows that all the combined efforts—from the government, the RBI, and the banks—including the stricter checks, are paying off big time.

Another cool example is the Mudra loan scheme. The NPAs on these loans, which are for small businesses, have gone down from 4.77% in 2020-21 to 3.4% in 2023-24. This shows that even in the MSME sector, where risks are higher, a smarter and more technical approach to lending is getting great results.

That decline isn't just a number; it means more people are successfully paying back their loans, and our financial system is becoming way more resilient.

## **What's Next? THE AI ERA!**

The future of credit assessment isn't just about financial statements and ratios; it's all about TECHNOLOGIAA !

AI and Machine Learning are completely changing this field. Instead of just looking at your financial history, a future AI-powered system might look at your utility bill payments, your phone usage patterns, and even your social media activity to create a more complete credit profile.

Blockchain technology is also going to make things so much more transparent and secure. Imagine a record of all your financial transactions that can't be tampered with, making fraud nearly impossible!





## My Opinion

After looking at all this from every angle, from the small borrower to the big bank, I think the current system is working, but it's not perfect. The system has drastically reduced NPAs and brought a lot more discipline to the lending market.

Following are my suggestion to government on this topic:

1. Let's Build a Unified, Accessible Data Platform: Instead of having a bunch of different CICs with varying data, let's create a single, secure, and clear platform that pulls in all sorts of data points-GST returns, utility payments, etc.-with the borrower's permission, of course. This would help lenders make smarter decisions and get more small businesses into the financial system.
2. Let's Get Serious About Financial Literacy: We, as future CAs, are the foot soldiers of this financial revolution! We need to help people understand their credit scores and financial health. A bad CIBIL score isn't the end of the world; it can also be improved. Our role is more than just auditing; we are financial educators!

## Conclusion

To wrap it all up, credit ratings and financial ratios aren't just dry, technical concepts. They are the lifeblood of our financial system. They are the tools that help lenders make smart choices, drive financial inclusion, and ultimately build a stronger, more resilient economy.

So the next time you look at a balance sheet or a credit report, remember it's not just a bunch of numbers-it's a story just waiting to be told because it is rightly said in marathi...

"गणितात आकडे दिसतात, पण अर्थशास्त्रात ते बोलतात!  
"(In math, numbers are seen. In finance, they speak!)





**POETRY CORNER**





**MR. KOMAL KISHORE**  
**WRO0780608**  
**PUNE**

## WHERE IS THE PEACE I SEEK?

There are countless houses and towers here,  
But the peace I search for, where is it near?  
So many memories, they haunt me again,  
Will I ever find the comfort of home in this domain?

Whenever I say I want to return home,  
I wish to be among my loved ones, not alone.  
Yes, there are some familiar faces in this strange  
city,  
But my heart still longs for my hometown's  
simplicity.

These are mere words I keep telling myself,  
Knowing I can't just leave, can't free myself.  
Here, the nights are long and cold,  
And in solitude, my heart feels old.



I miss the bread I had with meals back then,  
But here, it's just rice again and again.  
Yes, there are some familiar faces in this strange  
city,  
But my soul craves the warmth of my own vicinity.

There are hospitals here at every turn and lane,  
But somehow, they can't heal my pain.  
In my village, there's a simple healer I know,  
One shot from him, and I'd be good to go.

These hospital fees are far too high,  
How can I pay them, no matter how hard I try?  
Yes, there are some familiar faces in this strange  
city,  
But my heart still yearns for my hometown's  
Serenity

I remember my village, it still feels mine,  
Even if I visit it just once a year sometime.  
My heart wishes to walk those paths again,  
But in big cities, the world has lain.





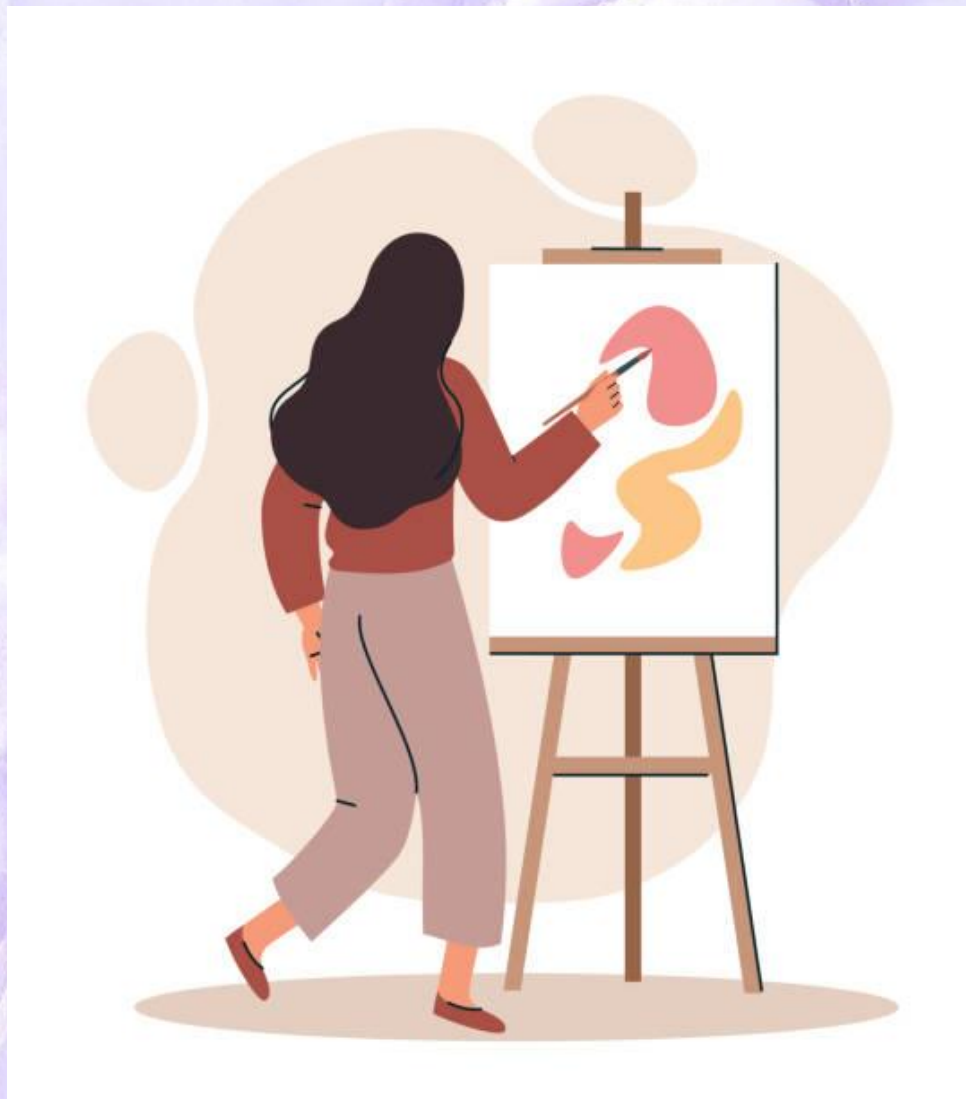
These Metro cities will never provide,  
The hidden treasure my village hides.  
Yes, there are some familiar faces in this strange  
city,  
But I long to return to my town's simplicity

Here, everyone runs to earn wealth each day,  
But I only wish to earn people along the way.  
We all came empty-handed into this life's  
scheme,  
And empty-handed, we shall leave this dream.

Life is a riddle, a mysterious song,  
Every turn brings a new melody along.  
We live for a few moments, counting each one,  
Before the journey ends and life is done.

~ Komalkishor Dhote





**THE ART GALLERY**





**MS. NIDHI PITHVA**  
**WRO0721583**  
**RAJKOT**





**PHOTOGRAPHIC  
GLIMPSES**



# CA STUDENTS MEGA CONFERENCE 2025



























# **ICAI Announcements –**

## **October 2025**

### **October 07, 2025**

- Empanelment of members as Observers for the January 2026 CA exams announced.

### **October 08, 2025**

- Notification for Online Assessment Test (AT) for the Certificate Course on Forex & Treasury Management (scheduled 15 Nov 2025)
- Results declared for the Certificate Course on Financial Markets & Securities Laws (exam held 5 Oct 2025)

### **October 10, 2025**

- Webinar schedule update: 51st Webinar (“Practical Aspects of Tax Audit ...”) by ICAI’s CPE Committee.

### **October 11, 2025**

- Recruitment advertisement posted for Young Professionals / Assistant Young Professionals under MCA via ICAI.

### **October 14, 2025**

- Exposure Drafts of revised Standards on Internal Audit (SIAs) issued for public comments.





### **October 14, 2025**

– Earlier extension notice: last date for submitting MEF 2025-26 extended to 10 October 2025.

### **October 25–30, 2025**

– ICAI issued multiple RFP / Tender-related announcements (for web-portal development, HRMS re-tendering, conference organising, etc.) under its EOI/Tenders section.

### **October 27, 2025**

– Release of the Exposure Draft: 13th Edition of the ICAI Code of Ethics.

### **October 30, 2025**

– Official notification that result date for September 2025 CA exams (Final, Intermediate, Foundation) is likely 3 November 2025.



# **Due Date for month of November**

## **2025**

### **November 07, 2025**

– Due date for deposit of TDS/TCS deducted/collected in October 2025.

### **November 10, 2025**

– Deadline to submit tax audit report under Section 44AB for FY 2024-25 (extended) for those required to audit.

– Due date for filing GST returns for certain categories:

- Form GSTR-7 (TDS under GST) for October 2025.
- Form GSTR-8 (TCS by e-commerce operators) for October 2025.

### **November 11, 2025**

– Due date for filing GSTR-1 (monthly outward supply return) for October 2025 (for monthly filers).

### **November 13, 2025**

– Due date for returns for:

- Non-resident taxable persons – GSTR-5 (if applicable) for October 2025.
- Input Service Distributors (ISD) – GSTR-6 for October 2025.





**November 15, 2025**

Due date for TDS certificates (Form 16A) for Q2 (July-September 2025).

Due date for Form 24G (TDS/TCS without challan) for government deductors for October 2025.

**November 18, 2025**

Due date for CMP-O8 (composition taxpayers) for July-September 2025 quarter.

**November 20, 2025**

Due date for GSTR-3B (monthly summary return) for October 2025.



# Upcoming Events for November 2025

---

1. AURA Workshop
  2. Mock Test
  3. National Talent Search:
    - Extempore
    - Poetry
- 







The Institute of Chartered Accountants  
of India

(Set up by an Act of Parliament)



## **WICASA Pimpri-Chinchwad Branch of WIRC**

### **INVITATION FOR NEW CONTENTS**

We are very grateful to all the members who contributed their ideas and creativity for our October 2025 Edition of E-Newsletter “**DAWN OF DREAMS**”.

Students and members are further invited to send any new contents for publication in our future E-Newsletters.

Please mail us at: **wicasapc2@gmail.com**

### **DISCLAIMER**

The above information has been compiled only for the Branch Newsletter purpose for the students of Pimpri-Chinchwad Branch of ICAI. While every effort has been made to keep the above information error free, the Institute or any of its office do not take the responsibility for any typographical or clerical error which may have crept in while compiling the above information. Further, the above information is subject to the provisions contained under different Acts and students are advised to refer to those relevant provisions also.

### **WICASA PIMPRI-CHINCHWAD BRANCH OF WIRC OF ICAI**

ICAI Bhawan, Plot No. 17/8 A, Nigdi, Datta Nagar, Near Bhakti Shakti Chowk,  
Dehuroad Cantonment Board, Behind Indian Oil Petrol Pump, Pune 411044.

**Contact No.:- 8237119966 / 77**

**Instagram:- wicasa\_pimprichinchwad**

**Website:- <http://pimprichinchwad-icai.org/>**

