

BULLETIN OF THE ROTARY CLUB OF BOMBAY



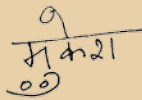
From the President's Desk



Despite the current psychological depression that we hear of post the demon-

etization, nothing seems to have changed for us at RCB, especially because of the clarity and ease with which PP Shailesh Haribhakti explained the context and the implications of demonetization, and advantages that the GST system is going to bring to our economy.

That said, I would like to extend my compliments to the Water Resource committee for having inaugurated their 3rd Jal Jeevan center at Ambujwadi, Malwani, Malad. As well as to the TRF team for their untiring effort towards making the Rotary Centennial Race a grand success!



Impact of Demonetization & GST

“What is our country today?” started PP Rtn Shailesh

Haribhakti, a renowned chartered accountant, who lends his expertise to several professional and governmental regulatory bodies, and is currently the chairman of the National Pension Scheme Trust as well as a Member of the Advisory Committee of Pension Fund Regulatory and Development Authority. “We are a nation of a 125 crore people. Our expected GDP is said to be 2.3 trillion USD. We have only 3.5 crore-tax filers, in addition to the 1 crore people whose taxes are deducted at source because they are employees of some organization. Therefore, out of the 125, only 4.5 crore Indians have had anything to do whatsoever with the tax department.”

“The great thing is that we have issued 26 crore PAN cards and this is a first in the world, as no other country has



PP Rtn Shailesh Haribhakti

this kind of a population. Aadhar Cards are issued to a 107 crore Indians, which in itself has been an incredible achievement. In addition, we were the fastest nation to dematerialize all our securities, and today, no trading of any security in India can happen except in dematerialized form.”

“Sadly however, our tax to GDP ratio is amongst the lowest when compared to larger econo-

mies at close to 10%.”

“So what has the government done so far to make us ready for demonetization?” questions Shailesh, as he believes that this set the context. “In the earlier demonetizations, there was no preparedness at all. It was impossible for people to find an alternate way to transact. Whereas today, because of the very sound implementation of the Jan trinity, i.e. the Jan, Dhan, Aadhar, and the mobility, we have seen India

Today's Meeting Mr. Radheshyam Mopalwar, MD, MSRDC - 'Future of Mumbai'



Forthcoming Events

- Nov 29, 2016 Indu Sahni, President & Executive Chair ISDI, ISDI WPP, ISME - 'Re-imagining Education'
- Dec 06, 2016 AGM
- Dec 13, 2016 Don Gardner - Principal, B. D. Somani International School - 'Learning from Shakespeare'
- Dec 20, 2016 X'mas Dinner
- Dec 27, 2016 Housie



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digitize more rapidly than ever before. I have multiple choices on payments, multiple credit cards, I have absolute information at my beck and call information, and I really don't need cash. And that is a realization that many of us had when our notes became useless."

"Also, it was in 2006 that India first got exposed to what can happen if a tax information network is put in place. This was done by a company called NSDL e-Governance, which transformed the tax collection framework of the country, and our tax collection growth has always been after that - a multiple of growth in GDP. Largely because this tax information network captured, information which the tax dept. could follow through, and get to who had not paid what they were supposed to pay."

Clarifying the context further, he said, "We had a Voluntary Disclosure Scheme, wherein `65,000 crores of voluntary disclosure was made. We had every chance to come clean, and it seemed like it was just not happening! This is because; the currency in circulation at about 16.5-17 lakh crores is more than the total value of equity investment at original cost of all Indians. Of this currency in circulation, the high denomination notes were close to 85% and growing. And to add to it was the menace of 40,000 crores worth of fake currency."

"With this context, on 8th November, we heard the all-familiar 'Bhaiyon aur behno, aaj ratri se 1000 aur 500 rupiye ki note kharij'. And it was completely dramatic! It came without warning, it came as a surgical strike, and this was the reaction that I spontaneously gave as the TV channels started accosting all of us. It was incredible that nobody

knew about it. Had people known, these ATM shoots, may have been calibrated earlier."

"Let me share with you the maths. Currency notes in circulation in India is approximately 280 billion USD. Of this, 62 billion USD are in small currency, which we can use even today. The currency chest of banks, a kind of a valve through which the movement of currency in the bank branches is modulated, is about 18 billion USD. So that leaves 200 billion USD of currency in circulation of high denomination notes that have been demonetized. Hundred billion of this is expected to be re-monetized, wherein you have full documented evidence as to why you had to withdraw that money - the actual numbers may vary by 10-20%. That leaves about 100 billion USD. Of this, 60 billion will consist of people who are confused as to whether Section 272 will apply or not, which says that you need to suffer penalty only if there is a difference between your assessed income and your returned income. Now, if your income has not been assessed at all,



the question of Section 272 does not arise. So this year you make an undisclosed income disclosure of let us say 10 crores, you will pay tax at the highest maximum marginal rate. Which is less than the rate, which was due to be paid in the Voluntary Disclosure Scheme. However, the income tax department has the right to go back 16 years, to ask and determine, whether you had concealed your income in any of your past years based on your existing business model. And if you're not able to answer that, you might end up paying those excess penalties. Therefore it is expected that out of the 60 billion USD, between 15-30% tax on an average basis will be collected by the Government of India, i.e. between 9 to 18 billion USD, which is a significant contribution to the Fiscal effort, while the 40 billion can remain demonetized."

Where does this money go? "This is a 40 billion USD of credit sitting in the balance sheets of Reserve Bank of India. It is a liability, which will never have to be repaid! Therefore, if 40 billion out of the 280 billion USD is not remonetized, then we can have the largest-ever-conceptualized dividend being paid to the Government by the Reserve Bank of India" explains Shailesh.

And what can this dividend be used for? "One of the potential uses of this windfall bonanza that the Government gets is of re-capitalizing banks. Today the only antidote to collapse of prices and collapse of all value in our economy is the ability and willingness of the banks to lend to the right purpose."

"Also the reason why after the international financial crises, India did not suffer a collapse in real estate prices is because, banks lent unprecedented



sums of money to this sector. It is the only reason why India did not have a collapse in property prices. And that may yet be another reason why despite the demonetized, real estate prices will not crash, but instead could spark a genuine revival of actual investors buying right sized homes for living in them, which can be another game changer”, he adds emphatically.

“GST, on the other hand, is the most modern implementation of indirect tax law, and going forward, the whole world will copy India on the way it has structured its GST.”

“The biggest difference is that the GST Network determines the tax payable based on your credit from purchases. And if the person before you in the value chain does not pay tax, then in six months, your credit will get reversed and you’ll have to pay tax on his behalf. This way, you’ll never deal with anyone who has not paid taxes. And thus every person will become a natural tax gatherer, as the entire system is automated and fully digitized.”

What could be the challenges? “In addition to the PAN cards holders; 80 crore small & big dealers, will have to be issued GSTN. Also, since the entire incentive to pay tax has been completely changed, anybody who does not pay due taxes is liable to be found out. So don’t assume that this

system will be easy to game, as there are checks, balances, and traceability at every step.”
So what can it lead to?

Downsides:

1. Long queues - It is absolutely disheartening to see the long queues and all the human-interest stories that are covered in the press.
2. Temporary drop in consumption, as people will hold back and not want to spend.
3. Getting 125 crore people to switch from cash to e-money or to plastic money, which can almost take a decade.
4. Test of this whole experiment will depend on actually how much black money is removed from the system. If it is anything less than 5-10 billion USD, it will prove to be too costly an affair. And people will start complaining if the intended fiscal mathematics equations don’t come through.

Upsides:

1. Bank CASA, i.e. lendable resources will go up by close to 50 billion USD - This when combined with other liabilities, will allow larger risk to lend.
2. Dogeka, i.e. lowering of lending price - With the money flowing in and the compression of purchasing power, inflation will collapse and

therefore interest rates will collapse. So while we will feel impoverished because our fixed deposits will not earn enough interest, but at the same time, business will get loans at lower interest rates. Hence what was happening hesitantly at 0.25% each time, will see a big shot in the arm, as you need to bump up the purchasing power in the economy, and the only engine is banks.

3. GDP will rise by at least 1.5%, because of the twin effect of demonetization and GST. The tax to GDP ratio too will go up, along with the credit ratio of our country. Fiscal deficit will be seen to be in control, inflation will be low, interest rates will be low, and so there is no reason why we cant get to investment grade!

4. As things become normal, people will start seeing `2000 and `500 notes, gross national happiness, which had a huge dip, will have a ‘V’ curve flying out of this psychological depression we’re feeling.

5. Most importantly, bad intent will stop. That to me is going to be the biggest outcome of this demonetization. So while we have short-term pains, we can look forward to an exceptional year particularly when the demonetization and the effects of which are fused with the positive effects of GST.

Committee Reports - Plans & Achievements

- Continued from Issue 17

Homeopathy Clinic - Cotton Green

Chairperson: Rtn Manoj Patodia

RCB's first free Homeopathy Clinic was set-up in association with the Bombay Cotton Merchants and Muccadums Association and Dr. Batra's Foundation at Cotton Green.

The Clinic was inaugurated on 14th November by District Governor Gopal Mandhania in the midst of President Shyam Makharia of Bombay Cotton Merchants and Muccadums Association, RCB President Dr. Mukesh Batra, Trustees of the Charitable Dispensary Rtn Sureshbhai Kotak, P D Patodiaji and Atul Ganatraji.

Speaking on the occasion, Mr. Shyam Makharia said that it was a matter of

great honor and privilege for the cotton community in the area of Sewri to have a free Homeopathy Clinic by RCB and Dr. Batra's Foundation for treatment of the needy patients.

President Dr. Mukesh Batra who spoke on behalf of RCB and as the Trustee of Dr. Batra's Foundation, said that this wonderful clinic would not have been possible without Chairperson Rtn Manoj Patodia, the Bombay Cotton Merchants And Muccadum's Association which understood the needs of the people and readily gave us this property, RCB's board members who made this happen so easily, as well as the committed team

of Doctors and professionals at Dr. Batra's Foundation without whom it would not have been possible to run the 175 free clinics that the foundation runs in India and in Dubai (catering to the huge Indian labor force).

Summing it up, DG Gopal Mandhania said that RCB's Free Homeopathy Clinic is a perfect example of our this year's theme of Rotary Serving Humanity, and that he was thankful to RCB for its efforts and contribution in making this a remarkable year.

The Clinic, which became fully functional from 16th November, has already seen over 50 patients so far.



Environment Committee

Chairperson: Rtn Manoj Patodia



The Environment Committee is working on projects, which are finalized as follows:

Masina Hospital: As a part of the Solar Project, Masina Hospital will be installed with 20 KW Solar Panels. The committee is awaiting a confirmation from the Hospital.



Noise and Air Pollution: Scheduled to be implemented in January 2017, Rtn. Deepak Kapadia is working on the final details of this awareness project along with the Regional Transport Office (RTO).

Animal Welfare: This project will be executed under the guidance of Rtn Priyasri Patodia and will cater to the environmental concerns of WSD or PETA.

In addition to the above, the committee is also working on the deployments of toilets in the Colaba slums.



Urban Conservation Committee

Chairperson: Rtn Aditya Somani

The Urban Conservation Committee successfully executed the extension of the Conservation Laboratory at the Asiatic Society, and the restoration space is already being utilized. This project got widespread publicity in various daily newspapers, and generated a lot of awareness for Rotary Club and its activities.

The committee also hosted an evening Rotary Meeting on 20th September, 2016 and invited Ramon Magsaysay Award winner, Mr P. Sainath to address the Club at the Darbar Hall of the Asiatic Society.

The committee also oversees the maintenance of the Asiatic Society premises in collaboration with Forbes Facility Management to ensure that the books and storage areas are completely dust-free. Also, the funds for restoration of 100 books, which were collected last year, have been deployed, so that the books are taken up for restoration.

Projects planned for the second half of the current Rotary year include:

1. Restoration of the existing Conservation Laboratory at the Asiatic Society - The detailed plan for the same is being prepared, and the

work is expected to be completed before June 2017.

2. Three garden islands outside Town Hall are now available for maintenance by Rotary Club of Bombay - While the design is ready, the permission to initiate work awaited.

3. Undertake all internet and social media activities for the Asiatic Society for the next three years with a view to expand membership and awareness - Funds for the same are intended to be raised through mini-fund raisers.

4. An evening of eclectic World Music in the Central Hall of the Town Hall in February 2017 is being proposed to showcase the fabulous renovation done by architect and Rotary Award winner Abha Lambah and the PWD. Last year RCB donated 3 chandeliers for this space. We propose this to be a sponsored and donor pass event.

5. An evening in the Darbar Hall with Rage Productions (Shernaz Patel and Rajit Kapur) with one-act monologues on the City of Mumbai is being proposed. This will be a sponsored and donor pass event in March 2017.



The new Asiatic Society Conservation Lab being inaugurated by the members of the Urban Heritage Conservation Committee along with Mr. S G Kale, President of Asiatic Society of Mumbai

Water Resources Committee

Chairperson: Rtn Rohan Dalal

After the success of the first Jal Jeevan Center at the Rafi Nagar Slums in Govandi, on 16th October the 2nd Centre was inaugurated at the Rathodi Malwani Slums in Malad, and this Global Grant project was inaugurated at the behest of DG Gopal Mandhanja and President Dr. Mukesh Batra.

Rtn. Suresh Goklaney was nominated to receive the prestiaiges 'Rotary Responsible Business Award' at the hands of RI President John Germ at the United Nations on 11th and 12th November in New York City.

On 18th and 19th September, the Water Resources Committee visited drought-affected districts of Yavatmal and Chandrapur near Nagpur in partnership with Rotary Club of Nagpur (RCN). RCB is a partner of RCN in its Global Grant projects for Watershed management in Ralegaon and providing clean drinking water to eight villages in the vicinity of Tadoba Tiger Reserve.

Other planned projects include:

Inauguration of 3rd Jal Jeevan Centre at Ambujwadi in the Malwani slums at Malad on 21st November 2016.

Installation of toilets in Golibar Slum, Juhu in partnership with Women's Empowerment Committee.

Global Grant application under process for 4th and 5th Jal Jeevan centres in Sathe Nagar and Adarsh Nagar slums in Mankhurd. Both projects planned for inauguration in the 2nd half of the Rotary year.

Feasibility study is under way at the eight Tadoba villages with Dr. Ajit Gokhale, water management and agriculture expert, of Natural Solutions and local partner Tiger Research and Conservation Trust (TRACT), an NGO belonging to noted conservationists who are members of RCN. The study will determine the feasibility of setting up a model village in Tadoba with emphasis of Water Management and provision of sanitation facilities to the village folk.



The first Jal Jeevan Centre at the Rafi Nagar Slums in Govandi

Senior Citizen Committee

Chairperson: PP Rtn Ashish Vaid

At the beginning of the year, the Senior Citizens Committee had planned to construct Day Care Centers for Senior Citizens in Lonavala and Alibag each, wherein a premise of about 2,000 sq.ft would be made on a plot of land given to us by the Municipality / Panchayat.

At Lonavla, Chairperson Rtn. Ashish Vaid has approached the Municipal Corporation and has requested the

commissioner to allot us a plot for the same. However, no concrete proposal has still been received.

As regards the Alibaug Center, the Panchayat of the Awas Village has offered us a prime plot near their local School for making a Day Care Centre. We have submitted the plans to them and work on the same will commence once the budget is sanctioned.



Women's Empowerment Committee

Chairperson: Rtn Dr. Rajeev Narvekar

The projects undertaken by the Women's Empowerment Committee are as follows:

1. Donated Rs.1,00,000/- to the Rotary Club of Porvorim, Goa, to create Awareness and provide Aid for Women's Cancer.
2. Supported the Districts Heart Surgeries.
3. Planned the possibilities of building toilets in the slums.
4. Conducted 3 successful Medical camps for the children of BY, Savera and Garden School at the International Women's Association (IWA) Clinic.

Other Ongoing projects include:

1. Tending to patients who are regularly coming for Dental, Gynecology and General practitioners advice and medicines.

The number of patients have increased from 35 a month to over 200 a month within a span of one year.

2. Providing nutritious food to the children of Garden School.

Projects planned for the second half of the Rotary year include:

1. To open X-Ray, Dermatology,

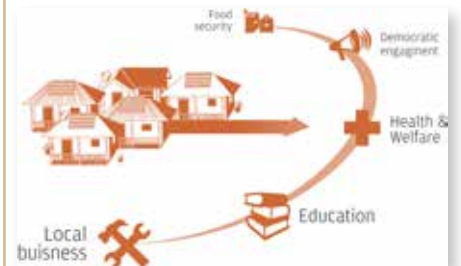
Nutrition and Pediatric Departments on the 1st floor of the IWA Clinic.

2. To introduce nutritional food supplements to underprivileged children.
3. To continue conducting medical camps for underprivileged women and children.



Talwada Smart Village

Chairperson: Rtn Manoj Patodia



Rotary Club of Bombay in association with Federation of Indian Chambers of Commerce and Industry (FICCI) and FLO (FICCI LADIES ORGANISATION) started this new project study to understand the possibilities of converting Talwada into a 'Smart Village'.

Under this initiative, consultant Mr. Prakash Iyer and his team visited RCB's Talwada Medical facilities, while making a complete survey of the village. They will soon be providing us with the next steps along with a detailed break-up of the project cost. The good news is that a smart village project comes under CSR, and hence it will be very easy to raise the funds for the same.

The committee would like to extend special thanks to Dr. Sorab Javeri, Dr. Rumi Jehangir and Dr. Deshpande at Talwada, as without their kind support and follow-up, this study would not have been possible.

Please note that the remaining Committee reports will be featured in the forthcoming Issue.

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Senior Citizen	PP Ashish Vaid
Women's Empowerment	Dr Rajeev Narvekar

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Commemorating 26/11

Every year, the Rotary District 3141 encompassing 140 Rotary Clubs in Mumbai, the Diplomatic Community - both Career Consuls and Honorary Consuls - and Bombay (Mumbai) First, organize a commemorative at the Gateway of India on 26th November, wherein we send a message of peace to the entire world.

This is a solemn event to pay tribute to all those who lost their lives in the dastardly act of terrorism, be it our own police force, foreign residents

at the two hotels, i.e., Taj and The Oberoi, ordinary civilians at the V.T. Station, those enjoying at the Leopold Café, or Jews staying at Nariman House, Colaba.

It is a two-hour event starting at 5pm, and will be attended by Chief Minister Devendra Fadnavis and his wife Amruta.

Those interested may collect the VIP passes from Mr. Eruch Irani at the Rotary Office.

Members please note that there is a change of venue for the upcoming AGM on December 6, 2016, which instead of Taj, will be held at the C. K Naidu Hall, Cricket Club of India (CCI)



Birthdays & Anniversary Greetings



Pratap Padode
24th November



Farokh Balsara
25th November



Anil Goyal
25th November



Natwarlal Brahmabhatt
26th November



Sameer Kaji
27th November

Rotaryanne

23rd Nov - Priti Gupta
25th Nov - Kamal Katgara
25th Nov - Lata Palekar
26th Nov - Sandra Merchant
26th Nov - Chandrakanta Juneja

Anniversaries

24th Nov - Rakhee & Manish Reshamwala
25th Nov - Shreelekha & Nandan Damani
25th Nov - Poornima Advani & Dr. Sailesh Hathi
25th Nov - Madhu & Hon. Rtn. Ravikant Ruia
25th Nov - Niloufer & Nowroze Vazifdar
26th Nov - Sudha & Aziz Javeri
27th Nov - Amisha & Pulin Shroff
27th Nov - Bharti & Ram Gandhi

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Statistics for last week's meeting

Members	114
Visiting Rotarians & Guests	01
Rotaryannes	03
Rotaractors	05
Total Attendance	125
Service Box Collection	NA