Hyderabad Branch of SIRC of ICAI
&
Hyderabad Branch of SICASA

E-Newsletter

EDIFY

Issue - 5|March,21

INTERNATIONAL WOMEN'S DAY

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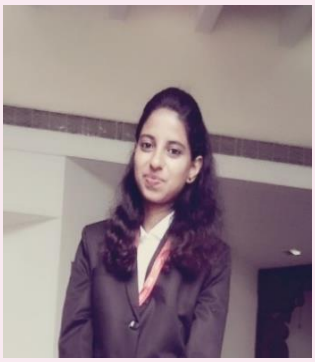

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Communication from SICASA Chairman

Dear Learners,

Welcome to the newsletter for the month of March. Being in the CA profession we have a lot of irons in the fire. With the extension of due dates, we all are up to our eyeballs. Keep the spirit high and work harder.

This month on the occasion of International Women's Day 2021, SICASA- Hyderabad for the first time celebrated the event by hosting an enriching and knowledgeable webinar and it has stood up to salute all the women in the profession. The participation number was colossal. Feedback received from the students show that, this initiative helped the women members and the students of the profession to get along and analyse the future of CA profession for women.

SICASA, Hyderabad has conducted Sports Carnival which included Chess, Carroms, Rubik's Cube, Rangoli, Mehendi, Painting, Box Cricket and Badminton. We were happy to find out that lot of students were engrossed. We thank all the participants who took part in the sports and showcased their skills. Congratulations to all the Winners. Keep practicing, work harder and grow big in life.

With the vision of helping students to pass their May examinations, SICASA Hyderabad is organizing crash course for CA Foundation and CA Intermediate. Announcement will be made soon. Hope you will make efficient utilization of the same.

I request students to participate and engage with the newsletter by way of contributions of articles for the newsletter. Finally, I thank my editorial team, technical team, authors and well-wishers, who are promoting this journal. With these words, I conclude and promise that the professional standards will be maintained and promoted for the betterment of each one of us.

Best wishes,

At your services always,

CA Chinna Sitarami Reddy A

Feel Free to contact at *acsreddy.ca@gmail.com*

Tech Mithra:

"Tech Mithra" is an initiative taken by SICASA Hyderabad to make CA Students familiar with the Technological Changes happening around the world and how those changes would impact our Profession way forward.

In this Modern Era, its very important to stay updated with the usage of Technology. Though many of us maybe strong in the fundamentals of subjects & Concepts but might lack the application knowledge due to unawareness of usage of things around in this digital times.

We SICASA Hyderabad are trying to bridge that gap and help the fellow students by publishing a series of Topics which are inter-related in a sequential manner such that student can learn the basics of the topics & their impact on us moving ahead in their career path.

After learning 1.Artificial Intelligence

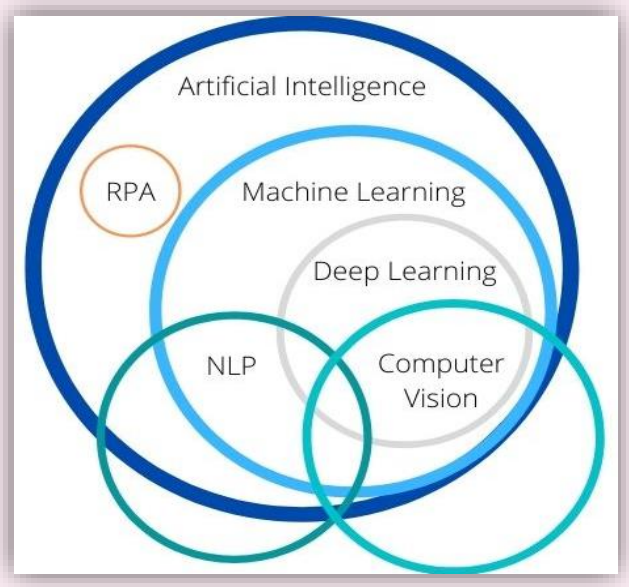
2.Machine Learning

3.Deep Learning

4.Natural Language Processing, this month we bring

5.Robotic Process Automation

Chapter : 5 - Robotic Process Automation



Robotic process automation (RPA) is a form of business process automation based on software with artificial intelligence (AI) and machine learning capabilities to handle high-volume, repeatable tasks that previously required humans to perform. These tasks can include queries, calculations and maintenance of records and transactions. RPA can be helpful to handle the question and Answers, mathematical calculations, manage, maintain the records and digital transactions, etc.

With the help of the RPA tools, we can create our software robot or bot to Automate our Business process. RPA bots make use of the Graphical User Interface (GUI) for collecting the information & connect with the applications to perform huge volume and automatic repetitive tasks. With the help of this technology, we can get quality revenue for your business with less time compared to other manual Operations.

RPA technologies divided into 3 broad categories:

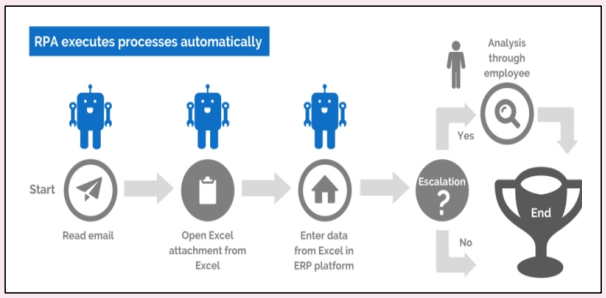
- **Probots** are bots that follow simple, repeatable rules to process data. PROBOT is capable of automating numerous functions both, front end and back end, such as supplier reconciliation, accounts payable reconciliation etc. It is an agile digital system capable of interacting with humans and like humans, PROBOT is capable of improving and learning from prior decisions and user patterns giving it a learning curve just like a human being without the fatigue.

- **Knowbots** are bots that search the internet to gather and store user-specified information. KNOWBOTs are computer-based objects developed for collecting and storing specific information, in order to use that information to accomplish a specific task & to enable sharing that information with other objects or processes. Earlier knowbots used to provide a computerized assistant to users to complete redundant detailed tasks without a need to train the user in computer technology
- **Chatbots** are virtual agents who can respond to customer queries in real time. RPA enables chatbots to retrieve information from these systems and handle more complex and real-time customer/employee requests and queries at scale. In the same way, chatbots, upon a user's request, can trigger RPA to perform specific mundane tasks without routing them to a human agent.

Evolution of RPA: Even though term RPA is traced to early 2000s, but, it has been developing for many years now. RPA evolved from 3 important technologies and they are workflow automation, screen scraping, and artificial intelligence.

- Workflow automation software eliminates any need for the manual data entry & increases order fulfilment rates, comprise of higher speed, accuracy & efficiency.
- Screen scraping is a process to store screen data from the legacy app so that data will be displayed by the modern user interface.
- Finally, artificial intelligence engages an ability of the computer systems to carry out tasks that generally need human intelligence and intervention.

How Does the Process of RPA Work?



RPA functions by accessing the information from your current computer systems. You will find many different ways that the RPA software will integrate with the applications. And one option will be through the connections to databases & enterprise web services. Next is through the desktop or front-end connections taking multiple forms.

First, without process automations, employees can process their tasks manually. The manual processing will need human judgment and cognitive decision, and might need accurate, quick and volume driven data processing of repetitive and simple tasks. Whereas the complex tasks will need cognitive intelligence & judgment will be well suited to humans, and will be the easier. Volume driven, as well as repetitive tasks are well suited to the robots.

Some of the Advantages of RPA are:

- It provides best quality customer service.
- It enables employees to be more productive.
- Creating cost savings for manual, repetitive tasks.
- Increase productivity of your Business or Organization.
- Increase consistency and Quality By using this Technology.
- Providing improved efficiency by digitizing, auditing process data.
- Get the real-world solution from the problems by using this Technology.
- Allow processes to be completed much more rapidly (more Work in less time).
- Ensuring business operations and processes comply with regulations & standards.

When to roll out RPA and when to send in AI:

There's a good rule of thumb to figure out if a process should be handled by RPA or AI: start your automation journey by first tackling those processes that you can easily build a map of mentally and then add AI to workflows deemed too complex for RPA alone. RPA cleans up your underlying processes to provide an easily integrated framework on top of your existing digital systems. Without this underlying foundation, the barrier to entry for integrating AI is much higher. Without that foundation, AI would need to be manually from into your core processes.

There is an exception to this approach- If you've already heavily invested in business process automation in the past (you've already done the work to ensure process hygiene) then you can look at opportunities for AI and RPA. Then it's time to look at those workflows deemed "too complex" for RPA alone. These will include:

- Workflows where the **outcome cannot be predicted 100%** of the time (such as processes that support property valuation, loan defaults, and inventory forecasts)
- **Highly variable processes** that do not depend on a clear-cut set of rules (such as resume matching, purchase decisions, and language translation)
- Processes that **rely on unstructured data** from documents, articles, images, videos, and emails (such as invoice extraction, email routing, and speech to text)

Applications of RPA:

• **BUSINESS PROCESS OUTSOURCING:** RPA has become a major differentiator for Business Process Outsourcing (BPO) organizations enabling reduced costs, improved SLAs and operational agility, and increased capacity.

• **ACCOUNTING:** Organizations will be able to use RPA processes for the general accounting, transactional reporting, operational accounting, and budgeting.

• **FINANCIAL SERVICES:** RPA can swiftly automate data validation and migration between banking applications as well as customer account management, reporting, form filling, foreign exchange payments, managing audit requests, automating account openings & closings, and processing the insurance claims.

• **HEALTHCARE:** RPA alleviates administrative burden by automating healthcare processes, including patient information migration, processing, and storage; medical bill, insurance data, and claim processing.

• **INSURANCE:** Automate time-consuming administrative and customer service activities related to receiving, reviewing, analysing and remitting claims.

• **LIFE SCIENCES:** Achieve better patient outcomes through enhanced productivity and improved quality, while maintaining cost. RPA improves processing times, compliance, and helps engage more effectively with patients.

• **MANUFACTURING:** Let RPA do the heavy lifting for ERP automation, automation of logistics data, data monitoring, product pricing comparisons.

• **PUBLIC SECTOR:** With RPA, government agencies gain secure, reliable automation that is compliant with all federal mandates, enabling agency employees to focus on improving citizen services.

• **TELECOM SECTOR:** Deploy RPA to collect, consolidate, and back up data from client phone systems, upload and extract data about competitor pricing, phone manufacturing information, and more.

• **SUPPLY CHAIN MANAGEMENT:** Is utilized for procurement, automating the order processing & payments, tracking shipments and monitoring inventory levels.

• **RETAIL INDUSTRY (Online shopping):** Using this technology for e-commerce services, managing the orders taking feedbacks of the customer request and respond to the question and answers, manage and handle the shipping orders, etc

Robotic Process Automation in Audit:

Audit practice has been improved over many years by the incorporation of office software such as Microsoft Excel and Word, working paper software such as CaseWare Working Paper, and audit tools such as Audit Command Language (ACL) and CaseWare IDEA, a massive amount of manual, repetitive, simple, and rule-based tasks are still taking up much of auditors' time. Examples of such tasks include audit data preparation, file organization, integration of data from multiple files, performance of basic audit tests in Excel, copying and pasting data, and manual annotations. These tasks are not only time consuming and rule based, they are also prone to error. To further improve the efficiency and effectiveness of audit practice, auditors need to rethink methods and leverage newer technology.

Robotic process automation (RPA) is software that interacts with other application software at the user interface level (i.e., in the same way as a human) and is used to automate processes that are structured, rule based, and repetitive, as well as those with machine-readable data.

The innovation of RPA is that it offers the ability to connect unintegrated automated audit activities. It can be used to automate audit evidence collection activities. Much of the audit evidence comes from a variety of sources and can be burdensome for auditors to collect. RPA can streamline audit evidence collection, and potentially preparation activities, by taking standardized data and combining it from different sources into one audit workplace as a result, RPA can execute audit tests that have been pre-programmed in other software applications, such as Excel. In this manner, RPA can help auditors achieve near end-to-end audit process automation. An RPA-enabled audit production line has implications for audit quality. Because RPA replaces the structured, time-consuming, and repetitive activities that auditors perform, the audit process should inherently be more efficient. In addition, as the auditors have more time to perform complex testing involving the investigation of accounting anomalies, the effectiveness of the audit will also improve.

RPA is at the forefront of disruptive technologies and has tremendous potential to transform audit practice. There is much to be explored, however, about the implications of this emerging technology on auditing before it can be fully implemented. Additional testing of RPA, as well as actual implementation on real audit engagements, is necessary to obtain a better understanding as to its benefits and challenges

Women and a Balanced Life

Happy women's day to all our readers. I'm delighted to share my views regarding how to manage personal life being financially independent.

We often say woman is a shakthi and its known fact that with power there comes the responsibilities. As a woman you need to deal with lot of people. Taking care of own family, parents and in-laws altogether is your responsibility. You will be dealing with very sensitive relationships. The strength of a relationship lies in the importance you give to it. Fulfilling responsibilities as a daughter, as a sister, as a wife, as a mother, as a daughter in law over considering only yourself is a matter of one's personal choice. When you really want to fulfil every responsibility as stated above, being emotionally balanced is important.

Emotional Balance:

Women are basically sensitive and emotional. Being emotional is never a problem. Being emotional is being kind and helpful. The real problem is how to get out of those emotions and how to manage things at that moment.

Knowing yourself is the first step. You should know your actions and reactions for which you need to work on yourself. You need to understand your emotions. Don't form any opinions or judgements in emotion. Always keep one thing in mind that with whomever you are speaking they are all your own people, the people who want you and the people whom you want.

Get out of that emotion as quickly as possible. How do you get out of emotions?

Share with the people who you would like to. If you want to cry just cry until it reduces your burden and then start analysing the facts of the situation. When analysing it's important to see the things as a third person without being attached to emotions. Only then you will be able to understand the facts. Sharing emotions with whom is also important. You need to share with people who will value you and your relationships. If someone only supports you without even thinking about your relationships their suggestions will definitely ruin the relationships. You should also know what to learn from what you listen without getting influenced.

What you want actually plays the most important role. If you want to keep the relationships, you will definitely think in that way in any decision you take. If your intention is to break the relationships, your thinking will be biased towards it.

Don't form negativity on people around you because once you form a negative opinion, you cannot see positivity in them. Always have a positive vibe.

Whatever you do, there will always be people who support you and who criticize you. When someone doesn't support you, explain them in the way they can understand by analysing their thought process.

Professional Life Vs Personal Life:

Managing the professional life and personal life plays very important role in a woman's life. Just because you are financially independent you cannot give up on relationships.

Financial Independence should help you to stand on your legs but it should not make you to stand alone.

You should always possess a thought of "us" instead of a thought of "I".

There's definitely a need to manage work stress and you should try to ensure that it does not affect your personal life. Yes, you absolutely need some rest after working hours and cannot react the same way as a home maker. But getting irritated or neglecting people in your personal life is not the only way. One way is to reduce the work burden on your personal life if it's merely about money but if it's about fulfilling your dreams you cannot be asked to give up on that. Secondly in every situation instead of raising your voice and making things go wrong learn to be patient. Talk to your people. Explain them how your work life is important to you, explain them in what way you need support from them and also assure them that no matter how the work life is going to be you will always be the first to take care of them.

It is never easy for women to manage a thriving career and a happy personal life. Professional life and personal life are altogether two different worlds. Emotional outbursts in personal life could be directly due to stressors from your personal life or work-related matters and emotional outbursts at work place could be due to stressed personal life. Compartmentalise work-related stressors so that your emotions at work don't spill over into your personal life and apologise for any emotional outburst. It is good practice to let go of any anger, frustration and unhappiness at the end of every workday.

You are expected to manage your professional life along with showing the same amount of love, care and affection as a home maker. As a woman you will have comparatively more patience than men and therefore you should be the first to balance both and strive to spread happiness in the family.

Essentials to have a healthy relationship:

Financial Freedom:

Irrespective of your status, you should have financial freedom. You shouldn't be financially dependent on others. This makes you to take all other decisions independently. Balance between spending for your own and spending for your family depending upon the situations that arise and the importance of the need.

Personal Freedom:

You should always fight for your right of freedom. It's always necessary because wherever you are, with whom ever you are, you have a life and you have goals and dreams. At the same time expecting complete freedom is not too good in personal life. When both want complete freedom then there is no togetherness.

Possessiveness:

Possessiveness only comes from belongingness. Don't think you are getting locked by possessiveness. Understand that it's out of love only. Differentiate between possessiveness and not giving freedom.

Trust:

Trust is the very essence of Love and both the partners should trust in each other. You should trust your partner and gain your partner's trust too. Make sure that people at your work place do not influence the trust between you. Excessive trust may also make you blind to see the truth.

Expectations:

It's common to expect the same amount of love you give to your loved one's in return. But don't get too much disappointed when your partner fails to fulfil your expectations. Learn to accept anything less than your expectations also because it may not be possible to fulfil your expectations every time. Convey what you actually want instead of waiting for them to understand what actually you want because sometimes it may not be possible to understand you and the work stress may not allow understanding you. Remember that excessive expectations more than your partner's ability to fulfil ruins your relationship.

Love and Affection:

Woman is a symbol of patience and is known for her care and affection. Always ensure that you never lack in giving that care and affection to your people. Being financially independent there's a need for both of them to share the responsibilities. Understanding each other and talking to each other solves most of complex problems. Spending time together is the biggest task in this busy life. When you plan for your week also include a schedule of quality time you need to spend together. The more time you spend together the less is the distance between you both. Be a listening ear, helping hand, motivational mentor, understanding heart and a lovely soul that is attractive to be cared and to be shared.

SURRENDER YOURSELF TO THE LOVE AND AFFECTION

BUT NEVER SURRENDER TO THE EGO

NEVER GIVE UP ON THE FACT THAT YOU HAVE A LIFE TO LIVE

APART FROM BEING SOMEONE ELSE'S PARTNER

:- Vaishnavi Kasula

SRO0485763

IRDAI DEFERS THE IMPLEMENTATION OF INDAS 117 (INSURANCE CONTRACTS)

Summary

This article helps readers to get the overview about the IRDAI and to understand the decision of IRDAI for deferring the implementation of IndAS 117 (Insurance Contracts) along with the reasons & what are the issues exist in implementation of IndAS 117 & IndAS 109 in Insurance Sector.

Background

The Ministry of Corporate Affairs (MCA) had notified the Companies (Indian Accounting Standards) Rules, 2015 on 16 February 2015. MCA outlined the road map in 2016 via press release for implementation of Indian Accounting Standards (IndAS) by Banks, Non-banking financial companies, Term lending and refinancing institutions and Insurers/Insurance companies. Road map suggested that Ind AS would be applicable to these entities from 1 April 2018 but it did not get implemented on the said date on Banks & Insurance sector.

Brief about IRDAI

The Insurance Regulatory and Development Authority of India (IRDAI) is an autonomous and statutory body which is responsible for managing and regulating insurance and re-insurance industry in India. IRDAI monitors the insurance issuers and protect the interests of the insurance policy holders.

Insurance is a growing sector in India. It was constituted by the Insurance Regulatory and Development Authority Act, 1999, an Act of Parliament passed by the Government of India. The agency's headquarters are in Hyderabad, where it moved from Delhi in 2001.

As per Sec. 4 of IRDAI Act, 1999, the composition of the Authority is:

- Chairman;
- Five whole-time members;
- Four part-time members,

(Appointed by the Government of India)

Reporting Requirements:

Insurers are required to submit various returns and financial statements on an annual basis duly accompanied by the Auditors' opinion statement on the annual accounts; reports of valuation of assets, valuation of liabilities and solvency margin; actuarial report and abstract and annual valuation returns giving information about the financial condition for life Insurance business; Incurred But Not Reported claims in case of general Insurance business; Reinsurance plans on an annual basis; and monthly statement on underwriting of large risks in case of general Insurance companies; details of capital market exposure on a monthly basis; Investment policy, Quarterly and annual returns on investments.

So, all the insurers shall follow the policy, rules & procedures as decided by IRDAI.

INDAS Implementation Roadmap for Insurance Industry :

On 18 May 2017, the International Accounting Standards Board (IASB) issued the international standard on insurance, i.e. IFRS 17(Insurance Contacts) which replaced the IFRS 4. The release of IFRS 17 led IRDAI to review its position in the matter of implementation of IndAS in the insurance sector in 2018 as this step would increase the compliance cost first on implementation of IndAS 104 and second on removal of IndAS104 and implementation of IndAS 117 so IRDAI decided to defer the implementation of IndAS in the insurance sector in India for a period of two years upto 1 April 2020. Now, IASB decided to amend IFRS 17 so once again IRDAI also deferred their plan to implement IndAS 117, which is an equivalent of IFRS 17.

IRDAI Decision

The Insurance Regulatory and Development Authority of India (IRDAI) has decided to defer the implementation of IndAS (Indian Accounting Standards) in the insurance sector until the International Accounting Standards Board (IASB) issues final amendment to International Financial Reporting Standard 17 (IFRS 17).

Issues involved

Earlier, there was a discussion to slowly move towards the implementation of IndAS 117 by first implementing IndAS 104 (i.e an equivalent of IFRS 4). But IFRS 4 shall be replaced by IFRS 17 once the final standard is effective. "Hence, implementing its equivalent (IndAS 104) in the insurance sector in India at this juncture would involve avoidable costs and efforts. It may, therefore, not be desirable to implement IndAS 104 in the insurance sector as an interim measure. The implementation of IndAS 109 before the implementation of IFRS 17 equivalent may cause volatility in financial statements because of asset-liability mismatch so plan for implementation of IndAS 109 also get deferred.

IRDAI Explanation & Reasons

While the insurance sector was preparing to implement IndAS, it was noted that the IASB has taken a considered view to amend IFRS 17. The IASB has indicated that it aims to issue the final amendments in mid-2021, Therefore, the regulator in its January meeting decided to implement IndAS 109 and IndAS 117 simultaneously, along with all other applicable IndAS after the finalization of IFRS 17 by IASB.

Once the standard equivalent to IFRS 17 is notified in India by MCA then IRDAI will be in a position to notify the regulations on the preparation of IndAS-compliant financial statements. Several other regulations that may be impacted because of the implementation of IFRS 17 may also have to be modified appropriately.

Conclusion

The deferment decision for implementation of IndAS 109 & IndAS 117 by IRDAI is in the favour of Insurance sector as follows:

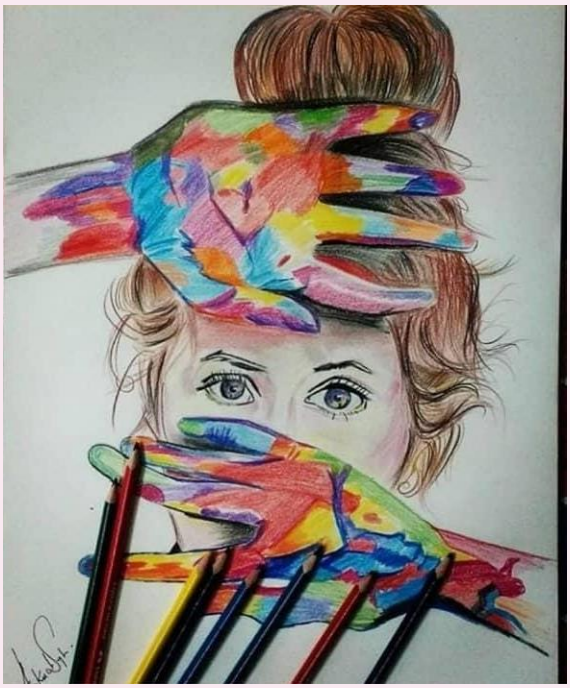
- Implementing IndAS 104 and later replacing it by the IndAS117 will create a chaos and increase cost of reporting.
- Implementing IndAS 109 before IndAS 117 will leads to Mismatch of Assets & Liabilities side.

However, the essence of an insurance contract is 'uncertainty' but the Implementation Date of IndAS 117 (insurance contract) is also uncertain as on today.

:- **SHOBHIT JAISWAL**
NRO0416324

Creative Corner

Art Work's:



Ankush Singh

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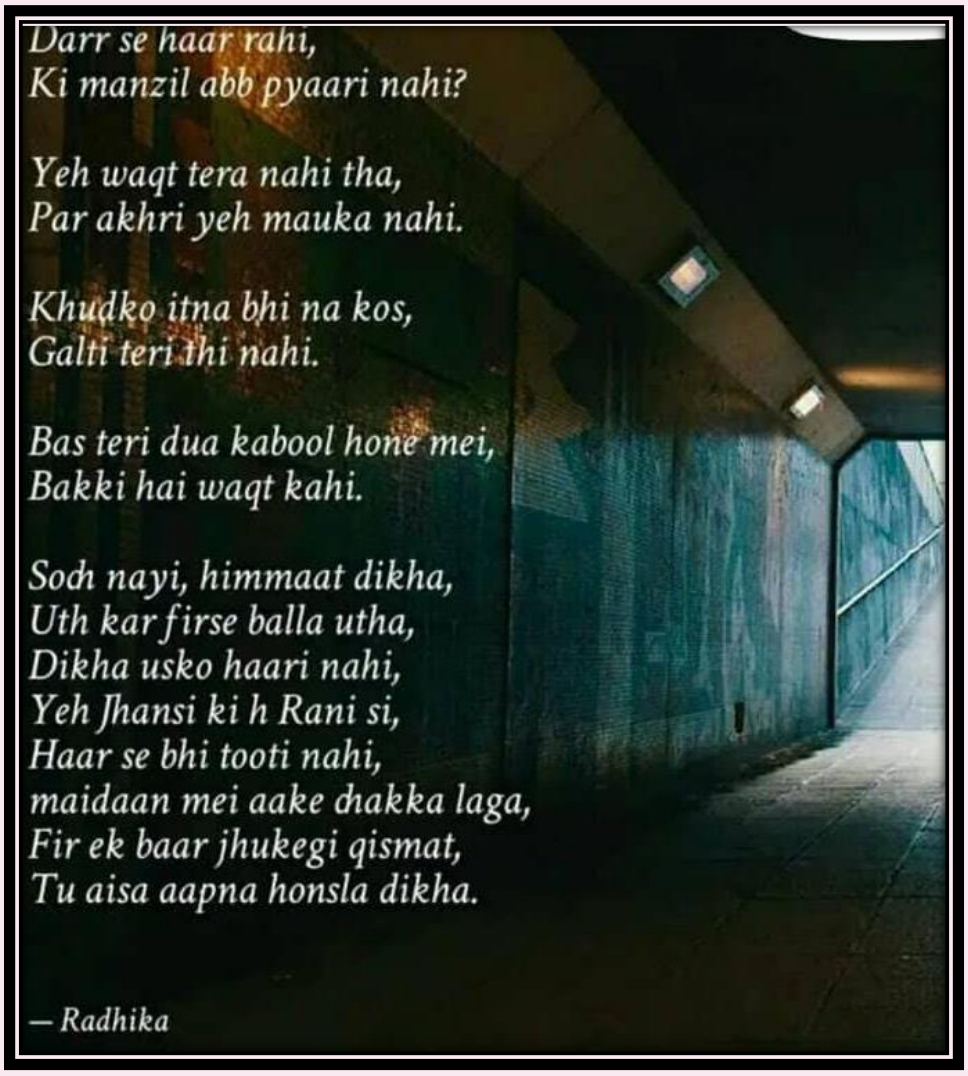
Bhumi Parekh

WRO0641949

Poem's



Radhika Dhandharia

ERO0200305

Glimpses :

Winners & Runner Ups of the SICASA Sports Carnival -8

Congratulations

Badminton (Doubles)

Winners

Aditya Bharadwaj & C.Surya

Congratulations

Badminton (Doubles)

Runners Up

B. Naveen & M. Bhargav

Congratulations

BOX- CRICKET

Winner's

Vignan & Team

Congratulations

BOX- CRICKET

Runner - Up

Raghu & Team

Invitation:

SICASA Hyderabad inviting articles for **E-Newsletter : Edify** for the month of **April,2021**. All the Students who wants to get featured can submit your Articles, Art-Works ,Poems, Short-Stories etc. which are related to Chartered Accountancy curriculum for our further newsletters.

Topics :

1. Disinvestment of public sector

2. Recent Changes under GST & their Compliances

3. Any other related to CA Curriculum

Send us your works on : sicasahydnewsletter@gmail.com

Last date of Submission : 10th April,2021

Rules:

1.No word Limit but Articles shall be confined to Topic's Opted.

2. No Plagiarism Allowed, Content sent should be Original.

3. Send your Work to the mail allowing with the following attachments :

a) Your Work
b) Full Name along with Student Registration Number & Firm Name
c) Passport Photo
d) Contact Details
e) Subject of email must contain the Details of your work (Eg. Article/Art-work etc)