

**NOVEMBER 2019**



# **STUDENT'S E-NEWS LETTER**

WICASA PIMPRI-CHINCHWAD  
BRANCH OF WIRC  
OF ICAI

**WICASA PIMPRI-CHINCHWAD**



## E-Newsletter November 2019

### INDEX

Sr. No.	Particulars	Page No.
1.	<b>Student's Article</b>	<b>1</b>
2.	<b>WICASA Events</b>	<b>14</b>

### Managing Committee 2019-20

CA. Santosh Sancheti	<i>(Chairman)</i>
CA. Simran Lilwani	<i>(Vice Chairperson)</i>
CA. Sachin Bansal	<i>(Treasurer)</i>
CA. Vijaykumar Bamne	<i>(WICASA Chairman)</i>
CA. Chandrakant Kale	<i>(MCM)</i>
CA. Shailesh Bore	<i>(MCM)</i>

### WICASA Committee 2019-20

CA. Vijaykumar Bamne	<i>(WICASA Chairman)</i>
Mr. Omkar Dangale	<i>(WICASA Vice Chairman)</i>
Ms. Ruchi Bansal	<i>(WICASA Secretary)</i>
Mr. Omkar Dafal	<i>(WICASA Treasurer)</i>
Ms. Riddhi Pande	<i>(WICASA Member)</i>
Mr. Pratik Karande	<i>(WICASA Member)</i>
Ms. Nidhi Katti	<i>(WICASA Member)</i>



### Modiconomics

#### INTRODUCTION:

NARENDRA MODI is a masterful salesman. On his frequent foreign tours the Indian prime minister touts his brand not only in words but physically. The beatific smile, the warm hugs and the trademark folkloric dress project the reassuring humility of a big but benign country. Yet behind the soft-focus India that Mr Modi personifies, the contours of a harder-edged regional power are emerging under his leadership.

Traditional Indian diplomacy has been "non-aligned". C. Raja Mohan of the Carnegie Endowment for International Peace, a think-tank, says there has been a shift in Indian diplomatic thinking: "Now the word is: 'We will push back.'"

P.M. Modi travelled to Afghanistan, Switzerland, America, Mexico, etc. His aim in these countries was to put the seal on what has been a long and complicated Indian diplomatic effort. India has been trying for decades to gain international recognition as a nuclear state. It will soon gain entry to the 34-nation Missile Technology Control Regime (MTCR), whose aim is to keep irresponsible countries from acquiring missiles with which to deliver weapons of mass destruction.

#### MODICONOMICS:

Certainly there haven't been any big bang reforms in the first year. Modi is being accused of instituting incrementalism model of reforms while the mandate was for total change of course.

So far, Modi's governance model, or Modiconomics, is a 'server side' economics. In the first year, Modi has put a stop to not just retail corruption but also to the much despised crony capitalism. Corporate brokers have been shut out from the corridors of power. Industrialists can't expect any favours in return for their contribution to the party fund. This stop on loot has swelled the coffers of the government treasury. The transparent auction of national resources, be it coal or spectrum, has brought in lakhs of crores and this has helped bring down deficits. Halving of the international crude oil prices has proved to be cherry on top. So, definitely "acche din" for the treasury and the government - the server side.

The problem is that the common man - the client side is not feeling it. The benefits of bloated treasury are not trickling down. Oil prices should have been much lower but petrol is still priced over 70 - almost same as it was a year ago. Farmers are forced to sell their crops below minimum support price. Increased service tax is going to hit everyone hard.



Another important aspect is the JAM trinity (Jan Dhan, Aadhar, Mobile) through which Modi intends to connect every citizen to the banking economy, the main aim being the transfer of '100 out of 100 paise' to the poor, thereby removing leakages and cutting government wastage, and then maybe ultimately steering the country towards a cashless economy. On this front, the government has achieved unprecedented success.

### SOME OF IMPORTANT HAPPENINGS UNDER MODI GOVERNMENT:

#### 1. Yemen evacuation

This was one of the ,biggest evacuations during the times of war, since the Gulf War I. MoS Gen. (Retd) V.K. Singh personally oversaw the operation. The External Affairs Minister headed by Sushma Swaraj earned laurels for helping the Indians living abroad, be it for ,rescuing Kerala nurses from war-torn Libya or ,bringing back differently-abled Geeta from Pakistan.

#### 2. Jan Dhan Yojana

Anyone can now open an account in a bank, thanks to this financial inclusion scheme. Barely a fortnight after the launch, the yojana ,entered the Guinness Book of World Records for the maximum number of accounts opened in a week. The scheme is a big boost in moving towards direct subsidy transfer.

#### 3. LPG subsidy reforms

Initially started as a 'Give It Up' campaign, the Petroleum and Natural Gas Ministry headed by Dharmendra Pradhan ,barred LPG subsidy to customers who earn more than Rs. 10 lakh per annum. The amount saved was used to give over five lakh new LPG connections to those who still use firewood or kerosene stoves for cooking.

#### 4. Swachh Bharat Mission

A pet project of Mr. Modi, sanitation ministry's Swachh Bharat mission got wide public support, especially on social media after celebrities joined the Clean India challenge. Not just stopping with cleaning the locality, the ,government has taken initiatives such as building more toilets, waste management and waste segregation. Real success, will however happen, when manual scavenging is completely eradicated.

#### 5. India-Bangladesh land boundary agreement

When India is facing boundary disputes with every neighbour, this agreement gives optimism that issues can be amicably solved over diplomacy. The people living in the enclaves that were recently annexed to India even exercised their franchise in the recently concluded West Bengal Assembly elections.



### **6. Bankruptcy code**

At a time when bankers were grappling with huge rise in non-performing assets and government eyeing to create more entrepreneurs, the amendment of existing bankruptcy laws was necessary. With the support from Congress, the law was passed in Rajya Sabha during the Budget Session where the ruling party was short of numbers.

### **7. Real Estate regulation**

Apart from making the process transparent and keeping checks and balances in the form of a Real Estate Regulatory Authority, the law drafted by Housing Ministry headed by M. Venkaiah Naidu gave confidence to home-buyers. When housing sector contributes to nine per cent of GDP, this law, if effectively implemented by the States, is a game-changer in the housing sector.

### **8. Digital India**

This flagship programme of Ravi Shankar Prasad's Communications Ministry aiming to create a knowledge economy and good governance is travelling in the right path. Every minister and every ministry is now on Twitter. A slew of e-governance measures like digital locker and feedbacks through mygov.in are some notable initiatives.

### **9. India-Pak relations**

Much to the hype of Pakistan Prime Minister Nawaz Sharif attending the swearing-in ceremony or the saree diplomacy, both governments couldn't restart the dialogue process nor has the firing across the Line of Control come down. Mr. Modi's surprise stop-over at Lahore too failed to cut the ice.

### **10. India -Nepal relations**

Anti-India protests flared up in Nepal after trade movements through the border were not allowed for many days. Nepal called it 'India's blockade' as it followed protests by Madhesis. All of these happened within a year of the Himalayan quake, when Nepal thanked India's help in rescue and rehabilitation. Also, India couldn't keep away Nepal from moving closer to China.

### **11. Black money**

Bringing back money stashed in off-shore accounts was one of BJP's poll promises. The government gave a three-month window for compliance, but only 644 declarations were made. Finance Minister Arun Jaitley once said the bulk of black money is within India, but little has been done to contain the feeders of parallel economy - higher education, real estate and mining.





### **12. GST**

The GST bill, which is scheduled to be effective from July 1, is the biggest tax reform being undertaken since Independence. It will subsume all indirect taxes to create one rate and integrate the country into a single market. Once the GST is in force, it will replace at least 17 state and federal taxes and bring them under single unified tax structure.

GST is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. It is expected to bring about a qualitative change in the tax system by redistributing the burden of taxation equitably between manufacturing and services.

While officials are busy in laying down the guidelines for effective GST regime, the International Monetary Fund has already appreciated India's effort to reform country's taxation system. "The government has made significant progress on important economic reforms that will support strong and sustainable growth going forward," IMF Deputy Managing Director Tao Zhang said.

### **13. Silence on fringe right-wing groups**

Law and order could be a State subject. Murders of rationalists and attacks on minority community by fringe right-wing elements may not be limited to the BJP-ruled states. But the Centre as well as the Prime Minister's refrains from condemning or making comments against such attacks didn't go well with the public.

### **14. Women's Bill**

The bill seeking one-third representation for women in Parliament and State Assemblies is an almost-forgotten topic now. Cleared in Rajya Sabha in 2010, the Bill is pending in the lower House, in which the BJP front enjoys comfortable majority.

### **15. Smart City plans**

It is impossible to create a city, that too a 'smart' one in two years. But the BJP government has kick-started the process by short listing 20 cities in the first phase. Mr. Jaitley's. Maiden budget allocated 7,060 crore for the development of 100 smart cities.

### **16. Make In India**

Another pet project of Mr. Modi to make India the manufacturing hub, the government is taking efforts by easing foreign investment norms, revamping labour laws and cutting down the red tape. India has conducted road shows abroad and Mr. Modi has travelled several countries to gather support. Many multi-nationals have pledged their support.



### 17. EPFO reforms

The government introduced ,universal access number (UAN) to all EPF holders to make transfer of PF accounts easy when switching jobs. The good name earned from the working class soon vanished when the Finance Minister proposed tax at premature withdrawal of provident fund. It was roll backed after protest by garment workers crippled Bengaluru.

### 18. OROP

The One Rank One Pension scheme, a long-pending demand of ex-servicemen was ,accepted by the government, but with caveats. Premature retirees have been excluded and the pension review will be carried out every year. Though all demands of veterans have not been met, the government will be remembered for bringing a 40-year-long struggle to an end.

### 19. Planning Commission to NITI Aayog

Doing away with the more than six-decade practice of Planning Commission, the government came up with a think-tank approach to economic strategy. The acronym ,NITI (National Institution for Transforming India) itself invited criticism of government pushing pro-Hindi agenda and opposition ridiculing it as aniti and durniti. For a nation so used to Planning Commission allocating funds every year, time will tell the effect of this new approach.

### 20. UDAY

The Power Ministry headed by Piyush Goyal plans to aid discoms and State governments to ,raise up to Rs. 1.75 lakh crore through bonds to improve the health of power distribution sector. Eighteen states have agreed to take part in the scheme. The plan also aiming to curb power theft and pilferage, appears good on paper. What needs to be seen is how it is implemented

### 21. Aadhaar

The government saved Aadhaar from turning to a white elephant by ,passing the Aadhaar Bill. However, questions remain on why it was made a money bill, would the constitution be amended to give more teeth to Aadhaar, or would the UIDAI compromise on privacy. The Centre's Digital India and host of welfare measures rely on Aadhaar. Will Aadhaar be just another card or will it truly make a change should be watched.

### 22. Ganga rejuvenation

The Modi government created a separate ministry headed by Uma Bharti to clean the river and protect its ecosystem. The Namami Gange project with a budget of Rs. 20,000 crores over a period of five years has been cleared. Ms. Bharti ,claims Ganga will be cleaned by 2018. The deadline appears tight but nonetheless, the clamour for a cleaner river has gained momentum.



### **23. Bullet train**

Imagine travelling to Mumbai from Ahmedabad within two hours? That's what a bullet train would do if the deal with Japan is implemented. China has expressed interest in developing the Chennai-Delhi bullet train corridor. But a single bullet train corridor requiring about Rs. 98,000 crores questions the viability of the project.

### **24. Welfare Schemes**

A slew of insurance schemes namely crop insurance for farmers, Atal Pension Yojana for the unorganised sector, affordable health insurance coverage, and the Jan Aushadhi Yojana for retail sales of generic drugs were introduced in the last two years... In addition, the government has re-launched Kisan Vikas Patra and introduced a PPF-equivalent for girl child, the Sukanya Samriddhi Scheme. Again, in country known from socialist welfare schemes, the onus of welfare shifting from government to individual is an ideological change and may take time for acceptance.

### **25. Tax on long term capital gains**

Finance Minister Arun Jaitley, in his Union Budget speech, re-introduced LTCG tax on stocks. Investors will have to pay 10 per cent tax on profit exceeding Rs 1 lakh made from the sale of shares or equity mutual fund schemes held for over one year. Till now, LTCG was exempt from tax. The definition of a long-term investor in stocks for tax purposes is one year.

### **26. Affordable Housing**

After promising banking for all, Prime Minister Narendra Modi launched another flagship housing scheme 'Pradhan Mantri Gramin Awas Yojna' with the aim of providing 'Housing For All' by 2022. The scheme was designed entirely for the rural masses. The ambitious scheme aimed to provide affordable houses to 4 crore people living below the poverty line. Under the new rural housing scheme, the central government will provide a financial assistance of Rs 120000/- for constructing the home. An additional assistance of Rs 12000 would be provided for construction of toilets in households.

Pradhan Mantri Awas Yojna says that "By the time the Nation completes 75 years of its Independence, Pradhan Mantri Awas Yojna will bring a 'Pucca house' for every family in urban cities with water connection, toilet facilities, 24x7 electricity supply and complete access." In Uttar Pradesh alone there are '1.5 crore people who don't have houses'.

### **27. Deen Dayal Upadhyaya Gram Jyoti Yojana**

Gram Jyoti Yojana was launched to ensure round the clock electricity supply to farmers and rural households. The scheme was kick-started by the Prime Minister on 25 July 2015. The programme was expected to initiate much awaited reforms in the rural areas. During his Independence Day speech in 2015, the Prime Minister had announced that all of the country's villages would be electrified in 1,000 days and that by December 2018, all Indian citizens would have access to electricity.





"At the time when the NDA government came to power, there were 18,452 un-electrified villages. Out of these, we have electrified 12,022 villages under the Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY). The ministry is trying its best to complete the target by 1 May 2018," The Sunday Guardian quoted a ministry official as saying.

### **28. PM Ujjwala Yojana**

Last year on May 1, Prime Minister Narendra Modi launched an ambitious social welfare scheme - Pradhan Mantri Ujjwala Yojana - with the aim of providing 5 crore LPG connections to women below the poverty line across the country. The scheme was aimed at replacing the unclean cooking fuels mostly used in the rural India with the clean and more efficient LPG Gas.

Prime Minister Modi's pledge to provide cooking gas cylinders to every households has helped India to become the world's second-largest importer of liquefied petroleum gas or LPG. Earlier Bloomberg reported that India's import of LPG, mostly used as cooking fuel, and increased 23 per cent during the financial year that ended March 31 to 11 million tons. India replaced Japan from the second position whose imports slipped 3.2 per cent during the same period to 10.6 million tons.

### **29. TERROR, DEFENCE AND FOREIGN POLICY**

India carried out surgical strikes across the Line of Control (LoC) in Kashmir.  
Photo: Tauseef Mustafa/AFP

#### *Positive*

1. Carried out surgical strikes across the Line of Control (LoC) in Kashmir, resumed cordon and search operations in more than 20 villages in Shopian.
2. Combing operations launched against Maoists in Chhattisgarh.

Prime Minister Narendra Modi's "neighbourhood diplomacy" falling in place as relations with Bangladesh, Nepal and Sri Lanka look up.

#### *Negative*

1. No strategy to pre-empt rebel attacks on security personnel in districts where Maoists are active.
2. Ties with Pakistan and China are icy despite Prime Minister Modi making trips to both countries (a December 2015 stopover in the former).
3. Relations with Russia-India's once time-tested friend-too seem to be in the doldrums.



### **FARMERS**

The Narendra Modi government has set an ambitious goal to double farm incomes in real terms by 2022. Photo: Mint

#### *Positive*

1. New crop insurance scheme and higher funding for irrigation to counter weather risks.
2. Set an ambitious goal to double farm incomes in real terms by 2022, moving away from the historical focus on increasing production.
3. Initiated a range of marketing reforms to create a "one nation, one market" in agriculture.

#### *Negative*

1. Decline in wholesale prices of vegetables and pulses has dented farm incomes.
2. A loan waiver in Uttar Pradesh led to a moral hazard problem and delay in repayment of loans in other states.
3. Acute drought in southern states led to a spike in farm suicides.

### **GREEN ECONOMY AND ENERGY**

Clean and renewable energy generation has got a boost under the Narendra Modi government. Photo: Bloomberg

#### *Positive*

1. Push for electric vehicles.
2. Rs42, 000 crore unlocked for afforestation with Parliament passing The Compensatory Afforestation Fund Bill, 2016.
3. Clean and renewable energy generation gets a boost.

#### *Negative*

1. Neglect of the forest and wildlife sectors. Decisions pending on a national forest policy, definition of forests, inviolate forest areas and a national wildlife action plan.



2. Activists allege that the government is favouring industries and indiscriminately giving green clearances, ignoring the toll taken on the environment.
3. Ganga clean-up is yet to gather momentum.

### **OBSERVATIONS:**

#### **1 Pragmatic and efficient governance: Modi's hallmark**

Even before Modi formally took office on 26 May 2014, detailed instructions had been issued to the administrative heads of select ministries to prepare presentations highlighting key priorities as well as diagnosis of their core challenges. Modi personally headed the review of each presentation, and with the Prime Minister's Office (PMO) monitoring the progress, these government agencies are now working to achieve the specific targets earmarked for the first 100 days, aligned to the targets for the five-year term of the government.

#### **2 Indian markets and foreign investors warm up to Modi's initiatives**

On the monetary front, the Reserve Bank of India (RBI) has indicated its growing confidence in the Modi government's reform agenda, especially its efforts to address supply-side constraints in tackling stubborn inflationary pressures. About US\$2.8bn of investment has come into the equity market and US\$3.8bn into the debt market in July alone - the highest inflow for a month so far this year. This indicates a positive bias on the part of foreign investors toward the Indian markets based on the reform decisions by the new government, favourable returns and easy exit options.

#### **3 Adopting a business-friendly policy stance**

In the Union Budget 2014-15 presented on 10 July 2014, the new Finance Minister, Arun Jaitley, announced a host of measures to promote growth and investment. These included seed capital of INR 1bn each for several much-needed programs, increased government spending on infrastructure, tax incentives for savings and investment, and raising FDI limits in sectors such as insurance, railways and defence. However introduction of GST all of a sudden without proper training to personnel led to some difficulties for businessmen.



### **4 Ease-of-doing-business related initiatives**

The Modi government has carried forward a welcome initiative of its predecessor UPA regime called e-Biz, which is a portal through which all registered users - foreign and domestic - can make secure payments for a range of public utilities and obtain government receipts without visiting these offices. A new initiative, e-Kranti, seeks to radically improve the delivery of government services while other initiatives aim to facilitate distance education through virtual classrooms, provision of e-visas and boosting the role of technology across various segments of the Indian market. It is similarly extending the 'right to (timely) service' to many more areas.

### **5 Create a unified national tax on goods and services.**

### **6 End retrospective taxation of cross border investments.**

### **7 Deregulate diesel pricing, natural gas pricing, kerosene pricing, fertiliser pricing.**

### **8 Remove govt. mandated minimum prices for agricultural goods.**

### **9 Use direct benefit transfer to deliver cash subsidies, goods subsidies.**

### **10 Allow more than 50 percent foreign investments in insurance, in defence, in railways.**

Foreign investment is now permitted in rail operations like dedicated freight lines, high-speed trains and mining and port connectivity,

### **11 Allow foreign lawyers to practise in India.**

### **12 Foreign investments in construction projects:**

74 percent FDI in some projects like construction of new lines, gauge conversion, doubling of lines and maintenance projects under the public-private partnership model.

### **13. Failures**

Lack of freedom of speech. As was exhibited in the case of Padmaavat.

Demonetization. This was a net benefit. However the pain caused to common Indians was too much.

Black money. No substantial recovery of black money.



## E-Newsletter November 2019

Ram Mandir. No promises or action. Just empty rhetoric.

Illegal Bangladeshi aliens. Modi had said of he came to power, they would have to pack their bags and leave. So far no action.

### 14. Future Predictions

Will Modi win in 2019 - Yes

Seats in Lok Sabha - 250-270

Next PM candidate of the BJP (after Modi) - Yogi Adityanath

Probable loss in Rajasthan state elections considering the recent by polls.

### 15. USA

Obama announces \$4 billion in India investment and lending deals

US investors bet on PM Modi, to invest \$41 billion in India in 3 years

US investors bet on PM Modi, to invest \$41 billion in India in 3 years - The Times of India

Obama announces \$4 billion in India investment and lending deals

### 16. Japan

The Japanese prime minister has committed \$35 billion in public and private investment and financing for the next five years. The total Japanese investment in India so far is about \$12 billion

'The regional context and the personal ties between Narendra Modi and Shinzo Abe to a large extent contributed to the dawn of a new era in bilateral relations,'

The bilateral trade between India and Japan has been targeted to almost double to USD 25 billion Consul General of Japan Mitsuo Kawaguchi said today.





### **17. France**

France supports India so that this very big country becomes a permanent member of UN security Council: Hollande

France will invest 2 billion Euros in India, President Hollande announces.

Modi's 'Make in India' dream takes off with Airbus outsourcing pledge of \$2 billion

Modi France Visit list of agreements by Tushar Patel on Modi Government Masterstrokes

### **18. Canada**

Uranium to India for the next five years.

Canada to supply uranium to India for its civil nuclear plants for next 5 years

### **19. Sri Lanka**

Sri Lanka had released some 86 Indian fishermen last week as a goodwill

Sri Lanka to release 54 Indian fishermen - The Times of India

Release all Indian fisherman

### **20. Nepal**

The two countries finalized the \$1 billion line of credit announced during the PM's visit to Kathmandu in August. This will be utilized for hydropower, irrigation and infrastructural development projects.

The two countries signed agreements on traditional medicine, tourism and youth affairs for better coordination, even cooperation between stakeholders in both countries

PM Narendra Modi signs 10 agreements with Nepal, inaugurates bus service - The Times of India

List of Events/Agreements/MoUs signed during Prime Minister's visit to Nepal



### CONCLUSION:

There are no sources in the current document.

There are no sources in the current document. Modi Sarkar has initiated various schemes for the public welfare and economic development.

The schemes initiated have been put into action but a long way has to be travelled for gaining the results.

The country is surely developing though there is a huge scope for the same.

Time is required for a change to be brought about.

Thus in the coming years "ACHHE DIN" are bound to come. The secret to success is to do the common things uncommonly well.

Various policies have also resulted into mind set change of individuals of the country.

Complied By,  
Ms. Nidhi Katti  
WRO 0610939



### WICASA Events (November 2019)

Date	Event	Place/ Speaker
18 <sup>th</sup> November 2019	Interactive Session with BOS Chairperson, Vice Chairman & Director	ICAI Bhawan Bibewadi, Pune
26 <sup>th</sup> November 2019	Career Counselling Program at Pratibha College of Commerce	CA. Anand Bang
26 <sup>th</sup> November 2019	Career Counselling Program at Dynaraj Vidya Prasarak Mandal	CA. Rutuja Nilange
28 <sup>th</sup> November 2019	Career Counselling Program at Dr. DY Patil Jr. College	CA. Anand Bang



### WICASA PIMPRI CHINCHWAD BRANCH OF WIRC OF ICAI

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

**Contact No:**

8237119966/77

**Email:**

[pimpri.chinchwad@icai.org](mailto:pimpri.chinchwad@icai.org)

[pimpriicai@gmail.com](mailto:pimpriicai@gmail.com)

**Website:**

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

### Instructions

- Update Contact Number and e-mail ID with the branch.
- Please contribute to Students Newsletter in the forms of Articles, Compilations or any other useful information.

### 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.