



# WIRC BULLETIN

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For Members only

June 2010

## From the Desk of Chairman



Dear Professional Colleagues,  
Once again it's a privilege to communicate with you through this message. Things are moving so fast that may be, if we just close our eyes and reopen, things would be totally different. The economy is witnessing growth which is phenomenal and the latest figures of growth of 7.4% announced by CSO are even higher than what was expected. The only thing to be worried about is inflation, especially in respect of food and other essential commodities. I am sure that government would take necessary steps to keep it under check.

May 2010, witnessed host of events. A full day seminar on "Cost and Strategic Management for growth of SME sector" was organized on 19th May 2010 by WIRC to commemorate Annual Day of enactment of ICWAI Act, 1959. I take this opportunity to thank CMA V. C. Kothari (our Central Council Member), for taking all the pains to co-ordinate such a big Seminar. A Chapters' Meet was organised along with the seminar at Bhaidas Sabhagrih, Ville Parle. Incidentally, this is the fifth time during the year that WIRC has organized Chapters' Meet. I am happy to inform the members that WIRC has organized highest number of CEP programmes during the year 2009-2010 and this would not have been possible without your active and whole-hearted participation.

There were two more CEP programmes organized by WIRC during the month; one on IFRS by CMA R.N. Bhavne and another on CSR by Dr. Nachiket Vechalekar, which

were well attended by members.

Shree Satya Narayan Maha Pooja was organized at WIRC Office on 8th May 2010, in which past Presidents from our region and past office bearers of WIRC participated along with WIRC staff, students, and faculty members.

I also feel proud to state that we have achieved highest ever surplus for the year 2009-10. This has been only possible due to untiring efforts of all our Council Members & our dedicated staff. This shows and suggests the faith of society at large on our ICWAI profession. I assure the members that this surplus will be used to provide state of the art infrastructure to our beloved students and respected members.

I request the Chapters to have inauguration programmes of our local oral coaching classes. This will add image building mileage to our Profession. I would also like to remind our members to renew their membership and also appeal to you to persuade other members who have not paid their annual membership fees by now.

At this juncture, I would be failing in my duties if I don't wish all the best to our beloved Students for the ensuing ICWAI exams.

To end with

*The great thing in the world is not so much where we stand,  
As in what direction we are moving...*

With Warm regards,  
**Manubhai K. Desai**

***"Creativity is allowing yourself to make mistakes.  
Art is knowing which ones to keep. Words can be  
manipulated but silence you can't."***

## Seminar on Cost and Strategic Management for Growth of SME Sector



Chief Guest Mr. Jagdish Capoor inaugurating seminar by lighting the lamp. (L to R): Mr. Chandrakant Salunke - Guest of Honor; Mr. U. Venkataraman - Guest of Honor, ED, MCX Stock Exchange, CMA Manubhai K. Desai, Chairman, WIRC, CMA V.C. Kothari, Chairman, Research & Journal Committee, ICWAI.

## Glimpses from Seminar on Cost and Strategic Management for Growth of SME Sector on Wednesday the 19th May, 2010 at Bhaidas Sabhagrih, Mumbai



*Inaugural Session of Seminar (L to R): CMA V.C. Kothari, Chairman, Research & Journal Committee, ICWAI, Mr. Sri Ram Dandekar, Guest of Honour, Vice-President, MACCIA, Mr. Chandrakant Salunke - Guest of Honour, President, SME Chamber of India, CMA Manubhai K. Desai, Chairman, WIRC Mr. Jagdish Capoor - Chief Guest, Chairman, HDFC Bank, Mr. U. Venkataraman - Guest of Honour, ED, MCX Stock Exchange, CMA Amit Apte, Vice-Chairman, WIRC, CMA P.V. Wandrekar, Hon. Secretary, WIRC, CMA G.R. Paliwal, RCM, WIRC, CMA Aruna Soman, Co-opted Member-Executive Committee, WIRC.*

*Chief Guest Mr. Jagdish Capoor-delivering inaugural address (L to R): CMA V.C. Kothari, Mr. Sri Ram Dandekar, Mr. Chandrakant Salunke CMA Manubhai K. Desai*



*Release of Souvenir (L to R): CMA V.C. Kothari, Mr. Sri Ram Dandekar; Guest of Honour, Mr. Chandrakant Salunke - Guest of Honour, CMA Manubhai K. Desai, Mr. Jagdish Capoor - Chief Guest, Mr. U. Venkataraman - Guest of Honour, CMA Amit Apte, CMA P.V. Wandrekar; CMA G.R. Paliwal*

*Mr. Amit Jatia, M.D., McDonalds Restaurants making presentation (L to R): CMA Asim Mukhopadhyay, Head-Business Planning Commercial Vehicle Business Unit, Tata Motors, Session Chairman - CMA Ashwin Dalwadi, Chairman, CEP Committee, ICWAI, CMA Amit Apte, Vice-Chairman, WIRC, CMA S. G. Narsimhan, Co-ordinator, CEP Programmes, WIRC*



*Faculty of Technical Session on Cost/Strategic Management for Sustaining Growth (L to R): CMA L.P. Deosthalee, Dy. Chief Accounts Officer, Mumbai Port Trust, Mr. D.R. Dogra, M.D. & C.E.O., CREDIT Analysis & Research Ltd., Ms. Arati Porwal, Chief Representative, CIMA, CMA P.D. Phadke, Past President, ICWAI and Session Chairman, CMA G. R. Paliwal, RCM, WIRC, CMA Dr. Heena Oza, Chairman, Surat Chapter of ICWAI*

*CMA Somanth Mukherjee, CCM-ICWAI welcoming CMA Sanjay R. Bhargava, CCM-ICWAI, faculty for Technical Session. Also seen Mr. K.R. Bhargava, Chief Commissioner of Customs, Guest of Honour.*



सत्यमेव जयते

कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा तथा पदेन सदस्य, लेखा परीक्षा बोर्ड-1, मुंबई  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-1, MUMBAI

No. MAB-1/Admn./Misc/345

37 MAY 2010

To,

The Hon. Secretary,  
Western India Regional Council of the  
Institute of Cost and Works Accountants of India,  
1<sup>st</sup> Floor, Janmabhoomi Marg,  
Fort, Mumbai-400 001

Sir,

A panel is proposed to be drawn up for engagement of professionals, including ICWAs (CMAs) as Consultants for conducting commercial audit of PSUs by this office.

The appointment shall be for a maximum period of 11 months, and is extendable upto 5 years.

The appointed professionals may be deployed in various types of audits such as performance audits, thematic reviews, IT audit as well as accounts audit and processing of audit reports.

The remuneration for consultants hired on a contract basis is Rs.30,000/- . No HRA or conveyance allowance will be payable. They will however, be entitled for TA/DA while on tour which will be paid, at prescribed rates. Outstation tours may be involved.

ICWAs (CMAs) who are interested in the assignment may apply to this office on or before 18-6-2010, alongwith the copy of membership certificate, latest membership receipt & marksheets of all stages of ICWA examination. It is requested that this scheme may be given wide publicity through your office.

Yours faithfully,

Audit Officer/Admn

2/10/2010

पैसरी बिल्डिंग, इण्डियन हाऊस, 27 पी.एम. रोड, फोर्ट, मुंबई-400 001.

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## Report : Seminar on 'Cost and Strategic Management for Growth of SME Sector'

WIRC organized a Seminar on 'Cost and Strategic Management for Growth of SME Sector', on Wednesday, the 19th May, 2010, at prestigious Bhaidas Sabhagrih, Vile Parle, Mumbai. This Seminar was organized with the support of MCX' SX, as Partner Exchange, CIMA of UK as Knowledge Partner and with the Association with SME Chamber of India and Maharashtra Chamber of Commerce, Industry and Agriculture. State Bank of India, IDBI Bank and Credit Analysis & Research Ltd. (CARE) kindly sponsored this programme. CMA V.C. Kothari, CCM., ICWAI and Chairman, CMA Research & Training Centre Committee, WIRC, coordinated the programme with the active support of CMA Aruna Soman, Co-opted Member-Excom., WIRC.

Shri Jagdish Capoor, Chairman, HDFC, inaugurated the Seminar as Chief Guest. Shri U. Venkataraman, Executive Director, MCX Stock Exchange Ltd., Shri Shriram Dandekar, Vice-President, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA) and Shri Chandrakant Salunke, President, SME Chamber of India were the Guest of Honors for the function. The Seminar had 5 Technical Sessions, viz., Growth Opportunities for SME Sector for 2020, Cost / Strategic Management for Sustaining Growth, Regulatory Changes for Accelerating Growth, Success Stories in SME Sector and Special Financial Products for SME Sector.

Shri Jagdish Capoor, in his inaugural address mentioned about his association with ICWAI for more than two decades including during the period he was Deputy Governor of RBI. He highlighted the difficulties faced by SME Sector, which has been partly mitigated with the help of Institutions like ICWAI.

The eminent faculty members covered divergent subjects relevant to the SME Sector, but were unanimous that the Cost and Management Accountants should come forward to assist this Sector, which has to manage operations with limited resources, while facing multiple challenges.

Central Council Members, CMA Somnath Mukherjee, CMA (Dr.) Sanjiban Bandyopadhyaya, CMA H.K. Goel also graced the Seminar. A number of past Presidents, ICWAI and past Chairmen of WIRC participated in the Seminar.

CMA Manubhai K. Desai, Chairman, WIRC, CMA Amit A. Apte, Vice-Chairman, WIRC, CMA P.V. Wandrekar, Hon. Secretary, WIRC, CMA G.R. Paliwal, RCM, WIRC, CMA Sanjay R. Bhargave, CCM. ICWAI and CMA Ashwin G. Dalwadi, CCM, ICWAI also contributed as faculty / session Chairman, etc., for making the Seminar memorable and exemplary.

The Programme started with Saraswati Vandana by CMA & CA (Smt.) Pamela Jain, which was followed by welcome address by CMA G.R. Paliwal, RCM, WIRC. The Guests were welcomed with flower and mementos. The main programme started with lighting of lamp by the dignitaries.

CMA V.C. Kothari, Chairman, CMA Research & Training Centre, WIRC introduced the theme of the Seminar. He explained that the SME Sector comprises about 98% and 99% of total establishments in USA and Japan. Its share of employment in these countries is 53% and 72%. SME enterprises at present contribute nearly 17% of India's GDP, which is expected to increase to 22% by 2012. This sector accounts for 95% of the industrial units, is contributing around 40% of manufacturing output, is the second largest employer after the agricultural sector and enjoys around 40% of exports in India. The sector faced many unforeseen challenges during the last few years due to abnormal increases and decreases in prices of petroleum products, impact of sub-prime meltdown in economy all over the world, strain on financial sector universally and high inflation. All these factors have affected their capital requirements for keeping pace with speedy revival of Indian Economy. Besides many regulatory changes are taking place like new Companies Act, IFRS, GST, DTC, LLP, etc. Hence, WIRC decided to organise this seminar.

CMA Manubhai K. Desai, Chairman, WIRC in his introductory remarks briefly narrated achievements of the Institute and its contribution to the Society since its incorporation in 1944 as a Company and thereafter recognition by an Act of Parliament in 1959. The Guests were introduced by CMA Amit A. Apte, Vice-Chairman, WIRC.

Shri Shriram Dandekar, Vice-President, Maharashtra Chamber of Commerce, Industry and Agriculture, Guest of Honour, in his address mentioned the contribution of Small and Medium Sector nationally and particularly in Maharashtra with special reference to Mumbai City. Shri Chandrakant Salunkhe, Guest of Honor and President, SME Chamber of Industry highlighted the problems faced by SME Sector and its role in Indian Economy, particularly the exports. He also highlighted the services of his organization almost all over the country in assisting SMEs to further contribute for the welfare of the Society as a whole.

Shri U. Venkataraman, Executive Director, MCX Stock Exchange Ltd., Guest of Honour, in his address specially

mentioned the MoU entered with ICWAI on 6th May, 2010 at Kolkata to contribute for the success and growth of various businesses by optimising utilization of resources of both the organizations. He also highlighted various facilities offered by MCX Stock Exchange for transacting various businesses particularly hedging of risk to cover unforeseen volatility in the market.

Shri Jagdish Capoor, Chairman, HDFC Bank Ltd., while recalling his association with ICWAI for more than 2 decades, appreciated the role of the Institute for service to the businesses in general and Society in particular. Shri Capoor narrated his experience as Committee Member during his days in RBI in solving the problems of SMEs by bringing together the authorities, bankers and industry associations. He wished the Institute and the Profession growth for service to the society.

In the First Technical session on "Growth Opportunities for SME Sector for 2020",

CMA Amit Jatia, Managing Director, McDonalds Restaurants, shared his experiences in setting up chain of Restaurants in Western and South India for 15 years which involves development of uniform and standard raw materials to meet stringent International quality standards and training of man power to meet different tests. Shri Jatia was optimistic that with the increasing income and better living standards, small businesses have good opportunity for growth, if they plan their operations carefully.

Shri Shriram Dandekar, Guest of Honour, shared his experience in his business of stationery, reading materials, writing instruments, etc. in education and general businesses, which has very good potential in future due to large allocation of resources by the government for education and health sector.

Shri Asim Mukhopadhyay, Head-Business Planning (Commercial Vehicle Business Unit), Tata Motors, highlighted the growth opportunity in Automobile Sector particularly the country's contribution in export of large and small vehicles. He also highlighted his experience in vendor development for ensuring high quality as foreign vehicle users follow very high technical standards for long life of automobiles and to ensure safety and environmental control.

CMA A.G. Dalwadi, Session Chairman shared his experience in the State of Gujarat and how the State Government is providing new opportunities for improving domestic as well as export markets particularly in diamonds, chemicals and textiles sector. CMA Amit Apte, Vice-Chairman, WIRC proposed vote of thanks.

The Second Technical session on "Cost / Strategic Management for Sustaining Growth" was addressed by

Shri D.R. Dogra, Managing Director & CEO., Credit Analysis & Research Ltd. Smt. L.P. Deosthalee, Dy. Chief Accounts Officer, Mumbai Port Trust and Ms. Arati Porwal, Chief Representative, CIMA, which was chaired by CMA P.D. Phadke, Past President, ICWAI. Shri Phadke in his introductory remark, emphasized on the importance of cost and strategic management for substantial growth for SME sector. He especially mentioned that the global economy which faced unprecedented slow down in 2008 has been greatly revived with detailed cost / strategic management, leading to improved efficiency, saving in cost of operations, restructuring businesses, relocating employees and businesses, etc. Shri Dogra, while explaining the risk faced by an organization highlighted the role of Credit Rating Agencies, which analyses the external / internal risks faced by the organization. Credit rating helps in providing confidence to stake holders including lenders, investors, customers, suppliers and the Government Authority. The charges for credit rating are nominal considering the benefits derived. He explained in brief the help his organization provides, as credit rating has become compulsory for finance assistance from banks over Rs. 5 crores.

Smt. Deosthalee meticulously gave details of businesses handled by Ports in India in assisting international trade and the facility provided by Ports particularly Mumbai Port Trust including Warehousing for Imports and Exports. Ms. Arati Porwal, in her presentation analyzed various studies made by CIMA in UK covering operation of Small and Medium Enterprises. CMA G.R. Paliwal, RCM in the beginning introduced Guests. CMA (Dr.) Heena Oza, Chairman, Surat-South Gujarat Chapter of Cost Accountants, proposed vote of thanks.

Third technical session covering 'Regulatory Changes for Accelerating Growth' and 'Success Stories' was chaired by Shri K.R. Bhargava, Guest of Honour and Chief Commissioner of Customs. CMA Sanjay Bhargave, CCM, ICWAI, explained in detail, the various Excise, Customs, Cenvat, VAT and Service Tax Provisions, which help SMEs. CMA N.K. Nimkar analyzed Direct Tax Code provisions for SMEs. Dr. Bipin Doshi, Industrialist and Social Worker explained that in spite of being a Medical Doctor, he has switched over to construction business of his family and has been very successful mainly due to proper planning, timely execution of project and meticulous cost management. He advised participants to do proper planning before starting a project to avoid time and cost over runs. He also emphasized for provision of environmental factors in business. Shri Anil Gachake, Chairman of SME Committee of Maharashtra Chamber of Commerce, Industry and Agriculture, narrated success stories in various parts of the country by co-operative efforts in which a sector of SMEs join together to obtain

large volume orders from customers and share among themselves for its timely execution. This joint marketing and production sharing strategy has been helping many SMEs in the country like leather, textile and furniture making, etc.

Shri K.R. Bhargava, Chief Commissioner of Customs and Guest of Honour, in his address emphasized on the role of Cost and Management Accountants in helping SMEs as a bridge maker between the revenue authorities and businesses. He also explained initiatives taken by the Government of India including for e-filing of various forms and communications for speedy compliance of various procedures and reducing the cost of transactions. He hoped that with new GST regime, the Profession and the ICWAI will help the authorities and businesses as usual for smooth transactions, better compliance and growth of national economy in general.

CMA Somnath Mukherjee, CCM, ICWAI, in the beginning analyzed new provisions of GST and DTC and special role expected of the Profession for smooth transition. CMA Y. S. Thakkar, Chairman, Baroda Chapter of Cost Accountants proposed vote of thanks.

The final technical session on 'Financial Products for SMEs' and Valedictory session was chaired by CMA V.C. Kothari, Chairman, Research & Journal Committee of ICWAI and Chairman, CMA Research & Training Centre Committee of WIRC. CMA Ashish P. Thatte, Programme Co-ordinator and WIRC Bulletin Editorial Board Member, introduced the Guests.

Mrs. G. Rita, Deputy General Manager-SME, State Bank of India presented details of products and services offered by SBI for SME sector particularly Stree Shakti (Plan for Women Entrepreneur) Seed Capital for Professionals and open loan facilities, vehicle loans, equipment loan, international trade finance, etc. She mentioned that the Bank has special SME Branches all over the country to facilitate businesses at a low cost in minimum time. Shri Ajay Kumar, Assistant General Manager - SME, IDBI Bank also highlighted various special products and facilities for SMEs, including for long term assistance. Shri Saji Cherian, Head, Corporate Services & Business Developments, MCX Stock Exchange mentioned various facilities offered by his exchange for SME. He especially mentioned efforts made by the Exchange to promote SME exchanges all over the country to provide long term finance for SME sector.

CMA Shyamal Acharya, Chief General Manager, SBI, Guest of Honour of the Valedictory Session congratulated the Institute in organizing this Seminar and providing an opportunity for interaction between financial institutions, MCX Stock Exchange and Chamber of Commerce and Industry and Professionals to discuss

various problems faced by SMES. He hoped that the members of the Institute will assist SMEs in managing operations efficiently and for planning growth. He assured assistance by his Bank in particular and the entire banking system in general for the growth of this important sector in the national economy.

CMA V.C. Kothari, in his concluding remarks summarized the proceedings for the day and announced that considering to deliberations at the Seminar, the Institute will make efforts for co-coordinating efforts of SME Chambers, Banks, Direct and Indirect Taxes Authorities, Government Organizations, Professional Institutes and Industries, in setting up advisory services to improve the operations of SME sector with the help of Institute's Regional Offices and Chapters. He also emphasized that the Institute has brought out a Special Issue of its journal - The Management Accountant, on Cost and Strategic Management fo growth of SME Sector, which has been distributed to the participants today. Similar special issues have been planned on Direct Tax Code, Goods and Service Tax, new Companies Act, etc., which will have special articles for SME sector also. He requested all the stake holders to support the Institute in this direction.

CMA Manubhai K Desai, Chairman, WIRC assured to provide services of the Regional Council and the Institute for assisting the SME Sector in general and the businesses in particular.

CMA P.V. Wandrekar, Hon. Secretary, WIRC proposed vote of thanks for the whole Seminar.

## CEP REPORT

On 29th May 2010, WIRC organized CEP on "Corporate Social Responsibility" at WIRC Office, Mumbai. CMA (Dr.) N.M. Vechalekar, Past Chairman WIRC & Associate Dean, Post Graduate Programme, Indsearch, Pune was the speaker for the programme. He first explained the concept of CSR to the participants, then he showed one CD about Poly Hydron Pvt. Ltd. regarding the ethical practices used in the said company. Dr. Vechalekar later discussed about Corporate Responsibility Index of Karmayog, Dow Jones Sustainability Index, he also discussed various case studies done on this topic. Though the subject is comparatively new it was well attended and well received by the participants.



# TARGET COSTING

CMA **Hetal Shah**, AICWA – Sr. Manager - Finance, Cadila Healthcare Ltd.  
*hetal\_cma@rediffmail.com*

The long-term success of any business depends on whether its prices exceed its costs by enough to finance growth, provide for reinvestment, and earn a satisfactory return to its stakeholders. As competition increases and supply exceeds demand, market forces influence prices significantly. In a highly competitive market, business houses cannot afford to go on cost plus pricing as market forces play a key role in determining the prices. To earn profit and remain profitable, the only way left out for the organizations is to charge the similar price in the segment where it wants to position its product. Even at the market-determined price, organization has to earn enough of profit for the aforesaid purpose. That means, the left out variable in the  $\text{Price} = \text{Cost} + \text{profit}$  is cost. In the context of these characteristics, the practice of target costing has evolved.

Target cost is not necessarily the lowest cost. One can say, Target costing is the most appropriate cost for achieving organisation's objective. Target costing is different way to look at the relationship of prices and costs. The basic target equation of "Price less Profit Margin = Cost" means that

- Prices are driven and set either by competitive market forces or by the firm as it aggressively lowers its prices to increase market penetration;
- Profit margins are established such that the firm can make money;
- Allowable costs are derived from price and margin.

Target Costing requires mindset changes across the organization and integrates the marketplace with design and production. It is a key to long term business survival, growth and prosperity in a competitive and rapidly changing environment. Viewing costs as a derivative of prices and profit margin, rather than the other way around, requires a major shift in mind set. "Blind test" is an important tool for the mindset change. E.g. In a pharmaceutical company, particular medicine was being sold in a carton made of premium quality paper with lamination for years together. Due to competition it requires lowering its prices and still was having challenge to maintain the profit. In a value engineering project, a proposal was forwarded for changing the paper board quality and removal of lamination on the carton. Marketing has apprehension in accepting the proposal on the ground that it will affect the sales. After a long discussion, team was able to convince that customer is buying the product with primary packing (like strip or blister pack) and not the secondary packing like carton. Not only that, team had to prepare the marketing team for a "blind test" and arranged a display of various quality of carton to differentiate and rank them in terms of look and quality. Based on the result of "blind test" marketing

dept has accepted the proposal to change the carton. Thus, the "blind test" exercise helped in a major mind set change.

One of the benefits of target costing is that it compels greater understanding of markets, competition and customer needs, in terms of products, quality, timeliness and price. When prices are set by market forces, or by a management decision to be a price leader, costs must be lower than prices to make money.

Most costs are determined by early product and process design decisions. Trying to reduce costs once a product reaches production is difficult. Therefore, focusing on costs during the early design stages to ensure that the target profit and cost can be realized is critical. That means product designs, material choices, specifications and tolerances, buy versus make decisions, process designs and investment decisions need to be thought through before product design and development decisions are finalized. E.g. In a Consumer Non durable FMCG industry, perfume and fragrance vendor can not be easily changed as perfume and fragrance material is non standardized items. Therefore, utmost care must be taken while selecting a perfume vendor and a structured approach in terms of future price change should be decided at the time of selecting the perfume and vendor itself. Similarly, in Pharmaceuticals, tablet can be formed using combination of various excipients having differential cost. Therefore the formulation development team (R&D team) should be communicated the target cost in advance to ensure they use the right combination of material.

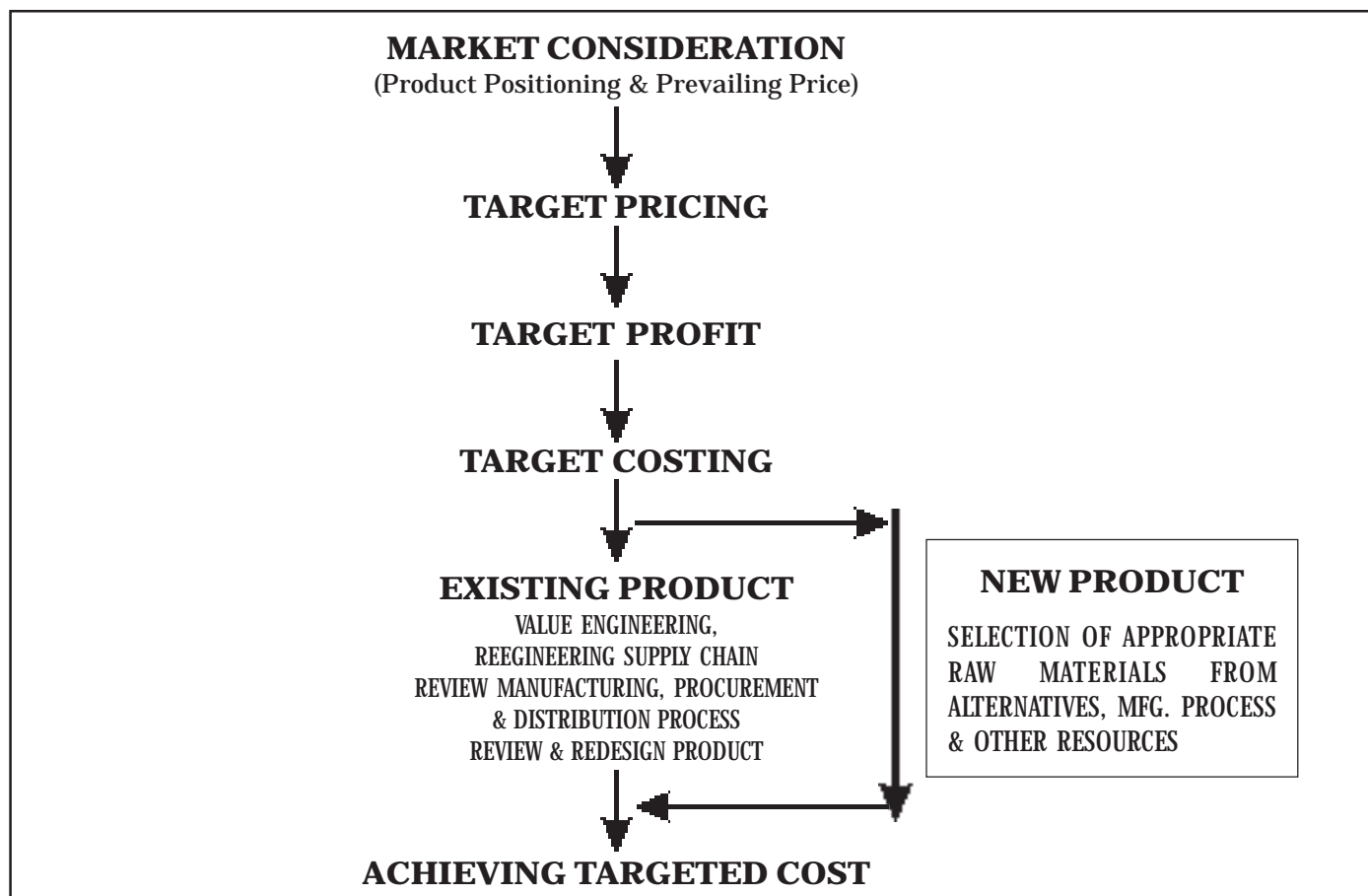
The costs most typically emphasized in the target costing process are such things as: material and purchased parts, conversion costs (such as labor and identifiable overhead expenses), tooling costs, development expenses etc. However, all costs and assets that may be affected by early product planning decisions should be considered. This would include indirect overhead expenses and also various service costs. Target costing is intended to get managers to think comprehensively about the cost and other implications of the decisions they made.

## **Target Costing Process**

There is no single target costing process. However, generally companies follow a series of general steps:

- Establishing the target price in the context of market needs and competition;
- Establishing the target profit margin;
- Determining the allowable cost that must be achieved;
- Calculating the probable cost of current products and processes; and finally,
- Establishing the target cost amount by which current costs must be reduced.

Diagrammatically above general process can be explained as under.



Once the target cost has been derived, companies often take the following steps for achieving it:

- Establishing a cross functional team, which is involved in the implementation process from the earliest design stages;
- Using tools such as value engineering in the design process.

What could be the well known recent example of target costing? It's no other than the Nano Car. The sensational

announcement by Tatas - Car for every one at Rs 1 Lacs could not have become possible without the target costing. Even in the high inflationary pressure days, Ratan Tata announces that Promise is a Promise; we will provide the car at Rs 1 lacs. According to one media report, a cross functional team which includes the design team, the engineers, purchase and the Costing team all jointly worked hard for the dream, a car of 1 lac, to come true.

*(Disclaimer: Views expressed are the personal opinion of the Author)*

## Study Circle Meeting Report

**On 8th May 2010**, WIRC organized a Study Circle Meeting of Eastern Suburbs at Mulund College of Commerce, Mulund on "ERP-SAP R/3 - A Over View". The speaker for the programme was CMA Pravin Ambeskar, SAP Consultant. CMA P.V. Wandrekar, Hon. Secretary WIRC, CMA Aruna Soman & CMA S.G. Narasimhan, Programme Co-ordinator, Eastern Suburbs Study Circle were present at the meeting.

**On 15th May 2010**, WIRC organized Study Circle Meeting of Western Suburbs at Chetana College of Commerce, Bandra (E), Mumbai on "IFRS". The speaker of the programme was CMA R.N.Bhave, the fellow member of the Institute. CMA R.N. Bhave explained in detail the implication of implementation of IFRS in India effective 1.4.2011. He also talked about the role of Cost Accountants in the said scenario. CMA P.V. Wandrekar, Hon. Secretary WIRC, CMA Aruna Soman & CMA V.B. Prabhudesai, Programme Co-ordinator, Western Suburbs Study Circle were present at the meeting.

Both the meetings were attended and well received by the members & students.



## CHAPTER NEWS

### AHMEDABAD

#### Office Bearers for 2010-11

CMA S. S. Shah	...	<i>Chairman</i>
CMA P. H. Desai	...	<i>Vice Chairman</i>
CMA V. H. Savalia	...	<i>Secretary</i>
CMA Ashish Bhavsar	...	<i>Treasurer</i>

### AURANGABAD

#### Office Bearers for 2010-11

CMA R.B. Shukla	...	<i>Chairman</i>
CMA R.D. Khandalkar	...	<i>Vice Chairman</i>
CMA D.V. Dabri	...	<i>Vice Chairman</i>
CMA S.J. Deore	...	<i>Secretary</i>
CMA M.A. Avhad	...	<i>Treasurer</i>

### BHOPAL

#### Office Bearers for 2010-11

CMA S.M. Ramanathan	...	<i>Chairman</i>
CMA Suresh Soni	...	<i>Vice Chairman</i>
CMA Sanjeev Gawande	...	<i>Secretary</i>
CMA B.K. Malganya	...	<i>Treasurer</i>

#### Seminar on Indirect Taxes

Seminar on "INDIRECT TAXES" was organized by Chapter on 2nd May, 2010 at Bhopal. The seminar was presided by President, ICWAI CMA G.N.Venkatraman.

Distinguished guests from Excise department, Bhopal Mr. J.Bhattacharya Addl Commissioner (IRS), GM (Fin), BHEL Bhopal, Mr. V.Ravindran & GM (Fin) BSNL Mr. B.L.Verma Bhopal graced the inaugural function of the seminar as guests of honour.

The keynote speaker was CMA V.S.Datey FICWA, Senior Cost Accountant. & renowned author on books on Indirect Taxation. He spoke on GST & recent changes in Indirect taxes with reference to latest budget.

Topic of the seminar was "Recent advances & changes in Excise duty & Service Tax and important Provisions/Case laws applicable to manufacturing sector".

### KALYAN-AMBERNATH

#### Office Bearers for 2010-11

CMA G. B. Shamnani	...	<i>Chairman</i>
CMA M. R. Dudani	...	<i>Vice Chairman(Adm.)</i>
CMA S. G. Narasimhan	...	<i>Vice Chairman (PD)</i>
CMA Neetu Kapoor	...	<i>Secretary</i>
CMA G. U. Keswani	...	<i>Treasurer</i>

#### Members & Students' Get Together Meeting

Chapter organized "Members and Students' Get-Together" Meeting on 1st May 2010 at Chapter premises to celebrate the event of Best Chapter Award for year the 2009 at National Cost Convention held at Kolkata. CMA Manubhai Desai, Chairman, WIRC was the Chief Guest at the function. CMA G.B.Shamnani, Chairman of Chapter welcomed the Chief Guest. CMA Manubhai Desai in his speech congratulated the Managing Committee of Chapter, students and staff of Chapter for getting Best Chapter Award for the year 2009. He requested Chapters to make voluntary contribution to Members Benevolent Fund created by Institute for the benefit of members CMA G.B.Shamnani, Chairman of Chapter announced that Chapter will contribute Rs.25000/- to Members Benevolent Fund. CMA M.R. Dudani, Vice-Chairman of Chapter informed students about unique scheme of awarding prizes to students passing Institutes examination with first attempt.

On the occasion Mr.Krishnamurthy B. Naidu, President, Emacs IT Solutions, informed students about importance of personality development and Information technology in professional courses like I.C.W.A.I. Mr Pramod S. Kudtarkar, Manager, Business Relations, Udyog Software (India) Ltd., Mumbai spoke on "E.R.P." supported by power point presentation

Many students of Inter and Final and members including CMA D.M. Bathija, immediate Past Chairman of Chapter, CMA A.K. Deshmukh Managing Committee Member, CMA G.U. Keswani, Treasurer of Chapter, CMA K.Kanaksabhpathy, CMA Mohan Bhatia, Faculty Members Mr. Manoj Kasalkar, Ms, Leena Kasalkar, Ms. Anupama Jawale, Ms. Neetu Kapoor and Mr. Pravin Sawant, Vice -President Udyog Software (India) Ltd also attended the function.

The Programme was co-ordinated by Raju P.C., Executive Secretary, along with other staff of Chapter Mr. Omprakash Dalwani and Ravi Rohra. The Programme ended with vote of thanks by CMA D.M. Bathija

### NAGPUR

#### Office Bearers for 2010-11

CMA K. Muralidhar Rao	...	<i>Chairman</i>
CMA Kiran Badwe	...	<i>Vice Chairman</i>
CMA S. N. Mahankaliwar	...	<i>Secretary</i>
CMA A.R. Sahasrabudhe	...	<i>Treasurer</i>

### PUNE

#### Office Bearers for 2010-11

CMA Pramod Dube	...	<i>Chairman</i>
CMA Madhuvanti Sathe	...	<i>Vice Chairman</i>
CMA Milind Date	...	<i>Secretary</i>
CMA Harshad Deshpande	...	<i>Treasurer</i>

## SURAT - SOUTH GUJARAT

The 15th AGM of the chapter was convened on 30th May, 2010, where the members present discussed activities undertaken by the chapter during the last year, the members also gave fruitful suggestions about further enhancing the services provided by the chapter to meet the growing needs of members and students.

Soon after the AGM, managing committee met and the following were elected as office bearers for the year 2010-11

CMA (Dr.) Heena Oza	–	<i>Chairperson</i>
CMA B. F. Modi	–	<i>Vice Chairman</i>
CMA Shirish Mohite	–	<i>Vice Chairman</i>
CMA Kenish Mehta	–	<i>Secretary</i>
CMA Amish Parmar	–	<i>Treasurer</i>

The chapter also felicitated past Chairman Shri Shailendra Saxena on being elected as chairman of the Bharuch branch of ICAI.

The committee also took on record the dedicated services and support provided by WIRC and its office bearers.

## STUDY CIRCLE MEETING OF EASTERN SUBURBS/THANE

Date : Saturday, the 12th June 2010  
 Time : 5.30 p.m. to 8.00 p.m.  
 Topic : Outbound Foreign Investment  
 Speaker : CMA Debashish Mitra  
 Venue : Mulund College of Commerce,  
 Mulund (W), Mumbai - 400 080

*(2 CEP Credit Hours will be provided)*

### Programme Co-ordinators

CMA S.G. Narasimhan - 98199 95065  
 CMA Shekhar Joshi - 98204 25493  
 CMA Ashish Thatte - 98209 73559

***For Registration :***

**E-mail: seminar@icwai-wirc.org**

## FORTHCOMING CEP AT WIRC

Saturday, the 26th June 2010

For details  
 please check WIRC site.

## CONTINUING EDUCATION PROGRAMME PUNE CHAPTER

Date	Faculty	Subject
Saturday, 12-6-2010	Mr. Neeraj Kapoor, <i>Manager, Sundaram MF</i> Mr. Shrikant Abhyankar, <i>Consultant</i>	Role of Mutual Fund in Financial Market
Saturday, 19-6-2010	Mr. Madhav Kshirsagar <i>Quantact Consultant</i>	Strategic Management Approach w.r.t. Activity Based Costing & Balanced Scorecard
Thursday, 24-6-2010	Dr. N. M. Vechalekar <i>Associate Dean, Post Graduate Programme, Indsearch, Pune</i>	Corporate Social Responsibility

Fees : Rs. 100 per Programme

Time : 5.30 p.m. to 8.30 p.m.

Venue: M P Pandit Hall of Pune Chapter's Premises,  
Laxminagar, Pune 411009

***(2 CEP Credit hours will be provided)***

***For Details Contact :***

**Pune Chapter of Cost Accountants**

**Tel. : 020 - 2444 7976 • E-mail : pune@icwai.org**

Statement about Ownership and other particulars about Newspaper "WIRC BULLETIN" as required to be published in the first issue of every year after the last day of February.

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I hereby declare that the particulars given above are true to the best of my knowledge and belief.

31st May 2010

Sd/-  
Amit A. Apte

## Glimpses from Seminar (contd.)



Personalities at Seminar (L to R): CMA P.V. Wandrekar, Mr. Anil Gachake, Chairman, SME Committee of MACCIA, CMA V.C. Kothari, Mr. K.R. Bhargava, Chief Commissioner of Customs, Guest of Honour, Dr. Bipin Doshi, Industrialist & Social Worker



Technical Session on Special Financial Products for SME Sector, (L to R): Mrs. G. Rita, Dy. GM, SME, SBI, Mr. Saji Cherian, Head, Corporate Services & Business Development, MCX Stock Exchange, CMA P.V. Wandrekar, CMA V.C. Kothari, Session Chairman, CMA Manubhai K. Desai, Chairman, WIRC, Mr. Ajay Kumar, AGM, IDBI Bank, CMA Dr. P.C. Basu, Group Controller, Essar Group, CMA Ashish Thatte, Co-coordinator, CEP Programmes, WIRC



Guest of Honour: CMA Shyamal Acharya, COM, SBI delivering Valedictory Address (L to R): Mrs. G. Rita, Mr. Saji Cherian, CMA V.C. Kothari, CMA Manubhai K. Desai, Mr. Ajay Kumar, CMA Dr. P. C. Basu, CMA Ashish Thatte



Group photo: (Sitting) L to R: Mr. Ajay Kumar, CMA P.V. Wandrekar, Mr. Saji Cherian, Mrs. G. Rita, CMA Dr. P. C. Basu, CMA Manubhai K. Desai, Chairman, WIRC CMA V. C. Kothari, CMA Somanth Mukherjee, CMA Aruna Soman (Standing) L to R : Ms. Sneha of SME Vertical, SBI, CMA Sanjay R. Bhargave, CMA Ashwin Dalwadi, CMA G. R. Paliwal



CMA Manubhai Desai offering prayers during Shree Satya Narayan Maha Pooja organised by WIRC on 8th May 2010.



Past Presidents and Past Chairmen and other Council Members with WIRC Chairman during Shree Satya Narayan Maha Pooja



New Managing Committee for 2010-11 of the Aurangabad Chapter- L to R - CMA R. D. Khandalkar Vice Chairman, CMA R. B. Shukla, Chairman, CMA S. J. Deore, Secretary, CMA N. L. Kuyate, Jt. Secretary, CMA M. A. Avhad, Treasurer and CMA R. S. Deshmukh, Jt. Secretary



CMA S. M. Ramanathan Chairman, Bhopal Chapter lighting the lamp during seminar on Indirect Taxes organized by Bhopal Chapter on 2nd May 2010. (L to R) CMA V. S. Datey, faculty for the seminar CMA G. N. Venkatraman, President ICWAI, Mr. J. Bhattacharya IRS, Addl Commissioner Excise Bhopal, CMA S. K. Soni, Vice Chairman - Bhopal Chapter, CA V. Ravindran GM (Fin), BHEL, Bhopal





*CMA Manubhai Desai, Chairman, WIRC interacting with members during Members and Students' Get-together organized by Kalyan Ambernath Chapter on 1st May 2010. Also seen CMA V. J. Talati, Past Chairman of WIRC, CMA G. B. Shamnani, Chairman of Kalyan-Ambernath Chapter.*



*CMA B.E.Modi, Vice Chairman of the Surat-South Gujarat Chapter felicitating CMA Shailendra Saxena, Past Chairman of the Surat-South Gujarat Chapter on being elected as Chairman of the Bharuch branch of ICAI. Also seen (L to R): CMA Jay Choksi, CMA S.V.Mohite, CMA Kenish Mehta, CMA Amish Parmar and CMA (Dr.) Heena Oza*

## BEST CHAPTER AWARDS - 2010



*Category A - Pune*



*Category B - Ahmedabad*



*Category C - Kalyan-Ambernath*



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