



WIRC BULLETIN

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Vol. 41 No. 8

Rs. 5/-

For Members only

August 2013

From the Desk of Chairman



Dear all Professional Colleagues and seniors of Profession,

It is my pleasure to communicate with you all for the first time in the capacity of Chairman of WIRC of ICAI. I am thankful to my entire council for unanimously reposing confidence in my abilities to take up this crucial responsibility.

Hearty congratulations to CMAs Neeraj Joshi, Vijay Joshi and Ashok Nawal for being elected unanimously as Vice Chairman, Hon. Secretary and Treasurer respectively on WIRC Council! With this strong team and with support from all of you we will put in our best efforts to serve the profession for the next year.

I would also like to congratulate CMA S C Mohanty and CMA Dr. A. S. Durga Prasad for being elected as President and Vice President of the Institute. I am sure that Head Quarters will extend all possible support to WIRC in this year. I am blessed to have the guidance of all the seniors of this profession. They may rightfully correct me whenever they feel so.

We are all witnessing the changes in our profession since 2011-12. It is now growing to be a sunrise profession. The average age of this council and practitioners across the country reflects this. I am thankful to all those youngsters who are coming forward to contribute to this profession.

The WIRC results last year prove that we have achieved what we deserve within a span of one year. I congratulate CMA Shrenik Shah for his able leadership in the last year that has borne fruit. For institutions like ours, Balance Sheet and Profit and Loss account are simply numbers but performance is counted by way of number of activities mentioned in the annual report.

Since we have a healthy balance sheet as compared to earlier decade, we will try to re-invest funds back to profession in order to make it healthier for future challenges. I will prefer to fill this column with all past and present activities rather than completing column with future plans. For all future programs I request all of you to continue the reading WIRC bulletin and visiting WIRC website regularly.

Being in a leadership role this year, I must devote time to profession. I have decided that I will be personally available in the WIRC Office at Fort from 2.00 to 5.00 p.m. on Mondays starting from 19th August 2013. Of course I shall continue to be always available on telephone and emails as in the past. WIRC office is getting a new look in next few months to come. We are planning for a grand inauguration of the renovated premises once they are ready.

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WIRC OFFICE BEARERS 2013-14



CMA Ashish P. Thatte
Chairman



CMA Neeraj D. Joshi
Vice Chairman



CMA Vijay P. Joshi
Hon. Secretary



CMA Ashok B. Nawal
Treasurer



CMA Ashish Thatte, New Chairman WIRC, welcomed by CMA Shrenik Shah, Outgoing Chairman



CMA Neeraj Joshi, New Vice Chairman WIRC, welcomed by CMA Debasish Mitra, RCM



CMA S.R. Bhargave, CCM welcoming CMA Vijay Joshi, New Hon. Secretary of WIRC



CMA A.B. Nawal, New Treasurer WIRC, welcomed by CMA D.K. Birla, RCM



Council Meeting in Progress under the Chairmanship of CMA Ashish Thatte



Staff members of Pune Chapter felicitating CMA Ashish Thatte, New Chairman WIRC



New office Bearers of 2013-14 alongwith the Entire Council Members

New Chairman CMA Ashish Thatte, visited WIRC Office on 29th July 2013 after taking over as Chairman WIRC for 2013-14



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Students : I was invited by Aurangabad Chapter on 2nd July for felicitation of successful students. It was a wonderful experience interacting with successful students. CMA N L Kuyate Chairman of Aurangabad Chapter and CMA A R Joshi Chairman of Training & Education committee of Aurangabad Chapter and their team had made wonderful arrangements for the program. I suggest that all chapters should organize such grand programs for successful students which help them in gaining confidence.

WIRC had organized a similar function of felicitation of successful students on 20th July at Dahanukar College. My council colleague CMA Ashok Nawal put in great efforts to make it successful. Dr. Madhavi Pethe, Principal of Dahanukar College was the Chief Guest on the occasion. Successful students from Foundation, Inter and Final attended the program.

Members : In the month of July, WIRC successfully conducted 5 CEPs in Mumbai and few others are scheduled for the near future. I request members to take advantage of CEPs organized by WIRC on topics important for profession. I personally conducted few of them and I am happy that a mixed blend of experienced and fresh practitioners participates with the same enthusiasm.

I was also a part of half day workshop on Cost Audit and Cost Compliance for Bank employees and Credit Rating Agencies organized by WIRC on 19th July 2013. Past President CMA P S Nadkarni Sir was the Chief Guest. Past President CMA V V Deodhar Sir was the Speaker on the occasion. Seminar was well received by banks in co-operative and public sector.

Other Institutions : I was also fortunate to attend Investor's awareness meet organized by SEBI at Vashi on 24th July 2013. The Hon'ble Minister for Corporate Affairs Shri Sachin Pilot was Chief Guest on the occasion. He informed the gathering about Ministry's views on Investors Awareness and how awareness is important for the nation as a whole. Also present on the occasion was Shri U K Sinha Chairman, SEBI who presented initiatives taken by SEBI for Investor Awareness. Shri Ashishkumar Chauhan MD and CEO of Bombay Stock Exchange and Shri M J Joseph Additional Secretary of Ministry of Corporate Affairs were also present. I was accompanied by CCM Mrs Aruna Soman madam and CMA Vivek Bhalerao Chairman of Navi Mumbai chapter.

New Initiatives : WIRC had organized welcome dinner on 28th July in Pune to congratulate the new chairman. I must say that it is a very good step taken by my predecessor and should be continued in future. On that occasion I also inaugurated our new website www.icmai-wirc.in at that time. I am sure you must have visited the same as it is getting diverted from our old website address. Immediately after taking charge of office I have formulated a very important Action Force on Cost and Management Accounting for Corporate Growth. Past President CMA Dhananjay Joshi Sir will lead this force along with other members from various fields. The main objective assigned to this action force is to populate Cost Audit mechanism in corporate along with other techniques of Cost and Management Accounting.

Friends, let me now toss up a concept which according to me most important for profession at present. The concept is to be known as 'Costnnovation'. We really need some innovation in Cost Accounting field. This innovation will come only over a period of time and not in just few months or years. Let me pose this challenge to our young members to take up this task and do innovations in field. I am sure they will be called as 'Costnnovation'

With this let me take a brief gap of one month till the next interaction. I wish you all on the occasion of Id ul Fitr, Independence Day, Raksha Bandhan and Janmashtmi.

With Warm Regards,

CMA ASHISH P. THATTE

CONTINUING EDUCATION PROGRAMME

PRACTICAL ASPECTS OF XBRL – COST AUDIT & COST COMPLIANCE

Speaker : CMA Malav Dalwadi, Practising Cost Accountant

Fees : Rs. 500/- Time : 5.30 p.m. to 8.30 p.m.

Date : Friday, 23rd August 2013 at Thane – For Venue : Please Check WIRC Website

Date : Saturday, 24th August 2013 at Borivali Students and Members Facilitation Centre
C/o. St. Francis Institute of Management & Research, Mt. Poincur, S. V. P. Road, Borivali (W), Mumbai 400 103. Tel. 022-2894 8302

Limited Seats – For Registration: E-mail: wirc@icmai.in

(Two CEP Credit Hours will be provided)

COMMITTEES OF THE COUNCIL FOR 2013-2014

(Constituted at the 272nd WIR Council Meeting held on 28/07/2013)

1 Executive

1. CMA Ashish P. Thatte	<i>Chairman</i>
2. CMA Neeraj D. Joshi	<i>Member</i>
3. CMA Vijay P. Joshi	„
4. CMA Ashok B. Nawal	„
5. CMA Shrenik S. Shah	„
6. CMA Sanjay R. Bhargave	„
7. CMA Amit A. Apte	„
8. CMA Ashwin G. Dalwadi	<i>Co-opted Member</i>

2 Professional Development, Programme and CEP

1. CMA Vijay P. Joshi	<i>Chairman</i>
2. CMA Ashok B. Nawal	<i>Member</i>
3. CMA Shrenik S. Shah	„
4. CMA Dinesh Birla	„
5. CMA Sanjay R. Bhargave	„
6. CMA Amit A. Apte	„
7. CMA Narhar Nimkar	<i>Co-opted Member</i>

3 Students, Members & Chapter Co-ordination

1. CMA Ashok B. Nawal	<i>Chairman</i>
2. CMA Vijay P. Joshi	<i>Member</i>
3. CMA Shrenik S. Shah	„
4. CMA Sanjay R. Bhargave	„
5. Mr. Ajit D. Jagzap	<i>Student Rep. (Postal)</i>
6. Mr. Shaikh Imran	<i>Student Rep. (Oral)</i>

4 Research & Publications

1. CMA Neeraj D. Joshi	<i>Chairman</i>
2. CMA Shrenik S. Shah	<i>Member</i>
3. CMA Vijay P. Joshi	„
4. CMA Ashok B. Nawal	„
5. CMA Amit A. Apte	„
6. CMA Debasish Mitra	„

5 Finance

1. CMA Ashish Thatte	<i>Chairman</i>
2. CMA Neeraj Joshi	<i>Member</i>
3. CMA Vijay Joshi	„
4. CMA Amit Apte	„

6 Editorial Board

1. CMA Shrenik S. Shah	<i>Chairman</i>
2. CMA Dr. Niranjana Shastri	<i>Member</i>
3. CMA B. F. Modi	„
4. CMA Aditya S. Umarji	„
5. CMA H. C. Shah	„

7 Task Force for Brand Image of CMAs

1. CMA Amit A. Apte	<i>Chairman</i>
2. CMA G. K. Das	<i>Member</i>
3. CMA Manisha Agarwal	„
4. CMA Rahul Mench	„
5. CMA Samir Rakshit	„
6. CMA Ashwin Solanki	„

8 HQ Co-ordination

1. CMA Sanjay R. Bhargave	<i>Chairman</i>
2. CMA Amit A. Apte	<i>Member</i>
3. CMA Aruna Soman	„
4. CMA P. V. Bhattad	„

9 Action Force on Cost & Management Accounting for Corporate Growth

1. CMA Dhananjay Joshi	<i>Chairman</i>
2. CMA Ashwin Dalwadi	<i>Member</i>
3. CMA Kirit Mehta	„
4. CMA Vijay Joshi	„
5. CMA Vaibhav Joshi	„

10 Advisor WIRC of ICAI

1. CMA Dhananjay V. Joshi	<i>Advisor</i>
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(Chairman & Vice Chairman will be permanent invitees on all the Committees, Task Force & Action Force)

CMA G R Paliwal has expressed his unwillingness to be on any Committee.



Be 100% Statutory Compliant - Important Tips for Indirect and Direct Taxation!

By **CMA Ashok Nawal**, *Past Chairman and Treasurer of WIRC of ICAI*
E-mail: nawal@bizsolindia.com • Mobile: +91 98901 65001

In the Budget 2013-14, certain stringent provisions were incorporated and accepted by the Parliament and therefore included in the Enactment.

Section 104 of Customs Act 1962 or Section 9A, Section 20 of Central Excise Act, 1944 had being amended where powers of arrest has been granted at the time of investigation itself and if mis-declaration of import / export cargo or evasion of duty is more than Rs. 50 lacs then, such offense will be treated as cognizable offense which is non - bailable and imprisonment of such offenses can be up to 7 years.

Similar provisions have been incorporated in the finance Act for the alleged evasion of service tax if it is more than Rs. 50 lacs then, similar provisions of Central Excise Act are made applicable. Moreover, each person dealing in Service Tax from officers to Directors are held personally liable and persons liable are also defined.

Similarly, provisions of provisional attachment of the property to protect the revenue even at the time of investigation have been incorporated.

In view of the same and more so, as a value system of the company, it is mandatory for each Company to have periodical review on continuous basis to ensure 100% Statutory Compliance. Even though system is in place, there are no. of factors (internal & external) which also needs to be addressed.

Attempt has been made to give the important tips, since exhaustive list may vary from case to case basis, but if such tips are been followed in real spirit, then it will be beneficial to the Companies for achieving the objective to be Statutory Compliant.

Customs - Imports & Exports

Whenever importation or exportation is planned important factors like item description, conditions for imports or exports, tariff classification & description, description as per company master file as well as supplier's master file, relationship between importer & exporter, valuation and documentation, etc. are the key factors.

After November, 2011 Era of Self-Assessment started and accordingly, suitable changes to Section 17, 18, 46 & 50 of the Customs Act, 1962 has been made.

Key elements of Self-Assessment of imported / exported goods

- Description of goods

- Classification
- Levy of duty / Cess
- Nature of the goods
- Whether the notification benefit is conditional or other wise
- Whether countervailing duty is applicable based on MRP
- Whether anti-dumping duty or safeguard duty is applicable
- Whether duty benefit is available under a Free Trade Agreement
- Whether duty benefit is available as Project Import
- Whether duty benefit is available under Export Promotion schemes
- Valuation
- Import and export restrictions and licensing
- Compulsory Compliance Requirement (CCR)
- Selection of Export Promotion Schemes

It is important to understand the following information under the said regulation.

- a) 'audit' means examination of bills of entry, shipping bills, invoices, packing lists, import licences, books of account, and other records of transaction relating to imported and export goods, and may include inspection of goods at the premises, if available and where necessary, drawal of samples;
- b) 'books of account' includes ledgers, day-books, cash books, account-books and other accounts whether kept in the written or printed form and data stored on a floppy, disc, tape or any other form in electro-magnetic data storage device;
- c) 'premises' includes the place at which imported or export goods and connected books of account, records of transaction and other documents are ordinarily kept by an importer or exporter, as the case may be, and his registered office or the premises indicated in his Importer Exporter Code (IEC) issued by the Ministry of Commerce and Industry and the places wherever the imported or export goods, as the case may be, are ordinarily kept;

Key Aspects	Check Points
Description of goods	<ol style="list-style-type: none"> 1) Check description of goods matches with ERP system / Store Accounting Systems, Purchase Orders, Brand, Grade, Specification. If brand, grade and specifications are not properly declared value can be rejected under Rule 12 of Customs Valuation (determination of value of imported goods) Rules 2007. 2) The description should be generic based merely on description of the drawback schedule. It should provide descriptive and technical details of export / import goods.
Classification	<ol style="list-style-type: none"> 1) General principle of classification is to match correct and complete description of goods with that of Custom Tariff Act. 2) Classification should be inconsonance with International Convention of Harmonized System of Nomenclature as made effective. 3) Product technical literature, application catalogues, certificate of analysis, in-house test report, sales invoices, composition of raw-material / intermediate goods, manufacturing of finished goods, using the raw-material / intermediate goods also will be subjected for audit for verifying import / export consignments.
Levy of duty/ Cess	Importer / Exporter are required to carefully verify whether their items of import / export is liable for any duties / cess and also ensure correct rate of duty considering the Notification issued under Section 25 of Customs Act, 1962.
Nature of the goods	While considering the Tariff Rate of Duty or Effective Rate of Duty, plain many of the language used in the Notification is to be taken to decide applicability of the Notification and should not be stretch to avail the benefit which is not intended in the Notification.
Quantity and Unit of Measurement	<ol style="list-style-type: none"> 1) Quantity and unit of measurement as mentioned in the Bill of Entry or Shipping Bill at the time of import or export as the case may be should be the same and match with the books of accounts as mentioned above and all records manual or electronics, electronically maintained. 2) It has been observed that the quantity reported in system / books of accounts are different than that of reported in declaration made at the time of import /export and therefore such goods are liable for confiscation and there will be litigation and demands of duty, penalty and interest and fine in lieu of confiscation.
Whether the notification benefit is conditional or otherwise	Conditions applicable to the exemption of Notification to be fulfilled either Pre-Import Or Post-Import or Pre-Export Or Post-Export as the case may be. Since the audit will be conducted after one year it is easy to verify fulfillment of the conditions by the Customs Officers.
Whether countervailing duty is applicable based on MRP	<ol style="list-style-type: none"> 1) Most of the times while clearing the goods the conditions of Notice No. 44 (RE 2000)/ 1997 -2002dt. 24/11/2000 not been strictly followed and the casual declarations are made. Since the goods will be available for inspection and audit proper declaration of MRP at the time of payment of CVD and affixing / printing of the label on the goods is the requirement under Legal Metrology Act and should be complied with. 2) Proper records to be kept for verification of MRP declared at the time of imports and the price list of such items otherwise unnecessary litigation will arise.
Whether anti-dumping duty or safeguard duty is applicable	<ol style="list-style-type: none"> 1) Importer should closely examine the records like Bill of Lading / Air Way Bill, Country of Origin Certificate, Contract Copy, Sales Brochure and Catalogues, Invoices etc to ascertained manufacture - supplier or exporter, country of origin of imported goods, 2) Test Reports, Certificate of Analysis, Brochures and Catalogues, Sales Invoices will also be audited to ascertain the correctness of declaration and assessment of Anti-Dumping Duty and Safeguard Duty.
Whether duty benefit is available under a Free Trade Agreement	1) Importer needs to be confirming the Tariff Notification for the Rate of Duty applicable on specific goods imported under Free Trade Agreement with Japan, Korea, Singapore, Asian, Malaysia, Thailand, EU, Australia, New- Zealand, SAARC countries.

	2) Importer needs to obtain necessary GSP as per countries specific Rules Of Origin and fulfill the conditions before claiming such benefits under the notification.
Whether duty benefit is available as Project Import:	If duty benefit under project import has been availed, then conditions of project import approvals needs to be fulfilled and proper documentation of installation and start-of commercial production needs to be complied with.
Whether duty benefit is available under Export Promotion schemes	<ol style="list-style-type: none"> 1) If duty benefit is availed under various schemes under Chapter 3 of Foreign Trade Policy like SIS, FMS, FPS, MLFPS, Hi-Tech, SHIS, VKGUY etc. the script and utilization thereof needs to ensured even after imports. 2) Similarly if duty exemption benefit has been availed under Chapter 4 & 5 of Foreign Trade Policy then the records import / export and conditions of the authorization needs to be fulfilled and records should be available in the premises of importer / exporter and match with the requirement. 3) It has been observed that records of consumption either not maintained or do not match with Books of accounts / ERP system. Moreover the inputs mentioned in the SION are imported but not been utilized can be well verified from ERP system or Store Accounting Systems, Costing Systems, Bill of Material and Number of internal documents including designs and therefore proper care has to be taken to avoid litigations and allegations of mis-declaration or suppressions of facts which will result into confiscation of goods and such goods are not available during audit still it is liable for confiscation and redemption fine alongwithduty, interest and penalty will be applicable. 4) If goods are imported claiming exemption under Chapter 6 of Foreign Trade Policy i.e EOU / STPI / EHTP /BTP during audit fulfillment of conditions of the notification will be verified and therefore internal records should be in line with the conditions therein. 5) Product technical literature, application catalogues, certificate of analysis, in-house test report, sales invoices, composition of raw-material / intermediate goods, manufacturing of finished goods, using the raw-material / intermediate goods also will be subjected for audit for verifying import / export consignments and such consumptions also will be checked with declarations made at the time of making application with DGFT, declarations filed at the time import /export, and actual books of accounts including system reports / records.
Valuation	<ol style="list-style-type: none"> 1) Importer / Exporter needs to declare the value in accordance with Section 14 of Customs Act, 1962 read with Customs Valuation (determination of valuation of imported goods) Rules 2007 /Customs Valuation (determination of value of export goods) Rules 2007. 2) The transactions with related parties needs to be declared correctly and value to be assess in terms of (1) above. Most of the time it has been observed that declarations and facts made before adjudicating officer while fixation of value by SVB /GATT Cell are different and therefore the said order may not be valid and hence it has to be ensured if facts are different then it has to be brought to notice before SVB Cell otherwise value can be rejected at the time of audit also. 3) Importer / Exporter has to be aware of the Data Bank of recent imports and the prices thereof so as to determine identical value / similar value / deductive value / computed value otherwise there may be possibility during audit to determine value based on the principles of residual method and differential duty interest penalty may be demanded. Under the self-assessment onus of determining the correct value in sequential method and providing evidence has been shifted on the importer from custom offices. 4) When exports are made under various export promotion schemes or exemption schemes or remission schemes then it is utmost important to declare correct FOB value in accordance with Rule 3 of Export Valuation Rules 2007. 5) If exports are made to the related party then onus will be on exporter that price will not influence due to relationship otherwise exporter has to provide the evidences of determining the value sequentially in terms of Rule 4, 5 / 6 of Export Valuation Rules, 2007

	<ol style="list-style-type: none"> 6) The export value declared on excise return i.e ER- 1 / ER-2 should be matched with / reconcile with Shipping Bill, Bank Realization Certificate, Books of Accounts, Notes to Accounts. 7) Exporter needs to take due care while filing the declaration which should be accurate, true and complete. 8) In case of High Sea Sales transactions value as accounted and received from buyer will be also subject for audit. 9) The cost of pre-goods and services in accordance with Rule 9 can be verified from the books of account, similarly treatment of royalty, technical know-how, discounts, payment / receipts in foreign exchange various agreements and contacts will be subjected to audit for verification of value declared at the time of self-assessment.
Import and export restrictions and licensing	<ol style="list-style-type: none"> 1) Under Section 2 (33) of the Customs Act prohibited goods are defined and such goods either should not be imported or exported. In accordance with Section 111 (d) Section 113 (d) such goods are liable for confiscation and also the importer / exporter is liable for imprisonment. 2) The goods covered under prohibited / restricted goods should be under licensing provisions and conditions to be strictly fulfilled.
Compulsory Compliance Requirement (CCR)	<p>During audit Custom Officer can verify the Compulsory Compliance Requirement as applicable under various laws as give below:</p> <ul style="list-style-type: none"> • Explosives Act, 1884 and Explosive Rules, 1983. • Live Stock Importation Act, 1898. • Drugs and Cosmetics Act, 1940 and Drug and Cosmetics Rules, 1945 • Copyright Act, 1957 and Copyright Rules, 1958. • Arms Act, 1959. • Atomic Energy Act, 1962. • Insecticide Act, 1968. • Patents Act, 1970 and Patent Rules, 2003. • Wild Life Protection Act, 1972. • Gas Cylinder Rules, 1981 and S&MPV (Unfired) Rules, 1981. • Environment (Protection) Act, 1986 and Rules, 1986. • The Bureau of Indian Standards Act, 1986 and Rules, 1987 • Motor Vehicles Act, 1988. • Plants, Fruits and Seeds (Regulation of Import in to India) Order, 1989. • Trade Marks Act, 1999. • Hazardous Waste (Management and Handling) Rules, 2003. • Plant Quarantine (Regulation of Import Into India) Order, 2003. • Food Safety and Standards Act, 2006. • Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011.

Importer /exporter needs to respond to the proactive system of building, trust and record base self-assessment system and audit thereof and therefore substantial change in operating procedures and practices of custom clearance of import /export consignments needs to be made and issues mentioned therein above needs to be addressed without any delay to avoid any litigation and payment of differential duty, interest, penalty and redemption fine in lieu confiscation

Most of time it is observed that, Custom House Agent (CHA) / Custom Broker signs on behalf of the importer / exporter with / without the authorization of importer / exporter and documents as mentioned above is either

not available or available in the scattered form which will hamper the audit process and compliance

A. Central Excise

It is observed that returns filed under Central Excise Law are hardly reconciled with Financial Accounts, Costing Records, MIS and ERP Systems.

Some of the key areas need reconciliation otherwise of issues may arise:

- Production
- Clearance vis-à-vis sales
- Stock

- Cenvat entitlement vis-à-vis availment
- Cenvat Utilization
- Cenvat Balance
- Duty payments
- Removal of inputs as such
- Removal of capital goods vis-à-vis Gross block
- ER-4 / 5 / 6 / 7 and quantitative details and disclosures to the notes to the Accounts, Cost Audit Report & Other Reports submitted to Other Statutory Authorities.

Similarly, following areas need constant review:

- Valuation of goods received from & sent to related party
- Valuation of goods used for captive consumption or to related party, revision mechanism and reconciling with Cost Records
- Stock transfer to & from units enjoying area based exemption
- Applicability of exemption notifications & impact thereof on Cenvat under Rule 6 of Cenvat Credit Rules, 2004
- Clearance under End Used based exemption notifications
- Import / procurement under IGCRD

It has been also observed lot of unnoticed irregularities like:

- ❖ Export Promotion Capital Goods Scheme - Unfulfilled Export Obligation
 - Installation Certificate and yearly report mandatory requirement
 - Block wise export obligation to be fulfilled along with average export obligation.
 - On shortfall, demand of duty, interest and penalty.
 - Year wise export performance vis-à-vis export obligation get unnoticed and unreported and therefore liability is not provided
- ❖ Export Promotion Scheme Like Focus Market Scheme, Focus Product Scheme, Market Linked Focus Product Scheme, Served From India Scheme, VisheshKrishi And Gram UpayYojana :
 - Entitlement vis-à-vis application and revenue recognition thereof
- ❖ Advance Authorization For Physical Exports And Deemed Exports
 - Adhoc Norms and ratification thereof, vis-à-vis actuals
 - Quantity imported vis-à-vis quantity exported in a year / Excess imports or short exports and treatment in the books of accounts.
 - Violation of actual user condition
 - Short consumption vis-à-vis SION and treatment thereof in the books of accounts.

- Process of redemption and monitoring of open authorizations / licenses.
- ❖ Duty Free Import Authorization
 - Pre-export - same as Advance Authorization.
 - Post export - obtaining duty free scrip and realization thereof, vis-à-vis accounting treatment.
- ❖ EOU :
 - Conditions of notification for duty free import / indigenous procurement
 - Domestic Tariff Area Sale entitlement
 - Wastage Norms
 - Installation of capital goods
 - Non moving stock - more than 3 years
 - Subcontracting and fulfillments of its condition
 - NFE
 - Separate books of accounts including bank accounts vis-a-vis report in form 3CD for calculation of exempted profit
 - Cenvat
 - ER-2 Returns reconciliation with books of account
- ❖ SEZ :
 - Authorized operations and procurement of goods and services
 - Returnable goods
 - Disposal to Domestic Tariff Area and rate of duties thereof
 - Service tax exemption vis-à-vis Exemption by way of refund
- ❖ GENERAL (FOR INTERNAL AUDIT AND CONTROL) :
 - Export documentation, pre and post export formality.
 - Proof of Export
 - Bank Realization Certificate
 - Recognition Status

B. Service Tax

Though service tax has been introduced w.e.f. 1994, starting only with 4 services but now, almost included all activities other than goods and immovable property. More so, provisions of service tax were so dynamic that every year there were drastic changes and therefore perhaps, Govt. of India realized this aspect and provided golden opportunity to be statutory compliant by announcing "Service Tax Voluntary Compliance Encouragement Scheme 2013".

It is important to avail the benefit from this scheme and take the following steps:

1. Get all transactions scrutinized so as to ascertain correct service tax liability as a service provider and recipient of service where liability to pay service

tax is on recipient of the service under reverse charge mechanism,

2. Scrutinize all the correspondence with Service Tax / Central Excise Department to ensure eligibility criteria.
3. Analyze all the SHOW CAUSE NOTICE received by such persons and ORDER - IN - ORIGINAL received by such person.
4. Arrange for the funds to the extent of 50% of the service tax liability stated in the declaration and pay the same before 31.12.2013 balance 50% to be paid on or before 30.06.2014. Otherwise it needs to be paid along with interest from 01.07.2014 till the date of payment. Needless to say, all payments to be made on or before 31.12.2014.
5. Submit the true declaration in the form VCES 1 along with detailed calculation in the form Part B of ST 3 return on or before 31.12.2013.
6. Obtain the acknowledgement in the form VCES 2 on submission of declaration
7. Obtain discharge certificate from designated authority only after 100% payment of service tax liability and interest if applicable, i.e. if paid after 01.07.2014 but prior to 31.12.2014.
8. Avail cenvat credit on service tax liability if it is covered under definition of input services in case of service tax payment under reverse charge mechanism.
9. Issue subsidiary invoices under Rule 4 A for the payment of service tax on service recipient if possible, to minimize the loss.

It is important to note that, in the Era of Negative List of Services, all activities other than Negative List and goods & services, almost all activities are covered and hence it is mandatory to have built systems as well as periodical internal controls and checks.

There is a need to analyze the transaction with respect to:

- Purchase
- Sales
- Expenses
- Income
- Capital Expenditure and also analyze all expenditures and income from Source-Invoice / Debit Notes, Service Provider, Nature of Contract, Account Head

Moreover, it is necessary to take the following actions:

- Creation of Matrix - Service Provider, Nature of Expense and A/c Head
- Creation of New accounting codes
- Standard Accounting Entries
- Inter Group / Inter Unit Transaction Analysis
- Identification of Transactions between Taxable Territory and Non Taxable Territory
- Analysis of Transactions for Import of services and

taxability in view of Place of Provision of Service Rules, 2012

- Analysis of Transactions for Export of Service and taxability in view of Rule 6A of Service Tax Rules, 1994
- Analysis of Ageing of Service Creditors and entitlement of Cenvat Credit thereto
- Aging Analysis of Service Debtors and decision of credit notes and adjustment of the service tax payment
- Rebate of Service and Linkage with Input Services / Inputs]

It should be ongoing process and system to :

- Review of the Trial Balance and identification of the Accounts for further review and analysis of each transactions reflecting in Books of Accounts
- Review of Contracts with various Service Providers including job-workers, WCT, transportation, etc
- Review of each of the identified Accounts and the transactions there under
- Review of the mechanism for availment of Service Tax Credit
- Impart Continuous Training to the Accounts team and Indirect Tax team for implementation of the new system in the New Era of Negative List of Services

C. VAT / CST

Following activities needs to be ensured:

- a. Downloading Purchase data from system of the month from ERP
- b. Checking of each Purchase Invoice for:
 - i. Contents of all the particulars in the Invoice as per section 86 of the MVAT Act.
 - ii. Amount of Tax and base value matching with the entries in the ERP.
 - iii. Checking the item for eligibility of Set-off.
 - iv. Categorizing each entry under respective Act i.e. VAT or CST else Import / Service entry.
 - v. Categorizing the various VAT purchases rate wise.
 - vi. Checking the item for eligibility of Set-off subject to Rule 53 and 54 of MVAT Rules and posting the comments along with remarks against each entry.
 - vii. Segregating all the Import purchases and service entry into a separate Sheet.
 - viii. Reporting all the discrepancies including missing invoices to ensure that discrepancies are resolved till the time of finalization of data.
 - ix. Checking of receipt of Purchase return data and cross checking it with ERP.
 - x. Procurement of fixed asset and entitlement of set off.

- c. Checking of Branch transfer directly received from Branches and reconciles the same with system and also to keep the track of F-Forms and Road permits.
- d. Cross checking the sales data with self-downloaded details and with invoices to ensure proper charging of VAT and CST.
- e. Cross checking the Output tax amount with corresponding GL in ERP.
- f. Cross checking of disposal of fixed assets, scrap, etc. and chargeability of VAT.
- g. Cross tallying the VAT amount in the VAT report prepared as stated above with the Tax amount in the corresponding GL in the ERP.
- h. Posting of all the purchases GL wise in the Set off file "purchase data" sheet.
- i. Segregating RM and CG in two different sheets in the set off file.
- j. Calculating reduction in Set off.
- k. Preparing a draft return using formulas on the basis of Working.
- l. Using this draft return to fill in the Excel utility of VAT return.
- m. Consolidation of all locations within the State.
- n. Checking of inter-state transactions with Sales data and reconciling with the system and keeping the track of receipt of E1 & E2 transaction and C-Form as the case may be.
- o. Keeping the track of Form - H for export of goods
- p. Ensuring the system and sorting out the mis-match of the supplier's data and ensuring payment of sales tax amount by the supplier.
- q. Checking of valuation and contractual liability w.r.t. works contract under Composition Scheme or otherwise.
- r. Ensuring the deductions and payments of VAT TDS, in case of Works contract.
- s. Payment before the due date.

D. Local Body Tax (LBT)

Companies will have to prepare master list linked with item code and tariff code and thereafter put the rates. Similarly, they will have to bifurcate purchases outside state, within the state and further bifurcate within limits of Municipal Corporations and from outside limits of Municipal Corporation and thereafter comply with LBT payment and Statutory compliances thereof. Moreover, all types of transactions needs to be tracked w.r.t. LBT Rules and accordingly liability of LBT to be worked out.

Company needs to ensure eligibility of the exemption and maintenance of records to evidence the entitlement of exemptions in case of:

- Goods imported belong to Government or are imported on behalf of Government and are imported for public purpose and are not used or intended to be

used for purpose of earning profit.

- Goods sent on job work and goods re-imported without effecting any change in the condition or appearance and ownership of the goods. However, LBT will be charged on processing or transfer charges or value addition, provided goods are re-imported within 6 months.
- Job work within 6 months without changing the ownership subject to value of such goods are shown and paying of appropriate deposit as fixed by the Commissioner.
- Grinding, dying, bleaching, painting, printing, finishing, stentering, embroidering, doubling, twisting, metalizing, electroplating, building & mounting bodies of chassis over vehicle or other process as approved by the Commissioner will only be considered as job work . And decision of the Commissioner will be final.
- Rejection of goods sent within 6 months.
- Exporting the goods outside India.

There will be half-yearly and yearly returns followed by assessments and Audits and hence considering the penalty amount, due care is necessary to avoid penalties and litigations.

E. Income Tax

Followings aspects have to be kept in consideration:

- a. Identification of nature of contract of service providers & employees and deduction of TDS in accordance with Chapter XVII of Income Tax Act 1961 and correctly filing online returns on time accurately.
- b. Deduction of TCS in case of disposal of waste and scrap and timely payment thereof and correctly filing online returns on time accurately.
- c. Ensuring no payment in cash more than Rs. 20000 from any person.
- d. Accounting penalties, penal interest separately and also disallowable expenditure separately.
- e. Reconciling with TDS deducted by customers / clients with online system and follow up for discrepancy if any.
- f. Maintenance of separate accounts where deductions based on investments like 80 IA, 80 IB, Section 10A, 10AA, 10B.
- g. Determination of transfer price and preparation of database for justification and selection of correct method of determination of arms' length transaction value for each domestic as well as international transaction.
- h. Payment of TDS / withholding tax for international transactions and treatment under Double Taxation Avoidance Agreement (DTAA) with different countries.
- i. Correct disclosures in filing the returns and claiming the deductions.



New Mantra for saving tax on immovable property

*CMA Jagdish Ahuja,
ahuja.jag@gmail.com

By the time this article reaches your hand, you all must be relieved from the herculean task of filing of your own income tax return as the last date for filing of return by individuals is 31st July 2013. Whereas most of us file their tax return with the help of expert professionals like practising CAs and CMAs, in a few cases the tax returns are filed by management accountants on their own. What is important is filing of return on time as per due date. I am sure many of us possess/own immovable property and have additional source of income which is treated as rent from house property and taxed under Section 22 of the Income Tax Act. The provisions governing taxing of rental income is very dynamic as the tax liability does not depend only on rent actually received but on several other factors such as municipal value, fair rent of the similar property, standard rent as per Rent Control Act, etc. If we own more than one house property, we can exercise a choice to treat any one property as self occupied and rest all other properties will be treated as deemed let out properties. We all know that when any immovable property is sold, exchange or transferred, the transaction is subject to capital gain tax u/s 45 of the Income Tax Act. There may be either short term or long term capital gain or loss depending upon the period of holding of the assets in question. The short term capital gains are taxed at higher rates. In case of house property, if your holding period is 36 months and above, the assets will be treated as long term capital assets and the applicable tax rate is flat 20% plus education cess @ 3%.

In case of long term capital assets, you are also benefited due to cost indexation. In other words, your cost is allowed to be multiplied by an inflation factor which is called as cost inflation index. This leads to increase your cost of acquisition and improvement of assets and bring down your capital gain thereby reducing your tax bill. You are required to pay long term capital gain tax @ 20% plus education cess @ 3% on your long term capital gain which is computed after deducting transfer expenses such as brokerage, indexed cost of acquisition and indexed cost of improvement.

In case of sale of residential house property, individuals and Hindu Undivided Families enjoy a specific exemption from capital gain under section 54 of the Income Tax Act on fulfillment of certain conditions. Thus if you invest a sum equal to capital gain generated on transfer of a residential house property, either one year before the date of transfer or two years after the date of transfer in case of acquisition of property or within 3 years of transfer in case you are constructing a property, you are eligible to claim exemption from capital gain income under section 54.

In a recently decided case 'Shrinivas R Desai vs ACIT (2013) (Ahmedabad)', the question was if the assessee is eligible for benefit u/s 54 with respect to expenditure incurred for making the house liveable.

In this case the assessee had sold his house property and purchased a new house property. The assessee has incurred certain expenditure in the new house property for making it liveable. The Assessing Officer (A.O.) was of the view that the benefit of deduction of cost of improvement can be allowed in the hands of transferor and not the transferee (i.e. Assessee). Assessee pleaded that the cost of improvement as per section 55(1)(b), in any other case, means all the expenditure of capital nature incurred in making any addition or alteration to the capital asset by the assessee, after it becomes his property. The A.O. noticed that the assessee readymade property was purchased in May 2006 after selling his house in Aug 2006. Thus in A.O. opinion, the house in question was in a liveable condition. The A.O. also noted that the expenses were incurred by the assessee till 31st March 2007 i.e much after the purchase of the house. The A.O., citing the above reasons, rejected the assessee's claim for cost of improvement in the new house property for allowing section 54 benefit. The assessee being aggrieved preferred an appeal before the learned CIT(A), who had upheld the decision of the A.O. and declined to interfere in the matter. Thereafter, the assessee preferred an appeal before Hon'ble Ahmedabad Appellate Tribunal. The Hon'ble Tribunal was pleased to allow the claim of the assessee by observing that the cost of purchase u/s 54 include any capital expenditure incurred by the assessee on such property to make it liveable. As long as the costs are of such a nature as would be includible in the cost of construction in the normal course, even if the assessee has bought a readymade unit and incurred such cost subsequent to purchase of readymade unit, as per his taste and requirements, the cost so incurred will form integral part of the qualifying amount of investment in the house property.

There are some interesting changes introduced as per the new Finance Act, 2013.

1. For the first time, there is 1% TDS for property sale worth more than Rs 50 lakh. For metro cities, it is as good as making TDS mandatory for all property transactions as the threshold of RS 50 lacs is very less. Moreover, making TDS mandatory to all category of assesses including individuals is unfair. However, agriculture land is exempted.
2. There is an incentive to first time home buyers by way of additional deduction of RS 1 Lakh (in addition to the existing RS 150,000) on interest on housing loan up to RS 25 Lakhs and value of the property not more than RS 40 Lakhs. This will apply only to loans sanctioned during the FY 2013-14 and the unutilized balance can be carried forward to next year.
3. Immovable property purchased for inadequate consideration will be subject to tax within the parameters of Section 56(2)(vii).

*Jagdish is a Mumbai based Company Secretary in Practice.

Wealth Tax: Not Only for Wealthy But for You Also

CMA Dr. Niranjan Shastri

(Treasure & Ex Chairman Indore Dewas Chapter)

E.mail: shastriniranjan@gmail.com • Mobile- +91 94245 77709



1. INTRODUCTION:

Wealth Tax stands very poor on popularity index in the world of Taxation. A handful of Taxpayers are aware of it and very few amongst them pay it. The contribution of Wealth Tax in total revenue collection is still at infant state. Last year, it was Rs 866 crore out of the total revenue collection of Rs 1,038,036 crore. This is despite the fact that Wealth Tax Act is more than 5 decades old. In fact Wealth Tax Act came into existence 6 years earlier than Income Tax Act, but its collection accounts for less than 0.25% of total Direct Taxes.

However, this does not mean that you have executed sufficient checks for ensuring that you have really discharged your Tax liability even if you are ignorant to Wealth Tax Act as the Taxman is not likely to go after you for not paying Wealth Tax.

Recent figure of direct Tax collections reflects that it stands far below the budgeted one. Hence, to raise the revenue collection through Direct Taxes is on the card which may attract focus of Taxation Authorities on Wealth Tax Segment.

2. CHECK APPLICABILITY:-

- a) **Persons Covered:** - Wealth Tax is applicable to you if you are an individual, HUF or a Company. No other kind of person is liable to pay Wealth Tax.
- b) **Covered Assets:** - The objective of Wealth Tax is to discourage owning unproductive, non-essential and idle assets. Self occupied residential house, motor cars, precious articles made of precious metals & stones e.g. jewellery, utensils etc. yacht, boat, aircraft, urban land & cash in hand are within the ambit of Wealth Tax act.
- c) **Exempted Assets:** - One self occupied residential house, residential house allotted by a company to its employee earning below Rs. 10,00,000 p.a., one residential building & jewellery of former ruler, car run on hire, yachts-boats-aircrafts used for commercial purpose, urban land on which construction is not permitted, urban land to be used for industrial purpose for a period of 2 years from its acquisition, assets held as stock in trade are exempted from Wealth Tax.
- d) **Timings of Ownership:** - Assets covered under Wealth Tax should be owned by you as on the valuation date i.e. last day of the previous year. For example assets owned by you on 31st March 2013 will be Taxable in the assessment year 2013-14.
- e) **Perpetual Taxation:** - Income Tax is not charged on the same income more than once but Wealth Tax

can be charged on the same assets many times as you may continue owning them for many financial years.

3. BROAD RULES FOR COMPUTATION:-

- a) **Valuation:** -The value of any asset covered under the Wealth Tax Act is determined on every valuation date in accordance with manner laid down in Schedule III to the Act.
- b) **Deemed Assets:** -Assets owned by other persons may also be deemed as assets owned by you if they fall under the umbrella of section 4 of the Wealth Tax Act e.g. assets transferred to spouse without adequate consideration. This concept is similar to the clubbing of Income concept under Income Tax Act.
- c) **Net Wealth:** -Assets owned and deemed to be owned by you as reduced by debts owed by you in relation to these assets is your Net Wealth as on valuation date. It is to be noted that neither exempted assets nor debts related with exempted assets will form part of your Net Wealth.
- d) **Taxable Wealth & Wealth Tax:** -Net Wealth above Rs. 30,00,000 exemption limit is your Taxable Wealth on which Wealth Tax @1% is payable.

4. PROCEDURAL ASPECTS:-

- a) **Return of Wealth:** - If you have liability to pay Wealth Tax, you should file your return of Wealth Tax on or before due date specified under section 139 of the Income Tax Act.
- b) **Electronic Return:** - Finance Act, 2013 amended section 46 of Wealth Tax Act and inserted Section 14A & 14B in the Act so as to facilitate e-filing of Wealth Tax return. Now w.e.f. 1st June 2013 Wealth Tax provisions are similar to sections 139C & 139D of the Income Tax Act.
- c) **Penalty & Prosecution:** -The consequences of non compliance to the provisions of Wealth Tax Act may be severe because it may attract penalty or prosecution under different sections e.g. you may be liable for penalty which may extend up to 500% of the Wealth Tax evaded or you may be sent to imprisonment for a term which may extend to 7 years in case you fail to comply with certain provisions of the Wealth Tax Act. ■

Due to Major Repair work at WIRC, Office will remain closed on 31st Aug. 2013. However Thane & Borivali office will remain open.

REPORT ON STUDENT'S FELICITATION PROGRAMME

Students felicitation function held on 20th July 2013 at M. L .Dahanukar College to felicitate successful students of December 2012 examination from Mumbai. CMA Ashok B. Nawal, Chairman, Students, Members Chapters Co-ordination Committee welcomed the Chief Guest Dr. Madhavi Pethe, Principal M.L. Dahanukar College, Students & parents.

In his welcome address CMA A.B. Nawal congratulate the students and the parents for clearing examination in December 2012. The Inaugural speech given by Dr. Madhavi Pethe, was encouraging and boost the confidence among the ICAI students

CMA Ashish Thatte, Vice Chairman WIRC in his address guided the students about the oral coaching class facility extended by WIRC at various places of Mumbai and also at SMF Centers of Jalgaon & Gwalior and about the Campus placement for final students.

More than 200 students alongwith their parents attended the function.

On the occasion cash prize in memory of late Shri Prabhakar Yashwant Thatte senior member of the Institute, were awarded to 1st Rank Holder from Western Region Mr. Mayuresh Dharap, Final & Ms. Ayushi Chokhani, Inter, from December 2012 exam and to Mr. Mehul Shah, Final and Mr. Tehsinkhan Pathan, Inter, from June 2012 examination. The gift articles were distributed to the students by the dignitaries.

The programme concluded with vote of thanks by proposed by CMA Ashish Thatte, Vice Chairman WIRC followed by National anthem. The programme was co-ordinated by Mr. Imran Shaikh, Student of Final.

New Website of WIRC

New website has been inaugurated by newly elected Chairman CMA Ashish Thatte on 28th July 2013 at Pune.

New website - www.icmai-wirc.in • New e-Mail Id: wirc@icmai.in / admin@icmai-wirc.in



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

WESTERN INDIA REGIONAL COUNCIL

Empanelment of Resource Persons - Syllabus 2012

WIRC invites application from academicians, professionals for empanelment as resource persons/ subject expert for the development of Academic Publications.

The Subjects are as follows

FOUNDATION	INTERMEDIATE	FINAL
Fundamentals of Economics & Management	Group I	Group III
Fundamentals of Accounting	Financial Accounting	Corporate Laws & Compliance
Fundamentals of Laws & Ethics	Laws, Ethics & Governance	Advanced Financial Management
Fundamentals of Business Mathematics & Statistics	Direct Taxation	Business Strategy & Strategic Cost Management
	Cost Accounting & Financial Management	Tax Management & Practice
	Group II	Group IV
	Operation Management & Information Systems	Strategic Performance Management
	Cost & Management Accountancy	Corporate Financial Reporting
	Indirect Taxation	Cost & Management Audit
	Company Accounts & Audit	Financial Analysis & Business Valuation

Requirements:

Good Communication Skills • Experience in Teaching • Willingness to work on any Publication

Members interested can mail Profile mentioning subject of interest, to Chairman WIRC at wirc@icmai.in before 31st August 2013



WESTERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Attention Members

As you may be aware that Western India Regional Council is conducting a number of Seminars & Continued Education Programmes. WIRC invites applications from members to share their experiences by acting Discussion leader, Speaker or Faculty in the CEP Programmes.

Interested members are requested to fill up their details in following format and e-mail to wirc@icmai.in.

CMA Vijay P Joshi,
Chairman, P.D. Committee, WIRC

Sample List of Topics

1. Cost Accounting Records Rules & Cost Audit Report Rules (CARR & CAR)
2. Practical aspects of Maintenance of Cost Records and Cost Audit
3. Industry specific maintenance of Cost Accounting Records for regulated Industries
4. Practical exposure on Cost Control & Cost Reduction
5. Cost Accounting Standards (CAS) and Generally Accepted Cost Accounting Principles (GACAP)
6. Cost Audit and Assurance Standards(CAAS)
7. Performance Appraisal Report
8. eXtensible Business Reporting Language (XBRL)
9. Direct Taxation
10. Indirect Taxation
11. International Taxation
12. Tax Accounting Standards
13. Integrated Reporting
14. Sustainability Reporting
15. Internal Audit
16. Valuation Audit
17. Risk Based Internal Audit and Concurrent Audit in Banks
18. Internal Control and Enterprise Risk Management
19. Corporate Governance
20. Enterprise Resource Planning (ERP)

Response Form

I. Name: _____

II. Membership No.: _____

III. Present Address: _____

City: _____ State: _____

IV. Mobile No.: _____ Email address: _____

V. Professional Qualifications:

VI. Area of Expertise (May select the interested topic(s) from the attached sample list)

If any other, please specify

VII. Attach a detailed profile.

Date : _____

Place: _____

Circular No. 31/2013-Cus.

F. No. 528/43/2013-STO (TU)
 Government of India, Ministry of Finance
 Department of Revenue
 Central Board of Excise and Customs

New Delhi, the 6th August, 2013

All Chief Commissioner of Customs
 All Chief Commissioner of Customs and Central Excise
 All Commissioners of Customs
 All Commissioners of Customs and Central Excise

Sir/Madam,

References have been received in the Board to clarify whether or not a purchase order can be considered as a contract in terms of provisions contained in the Project Import Regulations, 1986. It is also reported that in this regard varying practices are being followed in different Customs Houses.

2. The matter has been examined. Regulation 5 of Project Import Regulations, 1986 mandates that amongst other requirements, every importer claiming assessment of the goods under the heading No. 98.01 shall apply to the proper officer at the port where the goods are to be imported or where the duty is to be paid, for registration of the contract or contracts, as the case may be. Such application shall be accompanied by the original “deed of contract” together with a true copy thereof. In regard to the scope of the terms “deed of contract” it is seen that as per Section 10 of the Indian Contract Act, 1872 a valid contract is one that contains the following ingredients:-
 - (i) it is entered into by free consent of parties competent to contract;
 - (ii) there should be lawful consideration;
 - (iii) there should be a lawful object; and
 - (iv) it is not expressly declared to be void (i.e. void under the statute).
3. In view of the aforementioned legal position it is evident that a purchase order that contains all the essential ingredients of a valid contract must be treated as one under the Indian Contract Act, 1872. The implication is that such a purchase order can be accepted as a “deed of contract” for the purpose of Regulation 5 of Project Import Regulations, 1986. Board desires that pending cases, if any, may be finalized accordingly.

Yours faithfully
(Alok Agarwal)
 OSD (Tariff Unit)

GOVERNMENT OF INDIA
 MINISTRY OF FINANCE
 (DEPARTMENT OF REVENUE)

Notification No. 11 /2013 – Central Excise (N.T.)

New Delhi, the 2nd August, 2013

G.S.R. (E) In exercise of the powers conferred by sub-rule (2) of rule 9 of the Central Excise Rules, 2002, the Central Board of Excise and Customs hereby exempts from registration under sub-rule (1) of rule 9 of said rules, unregistered premises used solely for affixing a sticker or re-printing or re-labeling or re-packing of pharmaceutical products falling under Chapter 30 of the First Schedule to the Central Excise Tariff Act, 1985 with lower ceiling price to comply with the notifications issued by the National Pharmaceutical Pricing Authority under Drugs (Prices Control) Order, 2013 published in the Gazette of India vide S.O. 1221 (E), dated the 15th May, 2013 subject to the conditions specified in the notification no. 22/2013 - Central Excise dated the 29th July, 2013 exempting the pharmaceutical products from payment of Central Excise duty.

[F. No. 96/29/2013-CX.I]

(Pankaj Jain)

Under Secretary to the Government of India

CHAPTER NEWS

BHILAI

Office Bearers for 2013-14

CMA Debashish Ghosh	....	Chairman
CMA Akshaya Kumar Sahoo	....	Secretary
CMA Dharmendra Kumar Sahu	....	Treasurer

BHOPAL

Discussion on New Syllabus

A discussion on new syllabus was held on 19.07.2013 at the Chapter. The members of the Managing committee and the Faculties participated in this discussion. CMA Biswabandhu Mohapatra, the Secretary of the Chapter initiated the discussion with a gratitude to the Faculties for the satisfactory results in Foundation Examination declared recently.

The faculties namely, CMA Ritesh Sharma, CMA A. Fathimaraj and CMA Smriti Nagar who attended the recently held Faculties Meet at Nagpur shared their ideas and inputs. CMA Ritesh Sharma appreciated the depth of the syllabus and exclaimed with so much Accounting, Finance & Taxation, why we call ourselves only Cost Accountants! CMAA. Fathimaraj presented a comparative picture of New Syllabus vis-à-vis Old Syllabus. He also briefed the exemptions available to the students switching over from Old Syllabus to New Syllabus. CMA Smriti Nagar cited the syllabus in the papers on Taxation and opined that considering the volume of subjects, there should have been two separate papers on taxation in Final like Inter.

All the participants have very close interaction while discussing the Syllabus of each paper. The discussion was followed by a high tea.

Interaction with Foundation Passed Students

Bhopal Chapter has witnessed a healthy 32% success in the recently declared Foundation Result. An interaction meeting was held on 22.07.2013 at the Chapter office with the successful students. CMA Biswabandhu Mohapatra, the Secretary of the Chapter greeted the successful students and expected similar feats in the Inter and Final as well. He enlightened the students how they could develop themselves as true professionals during the pursuit of becoming CMAs. The students shared their stories of success and thanked the faculties and the Managing Committee of the Chapter for extending timely guidance and moral support.

CHANDRAPUR

Office Bearers for 2013-14

CMA Sitaram P.	....	Chairman
CMA V. Parthiban	....	Vice Chairman
CMA Santosh Kumar Sahoo	....	Secretary
CMA Kamlesh Kr. Suryawanshi	....	Treasurer

INDORE-DEWAS

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA (Statutory body under an Act of Parliament)

Western India Regional Council & Indore-Dewas Chapter
Jointly organizes

Residential Programme on
14th & 15th August 2013

Topic to be discussed SAP FI/CO Module

SAP Finance & Controls :

A Brief Introduction & Outline

In today's world of innovation through Information Technology, SAP is truly a dynamic package by which one can integrate, diversify, and streamline their work-processes with multi-dimensional compatibility.

For those who are in the Finance/Accounting Profession who wish to delve into a creative and interactive scenario by which they can apply their hands-on experience & expertise to another level of fantastic intellectual stimulation, SAP FI/CO Implementation & Configuration is truly the ultimate. Their expertise will render them to very swiftly master its technical configuration – for the concepts are all part of every Finance/Accounting Professional's innate thought-process – and - the SAP modules follows a thorough schematic pattern by which all functionalities & technicalities are logically laid-out.

Fees: Rs. 2,250/- for CMAs & Company Delegates,
Rs. 1,500/- for Accompanying Spouse. (Including night stay on 14th August 2013 on share basis & Dinner)

Faculty : Team of Eminent Speakers

Venue: Malwa Resort Mandu Rupmathi Road,
Near Sagar Lake, Mandu, 454 001.

**Cheque/DD should be in the name of
"Indore-Dewas Chapter of Cost Accountants"
payable at Indore.**

Six CEP credit hours will be provided

For details contact:

Event Co-ordinator: Shilpa Jain
Mobile: +91 97547 00001 • E-mail: indore@icmai.in

"Seminar on Career Orientation for CMA Profession"

A Seminar was organized by Indore Dewas Chapter of ICAI on "Career Orientation for CMA Profession" on 21st July'2013 at Hotel Fortune Landmark, Indore. CMA P. D. Modh, Chairman Oral Coaching Ahmedabad Chapter was Guest speaker for the event. He has given "Tips on Sure Shot Success in First Attempt". CMA Vijay P. Joshi (RCM & Ex Chairman WIRC) highlighted the theme of the seminar. CMA Dr. Niranjan Shastri (Treasurer & Ex Chairman IDCCA) delivered welcome and thanks address. CMA Sunil Singh (Chairman - IDCCA) delivered inaugural address and given presentation on Product Costing System. CMA Pankaj Raizada (Vice Chairman - IDCCA) answered students' queries relating to industry orientation. Seminar was well attended by Intermediate & Final Students.

The seminar was covered by local media and almost all leading newspapers gave good coverage to the event.

NAGPUR

Faculty Meet at Nagpur Chapter of Institute of Cost Accountants of India on 7th July 2013

At the behest of the Training & Educational Facilities Committee of the Institute of Cost Accountants of India, Nagpur Chapter of the Institute organized a Faculty Meet on the New Syllabus, 2012 of the Institute at its premises on 7th July, 2013 for all members of Faculty of the region. Members of Faculty from Nagpur, Bilaspur, Bhopal & Bhilai participated in the Meet.

CMA Chiranjib Das, Jt. Director of Studies, ICAI, Kolkata made a powerpoint presentation bringing out very lucidly the purpose and intent of the new Syllabus, 2012 of the Institute. The Chairman of TEF Committee, CMA TCA Srinivasa Prasad made a very analytical review of the new Syllabus. CMA P.V. Bhattad, Central Council Member of the Institute brought out the needs for the revision of Syllabus of the Institute vis-à-vis international scope for the profession.

The salient features of the new syllabus are, among other things, practical experience through combination of both Output and Input based approaches to enable aspiring professional accountants to demonstrate their professional knowledge, skills, values, ethics and attitudes required for performance with professional competence.

It will also enable alignment with the increasing importance and recognition of Cost & Management Accountants in different sectors with an industry-oriented approach. Increased emphasis is proposed on strategy, performance measurement, analysis, reporting, corporate and allied laws, taxation, ethics and governance.

The Meet was well attended by the members of Faculty from Nagpur, Bilaspur, Bhopal & Bhilai Chapters as well as the Managing Committee Members of the Nagpur Chapter. CMA N.P. Viswanathan, Chairman of Nagpur Chapter welcomed the HO dignitaries and all Faculty members. CMA G.R. Paliwal, Member, WIRC of the Institute, CMA K.M. Rao, Director of Studies, Nagpur Chapter were prominently present at the Meet. CMA Shriram Mahankaliwar, Vice Chairman, CMA Vivek Chawan, Secretary, CMA Anan Sahasrabuddhe, Treasurer and all Managing Committee Members worked hard for the success of the programme.

Nagpur Chapter organizes Workshop on "Corporate Fund Raising"

Nagpur Chapter of the Institute of Cost Accountants of India, in keeping with their tradition of continuing education of its members, Conducted a Workshop for its members on Corporate Fund Raising on 20th July, 2013 at its premises. Eminent speaker, Shri Chandrashekhar Chincholkar, a Qualified Cost Accountant & Company Secretary narrated the various modes & methods of Corporate Fund Raising Including Equity & Debt Instruments. He also narrated the case wise fund raised by him for his Indian and multi-national clients through Indian and foreign institutions. His deliberation helped the members in practice and in industry to update their knowledge.

The workshop was chaired by Chapter Chairman CMA N.P.Viswanathan, who highlighted the importance of role

played by CMAs in optimal utilization of scarce resources. He stated that in these days of volatile market conditions, it was imperative for a Cost Accountant to control the cost of raising Corporate Funds. Also Present on the occasion were WIRC Member CMA G.R. Paliwal, Vice Chairman, CMA S.N.Mahankaliwar, Secretary, CMA Vivek Chawan, Treasurer CMA Anan Sahasrabuddhe along with all the Managing Committee Members. The work shop was well attended by Chapter Members and members in Industry.

NAVI MUMBAI

Report of the CEP Program "Capital Markets - Terminologies" organized by the Navi Mumbai Chapter on Sunday, the 21st July 2013

Navi Mumbai Chapter, organized a CEP on the topic "Capital Markets - Terminologies". The speaker was CMA B.Renganathan, Senior Vice President Corporate Affairs & Group Company Secretary of Edelweiss Capital Ltd.

After highlighting the context and importance of Capital Market, Mr Renganathan explained various terminologies used in the Capital Market. He also explained some of the models followed at the time of issuance of Shares in the Primary Market. Roles and responsibilities of Merchant Bankers in today's scenario was explained nicely. Importance and roles of SEBI in the context of Capital Market was explained in a very lucid manner by the speaker. Program was attended by professionals and students of various Management School. Program ended with a vote of thanks by CMA Pratyush Chattopadhyay.

CEP REPORT

On 13th July, WIRC organized "CEP on Discussion on ED on Research and Development Expenses - CAS - 18" at Mulund College, Mulund, Mumbai. CMA Ashish Thatte, lead the discussion.

On 16th July, WIRC organized "CEP on Guidance Notes on CAS on Repairs and Maintenance Cost - CAS 12" at Shah Institute of Management & Research, Ghatkopar, Mumbai. CMA Ashish Thatte lead the discussion.

On 20th July, WIRC organized "CEP on Discussion on ED on Research and Development Expenses - CAS -18" at Sydenham College, Churchgate, Mumbai. CMA Samir Bhatt, lead the discussion.

On 20th July, WIRC organized "CEP on Discussion on ED on Research and Development Expenses - CAS-8" at M.L. Dahanukar College, Vile Parle (E), Mumbai. CMA Jignesh Pandya, lead the discussion.

On 27th July, WIRC organized "CEP on Discussion on ED on Research and Development Expenses - CAS-8" at Borivli SMF Center. CMA Vaibhav Joshi, lead the discussion.

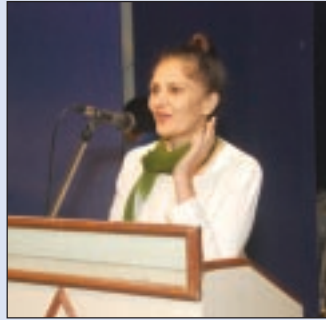
On 3rd August, WIRC organized "CEP on Discussion on ED on CAS on Joint Costs - CAS 19" at Borivli SMF Center. CMA Vaibhav Joshi, lead the discussion.

Large number of members attended the programme.

Glimpses of the Felicitation Function organized by WIRC on 20th July at Mumbai



CMA Ashok Nawal welcoming Dr. Madhavi Pethe



Dr. Madhavi Pethe, addressing the students



CMA Ashish Thatte addressing the students



CMA Ashok Nawal addressing the students



Dr. Madhavi Pethe, Principal, M.L. Dahanukar College inaugurating the function



CMA Ashok Nawal, Dr. Madhavi Pethe and CMA Ashish Thatte



View of students



CMA P. D. Modh inaugurating the seminar organized by Indore Dewas Chapter on 21-7-13 at Indore. L-R CMAs (Dr) Niranjan Shastri, Sunil Singh & Vijay Joshi



View of Students during the seminar organized by Indore Dewas Chapter on "Career Orientation for CMA Profession" on 21st July'2013 at Hotel Fortune Landmark,



CMA P. S. Nadkari, Past President ICAI, addressing during Half Day Workshop organised by WIRC on 19-7-2013 at Hotel VITS. Also seen CMAs V. V. Deodhar & Ashish Thatte



Discussion in Progress during Half Day workshop on Cost Audit and Cost Compliance for Bank Employees organized by WIRC on 19th July 2013 at Hotel VITS.



CMA Shrenik Shah, Chairman WIRC addressing the students during inauguration of Oral Coaching at Vapi Chapter.



Managing Committee Members and Faculty Members at the Faculty Meet organized by Bhopal Chapter on 19th July 2013



CMA Ashish Thatte felicitating Hon'ble Shri Sachin Pilot, Union Minister of Corporate Affairs, Government of India during Investor Awareness Meet organised by MCA & SEBI jointly with three Professional Institutes - held on 24th July 2013 at Vashi

Hearty Congratulations !

Our New President
(2013-2014)

Our New Vice-President
(2013-2014)



CMA S. C. Mohanty



CMA Dr.A.S. Durga Prasad



CMA Shriram Mahankaliwar, Vice Chairman of NCCA, CMA N.P. Viswanathan, Chairman, NCCA, CMA Chandrashekhar Chincholkar, Guest Speaker during Workshop on "Corporate Fund Raising" held at Nagpur Chapter on 20th July, 2012.

Congratulations to



CMA Ashish P. Thatte
*For being
the youngest Chairman
of WIRC*



CMAs K.M. Rao, Director of Studies, NCCA, P.V. Bhattad, CCM, TCA Srinivasa Prasad, CCM & Chairman, TEFC, N.P. Viswanathan, Chairman, NCCA and G.R. Paliwal, RCM during the Faculty Meet organized by Nagpur Chapter on 7th July 2013.



Managing Committee Members and Members of Faculty at the Faculty Meet organized by Nagpur Chapter on 7th July 2013



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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
WESTERN INDIA REGIONAL COUNCIL,
Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.

Tel.: 2204 3406 / 2204 3416 / 2284 1138 • Fax : 2287 0763

E-mail : wirc@icmai.in

Website : www.icmai-wirc.in

To

The views expressed by contributors or reviewers in the Bulletin do not necessarily reflect the opinion of the Council nor the Editor. Published by **CMA Vijay P. Joshi** on behalf of the Western India Regional Council of the Institute of Cost Accountants of India, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Mumbai 400 001 and Printed by him at **Surekha Press**, A 20 Shalimar Industrial Estate, Matunga, Mumbai 400 019.