



WIRC BULLETIN

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For Members only

October 2012

From the Desk of Chairman



Dear Professional colleagues,

Global economic recession persists. Recovery in the US has been tardy. The ensuing elections in US has eased its' unemployment problem, compelling it to curb outsourcing and the economy seems to be streamlining for stability. European countries are struggling, bailout packages to few countries has shaken the economy and are striving for positive growth. Only China and India remain strong enough to

counter the slow down. The Indian economy grew by a single digit in the first quarter of the year 2012-13 and hoping higher in rest of the year. Late, but bountiful monsoon rains, opening up the doors of FDI, India is poised for higher growth in the coming period in spite of financial scams brought to the surface. This has created optimism in both the commodity and equity markets and both being boomed up in past few days.

To harmonise the growth of India with those G-7 countries CMA's can play a vital role in upgrading and modernizing a whole lot of standards, systems and creating value addition for various sectors of the market, economy and administration by showcasing diligent and careful execution of performance appraisal report. This is the real test area for the members of our profession. It is the much awaited opportunity showered upon us by the Government of India to our profession. It is we, who have to work hard in this area and to prove our worth to all the stake holders in its' true sense.

"A lot of trouble in the world will disappear, if everyone talk to each other instead of talking about Each Other." The Ministry of Corporate Affairs has announced the final Taxonomy Business Rules for filing of Cost Compliance

Report and Cost Audit Report in XBRL form. It is learnt that some changes have been introduced by MCA in the formats as notified for the said reports vide notifications dated 30th June, 2011. Under these circumstances, there are chances that in many cases, companies and Cost Accountants may have to rework some data to make it compliant with XBRL formats where Cost Compliance / Cost Audit Reports have already been submitted to companies. May I request all concerned to take notice of these fact and gear up themselves at the earliest.

The Ahmedabad, Aurangabad, Baroda, Surat chapters and WIRC has organised seminars on XBRL and I humbly request other chapters of the regions to organise such seminars for the benefits of our members. I congratulate the Baroda chapter for renovating their existing premises and converting the classroom in to a good Seminar Hall cum class room. During the month of September 2012, WIRC has organised a seminar on "New Mechanism of Cost Audit & Cost Records" at CBD Belapur and also organised three CEP programs. HO convened the Chapters' meet at WIRC on 18th September, where good number of representatives from the various chapters actively participated. Mr. President of our Institute remained present and chaired the meet. During the month of October 2012, WIRC has organised seminar on "How to Conduct Cost Audit & Cost Compliance - A Practical Approach on 3rd October; a workshop on Soft Skills for the students appearing for Campus Placement on 6th and 11th October; Campus Interview on 12th and 13th October; Seminar on Service Tax on 13th October and a Seminar on Corporate Performance Management on 31st October. I invite all the members to participate in the Regional Cost Conference 2012 at Goa on 2nd and 3rd November 2012.

I wish happy Vijaydashmi (Dashera) to all the members and their family members.

With Warm Regards,

CMA SHRENIK S. SHAH

Inauguration of Students & Members Facilitation Centre, Jalgaon



Mr. D. S. Nemade, Retd. Principal of Moolji Jaitha College, Jalgaon inaugurating the Students & Members Facilitation Centre at IMR, Jalgaon on 5th October 2012. Also seen L to R: Dr. Vivek Katdare, Director, IMR, Jalgaon, CMA Ashok Nawal, Chairman Students, Members & Chapter Co-ordination Committee, WIRC, Mr. Kiran Bendale, Managing Committee Member, Khandesh Education Society and CMA Vijay Joshi, Past Chairman WIRC.



Dr. Vivek Katdare, Director, IMR-Jalgaon, CMA Ashok Nawal, Chairman-Students, Members & Chapter Co-ordination Committee, WIRC, Mr. Prabhudesai, General Manager, Supreme Industries Ltd, Jalgaon, Mr. D.S.Nemade, Retd. Principal of Moolji Jaitha College - Jalgaon, Mr. Kiran Bendale, Managing Committee Member, Khandesh Education Soc. & CMA Vijay Joshi, Past Chairman WIRC during inauguration of Students & Members Facilitation Centre at IMR, Jalgaon on 5th October 2012.



CMA Neeraj Joshi, Hon. Secretary WIRC lighting the lamp during seminar on CARR organized by WIRC at CBD Belapur on 15th September 2012. CMA Ashish Thatte, Vice Chairman WIRC looks on.



CMA Ashish Thatte, Vice Chairman WIRC welcoming participants during seminar on CARR organized by WIRC at CBD Belapur on 15-9-12. Also seen CMA Neeraj Joshi, Hon. Secretary WIRC, CMA Amit Apte, CCM-ICAI & CMA Shrenik Shah, Chairman WIRC.



CMA Shrenik Shah, Chairman WIRC addressing participants during seminar on CARR organized by WIRC at CBD Belapur on 15th September 2012.



View of Participants during seminar on CARR organized by WIRC at CBD Belapur on 15th September 2012.



CMA Shrenik Shah, Chairman WIRC welcoming CMA Rakesh Singh, President ICAI during his visit to WIRC for Chapters Meet held on 18th September 2012. CMA Neeraj Joshi, Hon. Secretary WIRC, looks on.



CMA Rakesh Singh, President ICAI addressing Chapter Representatives during Chapters Meet held on 18th September 2012. Also seen CMA Shrenik Shah, Chairman, WIRC.



Dr. Madhavi Pethe, Principal, M. L. Dahanukar College inaugurating the felicitation function organized by WIRC on 7th October 2012. Also seen CMA Ashish Thatte, Vice Chairman WIRC and CMA Ashok Nawal, Chairman Chairman Students, Members & Chapter Co-ordination Committee, WIRC, alongwith the faculty members.



View of Students during felicitation function organized by WIRC on 7th October 2012 to felicitate successful students of June 2012 Examination.



WESTERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
 (Statutory Body under an Act of Parliament)

REGIONAL COST CONFERENCE 2012

Hosted by

Goa Chapter of Institute of Cost Accountants of India

Theme : STRATEGIES FOR VALUE CREATION - CMA'S ROLE

On 2nd & 3rd November 2012 at Hotel Mandovi, Panjim

Delegate Fee (Service Tax Extra) :

- Corporate Delegates: Rs. 3,500/-
- Practicing CMAs/CAs/CSs: Rs. 2,500/-
- Students of ICAI: Rs. 750/-

(Six CEP credit hours will be provided)

ABOUT THE PROGRAMME

Value creation and value enhancement are the corner stones of corporate governance. This is the need of the hour. Unwavering adhesion to this is the hall mark of successful enterprises. Stake holders delight should now displace mere satisfaction. This is an onerous task to the managers to proffer and improve performance matrix that will create and optimize value and maximize wealth. CMAs have always been in the vanguard of bottom-line management, value enhancements and quantifying the value so added. The two-day conference is organized with the express purpose of tapping India's best brains in the business of valuation, performance appraisal and XBRL mechanism. This collaborative exercise will certainly be a gainful and rewarding experience not only for the participants but also the business community as a whole.

PROGRAMME SCHEDULE

Day 1: 2nd November 2012	
09.00 a.m. to 09.30 a.m.	Registration
09.30 a.m. to 11.15 a.m.	Inauguration and plenary session
11.15 a.m. to 11.30 a.m.	Tea Break
11.30 a.m. to 01.00 p.m.	Technical Session- I Valuation
01.00 p.m. to 01.45 p.m.	Lunch Break
01.45 p.m. to 03.45 p.m.	Technical Session II-Aligning Enterprise Performance for Value Creation
03.45 p.m. to 04.00 p.m.	Tea Break
04.00 p.m. to 05.30 p.m.	Technical Session III – XBRL-a Value Creation Tool
08.00 p.m. onwards	Entertainment Programme
Day 2: 3rd November 2012	
10.00 a.m. to 11.30 a.m.	Technical Session IV- Valuation
11.30 a.m. to 11.45 a.m.	Tea Break
11.45 a.m. to 1.00 p.m.	Valedictory session
01.00 p.m.	Lunch
Lady CMA's Meet : 2nd November, 2012 from 5.30 p.m. to 7.30 p.m.	

ORGANISING COMMITTEE

CMA Savari Muthu	... Convener	CMA Amit Apte	... CCM, ICAI
CMA Shrenik Shah	... Chairman, WIRC	CMA Rammohan Menon	... Chairman, Goa Chapter
CMA Neeraj Joshi	... Hon. Secretary, WIRC	CMA Anant Chodnekar	... Secretary, Goa Chapter
CMA Sanjay Bhargave	... CCM, ICAI	CMA Oscar D. Melo	... Treasurer, Goa Chapter

TASK FORCE FOR REGIONAL COST CONFERENCE

CMA Neeraj Joshi	... Chairman	CMA Chaitanya Mohrir	... Member
CMA Sanjay Bhargave	... Member	CMA P. A. N. Murty	... Member
CMA Amit Apte	... Member	CMA R. K. Patel	... Member
CMA Ram Mohan Menon	... Member	CMA Sumeet Bahadur	... Member
CMA B. N. Mule	... Member	CMA Ujwalkumar P. Loya	... Member

WESTERN INDIA REGIONAL COUNCIL

CMA Shrenik Shah	... Chairman	CMA Ashish Thatte	... Vice Chairman
CMA Neeraj Joshi	... Hon. Secretary	CMA Ashok Nawal	... Treasurer
CMA Vijay Joshi	... Member	CMA Dinesh Birla	... Member
CMA Debashish Mitra	... Member	CMA Ghanashyam Paliwal	... Member
CMA Sanjay Bhargave	... CCM, ICAI	CMA Amit Apte	... CCM, ICAI
CMA Aruna Soman	... CCM, ICAI	CMA Pramodkumar Bhattad	... CCM, ICAI
CMA Ashwin Dalwadi	... Co-opted Member, Executive Committee		

CONTACT DETAILS

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CMA Oscar D Melo	...	9850453149
CMA Sunil Bagi	...	98232 87555
Mrs. Nilima Bhonsle	...	9673203231, 9762375888

DELEGATE REGISTRATION FORM

To,

The Chairman, Goa Chapter of Cost Accountants,
Laxjyot Building, Opp. Fire Station, Vasco-Da-Gama - 403 802.

Dear Sir,

Please register the following delegates to the Western India Regional Cost Conference 2012, being held on 2nd and 3rd November 2012 at Hotel Mandovi, Panjim. The particulars of the delegates are as under:

Name : _____
 Designation : _____
 Address : _____
 Contact No. : _____ M/ship No. _____
 E-mail : _____
 Name : _____
 Designation : _____
 Address : _____
 Contact No. : _____ M/ship No. _____
 E-mail : _____

Delegate Fee:

Corporate Delegates: Rs. 3,500/-, Practicing CMAs/CAs/CSs: Rs. 2,500/- Students of ICAI: Rs. 750/- (Service Tax Extra)

A Cheque / DD No. _____ dated _____ for Rs. _____
 drawn on _____ bank in favour of "Goa Chapter of Cost Accountants" payable at Vasco"

For Details & Registration Contact :**Goa Chapter of Institute of Cost Accountants of India**

3rd Floor, Lax Jyot Building, Opp. Fire Station, Vasco Da Gama, Goa 403802
 Tel.: 0832 - 2516157 • Mob.: 94233 08410 / 88064 59545 / 98221 25104 • E-mail: goa@icwai.org **OR**
 WIRC of ICAI, Tel.Nos. 2287 3476/2204 3406/2204 3416 E.mail: seminar@icwai-wirc.org



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

(Statutory Body under an Act of Parliament)

announces

Full Day Seminar on "CORPORATE PERFORMANCE MANAGEMENT"

Date : Wednesday, 31st October 2012 **Time :** 10.00 a.m. to 5.00 p.m.

Venue : Hotel VITS Mumbai (Sapphire Hall), Andheri Kurla Road,
International Airport Zone, Kondivita Lane, Andheri (East), Mumbai 400 059.

DELEGATE FEES (Including Service Tax)

Company Representatives : Rs. 5,060/- Practicing Cost Accountants Rs. 3,370/- Registered Students of ICAI Rs. 2,250/-

**Cheque / DD to be drawn in favour of WIRC-ICAI payable at Mumbai
(Four CEP Credit Hours will be provided)**

THE NEED:

Most organizations face a challenge when it comes to putting strategy into practice. 'Managing' performance has emerged as one of the key drivers towards successful strategy implementation. Corporate performance management focuses on planning, monitoring, analyzing and achieving metrics related to business strategy. Various tools can be used as a part of corporate performance management for tracking progress made against strategic objectives in a measurable manner. Effectiveness and efficiency of strategy execution along with well-defined individual accountabilities are the pillars of corporate performance management.

THE SOLUTION:

The most popular corporate performance management framework adopted by leading organizations globally is the Balanced Scorecard. The brainchild of two eminent

Harvard professors, Robert Kaplan and David Norton, the BSC articulates an organization's strategy across four perspectives - Financial, Customer, Internal Process and Learning & Growth. A mix of financial and non-financial parameters, lead and lag indicators, short term and long term objectives ensures development and implementation of a well-rounded strategy.

THE BENEFITS:

- * Converts fragmented thoughts of the senior management into a strategic roadmap
- * Makes the strategy holistic and drives measurability of strategic goals
- * Facilitates effective business reviews and renders a paradigm shift in the way business is viewed
- * Forces individuals to view the business from a "macro" point of view, instead of working in silos
- * Lastly, corporate performance management aligns strategy with individual performance

For Registration and more details, Contact :

Mr. S. S. Deshpande, Asst. Director, Mob.: 97692 72233

WIRC of ICAI, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai 400 001.

Tel. 022 - 2287 3476 / 2204 3406 / 2204 3416 Extn. 35 • Fax: 022 - 2287 0763

E.mail: seminar@icwai-wirc.org • Website: www.icwai-wirc.org

Thane Students and Members Facilitation Centre,

Bldg. No. 8, Damani Hsg. Soc. Ltd., Damani Estate, Naupada, Thane (W) 400 602. Tel. 022-2545 0763

Borivali Students and Members Facilitation Centre,

C/o. St. Francis Institute of Management and Research, Mt. Painsur, S.V.P. Road, Borivali (W),
Mumbai 400 103 Tel. 022-2894 8302

LEGISLATION OF THE PEOPLE FOR THE PEOPLE BY THE PEOPLE

By

K. R. Bhargava, *Former Chief Commissioner of Customs*
kuldiprbhargava@gmail.com

The caption of this article is derived from the famous statement of US President Abraham Lincoln; that is, "Government of the people, for the people and by the people", meaning thereby that people will have total say in the matters of governance. Carrying this famous statement forward, it is well known that governance of state is through legislation only and objective is to meet the aspirations of the people and vision of the leadership which they have for their people. Individuals' aspirations may vary from person to person depending upon personal attitude, resources, environment, I.Q., E.Q. etc. but aspirations of the leadership have to be such as those can give them and their people pride in the global community, on realization thereof. And, however, on generalization, aspirations of the people except those with criminal and loot intent can be mentioned as below:

- Law and order in the state so that they can live, work, move, speak and enjoy in peace
- Enough work for everyone matching his or her physical and intellectual potentials in a supporting, enabling and encouraging environment so as to satisfy not only their daily needs but also reasonable aspirations of family members
- State provides good and adequate infra structural facilities so that citizens do not aspire to leave their own mother place for greener pastures or do not curse themselves for being born in their parent state/country.

And we know, governance is by leaders and leaders acquire power in democracy to discharge their lawful role. Lord Acton said, "Power corrupts and absolute power corrupts absolutely". The way, we see things happening in our environment in India, unfortunately except some exceptions, leaders in power have not disproved the statement made by Lord Acton. However, this can also not be denied that our country has made significant progress since 1947 though many do not envy this progress as performance is in patches and below our potentials for various reasons. The journey though late but has however begin; not only, citizens are now demanding but even outside world that looks opportunities here, demands performance and an enabling and supporting environment from governments in power. Gone are the days when people worried for "Roti, Kapra Aur Makan". The governments in power in large part of the country are asked to travel beyond these three primary needs of life and to address all kind of road blocks including corruption and under and inefficient performance. The civil society

is quite active. And there are also no doubt, governments/politicians in power work in the desired direction only when there are compulsions, compelling reasons, demanding society and watchdogs around. And, it is for these reasons only, men in power, these days talk of development otherwise one Chief Minister of an Indian State used to say, "Development is not an issue in his State".

In preceding paragraph, i mentioned governments deliver only because of public pressure, external pressure and out of compulsions when pushed to wall. In India, ECONOMIC REFORMS started because of combination of the following:

- Chandrasekhar Government had to mortgage confiscated gold to save country's honour. Because of this incident, Government and people in power those days had to think of new ways of economic governance.
- External economic powers who saw big opportunities in this country forced to liberalize economy and to develop infrastructure so that they can conveniently conduct business here
- Public, media and industry pressure to reform and improve governance

The process of change that started in late eighties because of aforesaid reasons has brought good change in the country in more than one area and economy, these years, has grown at faster pace. India has learnt new management practices too and has been moving towards simplification of laws and procedures and electronic governance. Revenue departments in Union Government are good examples of transparency, simple laws, e governance and risk based governance where trust is reposed in governed in terms of best international practices. Besides, governed is consulted in the process of legislation/delegated legislation and new bills, draft rules/regulations/circulars/Public Notices are put in public domain to have comments/suggestions of the governed and other stakeholders to avoid post implementation problems. It is necessary for the governee to give a strong feeling/confidence to the governed that law is fair to him; it is easy to comply and it is his own law for his own betterment and therefore, strong moral conviction to comply.

It has also been experience that there is flexibility in North Block and there is willingness to accept new ideas to collect taxes. This gives a feeling to public that

Government is their own government; it listens to them; it works for them and they have a role in the process of good governance. And a message goes that Government is not for policing alone and process for governance is not unidirectional. It is bidirectional and even multidirectional and leads to "True Self Governance". It gives credence to Abraham Lincoln's statement referred herein above and to the dreams of SAWARAJ of those who struggled for a "Free India".

It is also our experience that government over period of time has learnt that low tax rate and simple regime is more paying than high tax rate and complex regime and consequently rates of excise duties have gone considerably down over period of time and processes/ procedures have been made simple in many areas. This has improved compliance and there is no direct evidence that aforesaid reforms have led to higher tax evasion though there are some areas of concern. The revenue has grown because of volumes. Largely, the central excise assesses are satisfied that, now there is good indirect taxation regime. In other words, law is fair and easy to comply.

And in the aforesaid context, last week i spoke to a friend who has been in textile industry in Ahmedabad for a long time to know whether recession is affecting textile sector and whether tax evasion still persists. His reply was:

"Currently, there is neither excise duty nor sales tax/vat on textiles and hence nothing to evade. All transactions are recorded in books and processors compete in the market on the basis of quality of services and quantum of service charges. And all process houses are having good business; recession has not made any impact on them."

The friend whom i spoke is not in textile export business; they are in domestic sales and looking to the size of India's population, recession cannot make any impact as local demand is enough to take care. However, on my further probe in regard to tax compliance, i was informed people show pseudo expenditure to save direct taxes. I do not doubt such behaviour as rates of direct taxes have not shown a declining trend. In government mind, what is true for indirect taxes is not true for direct taxes. The same person is measured with two different yard sticks for an identical legal compliance. If higher excise duty rate is an incentive to evade, same should be true for income tax also. Looking to the devaluation of rupee and sky rocketing prices of everything you need in this world to survive little honourably and comfortably, taxing people @30% of annual income is uncalled for. 30% rate can be for people who are really rich. For salaried people with salary less than Rs 25 lac per annum, tax rate should not be more than 10-15 %. People with income less than Rs 5 lac should not be taxed at all. After all, money all these guys will save because of lower tax rate will be used by them for buying a phone, a house, a bike/car, children education, better health care, good food etc. This will lead to higher consumption of goods and services leading to higher demand of these; necessitating higher production giving rise to higher indirect tax revenue and

more jobs in production and sales/marketing etc. and further, on the contrary, there may not be any net revenue loss to the government if suggestion is accepted and implemented. And in any case, if there is some loss, it is good to ignore such loss for the following reasons:

1. Modern concept of State is that of Welfare State.
2. Good Government is that governs the least.
3. Money lost by government on account of above suggestion will actually be in the hands of citizens who can use it the way they like
4. People will have purchasing power in their hands to buy good goods and services.
5. Past experience shows that good amount of money allocated in social welfare schemes goes down the drain because of corruption and inefficiency; the tax payers do not get the desired quality of services. Even if there will be smaller outlay; it does not matter. Buoyancy in economy will take care of social objectives.
6. Government has already privatised education, health care etc; therefore, it should enable people to avail those facilities using clean money.
7. And even if some people do not spend money on goods and services; they will either deposit in bank or invest in share market etc. In either case, it is good for financial markets, overall economy and future of those who save.

I mentioned of pseudo expenditure bills by firms to reduce profit in their books of accounts to save tax. Assessing officer can disallow such expenses only if he is able to verify such bills. It is not easy and it cannot be done in all cases for lack of manpower, time, skills, technology etc. The best thing is to rationalize tax structure to seek voluntary compliance. This will prevent generation of black money and laundering of the same.

Currently, there is no incentive to pay tax. Government should consider putting in place some schemes to provide better services to tax payers based on minimum tax paid and or gross income /tax paid ratio or capital base /tax paid ratio etc. so that people get motivated to move from non taxpayer category to taxpayer category and from lower tax slab to higher tax slab. In Customs, there has been a Accredited Clients Programme; all those who are commissioned to this category on fulfilment of terms and conditions, enjoy higher level of trade facilitation and exemptions from Bank Guarantees while transacting business with customs. Government and Direct Tax Regime may consider having similar programmes for individuals and firms. A feel must flow in the heart of tax payers that government and legislation is for them and they have a say; otherwise, with broken roads, erratic power, poor sewerage and chaos all around around, you sleep with a grim face and rise with a hope next morning that THINGS WILL IMPROVE ONE DAY. HOW? WHO WILL LISTEN TO THEM GENUINELY? ■

Transaction Accounting for Better Comparability, Transparency & Traceability

Accounting Systems have evolved from single-entry systems to double entry accounting systems and in relation to integration, from a traditional non-integrated system to an integrated system of accounting where financial and cost accounting systems are integrated in a single ledger. Integrated system, conceptually, is stated to have definite advantages over the non-integrated system that the need for an intermediary account "Cost Ledger Control Account" is obviated and that there will be no need of re-conciliation between the Financial Ledger and the Cost Ledger. Let us have a closer look at both the systems vis-à-vis the purpose for which accounting systems are meant for.

Transaction accounting under different classifications, whether it be according to its' nature or purpose or other desirable classifications, is a vital requirement of accounting; among other things, it facilitates comparison between different periods and between intra / inter units. It is transactions, the causal event, that drive the organization from a previous financial position to a current financial position as reflected in balance sheets. So, if financial position of an organization between different periods are to be effectively compared and analyzed the nature and extent of transactions should be known to all users of the financial statements namely the management, share-holders, regulators, banks, financial institutions, government, taxation authorities like Excise VAT and Income Tax authorities.

Transactions that are primarily identified with the financial accounts are booked through documents of original entries (vouchers / invoices / debit or credit notes) and subsidiary books and then posted to ledgers. Transactions that are considered as part of costing are recorded through Allocation / Apportionment / Absorption sheets / Other Records / Tables; effects are given in financial accounts through recording changes in Stock and if integrated accounting is followed, through postings made from these subsidiary records. Although all transactions are posted to ledgers, the trial balance, for obvious reasons, does not reflect the nature and extent of all transactions. In view of this, transparency and auditability of financial and cost data will be a difficult task.

Let us examine the accounting process involved in booking of some of the transactions. As per CAS -6 of the ICAI, "the material receipt should be valued at purchase price including duties and taxes, freight inwards, insurance, and other expenses directly attributable to the procurement (net of trade discounts, rebates, taxes and duties refundable or to be credited by the taxing authorities) that can be quantified with reasonable accuracy at the time of acquisition". In a non-integrated

accounting system the material receipt transactions will be reflected as nominal accounts in trial balance as given in the Table shown below with hypothetical figures:

Ledger Name	Amount in Rupees		Balance
	Debit	Credit	
Purchase	50,000	6,500	Dr. 43,500
Freight Inward	2,000		Dr. 2,000
Cartage Inward	1,000		Dr. 1,000
Insurance Inward	300		Dr. 300
Creditors / Cash / Bank		53,300	Cr. 53,300
Excise Duty Refundable	4,500		Dr. 4,500
VAT Input Credit	2,000		Dr. 2,000
Total (Purchase Transactions)	59,800	59,800	0

Since the transactions are considered as ledger accounts, albeit nominal, the real account, viz. Stock Account, is left out in the initial recording phase necessitating passing a subsequent entry for Stock Accounting. So, the accountant will post the net purchase of Rs.46,800/- (Rs.53,300/- minus Rs.6,500/-) to the debit of Stock Account through an intermediary account named "Cost Ledger Control Account". With respect to material receipt transactions, yes, there is transparency and auditability. However moving forward with respect to material issue transaction one can easily realize that material issues are not considered as some event that are essential to be prominently brought to trial balance. Likewise it will not be difficult to find quite large number of transactions, some in financial accounts and others in cost accounts, not considered for accounting in the core books of accounts.

Let us further examine the effect of above transactions in a system where integrated accounting is followed. The entries will be:

Ledger Name	Amount in Rupees		Balance
	Debit	Credit	
Stock Account	50,000	6500	Dr. 43500
Stock Account	2,000		Dr. 2000
Stock Account	1,000		Dr. 1000
Stock Account	300		Dr. 300
Creditors / Cash / Bank		53,300	Cr. 53,300
Excise Duty Refundable	4,500		D. 4,500
VAT Input Credit	2,000		Dr. 2,000
Total (Purchase Transactions)	59,800	59,800	0

All the four material receipt transactions are accounted in a Stock Account only resulting transparency to a lesser

degree making difficult the traceability for financial / cost audit verification. So in an integrated accounting system not only the subsequent material issue transactions but also the initial material receipt transactions got ignored to find place in core books of accounts and entered only in either documents of original entry or in subsidiary books or in both the records. For this reason one may find the non-integrated system far more user friendly and informative than an integrated accounting system.

It will not be difficult to find the root cause of such shortcoming in recording transactions. Every transaction has a dual effect; this is the principle of double entry book keeping. But the fact that the transaction is distinct from its dual effects and that the Transaction + Dual Effect should form the basis of accounting, is not yet recognized. Once recognized, there will be much more transparency, traceability and comparability. It will also enable the stakeholders to know the organizational drivers of cost in a historical and forward looking context.

Ledger balances are not transactions but only the net result of debit and credit effects of transactions; the transaction accounting will bring forth the information as to how and to what extent the transactions have been effectual towards the current financial position of a business entity.

Moving forward with issue / utilization transactions, it can be seen that recording happens in Real Accounts pertaining to Inventory and in few Nominal Accounts viz. Overhead Control Accounts, primarily meant to route the indirect expenses to either Real Accounts or to some other Nominal Accounts. The Nominal Ledger accounts maintained in Cost Accounts are basically Control Accounts facilitating Allocation, Apportionment, Absorption of Cost to Cost Objects and de-facto do not reflect the true nature of Transactions that take place. Some of the Accounts in Costing Ledger are:

Real Accounts	Nominal Accounts
Inventory Accounts	Overhead Control Accounts
Work in Process / Progress Accounts	Variance Accounts
Finished Goods Accounts	Costing Profit & Loss Account
	Cost of Goods Sold Accounts

The real costing transactions according to its very nature is ignored in consideration for ledger accounting although in descriptive part of ledger accounts a mention may be found at times. This is because as per the existing principles of ledger postings, prominence is given to the other ledger account affected and not the transaction per se. So when some overhead is charged to WIP - the Overhead Control Account will prominently state "By WIP Account" and the WIP Account will prominently state "To Overhead Control Account"; the real nature of transaction is given much lesser importance. Because the Transactions drive the cost, either normally or abnormally, it is essential that the nature and extent of Transactions (whether it be causal or effectual) are recorded in the Core Books of Accounts.

The nature of acausal transaction may not always be quantifiable / expressed in financial terms, but, this is not the case for effectual transactions and hence there should not be any difficulty or hesitation in bringing the same in core books. Some of the material issue / utilization transactions are given below; the list is illustrative only, so as to form a basis to evolve further in standardizing the list.

Material Issue / Utilization transactions:

- Material utilization - Normal
- Material utilization - Abnormal
- Wastes - Storage
- Wastes - Production
- Material Shortage written off
- Rejections during production
- Reworks
- Scrap Generated
- Scrap Sold

As already stated there is a need that accounting must evolve from confining with only Dual Aspects to multiple dimensions to account Transactions according to its intrinsic and / or meaningful nature.

For the sake of simplicity, only few of the material transactions are illustrated in this article; one can find in practice that there are very many transactions that are not considered for inclusion in core books; if included, the accounting books will be much more meaningful to the management and other users of information.

Inputs from:

Three Dimensional Accounting, written by **CMA George Samuel** and Published by New Age International Pvt. Limited - New Delhi.

CEP REPORT

On 8th September 2012, WIRC organized a CEP on "The Magic & Logic of Trading Stocks, Forex & Commodities" at Students & Members Facilitation Centre, Thane. Mr. Hemant Kale was the faculty for the programme.

On 22nd September 2012, WIRC organized a CEP on Exposure Draft of Guidance Note on Performance Appraisal Report issued by ICAI at WIRC Office, Mumbai. CMA Poonam Muley was the faculty for the programme.

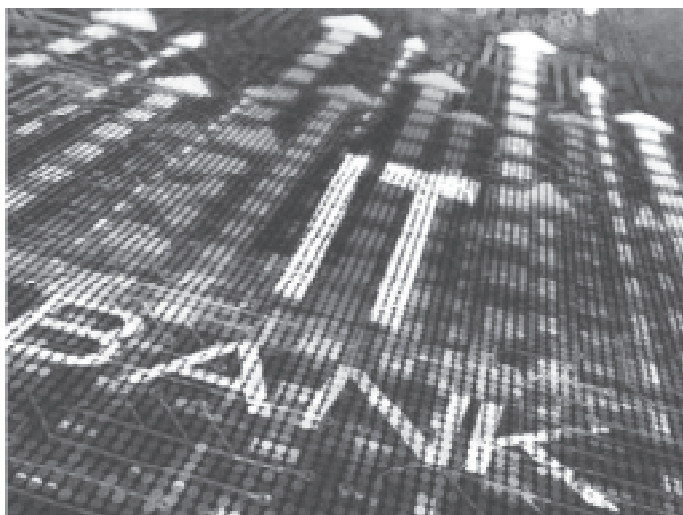
On 24th September 2012, WIRC organized a CEP on Exposure Draft of Guidance Note on Performance Appraisal Report issued by ICAI at Students & Members Facilitation Centre, Thane. CMA Poonam Muley was the faculty for the programme.

Large number of members attended the program.

Global Macro Economic Researcher CHANGING BANKS... CHANGES INDIA

by

Indraneel Sen Gupta, neel19414@gmail.com



When I was about 6 years old I used to travel to the bank with my father. I use to be one of the events for my small life that point of time. Going to the bank and the ambience of the bank system was an of great experience to my life. Waiting at the counter for withdrawal of money use to help me skip hours from my study schedule since it use to take more time to withdraw money. The Pension day use to be hectic for the banks since they have to deal with so many papers of pension withdrawal forms.

Today the same banking system has changed more than any one dreamt about it. Technology has worked as an accelerator for turning around the entire banking system process. Now we get scared to hear that we will have to visit bank branches for any work. Passbook has been replaced with soft copy of statements. Free Services have now turned into paid services and moreover banks have become small in structure size.

Internet has replaced the business operation module of the banking system. The banking system adopted technology with the prime focus of reducing the crowd arriving at the banks door. With the growing new generation adoption of internet and other technology helped banking system to introduce internet banking which reduced their cost of operation as well as reduced their fixed cost of operating too. Earlier banks required huge space for running their operations and managing the crowd at their door step.

With internet banking physical office got replaced with virtual office which reduced the fixed cost part of the banking system. Introduction of internet banking further reduced the stationery cost of the banks primarily in the

form of papers. But more than cost savings banks went ahead with expansion of their business models which has increased the banking network penetration. By saving cost on paper and rent banks invested heavily on product innovation married with marketing. Earlier banks never used to do extensive marketing of its products but with technology innovation they came up roaring up products marketing which mainly focused on 3rd party products. Today banks are offering services married with products. Technology has increased the efficiency levels of the banking system in terms of internal data management and better customer efficiency.

OPERATIONAL EFFICIENCY

- Straight-through processing.
- Transformation of service channels.
- Collaborative channel management strategy.
- Branchless banking for financial inclusion.
- Business correspondents.

GOVERNANCE & RISK MANAGEMENT

- Enterprise risk management.
- Real-time executive dashboards.
- Real-time security management.
- Risk-based authentication.

CUSTOMER CENTRICITY

- Customer analytics.
- Efficient customer data management.

Today banks are more able to design products according to the customer usage simply by grilling hard the data management system. The design the credit card limits according to the usage through efficient data management. ATM has becoming banking withdrawal centre for all of us. Today we have to wait for few minutes to get the money in hand. Mobile banking has also increased and reduced efficiency and cost respectively. Banks are now promoting mobile apps demonstrating their easy process of services.

Now I find the competition among various banks stands at efficient process of internet banking with less cumbersome process. Designing of easy process of apps is the new innovation being derived by the banks through which further business growth in acquisition of new clients. Indian banks are finding more business growth through innovation of apps and banking software even at the back end of the system which will help them to get on to the nerves of the consumers.

Trends in innovation in products and services offered:

- o Savings Accounts with Auto Sweep Facility
- o Smart Cards
- o Virtual Bank
- o Electronic Data Interchange (EDI)
- o Image Processing
- o Business intelligence and customer relationship management applications
- o Optimizing Customer Reach
- o Innovation in Delivery Channels

The recent foray of the Indian banking system towards mobile banking is the biggest proof of the growing hunger of increasing the banking network in India. India has 700 million+ mobile subscribers, but only 240 million individuals with bank accounts, 20 million credit cards, 88,000 bank branches and 70,000 ATMs. Of the households without a bank account, 42% have at least one mobile phone. This is just a snapshot into the penetration that mobile has achieved in a relatively small period of time.

Transferring of money has increased over the past couple of years which gives immense opportunity for Private Equity segment to do investments in Technology. Mobile banking in India is set to generate a fee-based income of INR202.5 billion (approx. US\$4.5 billion) over the next five years, mainly driven by lower transaction costs, favorable regulatory environment and the UID project. By 2015, US\$350 billion in payment and banking transactions could flow through mobile phones, compared with about US\$235 billion of total credit-and-debit-card transactions today. As mobile-money initiatives take shape, the projected fee income in India from mobile payment and banking transactions could exceed US\$4.5 billion by 2015.

The above data is well clear to make one understand that Private Equity will find substantial growth in investments from the this gen next banking business models. The success of MPesa in Kenya has provided an appetite for a host of global players whose entry into the Indian market is only a matter of time. In other words it has opened up the gates for more investments to come and build the business growth opportunities.

NPCI, encouraged by the launch of IMPS for individual-to-individual money transfers, is all set to foray into the field of merchant payments. RBI has already permitted the payments institution to go ahead with merchant payments and NPCI is all set to start the operation with 7 banks. A question might come up that what type of revenue growth one Private Equity investor will get from this segment in coming days. Well electronic payments from below 5% of the total value in 2005 went up to 88% in FY10, largely due to the electronification of business-to-business payments. Now, one can easily make the calculation of ROI being generated through this industry. At the same time Indian banking space is yet to penetrate into India as compared to the developed nations. In simple

words we are still far behind. More penetration will lead to more development and use of these services which results to stupendous growth for the investments.

Banks should come up with a model for educating the knowledge level of the consumers so that they could link the innovation at their level with the consumers. This will further translate to generate more consumers particularly those who never used Banking system. Technology alone has given growth mainly from Urban India but the rural India still remains to be untapped zone

M-COMMERCE IS YET TO BEGIN

Change in Process

Sales process has changed over the years across the globe across the every market segment. In my recent study I find that not only banking sector which has lead to a strategic change in its business process through online transaction but the same theory has already spread across other industries. Sales and Brand use to move in parallel ways but now with the innovation of technology sales have found a new identity beyond brands. Technology has only accelerated the payment mechanism married with brilliant virtual presentation tactics. The changing digital age is well found within the retail segment of the market.

In the coming decade the more industries adds to the organized market segment we will find more virtual business modules coming up. Innovation is a never ending game hence more brilliant and quality virtual sales process is about to come in coming decades. More importantly the technology innovation in sales process has pushed up the number of unorganized players to shift towards organized market segments. Today the competition is not of getting more number of sales but to get the online segment of commercial business to grow parallel or beyond the traditional mode of sales.

Where we shop now?

Today we have Flipkarft, Yebhi.com, HomeShop18.com and many more has changed the culture of shopping as well as for the companies to have all their products under one platform without having a fixed cost component like a shop where one has to bear rents in all periods. Business process needs to identify the changes in the virtual consumer market and rightly align strategies accordingly. Reading and mapping data days are now about to get over. One needs to have a deep understanding of behaviors of the virtual consumers since consumer change brands according to their easiness. Days are gone when the brand change used to happen due to product prices, now consumers change products and brands which act as a small glitch to them in the process of buying the same.

According to 'India Online Retail Market Forecast & Opportunities 2016', India will witness changing shopping trends in the next few years. India is set to become the third largest nation of internet users in the next two years itself. The online retail market in India is expected to

grow immensely, given the rising middle class in India, with growing disposable income in hands and lesser availability of time to spend the same. 'India Online Retail Market Forecast & Opportunities 2016' discusses the following aspects related to online retail market in India:

- Global Online Retail Market Size & Forecast
- India Online Retail Market Size & Forecast
- Online Retail Market: Segment Wise Forecast
- Distribution Structure & Sales Channel
- Market Trends & Developments
- Competitive Landscape.

Indian Financial markets are yet to explore the M-commerce. Mobile trading options have been opened up but for the payment segment we are still flocking around the internet system. M-commerce has not yet taken up the broking and financial business market. Recently Reliance Mutual fund came up with M-commerce platform for investments in mutual funds. Indian markets over the next 5 years will make a stupendous turn around.



M-Commerce the Game Changer

Innovation is now an integral part of M-commerce. Ecommerce has changed the virtual presentation style buy M-commerce will change the payment process. Smart phone is not a luxury for all of us hence we find consumers prefer easy ways or handy steps of payment. In most of the world particularly in the developed economies that are struggling to meet their inflation and GDP growth are shifting their business in virtual format since cross trade business models are on the verge of collapse since trade practices might be imposed in coming days. The days of PayPal through internet are about fade about since a smart phone has opened up the gates of Mobile payments. PayPal has also changed it business process

with its introduction of Pay Pal mobile app which is being now replacing the internet age. Smart phones are coming up with PayPal software so that M-Commerce takes a new giant step towards the consumer market. Its similar like the E commerce, when it came into the system the market of retail took a giant step similarly M-commerce is all set to change the consumer payment system.

Invest in M-commerce

In European economy we find that businesses of leasing properties are being done exclusively through E-commerce and rents are being remitted primarily through M-commerce. Smart phone has changed the business process of M-commerce. Private equity finds the business to be very lucrative in coming decades which has resulted increased demand of M-commerce investments projects. Indian banks needs to spend more resources towards M-commerce. Internet has changed their business process now M-commerce is all set to change the payment process of the banking system. I find the risk management segment of the banking space needs to be stronger since any failure of the system will hit back the Indian banking and retail market. Big giants of the consumer market needs to understand in detail about the various grades of risk and threat which might later on kill their M-commerce business strategies linked with sales and revenues.

Well the market size of online retail industry in India is likely to touch Rs 7,000 crore by 2015 due to increasing internet penetration across the country, according to a survey. Currently, the online retail market stands at Rs 2,000 crore and is growing at an annual rate of 35 per cent according to industry chamber Assocham. Hence a long way is yet too travelled and the journey might just have started.

Student's Felicitation Programme

Students felicitation function was held on 7th October 2012 at M. L. Dahanukar College to felicitate successful students of June 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.

CMA Ashish Thatte, Vice Chairman WIRC in his address guided the students about the oral coaching classes facility extended by WIRC at various places in Mumbai and about the Campus placement for final students.

More than 200 students alongwith their parents attended the function. Gift articles were distributed to all the successful students by the dignitaries.

The programme concluded with a vote of thanks proposed by CMA Ashish Thatte, Vice Chairman WIRC followed by National anthem.

The programme was anchored by CMA Nisha Dubey.

Recent Changes in Indirect Taxes & Direct Taxes

By **CMA Ashok Nawal**,

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I am delighted to contribute for WIRC Bulletin with new page reserved for recent changes in Indirect and Direct taxes.

I will not be elaborating the content of the Notifications / Circulars but, briefly explain the impact thereof.

It is always advisable to read detailed content of the Notification / Circular for legal understanding.

A. Central Excise

a. Tariff Notifications

- Now Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited supplying the Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) to the household domestic consumers will attract Nil rate of Excise duty. [Notification No. 36/2012 CE dated 18th September, 2012]
- Central Excise Duty rate of Motor Spirit commonly known as petrol intended for sale without brand name has been reduced upto Rs. 1.20 per liter and now High Speed Diesel intended for sale without brand will attract the duty rate Rs. 1.46 per liter. [Notification No. 35/2012 CE dated 14th September, 2012]
- Now only Ultra-Mega Power Projects and Mega Power Projects as specified in the notification and approved upto 19th July 2012 is entitled for exemption of Excise Duty. Further, expansion of Mega Power Projects namely, Vindhyachal STPP Stage-V (Expansion Unit) - 500 MW (NTPC) and UNOSUGEN CCPP, Gujarat (An expansion unit of Sugem CCPP of 1147.5 MW)-382.5(1) MW (M/s. Torrent Power Ltd.) so certified before the 19th day of July, 2012 is only entitled for Excise Duty exemption as compared to exemption to expansion of all the mega power projects earlier. [Notification No. 34/2012 CE dated 10th September, 2012]

b. Non-Tariff Notifications

- No new Notifications.

c. Circulars

- No new Circulars

B. Service Tax

a. Notifications:

- Form 'ST-3' required to be submitted by the 25th day of October, 2012 shall cover the period between

1st April to 30th June, 2012 only. (Notification 47/2012 Dt: 28th September, 2012).

b. Circular:

- Service Tax return for the period 1-7-2012 to 30-9-2012 will have to be furnished in a revised format. The revised format of the return and the last date for filing it will be indicated separately. (Circular Dt: 28th September, 2012).

C. CUSTOMS

a. Anti Dumping

- Anti-dumping duty on imports of Ductile iron pipes, originating in, or exported from, China PR-imposed vide notification number 103/2007 - Cus. Dt: 14th September, 2007 has been extended up to 12th September, 2013. (Notification No. 41/2012 Dt: 13th September, 2012)
- Anti-dumping duty on imports of 'Paracetamol' falling under heading 2922, originating in, or exported from, China PR-imposed vide notification number 99/2007 - Cus. Dt: 3rd September, 2007 has been extended up to 3rd September, 2013. (Notification No. 42/2012 Dt: 19th September, 2012)
- Anti-dumping duty on imports of Resin or other organic substances bonded wood or ligneous fiber boards of thickness below 6mm, except insulation boards, laminated fiber boards and boards which are not bonded either by resin or other organic substances, originating in, or exported from, China PR, Indonesia, Malaysia and Sri Lanka has been imposed. The anti-dumping duty imposed under this notification shall be effective for a period of 6 months from the date of publication of this notification. (Notification No. 43/2012 Dt: 21st September, 2012)
- Anti-dumping duty on imports of Pre-sensitized positive Offset Aluminum Plates/PS Plates, originating in, or exported from, China PR-imposed vide notification number 108/2007 - Cus. Dt: 25th September, 2007 has been extended up to 23rd September, 2013. (Notification No. 44/2012 Dt: 25th September, 2012)
- Anti-dumping duty on imports of 'phosphoric acid, technical or food grade (including industrial grade), falling under 280920, originating in, or exported from, China PR-imposed vide notification number 17/2008 - Cus. Dt: 19th February, 2008 has been extended up to 12th September, 2013. (Notification No. 45/2012 Dt: 25th September, 2012)

b. Safeguard Duty

- No new notification!!

c. Tariff

- 'NIL' rate of customs duty on import of LPG by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited for supply to household domestic consumers has been specified by virtue of this notification. Earlier it was restricted to import of LPG for supply to household domestic consumers at subsidized prices under the public distribution system (PDS) kerosene and domestic LPG Subsidy Scheme, 2002. (Notification No. 55/2012 Dt:18th September, 2012)
- Maize bran under Chapter heading 23021010 is exempted from custom duty (Notification No. 54/2012 Dt:17th September,2012)
- Re- import of goods, which are rejected by buyer and exported by EOU , EHTP, BTP is permitted under notification no. 52/2003 as amended (Notification No. 53/2012 Dt:13th September, 2012)
- Import of parts, components of aircraft replaced or removed during the course of maintenance, repair or overhaul of the aircraft in SEZ are exempted from payment of custom duty even when the aircraft pertains to domestic unit. (Notification No.52/2012 Dt:13th September,2012)
- Following list of goods has been exempted from payment of custom duty being these items are inserted in the notification 12/2012 dated 17th March,2012, subject to the conditions as specified in the said notification.

No.	Description of goods
(zc)	Bobbin elastic
(zd)	Textile flowers
(ze)	Water soluble lining, poly pouch, high density sticker, heat transfer steaker
(zf)	Anglets on draw strings-hooded jacket
(zg)	Bra cup, bust cup, moulded cups for bra and metal underwire for bra
(zh)	Hook and bar, extra button covers plain, ribbons, waist bands, shooter pin, O ring, thermo strips and metal clip
(zj)	Pin bullets for packing, plastic tags, bows, ring & slider and rings

(Notification No. 51/2012 Dt: 13th September, 2012)

- The port Irungattukattai, SIPCOT Industrial Park, Kattrambakkam village, Sriperumbudur Taluk, Kanchipuram District, Tamil Nadu has been added along with Tondiarpet (TNPM), Chennai & accordingly notification no. 53/2003,54/2003,90/2004 to 97/2004, 32/2005, 41/2005, 89/2005 40/2006, 73/2006, 90/2006, 91/2006, 14/2009 , 91/2009 to 112/2009 has been amended to that extend. (Notification No.50/2012 Dt:10th September,2012)

- Mega Power project has been defined in SI no 507 as specified in the list of annexure 32A, so certified by an officer not below the rank of Joint Secretary to the Govt. of India in the Ministry of Power before the 19th day July, 2012. A list of Mega power project has been specified in annexure 32A after list 32 which has been added to the notification no 12/2012 dated 17th March, 2012. Further in SI No. 508 exemption for Goods required for the expansion of any existing Mega Power project has been now restricted expansion of only two specified Mega Power Projects. [Notification No. 49/2012 Dt:10Th September,2012]
- Notification 125/2011 Cus dated 30.12.2012 providing partial exemption on goods imported from Pakistan & Shrilaka has been amended. [Notification No. 48/2012 Dt: 6th September,2012]

d. Non-Tariff

- Tariff value for RBD Palmolein, Brass Scrap (all grades), Poppy Seeds, Gold and Silver has been revised to USD 1012/MT, USD 4103/MT, USD 5346/MT, USD 573 per 10grams, and USD 1102.50per kilogram. [Notification 90/2012-CUS (N.T.) Dt:28th September, 2012]
- E-payment of duty made mandatory for importers registered under Accredited Clients Programme & importers paying customs duty of one lakh or more per bill of entry. (Notification No.83/2012 Dt: 17th September, 2012)
- By virtue of this notification the Port Kattupalli of Tamil Nadu State is notified to be used for the purpose of unloading of imported goods and loading of export goods or any class of such goods. Earlier this Port was permitted to use for the purpose of Unloading of imported goods in containers for trans-shipment and loading of goods transshipped in containers for export. (Notification No. 82/2012 Dt: 14th September, 2012)

e. Circulars

- Board has decided to prescribe that when address verifications or Installation Certificate verifications are requested by the Customs authorities in respect of EPCG authorizations, the Central Excise authorities should include, in their verification, a check of the periodical utility bills (containing the address) as one of the means enabling verification of installation / operation / licence premises. [Circular No. 25/2012-Cus dated 6th September 2012]

f. Instructions

- The procedures laid down in the Hon'ble Supreme Court Orders dated 6th September,2007 shall be followed until the code comes into play. All concerned authorities shall ensure strict compliance of the said order before permitting entry any vessel into Indian Territorial Waters for breaking purposes and shall oversee the ship breaking arrangements and implementation of recommendations of CTE. (F. No. 405/2/2001-Cus.III Dt:4th September,2012)

D. MVAT (Maharashtra VAT)**a. CIRCULARS**

- Extension is provided to Developer required to take registration under MVAT to pay MVAT on sale of under construction flat to 15th Oct for obtaining registration and 31st Oct for filing of return and payment of Tax. [CIRCULAR NO. 17T OF 2012 DATED 25/09/2012]
- Land Developers will now have to file year wise annexures for all the return periods upto 31-10-2012 and will be in addition to return to be filed by the dealers. [CIRCULAR NO. 18T OF 2012 DATED 26/09/2012]

E. GVAT (GUJARAT VAT)**a. Notifications**

- Taxability of the following class or purchase of sale is changed w.e.f 17/09/2012:
- Now exemption from VAT to the extent to which the amount of tax exceeds five paise including additional tax at the rate of one paise in the rupee is available for Rail coaches, Engines and Wagons and parts thereof sold to any dealer. Earlier such exemption was available only on sales to Indian Railways.
- Further, class of sales or purchases of Metro rail coaches and parts of Metro rail coaches when sold to any Metro rail company is now taxable @ 2% for the sales made till 31st March 2014 which was exempt from whole of tax w.e.f. 14/07/2007.

[NOTIFICATION NO. (GHN-21)VAT-2012-S.5(2)(35) DATED 17/09/2012]

F. INCOME TAX**a. Notifications**

- Shri H.L.Karwa Vice-president of Income tax Appellate Tribunal is appointed as President of that Tribunal in officiating capacity till the post is filled on regular basis. [NOTIFICATION NO. 12023/2/2011-ADMIN. III (LA) DATED 13/9/2012]
 - Cost- Inflation Index for the Financial year 2012-13 will be "852". [NOTIFICATION NO. 38/2012 DATED 17/09/2012]
 - An assessee not being a resident of India, required to obtain a certificate referred to in section 90(4) and 90A(4) shall be in the form specified in Rule 21(AB) of the Income Tax Rules, 1962. An assessee, being a resident of India, for the purpose of an agreement referred to in Section 90 and section 90A shall make an application in Form 10FA and receive the certificate in Form 10FB, format for both of which are now specified in Appendix-II after Form 10F. [NOTIFICATION NO. 39/2012 DATED 17/09/2012]
 - Now income of a Charitable Trust if invested in Debt Instruments issued by any Infrastructure Finance Company registered with Reserve Bank of India shall not be included in the Total Income of the previous year of the Charitable Trust in which the Investment is made. [NOTIFICATION NO. 40/2012 DATED 20/09/2012]
- b. Circulars**
- The Central government have notified conditions with respect to Loan agreement, issue of Bonds and the rate of interest which should be complied with, in place of obtaining approval from Central Government in respect of each Loan Agreement/Bond issue and the rate of interest, to be eligible for lower rate of withholding tax @ 5% for monies borrowed by Indian Companies in foreign currency from a source outside India. [CIRCULAR No. 7/2012 dated 21/09/2012]



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

XBRL CEP on Latest Changes (After final taxonomy and Business Rules)

Speakers : CMA Ashwin Dalwadi, Past Chairman, WIRC & CMA Malav Dalwadi, PCA

Fees : Rs. 100/-

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15th October 2012 10.00 a.m. to 1.00 p.m.	15th October 2012 6.30 p.m. to 9.30 p.m.	16th October 2012 6.30 p.m. to 9.30 p.m.
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Limited Seats – For Registration: E-mail: wirc@icwai.org/seminar@icwai-wirc.org

Roles & Responsibilities of Officers' Dealing in Service Tax & Auditors of the Company

By **CMA Ashok Nawal**,

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In the New Era of Negative List of Services, all activities carried out by one person for another for consideration including declared services are covered under ambit of Service tax except for :

- I- Immovable Goods
- M- Money
- A- Actionable Claims
- G- Goods
- E - Employee providing services to employers

In other words, if activities not covered under "IMAGE" and fees paid to Court are covered under the ambit of service tax.

Declared services includes service portion of deemed sales and more so, "Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act" will cover most of the activity in day-to-day business irrespective whether manufacturing, trading or services.

It is important to understand the followings:

- What is service?
- What is consideration?
- Money, Actionable Claim and Securities
- Important Definitions
- Taxability of Services including exemptions
- Negative List
- Declared Services
- Exempted Services
- Reverse Charge
- Works Contract
- Valuation
- Abatement
- Rules of Interpretation (Bundled Services)
- Point of Taxation
- Service Tax Rules / Cenvat Credit Rules Amendment
- Place of Provision of Services
- Accounting transactions and Implications on Service Tax

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 is also pertinent to note as an effective deterrence against tax evasion and for ensuring high level of compliance, prosecution provisions were introduced in the year 2011 in Service Tax law by way of section 89 in the Finance Act, 1994.

Let us understand the provisions under Section 89(1)(a) as it then existed is extracted below -

(a) provides any taxable service chargeable to service tax under sub-section (1) of section 68 or receives any taxable service chargeable to tax under subsection (2) of said section, without an invoice issued in accordance with the provisions of this Chapter or the rules made there under; or"

Pursuant to the above, it has been clarified by CBE&C vide Circular No. 140/9/2011 -ST, dated 12.05.2011 that clause (a) of section 89(1) of Finance Act, 1994, is meant to apply, inter alia , where services have been provided without issuance of invoice in accordance with the prescribed provisions and invoice is required to be issued within 14 days from the date of completion of the taxable service.

The said clause (a) of section 89 (1) of the Finance Act, 1994 has been substituted by the Finance Act, 2012 effective from 28th May, 2012 and it reads as under:

[(a) knowingly evades the payment of service tax under this Chapter; or]"

The CBE&C vide letter D. O. F. No 334/1/2012- TRU dated 16th March, 2012 mentions the following about the aforesaid amendment:

"Clause (a) of section 89 relating to prosecution for non-issue of invoice is being replaced with the words "knowingly evades payment of service tax". This will meet the demand of business that mere non-issue of invoices should not be made punishable with prosecution, while giving a comprehensive coverage to offences and also aligning with other indirect laws .

Simultaneously process of compounding of offences will be operationalized and the enabling rule making power has been obtained in the Act."

Thus, the said clause (a) of section 89(1) post amendment has cast a huge uncertainty on the applicability of prosecution provision for want of specific narrative. Though, it has been clarified that mere non-issuance of invoice would not be punishable with prosecution but indication of comprehensive coverage in line with other indirect tax laws may have far-reaching impact on the future transactions and apprehension may loom large in the trade.

Since the CBE&C clarification dated 16th March, 2012 is indicative of giving a comprehensive coverage to offences aligning with other indirect tax laws, apprehension of the trade is justified that the difficulties arising out of such ambiguous wording may take an ugly shape under the new negative-list based regime which is in a nascent stage. In these challenging times, there is a pressing need to draw a clear intended scope of the said clause (a) of section 89(1) in order to achieve the broad objective of compliance.

Though the Board has in its Circular No. 140/9/2011 -ST dated 12.05.2011 clarified that the provisions relating to prosecution are to be exercised with due diligence, caution and responsibility on the part of departmental officers but such expansion of provision without proper narrative or outline may expose the assessee to the threat of unnecessary prosecution.

It has also mentioned in paragraph 9 of the aforesaid Circular that each offence described in section 89(1) of the Finance Act, 1994 has an inherent mens rea; delinquency by the defaulter of service tax itself establishes his 'guilt'; if the accused claims that he did not have guilty mind, it is for him to prove the same beyond reasonable doubt; thus, burden of proof regarding non-existence of 'mens rea' is on the accused.

So, the department has smartly positioned itself to plead for every evasion having inherent mens rea to be covered under the terms "knowingly evades" and liable for prosecution.

In such a situation, it is expected that the Departmental officers exercise the provisions of prosecution with due diligence, caution and responsibility.

It is also important to understand the following important provisions of Finance Act, 1994 :

Sections	Provisions
72A	Special Audit by Practicing Chartered Accountant and Cost Accountants if assessee fails to declare or determine value of taxable services correctly or Cenvat availment and utilization are not in the normal limit or availed by fraud/ collusion / suppression of facts / willful misstatement or where operation of the company are spread out at multiple locations
Sec 73(1)	Time limit for issue of Show Cause notice extended to 18 months
Sec 73(2)	Deeming provision for issuance of Show Cause Notice for subsequent period has been introduced if grounds relied upon remain the same for the earlier period - Limitation of 18 months will not apply in such cases.

Sec 73(4A)	Provision of payment of service tax, interest and penalty equal to 1% each month maximum to 25% will not be applicable in the case where service tax not levied or paid or short levied or short paid or erroneously refunded will not be applicable if it is on account of fraud / collusion / suppression of facts / willful misstatement.
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In other words, issuance of Show Cause Notices and invoking extended larger period will not be at all difficult to the Revenue Department considering the nature of disclosures and reply to the communications which is generally made by the Assessee's and as stated above, invoking the provisions of prosecution will be easy if, proper controls and systems are not been set-up.

One has to undertake the following exercises so as to be 100% Statutory complaint and also to avail correct Cenvat of "Capital goods, Input and Input Services" and also " Reverse Cenvat Amount " in accordance with Rule 6 (3A) of Cenvat Credit Rules, 2004.

- 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
- Mapping the transactions in the Ledger Accounts, linking it with Service Provider Master and identifying the coverage under Service and impact on the service Tax liability
- Review of the mechanism for availment of Service Tax Credit
- Providing Guidelines for change in system of Accounting entries, required if any to facilitate the identification of the Service Tax Liability as mentioned above
- Providing guidelines for changes in system of Credit Availment, taking into account the revised reverse charge scenario
- Amending Contract terms of the various contracts with Service Providers to have minimum impact of service tax within the Legal framework and reduce the complexities under Reverse Charge Mechanism and Cenvat Credit Reversal Mechanism
- 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

The actions needs to be initiated not only for the Officers' of Accounts Department and Indirect Tax Team of company but also to the Statutory Auditor and Tax Auditor who will be certifying the correctness of Payment of Government dues and also of Cost Accountant who will be doing the Cost Audit and report Indirect Tax Reconciliation in his Audit report.

* * *

CHAPTER NEWS

AHMEDABAD

Felicitation Function and Seminar on "Recent Notification / Circular of MCA for filling of Cost Compliance and Cost Audit Report in XBRL Formats

Ahmedabad Chapter of Cost Accountants has organized Seminar on " Recent Notification /Circulars for filling of cost compliance / Cost Audit Report in XBRL Formats at Hotel Fortune Landmark on 9/9/2012.

CMA P.H. Desai, Chairman of Ahmedabad Chapter Welcomed the Guest and both the Speakers.

Hon'ble President of ICAI, CMA Rakesh Singh inaugurated the function.

Chief Guest of Seminar CMA B.B.Goyal, Advisor [Cost], Govt. of India in his key note address stated that the fundamentals of the XBRL [extensible Business Reporting language] and emphasized how it is helpful for the transparency, comparability and uniformity in the financial statements.

In the Technical Session, the key Speaker CMA A.G.Dalwadi & CMA Malav Dalwadi made presentation in power point with showing various forms.

A panel discussion session was organized to clarify the doubts/queries of members.

More than 100 participants were present in the Seminar from Rajkot Baroda, Surat and Gandhidham.

In the evening felicitation function was arranged to felicitate CMA Rakesh Singh, President, CMA S.C. Mohanty, Vice President of ICAI and CMA S.S.Shah, Chairman of WIRC, CMA Ashish P. Thatte Vice Chairman of WIRC. CMA Vijay Joshi, Past Chairman WIRC and CMA Ashok Nawal, Treasurer WIRC were the special invitees.

At last Hon'ble President & Vice President addressed the audience and updated about various initiatives of the Institute. They also left the audience optimistic and confident about growth of brand image of profession.

CMA V.H. Savalia proposed the vote of thanks.

AURANGABAD

Full day Seminar on XBRL

Full day seminar on eXtensible Business Reporting Language (XBRL) organized by Aurangabad Chapter of Cost Accountants on 14th September, 2012 at Hotel Vits, Aurangabad.

Director - Commercial & CFO of SKODA Auto I. Pvt Ltd CMA Sanjay Mundade was the Chief Guest. CMA A.G. Dalwadi & CMA M.A.Dalwadi (Ahmedabad) were the

expert Faculty for the programme. The faculty explained the background and basic concept of XBRL and its importance in view of the recent notifications of Ministry of Corporate Affairs (MCA), Govt. of India. The e filing of all annual returns of all companies through XBRL has been mandatory by MCA. XBRL has been recognized worldwide as a standard format of reporting financial information pertaining to businesses.

CMA R.S. Deshmukh, Chairman of Aurangabad Chapter & CMA P.P.Mohani Chairman - Professional Development Committee of the Chapter welcomed the Guest, Speakers & Audience.

Programme was started by the Ganesh Vandana of Ms Bhakti Dandwate. Chairman of Aurangabad Chapter of ICAI CMA R.S.Deshmukh briefly narrated the theme of the Programme. CMA A.R.Joshi introduced the guest & speakers to the audience while CMA S.R. Pimple concluded the seminar with thought provoking remarks. Mr Vasant Tondwalkar co-ordinated the programme and CMA Amit Devdhe proposed Vote of Thanks.

Vice Chairman of the Chapter CMA N.L.Kuyate, CMA S.J.Deore, Sr Member CMA M.R.Pandit, CMA R.P.Gore, CMA R.G.Modani, CMA S.B.Khadke, CMA Vaishali Mansabdar, CMA Shilpa Soni, CMA L.G.Toshniwal made the Seminar a grand success with their active participation. The seminar received an overwhelming response from the industry participants, practicing professionals and students.

INDORE - DEWAS

Seminar on Recent Changes in Service Tax

A seminar was organized by Indore-Dewas Chapter on 8th September 2012 at Hotel Fortune Landmark, Indore on Recent Changes in Service Tax. CMA A.B.Nawal (Treasurer WIRC and MD Bizsolindia Pvt. Ltd) was the resource person for the seminar. CMA Nawal discussed about the recent changes in service tax effective from 1st July 2012. He explained the revised definition of service, declared services, exempted services, point of taxation, classification of services, valuation of series and the concept of reverse charge. He also elucidated the impact of recent changes in service tax on SEZ units with the help of interesting practical examples. Participants were made aware about the need of a roadmap for implementation of zero deviations from compliance requirements by focusing on functioning of finance and accounts department. Chapter Chairman CMA Dr. Niranjana Shastri welcomed all the delegates sitting on the dais and off the dais. CMA Vijay P. Joshi (Immediate Past Chairman WIRC) introduced about the subject matter of the seminar and highlighted its importance for the industry. Seminar was attended by many delegates from

finance & accounts department of Industries located in and around Indore-Dewas. Many members and students were also present during the seminar. The seminar was covered by local media and almost all leading newspapers gave good coverage to the event.

Workshop on Emotional Intelligence & Felicitation Ceremony

A workshop was organized on 16th September 2012 at Hotel Surya, Indore on Emotional Intelligence. CMA P.D. Modh (Chairman- Oral Coaching Centre of Ahmedabad Chapter) was the resource person for the workshop. CMA Modh discussed about importance of EQ i.e. Emotional Quotient and he differentiated it with the IQ i.e. Intelligence Quotient. He explained that various types of emotions like hate, anger, love, joy, sorrow jealousy etc. can be managed intelligently with the help of conscious approach. He emphasized that IQ may be helpful in initial part of career but to reach at heights EQ plays very important role. CMA Dr. Niranjan Shastri Chairman of the Chapter welcomed all the delegates sitting on the dais and off the dais. CMA Vijay P. Joshi (Immediate Past Chairman WIRC) felicitated CMA Shrenik Shah, newly elected Chairman of WIRC.

On the occasion CMA Shrenik Shah felicitated passed out students of Foundation, Inter and Final. Program was attended and appreciated by delegates of Industries, faculty members, ICAI members and students.. The program was covered by local media and almost all leading newspapers gave good coverage to the event.

KUTCH - GANDHIDHAM

With effect from December 2012, a NEW Examination Center, for ICAI (CMA) Foundation, Intermediate, Final and Management Accountancy, will be operative at Adipur - Kutch (Gujarat) with Center Code as 134.

Address:

Tolani Institute of Management Studies

Opp. Railway Crossing, Adipur - Kutch,
Gujarat - 370 205. Tel.: 02836-261466

Two Guest Lectures on following topics was organized by the chapter

- I. Tax Planning of Corporates by CA Rajiv Singh, Practicing Chartered Accountant, Gandhidham on 29th August, 2012 at Tolani Institute of Management Studies, Adipur.
- II. Business Laws - Interpretation in right perspective by CMA P.D. Modh, Retired Cost Manager, Cadila Group of Companies, Ahmedabad on 22nd September, 2012 at Tolani Institute of Management Studies, Adipur.

NAGPUR

Chapter conducted a workshop on COST AUDIT AND COST COMPLIANCE REPORT for its members at its

Chapter premises at Laxmi Nagar on Saturday, 8th September, 2012, which was well attended.

CMA G.R. Paliwal and CMA Suresh Saluja, Practising Cost Accountants were the key speakers.

The members evinced keen interest by raising relevant queries which were promptly clarified by the speakers. The programme was ably chaired by the Chairman of the NCCA CMA Deepak Khanuja. In his Opening Remarks the Chairman Deepak Khanuja explained the Importance of the Workshop, as the Industry as well as practicing professionals are facing difficulty in implementing the said order & said that it is need of the hour. He also informed the members that . as per the the latest circular No.18/2012 dtd 26 July 2012 MCA has extended the limit of filing Cost Audit report in XBRL Format without any penalty upto 31st December 2012.

CMA N P Viswanathan, Vice Chairman of the Chapter, conducted the proceedings. CMA Vivek Chavan, Secretary of the Chapter proposed a Vote of thanks. CMA Anan Sahasrabuddhe, CMA S.N. Mahankaliwar and CMA Ujwal Loya, Executive Committee members worked hard for the success of the programme.

NAVI MUMBAI

Report of the CEP Program "Introduction of the concept of XBRL to Accountants" organized by the Navi Mumbai Chapter of Cost Accountants on Sunday, the 16th September 2012

Navi Mumbai Chapter of Cost Accountants organized the CEP Program to enlighten the Members about the XBRL reporting, which would be made mandatory very shortly. The Program was conducted jointly with IRIS Business Services Ltd (an established provider of XBRL based solutions and services)

CMA Vivek Bhalerao, Chairman of the Chapter, introduced the Firm IRIS and its Speakers. He also discussed about the XBRL reporting system and its importance under the new era of Reporting .

Senior Officers of IRIS explained lucidly the purpose of XBRL reporting and the advantage of it. Taxonomy, which may be relevant after implementation of XBRL reporting system, was discussed at length during the discussion meet. The discussion meet was attended by practicing members and senior executives of different companies. Program ended with a hearty vote of thanks.

PUNE

- A. CEP ON "Title of the programme : "Latest Cell Phone Technology Crimes" - 23rd August, 2012

Speaker: Mr. Sandip Gadiya

Pune Chapter of Cost Accountants - PCCA organized a CEP on "Latest Cell Phone Technology Crimes" on

23rd August, 2012. CMA Chaitanya Mohrir, Chairman, Professional Development Committee, PCCA introduced and welcomed the speaker and the audience.

Members of PCCA and large number of members and students attended and interacted with the Speaker and the panel. Mr. Gadiya explained the subtleties of the complex subject in his easy style. The session was very informative and an eye opener. CEP ended with a vote of thanks proposed by Mr. Shrirang Abhyankar, Hon. Director, PCCA.

- B. CEP ON "Exposure Draft of Guidance Note on Maintenance of Cost Accounting Records for Construction Industry" - 18th August, 2012

Pune Chapter of Cost Accountants - PCCA organized a CEP on "Exposure Draft of Guidance Note on Maintenance of Cost Accounting for Construction Industry.

A very interactive discussion with panelists CMA Dhananjay Joshi, CMA Harshad Deshpande. The programme was well received by the members. This was followed by a discussion with the panel. CEP ended with a vote of thanks proposed by CMA Chaitanya Mohrir

SURAT-SOUTH GUJARAT

Full Day Seminar on 22.09.2012 at Ankleshwar by Bharuch Ankleshwar facility Centre ICAI.

ICAI Facility Centre organized a Full day seminar on Practical application of recent Changes in Service Tax Negative list on 22.09.2012 at Hotel Lord Plaza Ankleshwar. Seminar was also attended by Dy. Commissioner of Central Excise Ankleshwar-II Mr. Mukesh Rathore with his team. He appreciated the efforts of organizing such seminar for the awareness of industries at large which is the need of time in fact deptt also ready for any help/support for conducting such seminars and planning to start help centers at their each offices. More than 150 participants were present in the seminar from Bharuch, Dahej, Ankleshwar, Surat & Baroda. Welcome Note was presented by conference chairmanship of CMA Satyanarayan Mundra (Vice Chairman Surat South Gujarat Chapter) explaining the activities of facility Centre and support of all industry. CMA S.S. Guptaji (Author of Books on service Tax) explained the practical application of new provisions in simple manner which will be helpful in handling the day to day function of service tax and compliance thereunder. CMA Ashokji Nawal (MD of BIZSOL India Pvt. Ltd) had also explained the impact of works contract services and valuation in detail nicely for optimum benefit of all participants. He also explained the practical issue for compliance by SEZ under negative list scenario. Question Answer session was very interactive and all the participants had taken active part in clarifying the doubts. Many senior official

from Reliance, Birla, Well spun were present and they have appreciated the efforts of our profession in organizing such useful seminar inviting knowledgeable faculties. Programme was coordinated by CMA R.K. Rathi.

CMAs R.A. Mehta and Rajesh Makwana. had presented vote of thanks. CMA Amish Parmar presented Memento to Chief Guest. Madam Nikita Nagori Dy Commissioner of Central Excise Ankleshwar was also present during inaugural ceremony seminar.

Seminar on XBRL

Half day seminar on XBRL was organized by The Surat South Gujarat of Cost Accountants on 23/09/2012 at Dilip Parekh Rotary Hall, Nanpura, Surat.

Chairperson CMA Dr. Heena Oza welcomed the guest, faculties and participants and gave the brief about the Chapter's activities. CMA J. T. Parmar, Secretary of the Chapter discussed the purpose of keeping seminar on XBRL. Inaugurating the seminar, Guest of honor of the Seminar CMA Shrenik Shah Chairman, WIRC appraised the participants about the latest development in the profession and region level wished the seminar great success. Expert faculty and past CCM CMA Ashwin Dalwadi, and CMA Malav Dalwadi elaborated eXtensible Business Reporting Language (XBRL) for Cost Accountants in a simple and lucid manner, which was very helpful to all our members. The seminar was co-ordinate by CMA Leena Painter. Vote of thanks was presented by CMA Parag Swadia. The Seminar was well attended by CMAs, students of the Institute and delegates from Industries.

INAUGURATION JALGAON SMF CENTRE

The Jalgaon SMF Centre was inaugurated on 5th October 2012. On the occasion Dr. Vivek Katdare, Director, IMR-Jalgaon, CMA Ashok Nawal, Chairman Students, Members & Chapter Co-ordination Committee, WIRC, Mr. Prabhudesai, General Manager, Supreme Industries Ltd, Jalgaon, Mr. D.S. Nemade, Retd. Principal of Moolji Jaitha College - Jalgaon, Mr. Kiran Bendale, Managing Committee Member, Khandesh Education Society and CMA Vijay Joshi, Past Chairman WIRC were present.

Address :

C/o. Khandesh College Education Society's
Institute of Management & Research (IMR),
Jalgaon - 425 001

(Detailed report will be published in next issue of WIRC Bulletin)

Report on Full Day Seminar on New Mechanism on Cost Audit and Cost Record held on - Saturday, 15th September 2012

Speakers :

- CMA Ravi Sahani, RCM, NIRC, ICAI, Delhi
- CMA S. K. Bhatt, RCM, NIRC, ICAI, Delhi & Chairman Professional Development Committee.
- CMA Chadrashekhkar Joshi, Practicing Cost Accountant.
- CMA Vaibhav Joshi, Practicing Cost Accountant.

In continuation of WIRC's initiatives of Professional Development of Members, Students and Industry, a CEP on " New Mechanism on Cost Audit and Cost Compliance Reporting was organized at ICSI Centre, Belapur, Navi Mumbai.

CMA Ashish Thatte, Chairman, Professional Development Committee, WIRC welcomed all present.

CMA Amit Apte, Central Council Member, ICAI, CMA Shrenik Shah, Chairman WIRC, CMA Neeraj Joshi, Hon Secretary WIRC, CMA Ravi Sahani, RCM, NIRC Delhi, and CMA Chandrashekhar Joshi, inaugurated programme by lighting lamp.

WIRC Chairman, CMA Shrenik Shah addressed all present by explaining importance of New Developments in Cost Audit and Cost Records. He expressed his gratitude for support given by Central Council Members and NIRC Delhi for spending a whole day for WIRC Team in sharing knowledge and updates on the subject.

CMA Ashish Thatte, Chairman, Professional Development Committee, WIRC co ordinate the entire programme thereafter.

CMA Chandrashekhar Joshi, Practicing Member shared his thoughts on Practical approach to applicability for Cost Compliance and Cost Audit. He started his speech by explaining all about approach to follow while

conducting Cost Audit and Compliance Reporting. In his narration, he explained all statutory provisions, circulars, clarifications issued by MCA on Cost Audit and Compliances.

CMA Ravi Sahani, RCM, NIRC, Delhi captured audience attention from start to end in his narration due his lighter way of explaining 'Cost Audit Report Rules- A practical approach'. While explaining all provisions of Cost Audit Report Rules, CMA Sahani showed actual Cost Audit prepared by practicing members. He explained audience on additional responsibilities and accountability on practicing members due to New Mechanism on Cost Audit introduced by Ministry of Corporate Affairs.

CMA Sandeep Kumar Bhatt, RCM, NIRC, Delhi and Chairman of Professional Development Committee shared his views on 'Cost Accounting Standards and GACAP- with examples'. CMA Bhatt gave practical examples in handling Cost Audit and Cost compliance related assignments. He then briefed audience on various provisions of GACAP and Cost Accounting Standards published by Cost Audit Branch.

The last session of the Full Day Seminar was concluded with CMA Vaibhav Joshi's presentation on 'Cost Audit in SAP and ERP Environment'. In his presentation, CMA Vaibhav stressed on importance of ERP/ SAP or any other Systems to be used by all industries in view of Complexities and expectations from Cost Auditing Reporting Requirments. He also discussed with audience on various check lists to be followed while doing Cost Audit through System. His narration was supported by practical case studies on ERP used in Industries and SAP - Controlling Module Functionalities

Audience Queries were discussed by CMA Ashish Thatte and CMA Vaibhav Joshi after all presentations in Panel Discussions.

CMA Ashish Thatte expressed Vote of Thanks at the end of session.

WESTERN INDIA REGIONAL COUNCIL of ICAI

announces

FULL DAY SEMINAR ON RECENT CHANGES IN SERVICE TAX

Saturday, 13th October 2012 • Time : 11.00 a.m. to 5.30 p.m.

At ROA Hotel, L.B.S. Marg, Nr. Sarvoday Hospital, Ghatkopar (West), Mumbai 400 086.

DELEGATE FEES (Including Service Tax) :

Company Representatives Rs. 3,935/-, Practicing Cost Accountants Rs. 1,685/-

Need for the Seminar

The introduction of the Negative List for Service Tax w.e.f.1st July, 2012 has changes above all the present provisions of Service Tax. The recipient of services are also made liable for service tax under Reverse Charge for various category of services such as Labour Contractors, Advocates, Renting of vehicles, Works Contract and many more services. The impact of negative list is on the Service Providers as well as Dealers / Service Recipients. It is also a guidance to the Industry/ Trade / Association for carrying the business effectively. Hence, the present Seminar is organized.

Faculty for the Seminar : CMA Sanjay Bhargave, CCM-ICAI
CMA Ashok Nawal, Treasurer WIRC-ICAI
CMA S. S. Gupta, Author of Books on Indirect Taxes

For More Details Contact: Mr. S. S. Deshpande, Asst. Director, Mob: 97692 72233

Details available @ WIRC Website



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CMA S S Shah-Chairman-WIRC & P H Desai - Chairman of Ahmedabad Chapter lighting the Lamp during Seminar on XBRL organized by Ahmedabad Chapter on 9/9/2012.



CMA A G Dalwadi addressing the participants during seminar on XBRL organized by Ahmedabad Chapter on 9/9/2012.



CMA R B Kothari, Vice Chairman of Ahmedabad Chapter felicitating CMA S S Shah - Chairman, WIRC during felicitation function organized by Ahmedabad Chapter on 9/9/12.



Felicitation of CMA Ashish Thatte, Vice Chairman of WIRC by CMA V H Savaliya - Secretary of Ahmedabad Chapter during felicitation function organized by Ahmedabad Chapter on 9/9/12.



CMA. B B Goyal - Advisor (Cost) Govt. of India ICAI addressing the participants during Seminar on XBRL organized by Ahmedabad Chapter on 9/9/2012.



CMA Rakesh Singh, President ICAI addressing the participants during Seminar on XBRL organized by Ahmedabad Chapter on 9/9/2012.



CMA Ashish Thatte, Vice Chairman WIRC welcoming CMA Ravi Sahani during CEP on "How to conduct Cost Audit & Cost Compliance - A Practical Approach" organized by WIRC on 3rd October 2012.



Chief Guest CMA Sanjay Mundade (Director - Commercial & CFO - SKODA Auto I. Pvt. Ltd.) & CMA Rajesh Deshmukh (Chairman - Aurangabad Chapter of ICAI) lighting the lamp during full day seminar on XBRL.



CMA Ashok Nawal, Treasurer WIRC, Vijay Joshi, Immediate Past Chairman WIRC and Niranjn Shastri, Chairman Indore Dewas Chapter during Seminar on Service Tax organized by Indore-Dewas Chapter on 8th September 2012.



CMA P. D. Modh, Chairman, Oral Coaching Centre, Ahmedabad Chapter, Shrenik Shah, Chairman WIRC, Vijay P. Joshi (Immediate Past Chairman WIRC) and Niranjn Shastri, Chairman Indore Dewas Chapter during felicitation function organized by Indore-Dewas Chapter on 8th September 2012.



CMA Dr. Niranjn Shastri, Chairman of Indore Dewas Chapter felicitating a student during felicitation function organized by Indore-Dewas Chapter on 8th Sept. 2012.



View of Participants during Seminar on Service Tax organized by Indore-Dewas Chapter on 8th September 2012.



CMA S. N. Mundra, Vice Chairman of Surat SG Chapter lighting the lamp during seminar on Service Tax XBRL organised by Surat South Gujarat Chapter. Also seen L to R CMAs Ashok Nawal, CMA R. A.Mehta, CMA Rajendra Rathi and CMA M.K.Desai



Inauguration of the seminar on XBRL organised by Surat South Gujarat Chapter From L to R : CMAs Malav Dalwadi, J. T. Parmar, Ashwin Dalwadi, M. K. Desai and Shrenik Shah - Chairman WIRC.



If undelivered please return to:

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Fax : 2287 0763
E-mail : bulletin@icwai-wirc.org
Website : www.icwai-wirc.org

To