



WIRC BULLETIN

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For Members only

September 2012

From the Desk of Chairman



Dear Professional colleagues,

The Indian growth story is based on multiple pillars: consumption, investment, domestic demand, global competitiveness, knowledge-based businesses, and industrial growth. India's key competitive strengths lie in a large domestic consuming market with a favourable demographic profile, an entrepreneurial talent pool with innovation capabilities, cost advantage, and potential for improvement in productivity with easing structural bottlenecks. The scale of opportunity will be dramatically change given that the economy would be double every five years at least for the next two decades. The speed of adoption of newer technological means and its impact has been breathtaking and as India continues to grow, technology will be a force for disruptive change. There is thus a significant opportunity to leverage technology to drive new business models. (Vikalpa Volume 37)

*"It's not the strongest of the species that survive,
nor the most intelligent,
but those that are the most,
responsive to change. "*

- Charles Darwin

It is under the hands of young professionals like CMA who would be the future leaders that India will emerge as an economic powerhouse. Professionals must engage in a continuous process of skill enhancement and be prepared for a discontinuous change. Sound decision making skills, never-ending zest for learning, ability to innovate, and continuous adherence to fundamental values such as ethics and integrity should stand them in good stead to build an exciting future not only for themselves but also for the country.

It is tough to pave the road to excellence. It requires tremendous dedication and hard work. I heartily congratulate the entire batch of 199 students from WIRC of ICAI who proved their scholarship, commitment to career building and passed out the ACMA final examinations held in June 2012 with flying colours. I also congratulate the faculty of various chapters for their strong support and best coaching to the students. As a national institution, we must make the best contribution in preparing competent professionals for the better development of India. Let us set a joint target to motivate more students for success and improve the pass out ratio.

A meeting of four Regional Councils Chairman convened by HQ at Hyderabad center for excellence of our institute, it has been

decided to organise the Campus placement programme for its June 2012 final pass outs at four major cities during October 2012. WIRC of ICAI to organise its campus placement on 12th-13th October 2012. A special lecture series on communication skills for those who pass out is organised by WIRC. I request all the members to help directly or indirectly in the ensuing campus placement for better placement of the students.

I invite kind attention of all the members that the Ministry of Corporate Affairs vide its General Circular no. 18/2012 dated 26th July, 2012 has extended the date of filing Cost Audit Report and Compliance Report in eXtensible Business Reporting Language (XBRL) mode for the year 2011-12 (including the overdue reports relating to any previous year/s) with the Central Government, without any penalty, up to 31st December, 2012. I request all the chapters of the region to organise more and more seminars on the recent changes in the arena of Cost Accounting profession for the benefits of the members and in particular the new entrants to the profession.

WIRC has organised the seminar on Cost Audit and Cost Compliance on 15th September, 2012, Seminar on Corporate Performance Management on 17th October, 2012 and Regional Cost Conference on 26th -27th October, 2012 at Goa.

On 9th August, the institute performed the "Bhoomi puja" for the Navi Mumbai Center of Excellence. The President, Vice President and other dignitaries were present on the occasion. It is proposed to commence the construction of the said premises within few months.

The HQ with the support of WIRC has successfully organised the seminar on CARR and CAR on 31st August, at Hotel ITC Grand Central Mumbai. The seminar was attended by nearly 100 members.

I am happy to inform that HQ has sanctioned the proposal of purchase of land of Aurangabad Chapter and has decided to extend the financial assistance for the same. Surat- South Gujarat Chapter also received the sanction for their new project of purchase of new premises and financial support from the HQ. In order to have a good visibility and branding of our Institute we primarily need good infrastructure, and positive approach of the members towards the professional growth, hence I request the chapters to come forward for upgrading/improving the infrastructure for the chapters to provide the best possible facilities to the students and members. WIRC will extend the help in all aspects to the extent possible.

I wish you all happy and prosperous 'Ganesh Chaturthi' and 'Paryushan Parva' and conveys my 'Michhami Dukkadam' (Jain's festivity of forgive and forgiveness.) to all the members.

With Warm Regards,

CMA SHRENIK S. SHAH

Glimpses of Bhoomi Pujan performed at CBD Belapur on 9th August 2012



CMA Rakesh Singh, President ICAI performing puja



CMA Rakesh Singh, President ICAI performing puja



CMA Shrenik Shah, Chairman WIRC performing puja



View of Central & Regional Council Members and Guests during Bhoomi Pujan



CMAs Shrenik Shah, Chairman WIRC, Rakesh Singh, President ICAI, B.B. Goyal, Advisor -Cost, Ministry of Corporate Affairs, Aruna Soman, CCM-ICAI and Kunal Banerjee, Past President ICAI during Seminar on CARR organized by Institute on 31st August 2012 at Mumbai.



CMA B.B. Goyal, Advisor -Cost, Ministry of Corporate Affairs interacting with participants during Seminar on CARR organized by Institute on 31st August 2012 at Mumbai.



View of Participants during Seminar on CARR organized by Institute on 31st August 2012 at Mumbai.



CMA Debashish Mitra, RCM - WIRC welcoming CMA Jagdish Ahuja during CEP on Highlights of Companies Bill 2011 organized by WIRC on 25th August 2012.



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

REGIONAL COST CONFERENCE
2012 - GOA

WE ARE PLEASED TO ANNOUNCE THAT
GOA CHAPTER WILL HOST
THE REGIONAL COST CONFERENCE 2012

SCHEDULED DATES FOR THE REGIONAL COST CONFERENCE

Friday, 26th October, 2012

Half Day (Post Lunch Inauguration & Technical Sessions)

Saturday, 27th October, 2012

Full Day (Technical Sessions & Valedictory Session)

**A Detailed Program will be put on the Website of WIRC shortly*

We value suggestions and advice by our professional colleagues.
Please send your suggestions on
cma.rcc.wirc@gmail.com

We are sure that the advance intimation of the Dates will help you plan your travel for
the Regional Cost Conference at Goa.

We hope to see you all in Goa.

CMA Shrenik S. Shah
Chairman - WIRC

CMA Neeraj Joshi
*Hon. Secretary - WIRC &
Chairman - Task Force for
Regional Cost Conference*

CMA Rammohan Menon
*Chairman - Goa Chapter of
Cost Accountants*



How safe is the interest of small investors?

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

It goes without saying that small investors need adequate protection from regulatory bodies as they are unable to protect their interest on their own. The small investor community is certainly a backbone of any developing economy. The savings of small investors, if made available at macro level and rightly mobilized through productive investment channels, goes a long way in GDP contribution at national level. As per the data published by Center for Monitoring Indian Economy, there is a gradual and steady increase year on year in Gross Domestic Savings as a percentage to GDP from 29% in 2003-04 to 33.7% in 2009-10. This is important as the major chunk of gross domestic savings is contributed by small investors. This buttresses the fact how vital the savings of small investors are and why Government should provide them adequate protection.

Currently, our Capital market is not doing well due to factors such as global economic turmoil, political instability, deteriorating currency valuation, etc. This has resulted in loss of small investor confidence due to which a multiplier effect is created and situation is only worsened. Once bitten twice shy, most investors are now left with the only option of parking their savings in bank fixed deposits which not only offers them safety of capital but also a decent rate of return on their investments.

The regulatory bodies like SEBI, RBI, Ministry of Company Affairs, etc. are announcing from time to time several measures in the interest and protection of small investors. Moreover, our Government is leaving no stone unturned in regaining the small investor's confidence by holding free investor awareness programs and many other means. I have personally attended a few such seminars where great personalities such as our Hon Minister of Corporate Affairs Dr. M. Veerappa Moily addressed the investors to revive investor's sentiments. The so called small investors, which were active participants of the stock market at one time, today are reluctant to make any investment in Capital Market. They (small investors) are like small fishes in the pond which if not adequately protected, would be eaten off by the so called capitalist big Sharks.

Having said that let us now see who is a small investor in the eyes of law. As per the Companies (Appointment of the small shareholders Director's) Rules, 2001, a "small shareholder means a shareholder holding shares of nominal value of twenty thousand rupees or less in a public company to which section 252 of the Companies Act, 1956 applies."

As per Sec 58AA of the Companies Act, 1956 (inserted by Companies Amendment Act, 2000, effective 13th Dec 2000), a small depositor means a depositor who has deposited in a financial year, a sum not exceeding twenty thousand rupees in a company and includes his successors, nominees and legal representatives.

It is to be appreciated that the limit of twenty thousand rupees is insignificant at present and need to be at least revised upward to fifty thousand rupees.

Let us now see what rights and benefits a small investor enjoys based on the extant rules and regulations. Under Section 252 of the Companies Act, 1956, a group of 1000 or more small shareholders enjoy a right to nominate and appoint their representative director on the Board who can be any person amongst the small shareholders group. This is indeed a welcome provision but hardly seen in practice as if at all any attempt is made to nominate a director by small shareholders, it is ultimately blocked by majority shareholders.

It will not be out of place to quote some of the investor friendly provisions under Companies Bill 2011 which is yet to be passed by parliament and see the light of the day.

As per clause 245 of the Bill which deals with filing of class action suits by investors. It is provided that specified number of members or depositors may file an application before the National Company Law Tribunal, if they are of the opinion that the management or control of the affairs of the company are being conducted in a manner prejudicial to the interests of the company or its members or creditors. As per clause 24, issue and transfer of securities and non-payment of dividend by listed companies is now proposed to be administered by SEBI. Further, as per Clause 36 and 447, an act of fraudulent inducement of persons to invest money is punishable with imprisonment for a term which may extend to ten years and with fine which shall not be less than the amount involved in fraud, but which may extend to three times the amount involved. Moreover, a suit may be filed by a person who is affected by any misleading statement or the inclusion or omission of any matter in the Prospectus or who has invested money by fraudulent inducement under Clause 37 of the proposed Bill.

Other measures for boosting investor confidence in the market: SEBI is expected to be working on cutting listing time from twelve days from the closure of an issue to seven days. Once implemented, this is indeed a welcome move and would offer faster liquidity to the small investors as they will now have to wait only for 7 days instead of earlier 12 days to sell their securities.

Recently, SEBI amended the buyback provisions and created a special category for small shareholders. As per the amended provision, any listed company now proposing to buy back its shares through the tender route is required to reserve 15 per cent of its securities which it proposes to buyback for small shareholders. In this regard, it is worth noting that the Government is under tremendous pressure to achieve its RS 30,000 Cr disinvestment target for 2012-13 and is considering Buy Back of its shares in some of the cash rich PSUs such as COAL India, NTPC, SAIL, MMTC, etc. to achieve its target. Thus, the share buyback through the disinvestment route offers a great opportunity to small investors.

Conclusion: The above discussion highlights why the Government attitude need to change in order to gain back small investor confidence and protect their interest.

*Jagdish is a Mumbai based Company Secretary in Practice.



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

(Statutory Body under an Act of Parliament)

announces

Full Day Seminar on
"NEW MECHANISM OF COST AUDIT & COST RECORDS"

Date : Saturday, 15th September 2012 **Time :** 10.00 a.m. to 5.00 p.m.

Venue : CCRT of ICSI, Sector 15, CBD Belapur, Navi Mumbai 400 614.

DELEGATE FEES (Including Service Tax)

Registered Student of ICAI & ICSI	....	Rs. 900/-
Practising Cost Accountants and Company Secretaries	....	Rs. 1,125/-
Associate and Fellow of ICAI (CMA) and ICSI	....	Rs. 1,685/-
Company Representative	....	Rs. 2,810/-

Cheque / DD to be drawn in favour of WIRC-ICAI payable at Mumbai

(Four CEP Credit Hours will be provided)

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. 30 • Fax: 022 - 2287 0763

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

Thane Students and Members Facilitation Centre,

Bldg. No. 8, Ground Floor, 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

Invitation to

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C A M P U S P L A C E M E N T

will be held on **12th & 13th October, 2012, at Mumbai**

Interested Companies are requested to contact:

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WIRC of ICAI

Tel.: 022-2287 3476 • Fax No.: 022-2287 0763 • admin@icwai-wirc.org

For more details visit : **www.icwai-wirc.org**

Special Economic Zone and Service Tax

By **CMA Ashok Nawal** E-mail: nawal@bizsolindia.com
(Treasurer WIRC of ICAI)



Historical Background

Developers, Co-developers, Units and their Contractors / Sub-contractor / Service providers have gone through different dilemma when question of chargeability of service tax is raised. Prior to notifying SEZ Rules i.e. before 10th Feb 2006, Notification No 4/2004-ST dated 31st March 2004 was effective wherein the words "consumption of the service" was introduced where as "consumption of service" was never defined.

Department of Revenue have intelligently came out with concept of providing exemption and therefore complied with the provisions as stated in SEZ Act, 2005 read with SEZ Rules, 2006. Sec 26 of SEZ Act, 2005, provides exemption drawback and concession to every Developer and Unit and in accordance with sub-section (e) of Sec 26, exemption from Service Tax under Chapter V of the Finance Act, 1994 on taxable services provided to a Developer / Unit to carry on an authorized operation in SEZ.

Rule 31 of SEZ Rules, 2006 provides exemption from payment of service tax on taxable services under Sec 65 of the Finance Act, 1994 rendered to a Developer / Unit (including Unit under construction) by any service provider shall be available for authorized operation in the Special Economic Zone.

Benefit of such exemption was extended to the Contractors also vide Notification No GSR 72E dated 3rd Feb 2009 which is reproduced below,

"Provided further that exemptions, drawbacks and concessions on the goods and services allowed to a Developer or Co-developer, as the case may be, shall also be available to the contractors including subcontractors appointed by such Developer or Co-developer, and all the documents in such cases shall bear the name of the Developer or Co-developer along with the contractor or sub-contractor and these shall be filed jointly in the name of the Developer or Co-developer and the contractor or subcontractor, as the case may be:

Provided also that the Developer or Co-developer, as the case may be, or the Special Economic Zone Unit shall be responsible and liable for proper utilization of such goods in all cases

However during 10th Feb 2006 till Notification No 9/2009-ST dated 3rd March 2009, there was conflict w.r.t. exemption whether provisions of SEZ Act / Rules will be applicable or provisions of Notification 4/2004-ST were applicable considering the overriding of SEZ provision under Sec 51 of SEZ Act, 2005. However assesseees were dragged into the litigations.

Thereafter Notification 9/2009-ST dated 3rd March 2009 was amended by Notification 15/2009-ST dated 20th May 2009 was notified and a Board Circular No. 114/08/2009-ST was issued. I summaries the impact of above notification and circulars,

Period	Exemption	Refund
Till 2nd March 2009 (Notification 4/2004-ST)	consumption of the services within such Special Economic Zone	No such provision
From 3rd March 2009 to 19-5-2009 (Notification 9/2009-ST)	No exemption	Refund for all the services provided to SEZ

From 20th May 2009 (Notification 9/2009-ST as amended vide Notification 15/2009-ST)	Service consumed within SEZ	Service partially consumed in SEZ or consumed outside SEZ
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The word "consumed in SEZ" was never been defined and therefore different words and phrases as considered in various judicial decisions were relied upon.

Notification No. 9/2009 ST provides exemption in the following manner:

1. Exemption when services are consumed in SEZ for authorised operations
2. Exemption by way of refund when services are partly consumed or wholly consumed outside SEZ for authorised operations.

Since the said wording has been provided in such Exemption Notification which requires to be strictly construed in accordance with ratio laid down Honourable Supreme Court's Decisions in case of SOUTH EASTERN COALFIELDS LTD. Versus COMMISSIONER, CUS. & C. EX., M.P.

Quote:

According to the literal rule of interpretation, if the meaning of a word or expression is clear, there is no scope for interpretation and we have to follow the plain and grammatical meaning.

However, where the meaning of a word or expression is not clear, obviously the literal rule of interpretation cannot be applied, and hence we have to take resort to other rules of interpretation e.g. the Heydon's mischief rule, the purposive rule, etc. In our opinion in the present case the purposive rule should be applied. Under this rule, we have to see the purpose for which the provision was made. Looking at it from this angle, we are of the opinion that the word 'precincts' has to be given the broader meaning and not the narrower meaning.

Unquote:

Hence word "Consumed" has been decided in the following cases:

In the case of ARISTO PHARMACEUTICAL LTD. Versus COMMISSIONER OF C. EX., BHOPAL [2000 (121) E.L.T. 386 (Tribunal)]

Words and phrases - 'Consumed' and 'utilised'. - The law makers have used two expressions, 'consumed' and 'utilised'. There can be utilisation of the goods without consuming them. There can be utilisation of goods without destroying its identity. As held by the Apex Court, the word 'consumption' may involve in the narrow sense using the article to such an extent as to reach the stage of non-existence. But, the word 'consumption' in fiscal law need not be confined to such a narrow meaning. It has a wider meaning in which any sort of utilisation of the commodity would as well amount to consumption of the article. [para 6]

CHIRUKANDAN & OTHERS Versus SUPERINTENDENT, CENTRAL EXCISE & OTHERS [1984 (15) E.L.T. 7. (Ker.)]

To "consume" is to use up, to eat up or to drink up or to destroy, or to accomplish or to complete. The consume does not necessarily mean

immediate eating up or destruction, but may, and often does, contemplates the ultimate use to which all intermediate ones lead. The word thus denotes transformation or conversion at intermediate stages prior to final act of devouring or annihilation. It is, therefore, clear that consumption denotes production or manufacture of new articles from the raw material. It is thus process of conversion that is referred to by the said Section as "consumed in any mill". [paras 7 & 8]

COMMISSIONER OF CENTRAL EXCISE, MUMBAI-IV Versus MARINE ELECTRICALS LTD. [2005 (182) E.L.T. 411 (Tri. - Mumbai)]

The subject notification is for 'Ship Stores' to be consumed on board a ship. The word 'ship stores' has a special connotation signification in the Marine parlance. Such an understanding of the word in the notification, which is not defined, as to be as per the understanding of the people and the parlance of the persons for whom it is intended. 'Ship Stores' would therefore be only such entity which would get consumed by the ships crew maintenance or running of the ship and not for building of the ship, vessel or floating structure. The term consumed on board cannot be interpreted to include supplies made to for use in the dockyard, where keel of the ship is laid and the ship built.

Therefore, it is very clear from the above cases, consumption denotes production or manufacture of new articles from the raw material. It is thus process of conversion that is referred to by the said Section as "consumed in any mill" and hence any services "used" for manufacture or development can be said to be consumed for the purpose of claiming total exemption whereas if it is partly consumed, i.e., utilized or wholly consumed i.e utilized outside SEZ for the purpose of carrying authorized operations, exemption / exemption by way of refund can be obtained.

However even if exemption by way of refund is applied even for services for services consumed within SEZ for manufacture / development, it cannot be rejected on account of Para 23 of decision of Honorable Supreme Court in case of SOUTH EASTERN COALFIELDS LTD. Versus COMMISSIONER, CUS. & C. EX., M.P.

Position during 01.03.2011 to 30.06.2012

However new notification 17/2011-ST 1st March 2011 was issued superseding Notification 9/2009-ST as amended by 15/2009-ST which was mainly in line with the provisions of Export of Service Rules, 2005 and thereby during 20th May 2009 till 19th June 2012, following provisions were applicable,

- a) Total Exemption -
- I. When there is no other Unit of the company other than SEZ then all the services were covered under Exemption from payment of service tax against FORM A-1 service
 - II. Following services availed by SEZ Developer / Unit / Contractor which are approved for authorized operations by Unit Approval Committee headed by Jurisdictional Development Commissioner

Service Description
Architect's Services
Auction of property
Construction Services - Commercial or industrial
Construction Services - other than commercial and Industrial
Dredging Services
General Insurance Services
Interior Decorators Services
Legal Consultancy Services
Mandap Keeper Services

Mining of mineral, oil or gas
Provision of preferential location or external or internal development of complexes
Real Estate Agent Services
Renting of immovable property
Site formation and clearance, excavation and earth moving and demolishing services
Survey and Map making services
Works Contract Service
If following services are wholly performed within the SEZ and received by Developer / Unit:
Air Travel Agent's Services
Airport services
Association engaged in assisting sale and purchase of any goods or forward contracts
Authorized Service Station Services
Beauty Treatment services
Business Exhibition Services
Cargo Handling services
Cleaning Activity Services
Clearing and forwarding agents services
Commercial Coaching & Training Services
Convention Services
Cosmetic and Plastic Surgery Services
Courier Services
Custom House Agency Services
Dry Cleaning Services
Erection, Commissioning & Installation Services
Event Management Services
Fashion Designing Services
Forward Contract Services
Health and Fitness Services
Health Check up and Treatment Services
Internet Cafe Services
Management, Maintenance & Repairs Services
Membership of Club or Association Services
Other Port Services
Outdoor Catering Services
Packaging Activity Services
Pandal or Shamiana Contractor Services
Photography Services
Port Services
Processing or Clearing House Services
Rail Travel Agent's Services
Renting of Cab Scheme operators Services
Security / Detective Agency Services
Sound Recording Services
Steamer Agent's Services
Stock Broker's Services

Stock Exchange Services
Storage & Warehousing Services
Survey and exploration of mineral
Technical inspection and certification Services
Tour Operator's Services
Transportation of Coastal goods and goods transported through National Water ways and Inland water services
Travel Agent's Services
Underwriting Services
Video tape production Services

- b) Partial Exemption for the services other than mentioned above exemption by way of refund was allowed. However exemption by way of refund was in accordance with following formula,

Total Service Tax on above services used for authorized operations and DTA Unit

----- X SEZ Turnover
Total Turnover of the Company

Even lot of clarity was brought in, there were disputes w.r.t. entitlement of the exemptions to the subcontractors as well as reversal of Cenvat Credit Under Rule 6 of Cenvat Credit Rules, 2004.

Existing Provision w.e.f. 01.07.2011

Notification No 40/2012-ST dated 20th June 2012 made effective from 1st July 2012 superseding Notification 17/2011-ST dated 1st March 2011 as amended.

The exemption have been provided from payment of Service Tax, Education Cess and SHE Cess on Service tax with conditions.

Specified services received in SEZ and used for authorized operations which are wholly consumed within the SEZ then the person liable to pay service tax option no to pay the service tax ab-initio instead of SEZ Unit or the Developer claiming exemption by way of the refund.

First time, the words "wholly consumed" is clarified by way of explanation as under, the expression "wholly consumed" refers to such specified services received by the unit of a SEZ or the developer and used for the authorised operations, where the place of provision determinable in accordance with the Place of Provision of Services Rules, 2012 (hereinafter referred as the POP Rules) is as under,

- I. in respect of services specified in rule 4 of the POP Rules, the place where the services are actually performed is within the SEZ ; or
- II. in respect of services specified in rule 5 of the POP Rules, the place where the property is located or intended to be located is within the SEZ; or
- III. in respect of services other than those falling under clauses (i) and (ii), the recipient does not own or carry on any business other than the operations in SEZ;

Clause b of the condition to the notification provides similar concept with different words than that of the formula which was applicable under Notification No 17/2011-ST dated 1st March 2011 which is given below

Export turnover of goods +
Services of SEZ Unit/Developer)
----- X Service Tax paid on services other than wholly
consumed Services (both for SEZ and DTA Unit)
Total Turnover for the period

The above formula is required to be applied only when the service received by SEZ are not wholly consumed within SEZ.

Clause c of the condition clearly stipulated that the list of services required for authorized operations should be approved from Unit Approval Committee headed by Jurisdictional Development Commissioner.

Earlier specific 119 services were defined and defined services were approved by Unit Approval Committee and therefore there was no need to provide the details of the service provider. In the new era of Negative List of Services, the services are defined as,

Any activity carried by person for another person on consideration including declared services but excluding immovable goods, Money, Actionable Claims, Goods, Employee providing services to employers.

Therefore now, in my opinion activities involved will have to be applied to UAC by justifying use in the authorized operations and obtain approval thereof to claim exemption / exemption by way of refund.

Clause d of the condition provide ab-initio exemption to Developer / Unit who does not own / carry any other business other than operation in SEZ subject to providing declaration in Form A1 issued by specified officers.

Total Exemption

It is important to note for better clarity where total exemption can be claimed.

- a) Rule 4 of Place of Provision of Service, 2012 which is given below
The place of provision of following services shall be the location where the services are actually performed, namely:-
 - (a) Services provided in respect of goods that are required to be made physically available by the recipient of service to the provider of service, or to a person acting on behalf of the provider of service, in order to provide the service:
Provided that when such services are provided from a remote location by way of electronic means the place of provision shall be the location where goods are situated at the time of provision of service:
Provided further that this sub-rule shall not apply in the case of a service provided in respect of goods that are temporarily imported into India for repairs, reconditioning or reengineering for re-export, subject to conditions as may be specified in this regard.
 - (b) services provided to an individual, represented either as the recipient of service or a person acting on behalf of the recipient, which require the physical presence of the receiver or the person acting on behalf of the receiver, with the provider for the provision of the service.

In other words following activities (illustrative) undertaken by service provider at SEZ will get covered,

1. Repairs and Maintenance of all nature when carried within SEZ
2. Job Work / sub-contracting related on goods carried out in SEZ
3. Testing, Calibration, Reconditioning carried out within SEZ
4. Loading / Unloading of the goods carried out in SEZ

In our opinion activities which are involving services relating to goods will only cover under the said provision but Manpower supply, house keeping, gardening etc will not be covered under Rule 4 of Place of Provision of Service Rules, 2012.

- b) Rule 5 of Place of Provision related to immovable property. The same has been reproduced below,

The place of provision of services provided directly in relation to an immovable property, including services provided in this regard by experts and estate

agents, provision of hotel accommodation by a hotel, inn, guest house, club or campsite, by whatever, name called, grant of rights to use immovable property, services for carrying out or co-ordination of construction work, including architects or interior decorators, shall be the place where the immovable property is located or intended to be located

In other words all the activities carried out for Developer / Co-developer will be exempted since Developer / Co-developer provides the infrastructure which is relates to immovable property. Similarly any activities done for construction/ modification / repairs / alteration/ development/up-keepment etc relating to immovable property of Developer / Co-developer Unit will be totally exempted and therefore even cleaning service of up-keeping the immovable property and housekeeping thereof will also be exempted under Rule 5 of Place of Provision of Service Rules, 2012.

In our opinion the services / activities in relation to Rule 4 and Rule 5 will only be exempted for Developer / Co-developer / Units which carries operations other than SEZ operations and units exclusively carrying operations in SEZ only will be exempted against form A1 issued by the Specified Officers.

Exemption by Way of Refund

Total Refund

If activities / Services are carried out for authorized operations only and these are exclusively used only in SEZ by Developer / Co-developer / Units which carries operations other than SEZ then total exemption by way of refund is entitled to them and not in accordance to the formula.

Since amount of refund is restricted only for service tax paid on the services other than wholly consumed services (both for SEZ and DTA). There is

necessity to issue necessary instruction to the field formation to avoid loss and agony to the SEZ Units.

Partial Exemption by way of refund

Where activities are services carried out for authorized operations where differentiate of exclusive use of the services cannot be demonstrated within SEZ e.g.: Audit Fees, Secretarial Services, Share registry services, Accounting Taxation Services etc. Then partial exemption by way of refund can be obtained.

It is important to note that Mega exemption has been granted under Notification 25/2012-ST dt. 20-06-2012, whereby, exemption has been provided to sub-contractor providing services by way of works contract to another contractor providing works contract services which are exempt.

In other words, where Contractor services are exempt when provided as mentioned above then services availed through sub-contractors are also exempt. In such case, word 'exemption' includes exemption with the option not to pay service tax by person liable to pay service tax and exemption by the way of the refund.

To conclude sub-contractors who are engaged in providing Works' Contract services to the SEZ, through contractors are totally exempted from payment of service tax.

Reverse Charge

The person liable to pay the service tax is the recipient of service for the following services. The attempt has been made to highlight where payment under reverse charge has to be paid and claim refund and where it is totally exempted from service tax.

Sr. No.	Description of a service	Exemption	Payment as Reverse Charge & 100% refund	Payment as Reverse Charge & Refund as per formulae
1	services provided or agreed to be provided by an insurance agent to any person carrying on insurance business	NA	NA	NA
2	services provided or agreed to be provided by a goods transport agency in respect of transportation of goods by road	No	No	No
3	services provided or agreed to be provided by way of sponsorship	No	No	Yes
4	services provided or agreed to be provided by an arbitral tribunal	No	No Yes, provided matter is only of SEZ	Yes
5	services provided or agreed to be provided by individual advocate or a firm of advocates by way of legal services	No	No Yes, provided matter is only of SEZ	Yes
6	services provided or agreed to be provided by Government or local authority by way of support services excluding,- (1) renting of immovable property, and (2) services excluded under negative list	Yes, if it is related to goods / immovable property, eg: testing of water / soil / goods	Yes, if it is related exclusively for SEZ	Yes
7	services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers to any person who is not engaged in the similar line of business on abated value on non-abated value	No	Yes, if it is exclusively used for SEZ employees / guests	Yes
8	services provided or agreed to be provided by way of supply of manpower for any purpose	Yes, provided manpower is deployed for up-keepment of immovable property & handling of material / loading & un-loading of goods	Yes, subject to exclusive use in SEZ	Yes, in other cases

Sr. No.	Description of a service	Exemption	Payment as Reverse Charge & 100% refund	Payment as Reverse Charge & Refund as per formulae
9	Services provided or agreed to be provided by way of Security Services for any purpose	Yes, provided security is used for security of immovable property & goods	No	No
10	services provided or agreed to be provided in service portion in execution of works contract	Yes, if it is related to Works Contract Services within SEZ, either on goods or immovable property	No	No
11	taxable services provided or agreed to be provided by any person who is located in a non-taxable territory and received by any person located in the taxable territory	Yes, subject to, it is related to goods & immovable property within SEZ	Yes, subject to such services are exclusively used for SEZ	Yes
12	Services provided or agreed to be provided by a Director other than Employees to Body Corporate.	No	No	Yes

However, if SEZ Unit / Developer/ Co - Developer is having no other operations other than SEZ, then, there is no need to pay service tax on reverse charge mechanism.

Cenvat Credit for Service Providers

Cenvat Credit is entitled to service providers to SEZ developers, Co-developers, Unit in SEZ for their authorized operations to avail and even though exemption is claimed no CENVAT will be required to be reversed since it is covered under Rule 6 (6) of Cenvat Credit Rules, 2004. There was retrospective amendment for the services provided to developer and hence all cases service providers will not be liable to reverse CENVAT Credit when exemption is claimed from payment of service tax on services provided to Developer, Co-developers Unit in SEZ.

Moreover, they are also entitled to claim refund under Rule 5 of Cenvat Credit Rules, 2004 or claim rebate will not be available since it does not cover either in definition of Export of Services under Service Tax Rules, 1994 or no such provisions exist in Rule 18 of Central Excise Rules 2002.

Conclusion

1. When activities carried out on goods located in SEZ are totally exempted from payment of service tax
2. When activities carried out on immovable property located in SEZ are totally exempted from payment of service tax
3. When SEZ developer, Co-developers, Units in SEZ do not carry any other operations other than SEZ service tax is totally exempted against Form A1 to be issued by Specified Officer of the said SEZ
4. When services carried out other than 1,2,3 mentioned above but, exclusively used in SEZ for authorized operations than exemption by the way of refund to the extent of 100% service tax amount paid by service provider will be granted
5. When services / activities availed for authorized operation by SEZ but cannot be differentiated exclusive use then, amount of refund will be restricted based on the formula given above.
6. Applicability of payment of service tax under Reverse Charge Mechanism will be in accordance with chart given above
7. Service providers to SEZ are entitled for Cenvat Credit on capital goods, input and input services used for providing the taxable services as well as exempted services to SEZ Developer, Co-developers and Units in SEZ.
8. No Cenvat Credit of Service Tax paid on specified services used for authorized operations in SEZ will be allowed even if SEZ provides

services in DTA and opts for refund / exemption in accordance with the notification no. 40/2012 ST dated 20.06.2012

9. There will be litigations to claim 100% refund considering the wording of the formulae but if wording of formulae is to be interpreted then it may be also interpreted that service tax on all common services availed for all units including SEZ & DTA can be obtained refund in accordance with said formulae provided there is no distribution through ISD and no Cenvat Credit taken by any DTA unit on such common services. Needless to say, payment will also have to be made from SEZ location only.
10. Time has come to say, even though it is stated to be old wine in new bottle, old wine seems to be oxidized considering the wording of the notification and hence SEZs will be deprived of taste of old wine and result in lockage of liquidity and increase in litigation.

CEP REPORT

On 11th August 2012, WIRC organized a CEP on Discussion on Exposure Draft - Guidance Note on Construction Industry issued by ICAI at Students & Members Facilitation Centre, Thane. CMA Ashish Thatte, Vice Chairman WIRC was present on the occasion.

On 16th August 2012, WIRC organized a CEP on "XBRL in Compliance Report and Cost Audit Report" at WIRC Office, Mumbai. CMA Malav Ashwin Dalwadi was the faculty for the programme. CMAs Shrinik Shah, Chairman WIRC, Ashish Thatte, Vice Chairman WIRC & Neeraj Joshi, Hon. Secretary WIRC were present on the occasion.

On 18th August 2012, WIRC organized CEP at Students & Members Facilitation Centre, Borivali. Topic Discussed on Exposure Draft - Guidance Note on construction Industry issued by ICAI. CMA Ashish Thatte, Vice Chairman WIRC was present on the occasion.

On 25th August 2012, WIRC organized a CEP on Highlights of Companies Bill 2011 at WIRC Office, Mumbai. CMA Jagdish Ahuja was the faculty for the programme. CMA Debashish Mitra, RCM-WIRC was present on the occasion

Large number of members attended the program.

Indian Investors Needs Communication ... Beyond Awareness

By **Indraneel Sen Gupta**

Global Macro Economic Researcher Master of Economics, MBA in International Business, ICAI (Final)
neel19414@gmail.com



Indian economy has been recently downgraded by global rating agency. Well that is the half hearted knowledge being carried by one simple investors, broker and among the financial community. Well why half hearted and where are the loopholes between investor awareness is the objective of the article.

We find investor awareness programmes being designed exclusively designed for upgrading and reducing the gap of knowledge epidemics. Well that is an excellent effort being adopted and carried ahead but we need to understand the ways things are being read and interpreted.

Don't Misunderstand Ratings

Rating agencies are the organizations who are exclusively take the responsibility of deriving valuations and rankings to financial products. In fact they guide us which product to buy and which one to go for the waste bin. That might sound hard but the truth is that many rating companies might have engaged themselves into some partiality projects which has been in the lime light during 2008 crisis. But that does not mean that rating agencies are only engaged in foul practices and their valuations are only biased.

In an economy like India where prevention is better that cure is being sung, rating agencies carries the highest level of security in financial markets. But many of my

readers will jump up that in IPO segment we have found rating agencies best grades of rating failed to fill the pocket of the investors. This is the place where the variations of understanding and interpretations of rating agencies various matters come into active play.

Grading of IPO by rating agencies don't interpret that on the day of listing they will shoot up with a premium. The date of listing and market sentiments are the vitals that play their cards. Rating agencies are not the guarantor for the performance of the listing prices. On an average basis all rating agencies does valuation of IPO grading upon assessment of the fundamentals of new public issues. It includes an assessment of business and financial prospects, management quality and corporate governance. It does not take into account any monetary valuations of listing of the IPO. More over governance and investors protection issues are the most highly demanded aspects being adopted and followed by the rating agencies.

Now imagine that you don't have an rating system and the individual investor decides to do some investments but have no idea about the ins and outs of the company as well as of the business. He will ask various people and will hot around the walls and pillar to get an idea about the company. This will taken an as an opportunity by various people due to no rating agency and various people will influence the investor from various angles. The situation becomes more difficult in absence of a proper rating agency. Rating agency is a compass and not a map or direction.

Disclosure & Investor Awareness

Disclosure norms are another most important aspect of guiding the investors. Companies finds annual general meeting to be one of the prime platform to discuss about companies health. Now as the meeting is being held once in a year and subject to many constraints, investors depend heavily over third party report. Now imagine that if an company come up each quarter with an meeting with its investors then imagine the prospects about the companies investors and their change in investment attitude. Investors will depend less on third part reports which are biased towards companies. This will also reduce the gap between the companies to come up closure to the investors which will help the companies to develop a relation with its investors over a long period of time. Even open discussion platforms can be arranged by the companies to derive ideas from the investor's community. Many prime management decision and polices can be framed from investors meet once the companies start

sharing the matters. Now a question will come about leak of secrecy of business process. Companies can design their discussion in accordance to the limitations of the annual report which itself is self sufficient for making the investors and companies bonding to be strong enough.

In these terms SEBI can also come up with its code of meetings where companies will open the gates for investors to share and discuss as well as improving better governance. Investor awareness issues will get a better way to improvise as well as third party biased products will find its way out of the market.

Moreover third party reports are designed and commented according to individual process which will not align with one another, causing more trouble for the investors to decide on investments. We will find that one company is getting different valuation reports from different parties since everyone has a unique process of deriving the valuations. Moreover reports are biased from market whispers too which makes the report more non reliable. Many well valued companies' gets negative rankings from third party companies due to negative whispers. Even often valuation metrics fails to derive the true valuations of companies which lead to more fiasco within the investors.

Companies should understand that depending on third party reports are no longer safe. Now my friends must confuse with ratings and disclosure. Well rating is being predominately done by expert of the industry who under the SEBI guidelines adopts the method of ratings, whereas valuation is just an open space done by broking companies predominantly.

Ratings Disclosures does not ask only abiding compliance, it goes beyond that in today's intricate financial markets.

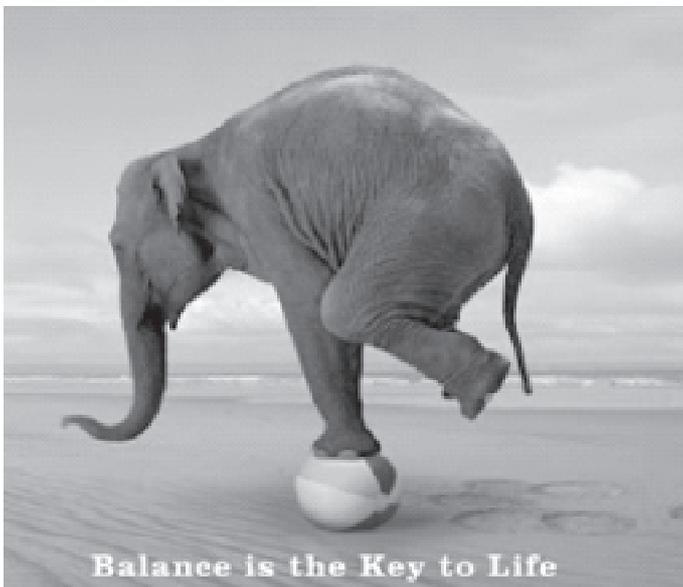
Companies needs to understand that if their business processes are sound and stable over a longer period of time companies needs to bridge the gap with investors and eliminate the third party reporting system. Building investors awareness should focus on these factors of strengthening the corporate governance mechanisms.

We find companies are aggressively expanding their business and needs capital to do so. Private Equity comes into most of the cases where exit is based only on stock prices. Companies depend upon third party reports to increase their stock prices for making a way for the PE to exit. Now just imagine that if the same company comes in close interaction with the investors and not with the third parties just imagine how much successful the companies will be term of stock price appreciation. They will get better place to communicate their business plan to the investors which will help the investors also to understand the growth prospects being envisaged by the company. Disclosure to bridging the gap between investors through proper communication does not mean display of business secrecy in the open market.

Only new financial disclosure norms will not be sufficient. We need companies to come forward and innovate new avenues for bridging the gap between investors. It high time that in these turbulent times, PE is just winding up their business due to poor performance of equity market despite of investments being made in a quality company. Hence companies need to come up to build investor awareness. In coming days we will need investor communications and not investor awareness. The times of awareness are over since information is available on internet, Indian needs investor communication beyond the traditional methods.

LOW COST DAYS ARE OVER

By Indraneel Sen Gupta



The process of doing business has changed over the last 2 decades across the globe. With the opening up of the gates of free trade and Liberalization in the emerging economies married with technological advances in Developed nations the business has become more competitive rather than a challenge. Challenge used to be the era for 1980 and 90's time when setting up business and eliminating the rivals was used to be the prime game plan. Now the business game runs on theory of competitive advantage rolling over the cycles of the business phase.

We often find that in the past decade and also recently business plans process fails to remain sustain in the present globalised world economy. Despite of free trade and prudent opportunities for investments ROI and ROE remains an albatross around the neck for the companies. Billions are being spent to touch the profit island but it always remains half short within the reach. Drilling hard

I found that Developed nations went with their existing business models into the emerging economies and failed bitterly. The experience became so hard that next time the management took any decision for new investments they went for astrologers to predict the future. The developed nations companies just adopted a simple policy where they thought that by adopting the policy growth will be their slave. Cost Reduction and low cost of production are the policies which made them fail bitterly. Cost reduction and cost modeling will only work when your existing product is accepted by the consumers or rather it matches with the demand of the consumer.

The affect of cost reduction and low cost of production will only come into force when one has rightly assessed the market and its demands. This is the prime area where the competitive advantage of an business is developed. Many of my learned friends will come up with an argument that innovation is alive and kicking the business models. I agree but where do you want to apply the innovations is the first question which needs to be heard. Product innovation should always be matched requirements of the end users. Through this one will get the competitive advantage over the life cycle of the business. To make it more simple say your innovation is really worth but has less demand in the market in all times. That innovation itself comes at a huge cost of R&D added with production cost. Hence the expectation from the product innovation and its cost increases the albatross around the neck of the company in terms of higher profitability (above normal).

Companies that needs to survive in emerging economies needs to identify and access the requirements of their and then design products as well as business process.

Godrej Company came up with a refrigerator for the rural market designed exclusively for the rural people requirements. Godrej changed the structure of its refrigerator for the rural market completely opposite of what the urban market consumed. Before they came up with the product they went for an market survey where they found that the minimum requirements of the cooling system in rural place was only to have storage of foods items for an day or two and just to have cold waters. Not an inche more than this, was on the demand list for the rural market. Even Godrej found that power facility was a big problem for the rural market. Hence Godrej required keeping this aspect also while designing/innovating the new product into the market.

Godrej worked hard on its innovation and came up with an refrigerator designed exclusively for the rural market where they cut down on many areas which automatically reduced their cost in all aspects and boosted up profitability from minimum cost of production without an price hike but with an price cut down to 1/3 from the existing business models. The rural refrigerator did not required any compressor as required in an normal refrigerators moreover it consumes half the power consumed by regular refrigerators and uses high-end insulation to stay

cool for hours without power. In the engineering process it's required only 20 parts as compared to the ordinary models where it takes 200 parts. The name of the product is ChotuKool. Price is also within the reach of the rural people married with power saving cost at the end user. This is called innovation matched with cost modeling. Business growth will grow over the years as the innovation leads to a competitive advantage.

The survey of the Godrej followed with better understanding of the markets and its behaviors helped the company not only to innovate and generate high ROI but also to fill up the gap of products.

In the similar way when I drilled in other emerging nations I found some more strategic revolution in business models being developed and adopted within the process. In North and East Africa Vodafone became the leading support system through its telecom service. Vodafone hold certain percentage of in Safaricom which is Kenya's largest mobile network operator.

Vodafone through its business survey found that there has been tremendous problem regarding money transfer. North and East African nations already had a system of money transfer inherently linked to the religion of Islam, known as Hawala. This also increased the cost of lending for the lenders which created a ripple effect on the borrowers. Vodafone did not introduce its most famous download and other social business platforms over there since; consumption of the same is less as compared to India in all terms. Vodafone identified well that it has to dig deep into the system to find out the real growth based innovative product. Finally they came up with MPESA.MPESA simply rode on this behavior, without trying to introduce new ones and simply made it more efficient by leveraging the mobile network to track the movement of money. The user-agent relationship remained the same while the agent-agent relationship was improved drastically. Instead of logging in transactions on a book and settling them at a later date, the m-payments system allows the agents to settle money transfer instantly.

The result of the innovative product was that M-Pesa quickly captured a significant market share for cash transfers, and grew astoundingly quickly, capturing 17 million subscribers by December 2011 in Kenya alone. This is innovation based on competitive advantage.

Today business process needs to be more defined so that the most appropriate opportunities comes ahead for riding the cycle of growth. Gone are the days of low cost production and cost reduction methodologies. Low cost of production will not last for long and cost reduction is not the prudent tool for every business growth. Innovation too fails short if it don't match with the competitive advantage. Why much business process failed is a matter of small concern since they simply replicated the nations not the process neither the products. ■

CHAPTER NEWS

PUNE

Office Bearers for 2012-13

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>

NASIK-OJHAR

Due to recent changes in Service Tax and introduction of negative list and change of reverse charge mechanism in certain services the necessity was felt by both the chapter of Nasik i.e. ICAI & ICSI to have a seminar on Recent Changes in Service Tax. The topics were chosen by the managing committee of the chapters and the eminent speakers were called to enlighten the professionals at industries and at practice. CMA R K Deodhar - Leading consultant of Excise and Service tax talked in details on Negative List and Exempted services with general changes taken place in Service Taxes. CMA A B Nawal has guided the gathering on Reverse Charge and Bundled services and also explained about Declared Services. CMA N K Nimkar - FCMA from Pune spoke on Place of Provision of services and Abatement. The session was participative and was concluded with question and answer sessions wherein all the three faculties replied the queries raised by the participants. CMA Pradnya Chandorker was the comparer and coordinator and CMA S W Parnerkar - Secretary of Chapter welcomed the gathering and the speakers.

Office Bearers for 2012-13

CMA R K Deodhar	....	<i>Chairman</i>
CMA Sanjay Parnerkar	....	<i>Vice Chairman</i>
CMA Shilpa Parkhi	....	<i>Secretary</i>
CMA Pradnya Y. Chandorkar	....	<i>Treasurer</i>

NAVI MUMBAI

Chapter organized CEP on "Analysis of India Economic downturn" on Sunday 19th August 2012. CMA K.V.V.S. Murthy, Chairman PD Committee of the Chapter introduced the speaker Mr. Vikram Sampat, Vice President Business Strategy of Reliance Industries Ltd. CMA Murthy explained briefly the current global economic situation and the impact of the same on Indian Economy. The speaker nicely explained the current global economic scenario vis-à-vis India's economic condition through different statics and graphical representatives. Other significant parameters, such as inflation, FDI, FII inflows, industrial growth etc, which plays a crucial role in Indian Economy were discussed at length.

The discussion meet was attended by senior executives of different companies and members of Chapter. Active participation from the audience made the programme successful. Programme ended with a hearty vote of thanks by CMA Pratyush Chattopadhyay.

VAPI-DAMAN-SILVASSA

Chapter organised a full day workshop on Practical applications of Recent changes in Service tax at Hotel Kamat, Silvassa on 24.08.2012. The program was conducted by two eminent speakers CMA S.S. Gupta and CMA Ashok B Nawal. The workshop was attended by 93 participants from industry of Silvassa, Daman and Vapi area. Practical difficulties of industry were addressed by both the speakers. The seminar was well attended by representatives from Castrol, Gulf oil, Anchor, Enercon, United Phosphorus and many reputed companies. CMA B F Modi, Chairman and CMA R M Kandoi, Vice Chairman of the Chapter were instrumental in organising this very successful event.

ATTN. MEMBERS !!!

Advanced Certificate Courses by the Directorate of Advanced Studies

The Directorate of Advanced Studies of the Institute announces the following three advanced certificate courses:

- Course on Business Valuation and Corporate Restructuring
- Course on Treasury and Financial Risk Management
- Course on Enterprise Performance Management and Appraisal System

These courses will be delivered at the proficiency level to develop expert knowledge. The objective is to bridge the gap between the capabilities needed by the industry and regulators and capabilities available in the market. On successful completion, participants will develop capabilities to deliver professional services in respective areas. The courses will be open to members of the Institute of Cost Accountants of India and others who have relevant experience. On successful completion of a course, the participant will be awarded a Certificate.

The information relating to the eligibility criteria, course fee, course duration, course contents and other pertinent details for each of these courses is available on the Institutes website.

The first batch for the Course on Enterprise Performance Management and Appraisal System is already running at Hyderabad. The second batch of the course alongwith the other two courses are scheduled to commence in January 2013.

Registrations and nominations are invited for all the three courses and the last date for Registration is December 3, 2012.

Ask for a brochure by mailing to:
advstudies@icwai.org or advstudies.kimi@icwai.org



CMA Ashwin Dalwadi, Past Chairman WIRC interacting with participants during CEP on XBRL in Compliance Report and Cost Audit Report organized by WIRC on 16th August 2012.



CMA Ashish Thatte, Vice Chairman WIRC interacting with the participants during CEP on Discussion on Exposure Draft -Guidance Note on Construction Industry issued by ICAI organized at Borivli SMF Center on 18th August 2012.



CMA S.S. Gupta delivering lecture during workshop on Service Tax organized by Vapi-Daman-Silvassa Chapter on 24th August 2012



L-R: CMAs Pradnya Chadorkar, Sanjay Parnerkar, R K Deodhar, A.B. Nawal and N. K. Nimkar during seminar on Recent Changes In Service Tax organized by Nashik Ojhar Chapter on 16th July 2012.



CMA Ashok Nawal delivering lecture during workshop on Service Tax organized by Vapi-Daman-Silvassa Chapter on 24th August 2012



CMA B. F. Modi, Chairman, Vapi Chapter welcoming the participants during workshop on Service Tax organized by Vapi-Daman-Silvassa Chapter on 24th August 2012



Independence Day Celebrations at Pune Chapter



CMA Pramod Dube Felicitating Mr. Sandeep Gadiya during CEP organised by Pune Chapter on 23rd August 2012



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, 17th 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 ICWAI, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai 400 001.

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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



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