



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

WICASA NAGPUR



MAY 2024

SCAN ME

WICASA UPDATE 13.0

WhatsApp group





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Message - WICASA Chairperson, Nagpur



CA. Trupti Bhattad
WICASA Chairperson

Dear Students,

As we embrace the fresh opportunities that June brings, I am genuinely excited to connect with each of you. Leading Nagpur WICASA has been a true honor, and it was inspiring to witness the dedication and enthusiasm of our vibrant community.

May proved to be a month filled with engaging and educational experiences. We successfully hosted a full-day Seminar on Startups and Entrepreneurship. This seminar ignited the entrepreneurial spirit with insights from seasoned entrepreneurs and industry experts. Specially thanking our speakers for the event CA Pranav Joshi and CA Pritam Mahure.

Additionally, we arranged an industrial visit to the Reserve Bank of India (RBI). This visit was a fantastic opportunity to gain a deeper understanding of the central banking system and its crucial role in our economy. It was a unique experience to see firsthand how financial policies are crafted and implemented.

Furthermore, we actively participated in the National Talent Search Program. This exciting initiative included several competitions such as:

- Elocution Competition
- Essay Writing Competition
- Pitch Deck Competition
- Quiz Competition

These competitions were designed to showcase student's talents and encourage creative expression across various domains.

Moreover, we hosted mega revisionary sessions over two days to support your exam preparations. These sessions covered:

- Financial Management and Strategic Management, guided by CA Mohnish Vora.
- Law, led by CA Indresh Gandhi.
- Advanced Accounts, with insights from CA Tejas Suchak.

These sessions offered a thorough review and helped students feel confident and prepared.

I sincerely appreciate the active participation of students in these events. For any further suggestions or contributions, please continue to reach out to us at wicasanagpur24@gmail.com.

Thank you for continued support and enthusiasm.

Warm regards,
CA Trupti Bhattad
WICASA Chairperson
Nagpur



Message - WICASA Committee

As we stepped into June, we reflected on the amazing journey we had in May. It was a month full of learning, opportunities, and a strong sense of togetherness. From seminars to workshops, each event contributed to both personal and professional growth. Your active participation made these events successful, and we sincerely appreciated your dedication.

The connections we formed helped build a supportive community where ideas and experiences were freely shared. Your contributions to WICASA, Nagpur, not only helped us reach our goals but also motivated us to aim higher. Your commitment and belief in our shared vision continued to inspire us.

Looking back on May, we were excited about the opportunities and programs that came our way. We remained dedicated to offering platforms for learning and growth, and with your continued support, we successfully created impactful experiences.

Thank you once again for being a vital part of our journey. We are excited to continue working together.

Warm regards,
WICASA, Nagpur.



Events - Revision Sessions

Nagpur Branch of WICASA Hosted Two- Day Mega Marathon and One-Day Revision Series to Prepare CA Students for Upcoming Examinations

The Nagpur branch of WICASA recently organized a highly beneficial Two-Day Mega Marathon and One-Day Revision series aimed at equipping CA students with essential knowledge in Business Economics, Business Laws and Practices and Principles of Accounting. The series featured esteemed faculties including CA Mohnish Vora, CA Indresh Gandhi and CA Tejas Suchak, all renowned experts in their respective fields.

As the end of May marks the beginning of the countdown to examinations, the importance of consistent and attentive preparation cannot be overstated. The Two-Day Mega Marathon and One-Day Revision Sessions provided students with a valuable opportunity to refine their study patterns and effectively manage their time in preparation for the exams. Emphasizing the significance of maintaining a positive mindset, the session aimed to empower students to tackle the challenges posed by one of the world's most esteemed accounting bodies.

CA Trupti Bhattad, Chairperson, Nagpur Branch of WICASA, emphasized the importance of the subjects covered in the ODR series, highlighting their practical relevance in the professional lives of CA students. She encouraged

students to make the most of the session and wished them success in their learning endeavors.

Throughout the sessions, the experienced faculty members guided students through a comprehensive journey of their respective subjects, ensuring that every minute detail was covered. Special attention was given to the nuances and intricacies often overlooked during regular studies, allowing students to gain valuable insights in a condensed timeframe.

The Two-Day Mega Marathon and One-Day Revision Sessions proved to be an invaluable resource for CA students, equipping them with the knowledge and skills necessary to excel in their examinations. WICASA remains committed to providing opportunities for continuous learning and professional development to aspiring Chartered Accountants.

Prominently present were WICASA committee members Abhinandini Jham, Arpit Birkhede, Harsh Singhai, Heeth Lunkad, Kunal Ahuja and Vipul Lodhe



Events - Revision Sessions

75 The Institute of Chartered Accountants of India
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ICAI Nagpur Branch (WIRC)
Nagpur Branch of WICASA
Announces

TWO DAY MEGA MARATHON

CA Foundation
**BUSINESS
ECONOMICS**

Register at:



CA MOHANISH VORA

Date and Day: 09th & 10th May
Thursday & Friday
Time: 10am to 6pm
Venue: ICAI Bhawan, Dhantoli, Nagpur
Fees - Rs 200

Yours in Profession
CA. Trupti Bhattar
WICASA Chairperson
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Team Nagpur Branch Of WICASA

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Events - Revision Sessions

75 The Institute of Chartered Accountants of India
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ICAI Nagpur Branch (WIRC)
Nagpur Branch of WICASA
Announces

TWO DAY MEGA MARATHON

CA Foundation
ACCOUNTS

Register at:



CA. TEJAS SUCHAK

Date and Day: 11TH & 12TH May
Saturday & Sunday
Time: Day 1 :- 9am to 4pm
Day 2 :- 10am to 6pm
Venue: ICAI Bhawan, Dhantoli, Nagpur
Fees - Rs 200

Yours in Profession
CA. Trupti Bhattar
WICASA Chairperson
99702 85072

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Events - Revision Sessions

75 The Institute of Chartered Accountants of India
(Set up by act of Parliament)

ICAI Nagpur Branch (WIRC)
Nagpur Branch of WICASA
Announces

TWO DAY MEGA MARATHON

CA Foundation
BUSINESS LAW

Register at:



CA. INDRESH GANDHI

Date and Day: 13th & 14th May
Monday & Tuesday
Time: 10am to 6pm
Venue: ICAI Bhawan, Dhantoli, Nagpur
Fees - Rs 200

Yours in Profession
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WICASA Chairperson
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Events - Interactive meet with WIRC Office Bearers

“Interactive meet with WIRC Office Bearers” was organised by **“Nagpur Branch of WICASA”** on 18th May 2024. **Chief Guest of the session was CA Ankit Rathi and Guest of Honours were CA Piyush Chandak, CA Rahul Parikh, CA Gautam Lath and CA Pinky Kedia**

CA Trupti Bhattad, WICASA Chairperson, Nagpur Branch of WICASA, gave address welcoming all the WIRC Committee members (Chief Guest CA Ankit Rathi and Guest of Honours CA Piyush Chandak, CA Rahul Parikh, CA Gautam Lath and CA Pinky Kedia) and spoke about upcoming WICASA events including National Conference of CA Students being held on 28-29th of JUNE, 2024 and encouraged students to attend the same.

CA Piyush Chandak, WICASA Chairman, WIRC of ICAI In his brief talk, shed light on the significance of the WICASA committee, stressing its vital role in nurturing student growth. He passionately outlined the perks of joining WICASA events, citing skill enrichment and community building as key benefits. Moreover, he shared how ICAI and WIRC are embracing Artificial Intelligence (AI) to modernize their operations, aiming to stay ahead of the curve in today's dynamic landscape.

CA Ankit Rathi, Chairman, WIRC of ICAI in his remarks motivated and encouraged students pursuing Chartered Accountancy and appreciated students who attended the conference on the day following the end of their examinations. He then shared his Chartered Accountancy journey and struggles he faced during the journey. He also shared his journey of becoming Chairman of WIRC of ICAI from being a WICASA committee member, a truly aspiring and inspirational journey.

Prominently present were CA Dinesh Rathi (Vice Chairman, ICAI Nagpur Branch (WIRC)), Prajakta Gupta, Anushka R, Kalash Gajrani, Ojas Kene, Muskan Godhe, Abhinandini Jham, Arpit Birkhede, Harsh Singhai, Heeth Lunkad, Kunal Ahuja, Prerna Moundekar and Vipul Lodhe



Events - Interactive meet with WIRC Office Bearers

The Institute of Chartered Accountants of India
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ICAI Nagpur Branch (WIRC)
Nagpur Branch of WICASA

**FULL DAY SEMINAR ON
START-UP &
ENTREPRENEURSHIP**

CHIEF GUEST

CA. Ankit Rath
Chairman - WIRC of ICAI

GUEST OF HONOUR

 CA. Fahol Parikh
Vice Chairman
WIRC of ICAI

 CA. Gautam Lath
Secretary
WIRC of ICAI

 CA. Pinki Kedia
Treasurer
WIRC of ICAI

 CA. Piyush Choudhary
Chairman WICASA
WIRC of ICAI

GUEST SPEAKERS

Topic :-
Building a Sustainable Startup
 CA. Pranav Joshi
Nagpur

Topic :-
Staying Motivated on the Startup Journey:
Strategies for entrepreneurial fire, sustaining
motivation.
 CA. Pritham Mahure
Pune

Register at:


10th May 2024
10:00AM to 5:00PM 100/-
(Including Lunch) ICAI Bhawan, Dhantoli, Nagpur

10:00 AM to 11:00 AM : Registration, Breakfast & Networking Games

Your's in Profession
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Vijay Lunkad
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Events - Industrial Visit to RBI

Nagpur Branch WICASA Hosted Insightful Industrial Visit to Reserve Bank of India

Nagpur, 21st May 2024 - The Nagpur branch of the Western India Chartered Accountants Students Association (WICASA) continues to enrich the educational journey of CA aspirants through practical exposure. Today, WICASA organized an insightful industrial visit to the Reserve Bank of India (RBI) in Nagpur.

This visit provided 35 enthusiastic students a unique opportunity to gain firsthand knowledge of the operations, processes, and internal technical controls at one of the nation's most crucial financial institutions. The visit aimed to bridge the gap between theoretical learning and real-world application, an essential aspect of the Chartered Accountancy profession.

Students reported promptly at 3:00 PM, eager to delve into the workings of the RBI. The event was carried out seamlessly, maintaining a peaceful and professional

atmosphere throughout. The participants were treated to an informative session, offering a comprehensive understanding of the RBI's role in regulating the country's financial system, monetary policy, and various other critical functions.

The visit was not only educational but also facilitated networking among students, fostering a sense of community and shared learning. The nominal registration fee of Rs. 50 included snacks, ensuring a comfortable experience for all attendees.

WICASA remains committed to organizing such impactful events, reinforcing the practical knowledge and professional skills of its members. The positive feedback from the students underscores the success of this initiative, reflecting WICASA's dedication to nurturing competent future Chartered Accountants.



Events - Industrial Visit to RBI

The Institute of Chartered Accountants of India
(Set up by act of Parliament)
ICAI Nagpur Branch (WIRC)
Nagpur Branch of WICASA

INDUSTRIAL VISIT to RBI
(Reserve Bank of India)



Registration Link:


- ✓ Date: 21 MAY 2024
- ✓ Day: TUESDAY
- ✓ Reporting Time: 3.00 pm
- ✓ Fee: 50/- (Snacks Included)
- ✓ All Participants need to carry ID proof with them
- ✓ Only 35 seats available (First Come First Serve Basis)

Students needs to be in the formals only.
Photography is strictly prohibited in the bank premises.

Yours in Profession
CA Nagpur
WICASA
WIRC
Team Nagpur Branch Of WICASA

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Events - National CA Students Elocution Contest

The ICAI Bhavan, Nagpur Branch, was abuzz with enthusiasm as the National CA Students Elocution Contest took center stage at 3:00 PM. This prestigious event provided a dynamic platform for aspiring Chartered Accountant students from across the nation to showcase their public speaking prowess.

The contest featured an esteemed panel of judges, including CA Chinmay Joshi, CA Ruby Kataria, and CA Pranav Limaja, whose expertise and insights played a pivotal role in evaluating the participants and offering invaluable feedback.

A total of 40 talented CA students participated in the contest, each demonstrating exceptional eloquence and presentation skills. The competition was highly engaging

and underscored the high caliber of talent among the participants.

In addition to the elocution contest, attendees enjoyed snacks and participated in networking games, fostering a relaxed and interactive environment. These activities allowed students to connect, exchange ideas, and build lasting relationships with their peers.

The National CA Students Elocution Contest was a resounding success, promoting a spirit of camaraderie and healthy competition. It offered students an excellent opportunity to hone their communication skills and gain insights from experienced professionals. This event not only celebrated the art of public speaking but also contributed to the professional growth of future Chartered Accountants.



Events - National CA Students Elocution Contest

The Institute of Chartered Accountants of India
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ICAI Nagpur Branch (WIRC)
Nagpur Branch of WICASA

CA STUDENTS' NATIONAL TALENT SEARCH- 2024

ELOCUTION COMPETITION

Speak for Maximum 10 Minutes

Topics:

- The Role of Youth in Shaping the Future
- Finding Balance: Prioritizing Mental Health and Well-being in a Fast-paced World
- Power of positive attitude
- Dare to Dream: Setting ambitious goals and working towards them
- Empowering yourself through continuous learning and self-improvement

NATIONAL LEVEL AWARDS

1st : 21000/-
2nd: 11000/-

Winner at the branch level will be awarded with Certificate

Date and Time : 27th May 2024 at 3:00 PM
Venue : ICAI Bhawan, Dhantoli, Nagpur
Registration Link : <https://forms.gle/XHYoJW47RJBAm9DA>

Yours in Profession
CA. Trupti Bhattad
WICASA Chairperson
99702 85072

Team Nagpur Branch Of WICASA

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Events - Pitch Deck Contest

Nagpur, 29th May 2024:* Enthusiasm and innovation filled the halls of ICAI Bhawan in Nagpur as young, aspiring Chartered Accountant students gathered to showcase their entrepreneurial brilliance at the Pitch Deck Contest on 29th May 2024. This vibrant event was a celebration of creativity, offering participants a chance to turn their innovative ideas into impactful business pitches.

The contest was guided by a distinguished panel of judges, including CA Aman Jain, CA Perna Munot, and CA Arun Bafna. Their expert insights and constructive feedback played a crucial role in nurturing the talent and enhancing the presentations of the students.

Nine talented participants took center stage, each presenting their unique vision with passion and precision. Submissions, due by 11:59 AM on the contest day, followed a specified format, covering key elements such as the problem

addressed, proposed solutions, market opportunities, revenue models, and competitive analysis.

Each team captivated the audience with a 15-minute presentation, followed by a 5-minute Q&A session, sparking engaging discussions and insightful interactions with the judges.

Emerging as winners were Urvi Shah, Smruti Sadrani, and Sanskar Vishwanadulwar, whose outstanding creativity and analytical skills earned them top honors.

The Pitch Deck Contest at ICAI Bhawan was not just a competition but a celebration of innovation, fostering the growth of future business leaders by providing a platform for young minds to explore and express their entrepreneurial spirit.





Events - Quiz Competition

We are thrilled to share the highlights of a captivating quiz competition held on 30th May 2024, at 5:00 PM at ICAI Bhawan, Dhantoli, Nagpur. On this lively evening, fifty eager students gathered, ready to test their knowledge and enjoy an exciting intellectual challenge.

The atmosphere was charged with excitement as Shri Shishir Turkar, our charismatic Quiz Master, took the stage. With his engaging style and quick wit, he set the tone for an evening full of fun and learning. Students were on the edge of their seats, buzzing with anticipation for each question, and the competition was as fierce as it was friendly.

The questions ranged across various topics, pushing participants to think critically and work collaboratively. Laughter, cheers, and the occasional groan echoed through the room, as teams celebrated correct answers and pondered challenging ones.

The quiz competition wasn't just about testing knowledge; it was a testament to the power of teamwork and quick thinking. The enthusiasm and energy in the room were palpable, reminding us all of the joy of learning together.

A big thank you to Shri Shishir Turkar for making the event so enjoyable and to all the students who participated with such vigor and spirit. Your passion and enthusiasm are what make events like this truly special.



Events - Quiz Competition

The Institute of Chartered Accountants of India
(Set-up by act of Parliament)
ICAI Nagpur Branch (WIRC)
Nagpur Branch of WICASA

CA STUDENTS' NATIONAL TALENT SEARCH-2024

Quiz Competition

Date & Time : 30th May 2024 at 5:00 PM
Venue : ICAI Bhawan, Dhantoli, Nagpur
Registration Link : <https://forms.gle/55yEPa5ZRmUpR1Np9>

Basic rules:

- The Quiz Competition will be based 80% on General Awareness and and 20% on subjects of CA course
- Each team will be comprising of 2 students

NATIONAL LEVEL AWARDS
1st: 21000/-
2nd: 11000/-
Winner at the branch level will be awarded with Certificate

QUIZ
WHO WHEN HOW WHY

Yours in Profession
CA, Trupti Bhattar
WICASA Chairperson
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Team Manager Branch Of WICASA

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Events - Essay Competition





Chanakya Quotes

3 Rules on Finance



1 Self-Discipline and Hard Work:

"Before you start some work, always ask yourself three questions – Why am I doing it, What the results might be, and Will I be successful. Only when you think deeply and find satisfactory answers to these questions, go ahead."

CA students must practice self-discipline and dedication. The journey to becoming a Chartered Accountant is rigorous and demands consistent hard work. Before embarking on any study session, exam preparation, or internship, students should reflect on their goals, the potential outcomes, and their readiness. This reflective practice ensures that they stay focused and motivated throughout their studies.

2 Continuous Learning and Adaptability:

"Education is the best friend. An educated person is respected everywhere. Education beats the beauty and the youth."

In the ever-evolving field of accountancy, continuous learning is paramount. CA students should embrace a mindset of lifelong learning, staying updated with the latest industry trends, regulations, and technological advancements. This adaptability will not only help them excel in their exams but also prepare them for a successful career in the dynamic world of finance and accounting.

3. Financial Prudence and Management:

"Before you start any work, ask yourself three questions – is it righteous? Is it just? And will it bring good results?"

Financial prudence is a cornerstone of both personal and professional success. CA students must learn to manage their finances wisely, balancing their educational expenses with other life needs. This principle of righteous and just financial management should extend to their professional practice, where ethical considerations and the pursuit of beneficial outcomes for their clients are crucial.



Success Story



CA J Rajasekhar Reddy

J Rajasekhar Reddy India's first blind CA J Rajasekhar Reddy India's first blind CA inspirational people

The vision to achieve his childhood goal helped 23-year-old J. Rajashekar Reddy qualify the final hurdle of becoming a chartered accountant. He is the first completely blind candidate in India to manage the feat. "My success is not mine alone but of all those volunteers, teachers, friends and mentors who supported me throughout," said the boy from Guntur, who cleared the examination in his second attempt on Jan 21.

After he lost his vision owing to a damaged optic nerve caused by brain tumor at the age of 11, Rajashekar never imagined that he would be able to script a sterling success.

"I went into depression and my parents had given up on me. I had never paid much attention to studies, but I am grateful to my grandmother who brought me to Hyderabad, after she heard of the Devnar School for Blind," said Rajashekar, who found his feet after joining the school. A meeting with a career counselor at the school when he was in 10th standard set the pace for his career.

"The profession of CA is an honoured post in the society and hence I was motivated to pursue it. My father works as an electrician and mother is a homemaker. It is a little difficult for them to comprehend the sense of my achievement. In fact,

looking at the jitters I was going through before my results were declared, my mother was worried that I chose a profession which causes stress and wanted me to relax at home," he added.

Preparing for the examination is doubly difficult for a visually impaired student due to lack of study material. But Rajashekar's teachers and many volunteers helped him record the books into an audio format through scanners.

"I would record the classes at my coaching institute and hear lectures after returning home. Also, the questions for the practical paper are lengthy, and going over them again and again is tedious as my peers with normal vision could always go back to a certain part of the question or pick up a book and start reading right-away. For practical preparation, my teachers and volunteers had been helpful," said the graduate from Osmania University.

The tedious efforts of four and a half years were lauded by Rajashekar's teachers at school. "He was staying with us throughout his college. A visually-impaired person is as good as anyone and need not be pitied. They can reach the pinnacle of success through hard work," said Dr. A. Saibaba Gowd, — with Prasanna Kumari, Deepak Siddardha Muddurthi, Nallamekala Satya and 37 others.



Student's Article

D Mart: The Silent Billionaire



Urvi Shah - WRO0771892

INTRODUCTION

In the fiercely competitive landscape of the Indian Retail Industry, where major players like Future Retail (**Big Bazaar**) are facing liquidation, new entrants like **Big Basket** are making their mark, and established names like **Walmart** are struggling with operational challenges, one brand that stands resilient and continues to thrive is none other than-**DMart**.

The **84 trillion** Retail Industry in India has undergone significant transformations, marked by the exit of some businesses from the sector. Here DMart emerges as a steadfast player, impervious to the challenges that have befallen others. This paper delves into the dynamics of the Indian retail sector, exploring the intricacies of Dart's success.

THE FOUNDATION

DMart was established by Radhakrishna Damani in year 2002. The first store was opened in Powai, Maharashtra with the mission to be the lowest priced retailer in the area of operation. Transitioning to the present, it is now is the **2nd largest retailer** in the industry with,

Revenue of INR **41833** crores in FY23,

Profit margin of **6.11%** and a net profit of INR **2181** crores,

324 stores spread across 12 states,

58% increase in Profit in 2023,

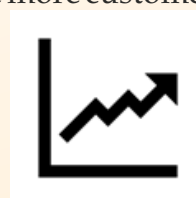
Industry's best inventory ratio -**14.8**,

Revenue of INR **31906** per sq ft.,

Retail business area of **13.4 million** sq. ft .

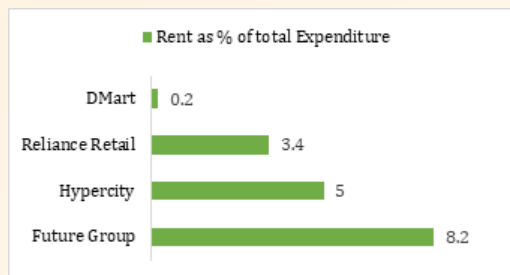
THE BULKWAY- BUSINESS MODEL

The fundamental business model thrives on the principle of **doing more with less**. DMart likes bulk at every step of the process – **bulk** in procurement, **bulk** in movement of goods and **bulk** in buying behaviour of our shoppers. Their aim is to make customers come to store less often but buy significantly more than they would buy at any other retail store. This approach helps create capacity to serve more customers per day.





Unravelling the Factors Behind DMART's Silent Billionaire Status:



1) OWNING STORE SPACE

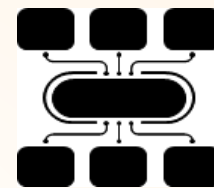
- This unique strategy has helped DMart reduce operational expenses. While for other players in Industry the rent expense amounts to 5-7% of total expense which even keeps on rising but for DMart it's only a onetime expense.
- DMart strategically chooses to open stores in exterior of city or sub-urban areas rather than malls leading to **reduction in upfront cost**.
- While the initial investment may be higher, as the company expands by owning the property, it gradually gains economies of scale, leading to cost efficiencies and improved financial performance over time.

2) CLUSTER EXPANSION MODEL

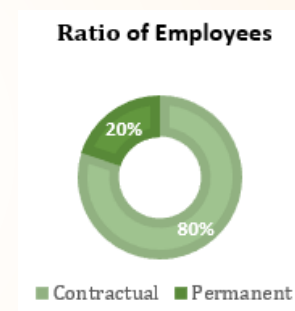
- It is a strategy in business expansion where a company focuses on opening multiple outlets or facilities in close geographical proximity to each other. DMart first builds Distribution center and then opens stores around it. DMart penetrates itself in one region fully before expanding to other areas. This leads to supply chain management efficiency and **economies of scale** because of shared resources and centralized management. This is one of the reasons why when other competitors witnessed a see-saw ride

closing and opening new stores, **not even a single store has been ever shut down** by DMart (only 2 stores were converted to fulfillment centers to meet online delivery during COVID-19).

- Example-** D-Mart's strategic expansion in **Surat** is marked by the opening of stores at Adajan, Varachha and Udhna, strategically positioned at distinct ends of the city.



3) COST CUTTING]

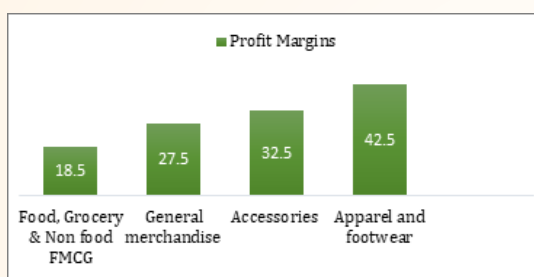


- Store Optimization:** DMart doesn't have fancy stores with large room space. It has a simple store striking balance between **customer satisfaction** and **cost saving**. By optimizing shelf space and restocking products promptly, the company reduces reliance on large storage areas. This approach aligns with the goal of minimizing the time products spend in storage and emphasizes a **lean inventory model**.
- Hiring on Contract Basis:** DMart hires employees on contract basis which reduces further cost because Contractual employees **don't receive same perks** as permanent employees leading to cost saving for the company.
- Low Marketing Expense:** One might



have hardly seen DMart's advertisement on television. This is because DMart doesn't spend on advertisements and promotions because it believes in **word-of-mouth marketing**. It believes if a customer has saved money at DMart its high probability that he/she will share with others. Satisfied customers sharing experience with others has been also significant contributor to DMart's success.

4) PRODUCT OPTIMIZATION



- **Own products:** DMart has started selling its products under its own brand name like D-Home, DMart premia etc., which helps DMart earn more profits as private label have high margins.
- **Smart inventory restocking:** It might seem that one can get any product at DMart but it is selective about product restocking. The most important checkbox for a product to be restocked is for it to move quickly. DMart does this very well indicated by Industry best turnover ratio of **14.83**.
- **Huge Product Mix:** DMart stores not only carry food and grocery items but they also carry a bunch of different products like apparel, footwear, bedsheets, lamps, bags, jewellery, etc. The reason behind this **diverse product mix** is simply the individual product group margins. Food, grocery and FMCG products account for DMart's 50% of sales. In order to make more money they

need to sell other products.

That's why the huge store works in favour of DMart. Even if you grab a pair of shoes and a couple of bedsheets on your way out, DMart will make better margins than usual. **DMart strategically lures customers with groceries but boosts profits through the sale of non-FMCG items.**

Before DMart came to our city, My Mother used to visit the wholesale market to buy monthly grocery. Once I accompanied her and realised it's really inconvenient to buy from wholesale market because stores relating to food products at one end and relating to Non-Food FMCG at the other end. Therefore, even customers prefer coming to DMart because of the **diverse product offerings under one roof**.

- **Regional brands:** DMart researches the popular local brands of a particular region and makes them available, thereby avoiding people's need to go to the local Kirana stores.

For example, if a customer visiting DMart in Surat will surely find the **Gwalia's Khakhra** and if customer visits DMart located in Maharashtra one can easily get **Chitale's Bhakarwadi**. Both are home-grown brands of that region.

5) CUSTOMER FOCUS

Some perks which are offered only by DMart to customers:

- **Discounts everyday** rather than overhyped bonanzas once in blue moon.
- Ample Parking space.
- No discount coupons or **need to meet the specified order size** to get discounts. Simply all items are at discounted price.



- Easy **exchange and returns**. DMart returns **CASH** paid by customer back while most competitors issue credit notes forcing customer to buy something from their store. The process of exchanging or returning items is really smooth. Customers don't have to go through the trouble of proving why they want to return something.
 - **BUY 1 GET 1 FREE**- If you buy 1 you get it at **half price** in DMart whereas in other stores you have to buy both items to avail the offer.
 - Enhances Customer's shopping experience by selling food and refreshments at efficient prices. With these food outlets DMart clocked in revenue of **124.41 Crore** in FY 2023.
- Example-Popcorn is available at just Rs.35,10 times less than what we pay normally.
- High turnaround ratios mean **fresh products** are available to buyer during every visit to the store.

DMart's success is evident as customers express **impulsive purchases** driven by the combination of superior quality and affordable prices offered by the store.

6) STABILITY STRATEGY

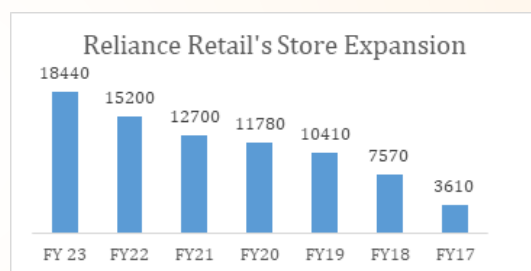
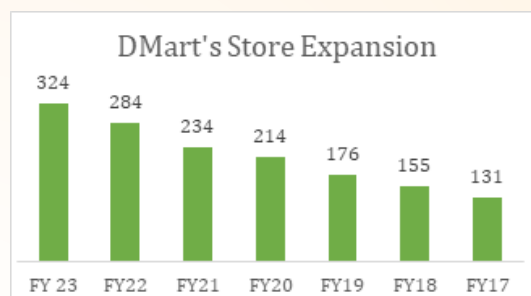
Fueled by debt financing, Future Retail (Big Bazaar) underwent rapid expansion. Excessive debt and insufficient revenue led Future Retail to undergo liquidation, as the company struggled to meet interest payments and repay the principal amount.

In stark contrast to this is DMart's story. DMart believed in organic growth and expanded slowly and steadily. It focused on profitability instead of rampant expansion. DMart has been growing organically using its own profits and

having minimal debt on its books.

Debt equity ratio is **0.03** compared to average of **1.8** in the retail industry.

DMart expands slowly compared to other players in industry because it focuses on operational efficiency, building relationship with suppliers and understanding the customers



Source: Annual Report FY 2023

7) EVERYDAY LOW PRICES

There is an unsaid rule in the market that – “**One must not open any store within a 1 km radius of DMart, simply because, no one can beat them on prices.**”

The company stays true to its mission of providing low prices everyday but the question rises how can company run profitably and provides **9-15% discount** to buyers for such a long period without burning any cash?

EDLC/EDLP PRINCIPLE:- Everyday Low Cost/Everyday Low Price.

- **Bargaining Power over Suppliers:** DMart has high inventory turnover ratio means inventory sells quickly and



suppliers will have recurring orders. When DMart came knocking, suppliers knew that the **order sizes** would be big that they were willing to do anything to win that business. Hence suppliers drove the prices down.

On the sourcing front, they follow a simple strategy wherein they pay suppliers faster than others (on an average, **8-10 days** as against **60 days** by its rivals) in exchange for an upfront discount which is then passed on to the customer. This strategy has worked well to build a loyal vendor pool and nurturing a healthy relationship with them, which always comes handy in adverse market conditions such as Covid-19 crisis. **Creditors turnover ratio** is **low** but it's in advantage of the company.

- **Slotting Fees:** It's a payment made by a manufacturer or supplier to secure favourable product placement.

With DMart's high sales volume suppliers knew if their product is not getting sold at DMart means it losing a huge audience. Manufacturers would compete to have their goods on its shelves because the scale was just unfathomable.

For Example: Slotting fees is 20 per product whose MRP is Rs.100 so DMart can easily offer product at 80 or below price without bearing cost itself.



- **Selective Restocking:** Finally, instead of providing a range of products, DMart focuses on understanding the top-selling products in a locality and only stocks those products. It saves a ton of money on inventory through this and its sales numbers stay high!

- **Supply Chain Management:** Following factors have helped DMart to achieve Inventory turnover ratio **14.83** compared to industry average of **8.74**:

a) **Centralized warehouse system:** DMart operates a centralized warehouse system, with a single large warehouse serving as the distribution centre for all its stores. This helps to reduce lead times, lower inventory costs, and improve the overall shopping experience for customers.

b) **Direct sourcing:** DMart sources its products directly from manufacturers and suppliers, which helps to keep costs low and pass on the savings to customers.

c) **Efficient transportation:** DMart uses efficient transportation methods, such as dedicated trucks and trailers, to quickly and efficiently transport products from the warehouse to its stores.

Basically, the strategy is to **“Buy it low, stack it high and sell it cheap”!**

CONCLUSION

It's been **21 years** and company has scaled and made its place in the heart of **Indian consumers** with its **Low Prices Everyday** mission. In the end DMart justifies the saying **slow and steady wins the race**.

The D Mart's journey can be encapsulated in this quote-**“In the world of retail, the silent strategies often speak louder than the noisy campaigns.”**



Student's Article

Ethical Challenges in Auditing



Shraddha Krishnan - WRO0773152

Introduction

Auditing plays a crucial role in maintaining the integrity of financial reporting and ensuring transparency in business practices. As independent evaluators of financial statements, auditors are expected to uphold the highest ethical standards. However, the auditing profession faces numerous ethical challenges that can undermine its credibility and effectiveness. This article explores the key ethical challenges in auditing, including conflicts of interest, pressure from clients, and the dilemmas posed by personal and organizational pressures. It also discusses strategies for addressing these challenges to uphold the profession's integrity.

Conflicts of Interest

One of the most significant ethical challenges in auditing is the conflict of interest that can arise when auditors have financial or personal interests in the companies they are auditing. This situation can compromise their objectivity and independence. For instance, if an auditing firm provides consulting services to the same

client it audits, there may be a perceived or real conflict of interest.

Types of Conflicts of Interest:

1. **Financial Interests:** An auditor or their firm might hold financial interests in the client company. For example, if an auditing firm owns a significant share of a client's stock, the auditor might be reluctant to report unfavorable findings that could negatively impact the stock's value.
2. **Dual Roles:** When auditing firms provide both auditing and consulting services to the same client, the potential for conflicts increases. The auditor may face pressure to overlook issues that could affect the client's willingness to continue paying for consulting services.
3. **Personal Relationships:** Personal relationships with client management can also lead to conflicts of interest. An auditor who is friends or closely related to a company's executives might face challenges in maintaining objectivity.



To mitigate these conflicts, regulations such as the Sarbanes-Oxley Act in the United States mandate strict separation between auditing and consulting services. Furthermore, professional ethical guidelines require auditors to disclose any potential conflicts of interest and recuse themselves from auditing clients where such conflicts are present.

Pressure from Clients

Auditors often face pressure from clients to alter their findings or overlook discrepancies in financial statements. This pressure can come in various forms, including implicit threats to future business, explicit demands, or subtle forms of persuasion. Such pressure can lead auditors to compromise their professional judgment, resulting in inaccurate or misleading financial reports.

To counteract client pressure, auditors are encouraged to adhere to a strong ethical code and rely on a robust system of internal controls and peer review. Firms must also create a culture that supports ethical behavior and empowers auditors to report unethical practices without fear of retaliation. Whistleblower protections and anonymous reporting channels can further safeguard auditors who face undue pressure.

Personal and Organizational Pressures

Auditors also encounter ethical dilemmas stemming from personal and organizational pressures. For example, auditors working in a highly competitive environment may face pressure to meet performance targets or maintain client satisfaction at the expense of ethical standards. Similarly, personal financial difficulties or career advancement ambitions can influence an auditor's decision-making process.

Professional bodies and organizations can help mitigate these pressures by providing ongoing

ethics training, promoting a strong ethical culture within auditing firms, and ensuring that there are clear and enforceable guidelines for addressing unethical behavior. Additionally, regular audits of auditing practices and ethical compliance within firms can help identify and address potential issues before they escalate.

Addressing Ethical Challenges

To effectively address the ethical challenges in auditing, a comprehensive strategy is required. This strategy should encompass the establishment and enforcement of ethical standards, the cultivation of a strong ethical culture, and the ongoing education and training of auditors. Here's a detailed exploration of these strategies:

1. Establishing and Enforcing Ethical Standards

Importance of Ethical Codes: Professional organizations such as the International Federation of Accountants (IFAC) and the American Institute of Certified Public Accountants (AICPA) are pivotal in setting the ethical framework for the auditing profession. Their codes of ethics define the core values and responsibilities of auditors, emphasizing the need for independence, objectivity, integrity, and professional competence.

Implementation Strategies:

- **Adopting Ethical Codes:**
 - **Code of Ethics Adoption:** Firms must formally adopt and integrate these ethical codes into their operational policies. This involves embedding the principles of the codes into everyday practices and ensuring that all employees are familiar with them.
- **Ethical Training:** Regular training sessions should be conducted to familiarize staff with the ethical



codes, their application, and the consequences of non-compliance.

- Ethics Committees:

- **Formation:** Establish ethics committees within auditing firms composed of senior members who are tasked with overseeing ethical compliance and resolving ethical dilemmas.

- **Responsibilities:** These committees should be responsible for setting ethical guidelines, reviewing ethical breaches, providing guidance on complex ethical issues, and ensuring that ethical practices are integrated into all aspects of the firm's operations.

- Monitoring & Compliance

- **Compliance Programs:** Develop comprehensive compliance programs that include regular internal audits, risk assessments, and monitoring systems to ensure adherence to ethical standards.
- **Whistleblower Systems:** Implement confidential reporting systems that allow employees to report unethical behavior or breaches of ethical standards without fear of retaliation. This system should be accessible and well-publicized within the organization.
- **Regular Reviews:** Conduct periodic reviews of ethical practices and compliance with established standards. This includes assessing the effectiveness of the ethics

programs and making necessary adjustments based on findings.

2. Fostering a Strong Ethical Culture

Creating an Ethical Environment: Fostering a strong ethical culture is crucial for ensuring that ethical behavior is consistently practiced and valued within the organization.

Key Components:

- **Leadership Commitment:** Leading by Example: Leaders and senior management must demonstrate a commitment to ethical behavior through their actions and decisions. This includes being transparent, accountable, and consistent in their adherence to ethical standards.
- **Ethical Leadership Training:** Provide leadership training focused on ethical decision-making and the importance of setting a positive example. Leaders should be equipped to handle ethical dilemmas effectively and support their teams in doing the same.
- **Open Communication:**
 - **Encouraging Dialogue:** Promote an open dialogue about ethics and ethical practices within the firm. Regular discussions, workshops, and meetings can help reinforce the importance of ethics and provide a forum for addressing ethical concerns.
 - **Feedback Mechanisms:** Create mechanisms for employees to provide feedback on ethical issues and practices. This feedback can



help identify potential areas of concern and guide improvements in ethical practices.

- Recognition and Reward:
 - Ethical Behavior Incentives: Develop programs that recognize and reward ethical behavior. This could include formal recognition awards, performance evaluations that consider ethical conduct, and other incentives that highlight and celebrate adherence to ethical standards.
 - Promoting Ethical Role Models: Highlight and showcase role models within the organization who exemplify ethical behavior. These role models can serve as examples for others and reinforce the importance of ethical conduct.

3. Continuing Education and Training

Ongoing Professional Development: Continuous education and training are essential for keeping auditors updated on the latest ethical standards, regulatory changes, and best practices. Ongoing professional development helps auditors navigate complex ethical dilemmas and reinforce their commitment to ethical behavior.

Training Programs:

- Ethics Workshops and Seminars:
 - Regular Workshops: Conduct regular ethics workshops and seminars to address current ethical issues and challenges. These workshops should be interactive and include practical case studies and scenarios to

enhance understanding.

- Guest Speakers: Invite experts in ethics and auditing to provide insights and share experiences. Guest speakers can offer valuable perspectives and contribute to a deeper understanding of ethical issues.
- Case Studies and Simulations:
 - Real-World Scenarios: Use case studies and simulations to illustrate ethical dilemmas and decision-making processes. These practical exercises help auditors apply ethical principles to real-world situations and develop problem-solving skills.
 - Review Past Breaches: Analyze past ethical breaches within the industry to understand their causes and consequences. Discussing these cases can provide lessons and reinforce the importance of adhering to ethical standards.
- Certification and Continuing Education:
 - Professional Certifications: Encourage auditors to pursue certifications that include ethics components. Certifications such as Certified Public Accountant (CPA) or Certified Internal Auditor (CIA) often require ongoing education in ethics.
 - Continuing Education: Support auditors in attending relevant courses, conferences, and webinars to stay updated on



ethical standards and best practices. This ongoing education helps auditors remain informed about evolving ethical guidelines and regulatory requirements.

Conclusion

Ethical challenges in auditing are complex and multifaceted, involving conflicts of interest, client pressure, and personal and organizational

pressures. Addressing these challenges requires a comprehensive approach that includes enforcing ethical standards, fostering a strong ethical culture, and providing continuous education and support for auditors. By proactively addressing these issues, the auditing profession can maintain its integrity and continue to serve as a critical component of financial transparency and accountability. Ensuring that ethical considerations remain at the forefront of auditing practices is essential for preserving public trust and upholding the profession's reputation.



Art Corner



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Art Corner



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