



WIRC BULLETIN

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WESTERN INDIA REGIONAL COUNCIL THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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Felicitation Function held on 9th April 2016 at Sydenham College, Mumbai



View of WIRC Council Members.



View of students.



CMA L.D. Pawar Chairman, Students, Members and Chapters Co-ordination Committee, WIRC felicitating student.



CMA Ashok B Nawal, CCM-ICAI felicitating student.



CMA Harshad Deshpande, RCM felicitating student.

Celebration of World Earth Week at WIRC Office, Mumbai



CMA Debasish Mitra felicitating CMA Dr. Jagan Mohan Rao, Faculty & CCM-ICAI - 21st April 2016.
CMA Kailash Gandhi - Chairman, Professional Development Committee WIRC look on.



CMA Dr. Jagan Mohan Rao, Faculty & CCM-ICAI addressing - 21st April 2016.



View of Audience - 21st April 2016.



CMA Ashok B Nawal, CCM felicitating Advocate Prachi Munekar-Wazalwar, Faculty - 23rd April 2016



View of Audience - 23rd April 2016



From the Desk of Chairman

Respected Colleagues,

On behalf of the WIRC, I wish all of you a Happy Maharashtra Day & Gujarat Day as well as International Labour Day. During the month of April many activities have been conducted at WIRC level.

Campus Interview

The Institute of Cost Accountants of India-Western India Regional Council, Mumbai conducted Campus Placement for the Final passed students of December 2015 term on 15th & 16th April 2016 at Ghatkopar, Mumbai. Total 12 Companies participated in Campus and offered job to around 42 students out of 113 students participated at the campus. It was a memorable experience to observe the overwhelming response of students, guardians and also by participating Companies. WIRC assured companies that, selected students of the Institute they will definitely contribute positively for their organization. WIRC also advised students (the brand ambassador of the profession) to work hard in their new assignment and contribute positively for the future growth of the organization. I once again wish to mention that the pre-placement orientation program conducted by WIRC, has already started showing positive results among students. The orientation program along with development of soft skill and conduct of Mock Interview by HR Professionals for the benefit of the students are helping students to equip them to face the campus interview. WIRC has received excellent feedback on the Pre Placement Orientation Programme from students. WIRC also conveys its thanks to CMA L. Gurumurthy, Sr. Director, CAT, Training & Placement and Mr. K. P. Unnikrishnan - Joint Director - WIRC-ICAI and his team for organizing the program professionally.

Students Felicitation Function

WIRC organized Felicitation Function for the students who completed Foundation, Intermediate and Final in December 2015 Examination, on Saturday 9th April 2016 at Sydenham College Auditorium, Mumbai. Around 200 students were present along with their guardians. It was well conducted by Fresh CMAs Krunali Salvi and Kinjal Joshi. Many students shared their experience of crossing the hurdles of passing final of CMA in spite of their physical and financial problems. WIRC salutes their effort.

WIRC Faculty Meet

The entire Executive Council of WIRC met faculties of Oral Coaching. Same meet was held at WIRC auditorium, Mumbai on Saturday, the 9th April 2016, to discuss various issues pertaining to Oral Coaching. CMA L. D. Pawar Chairman, Students, Members and Chapters, Co-ordination Committee, welcomed the participants. CMA Ashok Nawal - Central Council Member briefed the new syllabus 2016. He advised faculties to improve the

Coaching Standards to counter the downfall of passing percentage.

Continuing Education Program

WIRC is committed for carrying out professional development activities in any manner for the benefit of members. WIRC observed "Celebration of World earth week". On this event, CEP was held on 21st April 2016 at WIRC Office on "Role of CMA in Companies Act 2013". CMA Dr. Jagan Mohan Rao, CCM was the faculty for the same. His dynamic presentation astonished the audience. WIRC has assured to conduct such programmes in future as well. Another CEP was held on 23rd April 2016 at WIRC on "Role of CMA in NCLT". Advocate Prachi Munekar-Wazalwar was the faculty. Her presentation was also well accepted by the members. CEP on "Personal Financial Planning and optimizing returns on Savings" was held on 23rd April 2016 at Borivli SMFC. CMA Rasesh Chokshi, Practising Cost Accountant was the faculty.

We are aware that all of our members, either in practice or service are fully occupied in year-end closing and audit thereof. I wish all of them the best in their performance and wish them success.

See you again

CMA Debasish Mitra

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.

30th April 2016

Sd/-
Harshad S. Deshpande



Ready Reckoner for Applicability of Service Tax on services provided by Government & Local Authorities

By CMA Ashok B. Nawal

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This is the third series of our article on the subject published in the month of April 2012 & April 2015. Ready Reckoner has been provided considering recent exemption Notification No. 22/2012 ST dtd. 13.04.2016 and clarification issued by the Board vide Circular No. 192/02/2016 - ST dtd. 13.04.2016.

Negative list of services introduced w.e.f. 1st July 2012 and negative list of services was provided u/s 66D of The Finance Act 1944, which is reproduced below:

66D services by Government or a local authority excluding the following services to the extent they are not covered elsewhere:

- i. services by the Department of Posts by way of speed post, express parcel post, life insurance and agency services provided to a person other than Government;
- ii. services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;
- iii. transport of goods or passengers; or
- iv. (iv) support services, other than services covered under clauses (i) to (iii) above, provided to business entities;

The word "Support Services" was substituted with all services vide The Finance Act 1944, which was made effective from 01.06.2015. However, effective date of amendment of the section was w.e.f. 01.04.2016 thereby all services provided by the Govt. is subject to service tax on reverse charge basis.

In my article published in our Bulletin in the month of April 2012 provides the Frequently Asked Questions (FAQ), wherein I have clarified what is Govt.? and What are the services provided by the Govt.? which is reproduced below...

Quote:

1. What is Government?

Though Government has not been defined, General Clause Act, 1897 will be applicable and Government includes State Government, Central Government, and State includes Union Territories.

2. Please explain, which services offered by the government will be covered under the definition of service, by giving suitable examples.

All services other than following provided by the

government are excluded from the definition of service:

- services by the Department of Posts by way of speed post, express parcel post, life Insurance and agency services provided to a person other than Government;
- services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;
- transport of goods or passengers; or
- support services, other than services covered under clauses (i) to (iii) above, provided to business entities;

Some of the examples are: providing Birth / Death Certificate, Marriage Certificate, Completion Certificate, Passport, etc. etc.

Unquote

Since, all services provided by Govt. are now excluded from the negative List by amending Sec 66D which has been made effective from 1st April 2016 and hence recipient of such services from the govt. have to discharge 100% service tax liability on Reverse Charge Mechanism.

Generally, any citizen or a person pays the Govt. the followings:

- a. Duties, taxes,
- b. Fine & penalties relating to default in following the law
- c. Fees / Charges for registration, licensing, permissions / permits, Authorizations
- d. Charges paid to the Govt. for coal blocks, spectrum,
- e. Charges paid for providing amenities
- f. Court Fees
- g. Stamp Duty
- h. Fees for Passport, Visa, Driving License, Birth / Death Certificate

The attempt has been made in this article to provide ready reckoner on various amount paid to Central Govt., State Govt. and Local Authorities. CBEC has already issued details clarificative circular No. 192/02/2016 - ST dtd. 13.04.2016 in very simplified manner and that has been also considered in this article.

Sr. No.	Particulars for which amount is paid to the Govt.	Taxable or Not Taxable	Comments
1.	Duties & Taxes	Not Taxable	<p>"Taxation" includes the imposition of any tax or impost, whether general or local or special, and 'tax' shall be construed in accordance with article 366(28) of Constitution of India.</p> <p>It includes taxes levied by Central or State legislatures, and also those known as 'rates', or other charges, levied by local authorities under statutory powers.</p> <p>Whereas, Tax in having a wider sense includes all imposts. Imposts in the context have following characteristics -</p> <ol style="list-style-type: none"> Imposing the tax is the sovereignty powers of the Central Govt., State Govt. & Local Authorities under the law. "Law" in the context of Article 265 means an Act of legislature and cannot comprise of an executive order or rule without express statutory authority The term 'tax' under article 265 read with Article 366(28) includes imposts of every kind viz. tax, duty, cess or fees As an incident of sovereignty and in the nature of compulsory exaction, a liability founded on principle of contract cannot be a 'tax' in its technical sense as an impost, general, local or special <p>To conclude, payment of duties & taxes is not on account of providing any service by the Govt.</p> <p>The said Board Circular also clarifies the same & illustrations of the taxes has been given so as to clarify Excise Duty, Custom Duty, Service Tax, State VAT, CST, Income Tax, Wealth Tax, Stamp Duty, Taxes on profession, Employment Tax, Octroi / LBT, Entry Tax, Entertainment Tax, Luxury Tax & Property Tax.</p>
2.	Fine & penalties relating to default in following the law	Not Taxable	Fines & Penalties chargeable by Govt. or Local Authorities on account of violation of a statute, bye-laws, rules or regulations are not leviable to Service Tax.
3.	Fees / Charges for registration, licensing,	Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism
4.	Fees / Charges for permissions / permits	Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism
5.	Fees / Charges for Authorization	Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism
6.	Charges paid to the Govt. for Royalty for extraction of natural resources	Taxable	<p>This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism.</p> <p>Taxable other than specified in 7 & 9 (Not Taxable).</p>

Sr. No.	Particulars for which amount is paid to the Govt.	Taxable or Not Taxable	Comments
7.	Charges paid to the Govt. for allocation of natural resources to an individual farmer	Not Taxable	<p>This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism.</p> <p>However, it has been clarified by the Board that Services by way of allocation of natural resources to an individual farmer for the purposes of agriculture have been exempted vide Notification No. 25/2012 - ST dated 20.6.2012 as amended by Notification No. 22/2016 - ST dated 13.4.2016 [Entry 59 refers]. Such allocations/auctions to categories of persons other than individual farmers would be leviable to Service Tax.</p>
8.	Charges paid to the Govt. for allocation of natural resources to other than individual farmer	Taxable	<p>This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism.</p> <p>Exempted has been granted to the individual farmer only.</p>
9.	Charges paid to the Govt. for coal blocks, spectrum - One-time payment	Not Taxable	<p>Service Tax is payable on such installments in view of rule 7 of Point of Taxation Rules, 2011 as amended by vide Notification No. 24/2016 - ST dated 13.4.2016. However, the same have been specifically exempted vide Notification No. 25/2012 - ST dated 20.6.2012 as amended by Notification No. 22/2016 - ST dated 13.4.2016 [Entry 61 refers]. The exemption shall apply only to Service Tax payable on one time charge, payable in full upfront or in installments, for assignment of right to use any natural resource</p>
10.	Charges paid to the Govt. for coal blocks, spectrum - in Installment or periodical payment, spectrum usage charges w.r.t. coal mines or royalty payable on extracted coal	Taxable	<p>This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism.</p> <p>Such payment do not cover vide Notification No. 22/2016 - ST dated 13.4.2016</p>
11.	Charges paid for providing Amenities	Taxable	<p>If Government levies some charges for providing amenities, these should be subject to service tax.</p> <p>However, charges for supplying electricity or water should not be subject to service tax, as these are 'goods'. Supply of goods cannot be a 'service'.</p>
12.	Court Fees	Not Taxable	<p>Court fee and payment made to arbitration / tribunal is excluded from the definition of "service" and hence no service tax is payable.</p>
13.	Stamp Duty	Not Taxable	<p>Board has clarified vide circular dtd. 13.04.2016 that stamp duty collected is not in nature of consideration and hence not covered under the definition of "Services"</p>
14.	Fees for Passport & Visa	Not Taxable	<p>Though certain privilege has been provided to the recipients, such service is specifically exempted vide Notification No. 22/2016 dtd. 13.04.2016</p>
15.	Fees for Driving License / Renewal / Duplicate	Taxable	<p>"This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism.</p> <p>Such payment do not cover vide Notification No. 22/2016 - ST dated 13.4.2016</p>
16.	Fees for Birth / Death Certificate	Not Taxable	<p>Though certain privilege has been provided to the recipients, such service is specifically exempted vide Notification No. 22/2016 dtd. 13.04.2016</p>

Sr. No.	Particulars for which amount is paid to the Govt.	Taxable or Not Taxable	Comments
17.	ROC Fees paid to Ministry of Corporate Affairs	Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism. Such payment do not cover vide Notification No. 22/2016 - ST dated 13.4.2016
18.	Agricultural Tax collected by Talathi / Tahasildar	Not Taxable	It is exempted by Notification No. 22/2016 - ST dated 13.4.2016 being functions entrusted to Panchayat under Article 243 G of the Constitution.
19.	Fees of 7/12 Extract / City Survey Extract	Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism. Such payment do not cover vide Notification No. 22/2016 - ST dated 13.4.2016
20.	Fines, penalties compensation paid for Non-performance of contract entered into with Government or local authority	Not Taxable	Though certain privilege has been provided to the recipients, such service is specifically exempted vide Notification No. 22/2016 dtd. 13.04.2016
21.	PF Administration Fees & Annuity Charges	Not Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism. However, this is exempted vide notification No. 9/2016 ST dtd. 01.03.2016 effective from 1st April 2016, which provides the exemption for Services of life insurance business provided by way of annuity under the National Pension System regulated by Pension Fund Regulatory and Development Authority of India (PFRDA) under the Pension Fund Regulatory And Development Authority Act, 2013 (23 of 2013) and services provided by Employees Provident Fund Organization (EPFO) to persons governed under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952);
22.	Motor Vehicle Inspection	Not Taxable	Though certain privilege has been provided to the recipients, such service is specifically exempted, since it is in relation to testing, calibration, safety check and certification in relation to consumer & public at large required under RTO Act vide Notification No. 22/2016 dtd. 13.04.2016
23.	MOT Charges t Central Excise & Customs	Not Taxable	Though certain privilege has been provided to the recipients, such service is specifically exempted vide Notification No. 22/2016 dtd. 13.04.2016
24.	Penalty, fee for late filing of return	Not Taxable	It is the penalty on violation of specific Act / Rules.
25.	Composition fees paid in accordance to order of Settlement Commission	Not Taxable	Though certain privilege has been provided to the recipients, such service is specifically exempted vide Notification No. 22/2016 dtd. 13.04.2016
26.	Any payment to the Govt. for services provided more than Rs. 5000/- per annum	Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism. Such payment do not cover vide Notification No. 22/2016 - ST dated 13.4.2016
27.	Any payment to the Govt. for services provided less than Rs. 5000/- per annum	Not Taxable	If amount is less than Rs. 5000/- per annum then it is exempted.

Sr. No.	Particulars for which amount is paid to the Govt.	Taxable or Not Taxable	Comments
28.	Building Plan Approval Fees, charges for change of land use and other utilities approval	Not Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism but the same is exempted vide notification no. 22/2016 ST dtd. 13.04.2016. Such payment do not cover vide Notification No. 22/2016 - ST dated 13.4.2016
29.	Water Charges	Not Taxable	Since it is supply of water and not supply of service and hence no service tax is payable.
30.	Registration Fees for registering Title Documents	Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism. Registration fees is collected over & above Stamp Duty and separately and hence it is not in nature of duties but to the consideration for providing certain services. Such payment do not cover vide Notification No. 22/2016 - ST dated 13.4.2016
31.	Fees paid under Right to Information Act.	Taxable	This activity is carried by Central / State Govt. for beneficiary person / desirous to obtain certain privileges for consideration i.e. fees & charges and hence it is covered under the definition of "Service" and not been exempted and hence Taxable under reverse Charge Mechanism. Such payment do not cover vide Notification No. 22/2016 - ST dated 13.4.2016
32	Interest charge by the Govt.	Not Taxable. Taxable only if, payment is made on installment / deferred payment basis	It is excluded from the definition of service. However, if service tax is payable on the original amount on deferred payment, then it will be taxable as the part of service being included in the taxable value in accordance with Rule 6(2) (iv) of the service tax (Determination of Value) Rules 2006 as amended vide Notification No. 23/2016 ST dtd. 13.06.2016

We had specified in our article published in the month of April 2015, where certain test were provided for determination of applicability of service tax which are reproduced below:

Quote:

Now, once the above provisions and definition of the law are understood, to decide whether any Government or a Local Body Service will attract Service Tax under reverse charge or not, one need to apply the final test "SGBCE TEST":-

1. Whether there is an activity performed / service provided by the Government or a Local Authority which falls under the definition of Service as per "SERVICE TEST"?
2. Whether such activity is performed / service is provided by a Government or a Local Authority "CHARGEABILITY TEST"?
3. Whether such activity is performed / service is provided to a Business Entity "CHARGEABILITY TEST"?

4. Whether there is a Consideration for such activity / service "CHARGEABILITY TEST"?

5. Whether such activity carried out / service provided is covered under Exemption / Negative list of service or falls under exclusion portion of the definition of a service under "SERVICE TEST" including exemption category?

Unquote

Though an attempt is made to provide all types of payment collected by Central / State Govt. & Local Authorities in the above Ready Reckoner, still some categories are left out then above test to be applied for deciding taxability of service tax and payment thereof under Reverse Charge Mechanism.

Following services though not provided by Govt. but are provided by body constituted by the Govt. and services provided by them are not covered under services provided to the Govt., but these are exempted vide Notification No. 9/2016 ST dtd. 01.03.2016 made effective from 1st April 2016.

- a. Services provided by Insurance Regulatory and Development Authority of India (IRDA) to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999);
- b. Services provided by Securities and Exchange Board of India (SEBI) set up under the Securities and Exchange
- c. Board of India Act, 1992(15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market;
- d. Services provided by National Centre for Cold Chain Development under Ministry of Agriculture, Cooperation and Farmer Welfare by way of cold chain knowledge dissemination;"

When service tax is payable?

Date & Time of taxable payment is determined based on the Point of Taxation Rules and Notification No. 24/2016 ST dtd. 13.06.2016 to amend Point of Taxation Rules 2011, wherein proviso to Rule 7 has been inserted as below

Quote :

Provided also that in case of services provided by the Government or local authority to any business entity, the point of taxation shall be the earlier of the dates on which,

- (a) any payment, part or full, in respect of such service becomes due, as specified in the invoice, bill, challan or any other document issued by the Government or local authority demanding such payment; or

- (b) Payment for such services is made.

Unquote

It means challan /bill / any document / letter received by the recipient from the Govt. i.e. Central / State Govt.& Local Authorities OR Payment made whichever is earlier.

Whether Service Tax is payable on any amount even by small business entity?

Yes. Generally Reverse Charge is payable without having any exemption limit but Central Govt. have issued a Notification No. 7/2016 where small business entity having the turnover less than Rs. 10 Lacs in the preceding financial year are exempted from payment of service tax on reverse charge basis.

What is the Value on which service tax is paid?

Service tax is paid on gross value of amount paid to the Govt. However, when amount is paid in deferred payment system then service tax is payable on the amount including interest.

Whether Cenvat is allowed?

Cenvat will be allowed if such payment falls under the definition of "Input Service" and is not covered under exclusions as provided in definition of input service. Cenvat credit can be taken against duty paying challan, which is used for payment of service tax on reverse charge basis. However, Notification no. 24/2016 CE (NT) dtd. 13.04.2016 restricts the cenvat, if payment is made on one time charges (lumpsum or installment) then service tax is payable on the total amount but credit is allowed in 3 even installment.

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Application of Cost Accounting Principles to Allocate, Apportion & Absorb Cost of Demineralised Water

CMA Rajesh Kapadia

Any company usually has its own Demineralised Water Plant to meet Demineralised Water requirement for running Boiler as well to meet other manufacturing requirements, if any.

It is imperative for the CMA Department to ascertain the cost of demineralized water generated by Demineralised Water Plant to charge demineralized water cost to Boiler & other processing requirements, if any, as well as to monitor, control & reduce cost of demineralized water.

This cost can be ascertained by preparing Cost Sheet as exhibited in Annexure-I

After the ascertainment of Cost of Demineralised Water as exhibited in Annexure-I, the following Cost Accounting Principles should be followed to allocate, apportion & absorb the Cost of Demineralised Water.

(1) Demineralised Water Used for Steam

It will be allocated to Steam Cost Sheet

In Steam Cost Sheet, it will appear as Cost of Demineralised Water.

In Product Cost Sheet, it will appear as Steam Cost.

(2) Demineralised for Pelletizing Section

It will be allocated to Production Cost Centres (i.e. Pelletizing Section)

In Product Cost Sheet, it will appear as Cost of Demineralised Water.

(3) Demuneralised Water for Brine

In Brine Cost Sheet it will appear as Cost of Demineralised Water

Cost of Brine will be further allocated / apportioned to Production Cost Centres & Raw Material Storage Tanks.

Cost of Brine for Production Cost Centres will appear as Brine Cost in Product Cost Sheet.

Cost of Brine for Raw Material Storage Tanks will appear as Overhead Cost in Product Cost Sheet.

When the above mentioned Cost Accounting Principles are followed, it will result in Correct Cost Centrewise Allocation & Apportionment & finally its absorption in Final Product with exactness, accuracy & reliability.

Usually, every month, Demineralised Water Plant submits one Statement or Report to CMA Department. This statement / report gives Cost Centrewise Consumption of Demineralised Water.

Consumption of Demineralised Water can be identified Cost Centrewise either by Installing Meters, or through some Technical Estimates, or through Utility Balancing Diagram or it can be computed by recording the rate of flow of water and the time during which water flows.

CMA Department should insist for Installation of Meters as well as their regular calibration preferably by an outside agency.

Annexure-I : Demineralised Water Cost Sheet for the Month of

	Unit	Qty.	Variable Cost		Fixed Cost		Total Cost		
			Rate	Total Rs.	Rate	Total Rs. Lacs	Rate	Total Rs. Lacs	%
Qty. of DM Water made	Klt								
Cost Particulars :									
(I) Chemicals :									
1 Caustic	Kg	0	0	0.00				0.00	0%
2 HCL	Kg	0	0.00	0.00				0.00	0%
(II) Electricity	Kwh	0	0.00	0.00	0.00	0.00	0.00	0.00	0%
(III) Filtered Water	Klt	0	0.00	0.00	0.00	0.00	0.00	0.00	0%
(IV) ETP	Klt	0	0.00	0.00	0.00	0.00	0.00	0.00	0%
(V) Salaries & Wages						0.00		0.00	0%
(VI) Cons. Stores						0		0	0%
(VII) Repairs & Maint.						0		0	0%
(VIII) Depreciation						0		0	0%
(IX) Insurance						0		0	0%
Total Cost				0.00		0.00		0.00	100%
Cost/Unit				0.00		0.00		00.00	

Special Valuation Branch Amendment and its impact in the Current Scenario

CMA Ajay Kumar Singh

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To curb the loss of revenue and to deal with the transaction between the related parties kind of scenarios i.e. having special relationships etc. with the suppliers, the authorities developed a Specialized Branch of Customs. This branch of customs is called SPECIAL VALUATION BRANCH (SVB) Of Customs.

SVB is a Branch of the Custom House specializing in investigating the transactions involving relationship between the supplier and the importer and certain other special features like Technical Collaboration between the parties, Royalties, License Fee or any other payment made etc. SVB examines whether the relationship between the exporting party and Importing party has influenced the price of the goods Imported in India. In respect of Technical Collaboration Agreements and Joint Venture Agreements, the terms and conditions of these agreements are examined to arrive at the conclusion, whether the existence of such agreement has influenced the invoice value of the imports. SVBs are located only at five Custom Houses, i.e., Chennai, Kolkata, Delhi, Bangalore and Mumbai and any decision taken in respect of a particular case in any of these Custom Houses is followed by all other Custom Houses/formations.

The Special Valuation Branch of that Custom House, which is located proximate to the Head or Corporate Office of the importer (having special relationships etc. with the suppliers), handles the investigation into valuation of such importer. Wherever in the declaration prescribed under the Customs Valuation (Determination of Value of Imported Goods), Rules, 2007 (hereinafter referred to as "Valuation Rules, 2007"), the importer has himself made an averment that the transactions are between related persons in accordance with Rule 2(2) of the Valuation Rules, 2007, and there is a, prima facie, justification for further enquiry, the concerned case of import is referred to the SVB of the concerned Custom House, where a separate case file is opened and a registration number is assigned to the case. Similar reference to SVB to look into valuation on account of special relationship can be ordered by Commissioner concerned where such relationship comes to light on any intelligence or while enquiring into transactions of any importer with a particular supplier.

As per Rule 2 (2) of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (Customs Valuation Rules), persons shall be deemed to be "related" only if:- (i) they are officers or directors of one another's businesses (ii) they are legally recognized partners in business ; (iii) they are employer and employee; (iv) any person directly or indirectly owns, controls or holds 5 per cent or more of the outstanding voting stock or shares of both of them; (v) one of them directly or indirectly controls the other ; (vi) both of them are directly or indirectly controlled by a third person; (vii) together they directly or indirectly control a third person; (viii) they are members of the same family. According to Explanation I to Rule 2 (2) of the Customs Valuation Rules, the term "person" also includes legal persons. Further according to Explanation II to Rule 2 (2) of the

Customs Valuation Rules, Persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, however described, of the other shall be deemed to be related for the purpose of these rules, if they fall within the criteria of this sub-rule (2) of Rule 2 . Apart from the above, those who are having Collaboration Agreement, Technical Assistance Agreement or any other agreement / contract with the foreign supplier are also required to register with SVB.

Procedure for reference to SVB

In order to ensure that only cases with significant revenue implications are taken up for SVB investigations, the following cases shall not be taken up for inquiries by SVBs :

- (i) Import of samples and prototypes from related sellers
- (ii) Imports from related sellers where duty chargeable (including additional duty of Customs etc.) is unconditionally fully exempted or nil.
- (iii) Any transaction where the value of imported goods is less than Rs 1 lac but cumulatively these transactions do not exceed Rs 25 lacs in any financial year.

In case where after examination of the transaction, it is decided by the Commissioner that a reference to SVB is not necessary, the Customs House shall issue a reference number to the importer and the Risk Management Division to indicate that the transaction has been examined from the point of view of need for SVB inquiries and it has been decided not to refer the same for SVB investigations

The importer who is related to the supplier is required to furnish a declaration about the relationship at the time of filing of Bill of Entry. In case where after examination of the transaction, it is decided by the Commissioner that a reference to SVB is not necessary, the Customs House shall issue a reference number to the importer and the Risk Management Division to indicate that the transaction has been examined from the point of view of need for SVB inquiries and it has been decided not to refer the same for SVB investigations. In the event of the Commissioner directing investigations by SVB, the proper officer shall promptly carry out provisional assessment in terms of section 18 of the Customs Act, 1962 and ensure that no delays occur in the release of the goods. Upon completion of the procedure for provisional assessment and issue of the questionnaire (Annexure B), all related records shall be transferred to the jurisdictional SVB, and in no case later than 3 working days of the release of the goods. The documents received from the importer with respect to the checklist shall be duly acknowledged by the SVB. An intimation shall be forwarded to RMD and the referring appraising group regarding submission of the documents within time so that provisional assessments, without security deposit or bank guarantee, continue till the finalisation of the investigation.

Upon receipt of all related records from the referring customs formation, the SVB shall forthwith assign a case number and

update the Central Registry Database (CRD) maintained by DGoV. The SVB shall also inform the RMD of the details of the importer, his IEC code, and details of seller for inserting suitable instructions for assessing officers at all Customs Houses so as to ensure provisional assessments during the currency of SVB inquiries. Upon receipt of information from the importer as per Annexure B, SVB shall commence inquiries, during the course of which the Deputy Commissioner / Asst. Commissioner (SVB) may call for further documents or information as required. The importer shall also be given suitable opportunity to submit evidence in support of the declared value. The SVBs shall, as far as possible, complete the investigations and issue its findings within two months from the date of receipt of information in Annexure B. In cases where investigations are not completed within 2 months, the SVB shall seek the approval of the jurisdictional Commissioner for such extended time period as is deemed necessary to complete investigations. However, where investigations are not completed within 4 months from the date of receipt of information in Annexure B, the matter shall be submitted before the Chief Commissioner for extension of period as is deemed fit. Upon completing investigations, the SVB shall submit the findings before the Principal Commissioner/ Commissioner, quantifying the extent of influence on the transaction value due to the relationship or payments towards royalty or Licence fee or other payments actually made or to be made as a condition of sale of the imported goods. Upon approval by the Principal Commissioner / Commissioner, an Investigation Report (IR, for short) shall be prepared incorporating all relevant facts, submissions made by the importer, investigative findings, grounds for acceptance or rejection of transaction value, and the extent of influence on declared transaction value, if any. The IR shall include all relied upon documents and shall be communicated to the referring customs station/appraising group and such other stations where imports have been provisionally assessed. A copy of the IR shall also be sent to the DGoV.

Finalisation of assessments

Upon receipt of the IR from the SVB, where investigative findings are that the declared value is found conforming to Rule 3 of the Custom Valuation Rule, 2007, the customs stations where provisional assessments have been undertaken shall immediately proceed to finalize the same. There would be no need to issue a speaking order for finalising the provisional assessments in such cases. However, when investigative findings are that the declared value has been influenced by the circumstances surrounding the sale, the proper officer shall issue a show cause notice to the importer within 15 days of the receipt of the IR, under intimation to the concerned SVB. In cases where imports have been cleared through multiple customs locations, the jurisdictional commissioner of the SVB shall, after issue of notices by the proper officers in the said locations, make a proposal addressed to the Commissioner (Customs), CBEC recommending appointment of a common adjudicating authority by the Board for the purpose of passing order for finalization of the provisional assessments. The adjudicating authority shall, after following the principles of natural justice, pass an order quantifying the extent of influence

on the declared transaction value. The Order shall be endorsed to the Risk Management Division and the DGoV, for updating the Central Registry Database. The appellate provisions under Section XV of the Customs Act would apply for filing appeals against the order passed by the adjudicating authority.

Change in circumstances surrounding the sale

In any case where, the circumstances of sale or terms and conditions of the agreement between the buyer and related seller change, or any other payments of the kind referred under Rule 10 (1) (c), (d) & (e) of the CVR, 2007 become payable, the importers shall be required to declare the same at the place of import in the prescribed format at Annexure C. In all such cases, the proper officer shall examine the transactions as per procedures laid out above in this circular and the jurisdictional Commissioner shall refer the matter to the jurisdictional SVB, where required.

Procedure for renewal of SVB orders

The system of renewal of SVB orders has been discontinued with immediate effect. All pending SVB investigations (other than renewal cases), where Extra Duty Deposit is being obtained are required to be reviewed in terms of para 3.2 of the circular no. 5/2016 dated 9 th February 2016. In cases, where the importer has provided information & documents, requisitioned by the SVB, EDD shall be discontinued forthwith. This exercise shall be completed by 31st May 2016. In cases, where EDD has been enhanced to 5%, due to the importer not having provided information or documents necessary for SVB inquiries, the Commissioner shall immediately take recourse to appropriate provisions under the Customs Act for obtaining the necessary documents for investigations and subsequently dispense with the EDD.

Conclusion: On the whole, the reforms introduced by CBEC are laudable efforts towards making the process simpler for importers from a procedural standpoint. They provide much needed clarity on what does or does not require investigation by SVB considering the existing tendency of the department to intervene even when not needed. Exclusion of certain transactions from the ambit of SVBs shall not only provide greater ease to the importers in doing business but also reduce the administrative burden on the department. Measures such as dispensing EDD and doing away with the need for renewal would work towards reducing the pendency of cases and lower compliance costs for the importers. Further, furnishing of deposit through bank guarantee shall allow the importer to avoid blockage of funds with the department. To avoid any risks, most importers would probably want to follow this method as opposed to making a cash deposit. However, effectiveness of the new regime would be contingent on a smooth transition of SVBs to the new norms.

The current operational methods of the SVBs are not favourable to importers and hamper the growth of an environment conducive for business. They act as in-country barriers to trade related activities undertaken by group companies. An over-inquisitive approach tends to adversely impact completely genuine import transactions. Hopefully, the SVBs take speedy measures to implement the new norms which would facilitate trade and thereby act as a further step towards transforming the government's "Make in India" vision into a reality.



It's time to transform Cost Accounting Profession

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Recently I heard Railway Minister, Mr Suresh Prabhu's TEDTalk. As a CMA, the most attractive part of this talk for me was the last part. In this speech Mr. Prabhu spoke about how he and his team are mobilizing resources to make Indian Railways better and safer. In his concluding remarks he referred to the role of 'management accounting' in enabling cost efficiency of rail services in India. Though it comes as a surprise, what is interesting is the fact that even a mammoth government organization has started to take a relook at its costing practices. Similar action is expected other public sector companies and private players over time. It is a wake-up call. The requirements of cost information are changing. Accuracy and timeliness of cost data is gaining much more importance as compared to past.

What does this signal for practitioners of costing and the Institute? Well, our profession needs to undergo dramatic change. CMAs have pursued traditional approach of absorption based costing for long time. Not only have we delivered great service over the past 50 years but also raised the bar for excellence in our service consistently. For several years, the profession operated in a business environment which was predictable and static. Today we live in a VUCA World - Volatile, Uncertain, Complex and Ambiguous. Business models of past are fading at a rapid pace. The 'on-line' revolution has changed the way companies measure and evaluate costs. In order to stay relevant CMAs must innovate the science and art of cost management and cost control.

Let me illustrate the point using a simple example from a typical E-Commerce company. In establishments like e-commerce portals the investment in fixed assets and share of fixed costs is relatively smaller as against traditional manufacturing set-ups. The marginal cost of delivering service to the end customer therefore behaves very differently from companies whose cost structures are investment heavy. Essentially this affects the pricing structure of the company. We live in the age of discounted pricing. Prices drive markets and thus the strategic direction of firms. What this implies is that the mechanisms to capture these drivers of customer value must be traced and controlled by companies. Old methods of accumulating costs and allocating them on heuristics cannot serve this purpose. For extraordinary results we need extraordinary efforts.

As a Cost & Management Accountant (CMA), I have worked with large a manufacturing company in India.

The domain knowledge of costing systems has helped me gain insight into practices of Indian corporate sector for measuring and reporting performance of cost accounting. Despite of advancement in information technology and decision support systems, Indian firms predominantly use traditional costing systems like Absorption Costing and Standard Costing for performance management. This has resulted into inaccurate reporting of costs to management and thereby has resulted in lacunas in managerial control especially with respect to financial aspects. As alternative, modern costing techniques such as Activity Based Costing (ABC) provides a definite solution to this problem of inaccurate cost management. ABC has been successfully adopted by many multinational companies across the world.

Unfortunately in last 20 years there has been a very slow progress in adoption of ABC in India. ManojAnand, B.S. Sahay & S. Saha conducted a study in 2005 and published a research paper titled "Activity-Based Cost Management Practices in India: An Empirical Study". Firms using ABC captured costs better than non-adopters. Major difficulty faced in implementation was lack of initiative from the top management. This research tested hypothesis whether companies adopting ABC actually performed better than those that did not adopt ABC. The findings of this research suggest that companies that adopt Activity Based Costing generate accurate results of cost and information for planning.

We need to look at the barriers to adoption of ABC in India and suggest changes to overcome those barriers. As a part of my academic research work, I am conducting a study titled as "A Study on Adoption of Activity Based Costing in India". The findings of this research are supposed to highlight reasons of adoption/ non-adoption of ABC and the expected benefits thereof. The research is also supposed to identify factors which make companies reject the use of ABC and likely suggestions to overcome the shortcomings envisaged by use of ABC by such companies.

In a nutshell, we all are living in interesting times filled with extreme challenges and extreme opportunities. If we are willing to dedicate our efforts to this major transformation, more and more CMAs will find their rightful place in boardrooms rather than corner offices adjoining shop floors. Together we can ride this wave and take our profession forward.



Service Tax on Government Services

By CMA Vineet Chopra

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In the budget 2015-16, service tax (ST) was imposed on services provided by Government or local authority to business entities but it was not made effective, however, w.e.f. 01-4-2016 this provision has been made effective. Now 'any service' provided by Government or local authority are subject to ST with few exceptions.

The functions of Government includes administrative, sovereign, statutory, regulatory control, granting approval, permission, license, etc besides providing various services. An effort is made in this article to discuss various aspects of taxability of Government services.

Government / Local Authority

In terms of provisions of section 65B(26A) of the Finance Act, 1994 (the Act) Government means the departments of the Central Government, State Government and Union territory, however it shall not include any entity whether created by a statute or otherwise the accounts of which are not required to be kept in accordance with article 150 of the Constitution of India or the rules made thereunder.

As per section 65B(31) of the Act 'Local Authority' means a Panchayat, a Municipality, a Municipal Committee, a District Board, a Cantonment Board, a regional council or a district council, a development board, as referred under the prescribed article or schedule of the Constitution of India or as constituted under the prescribed laws.

However, local bodies or other autonomous entities created by Parliament or State Legislature is neither Government nor local authorities. Thus, if any organisation doesn't fall in above category it will be out of purview of these provisions.

Service

Section 65 B(44) of the Act defines service as an 'activity' carried out by a 'person' for another for 'consideration' and includes 'declared services' under section 66E but excludes few prescribed services.

The taxability of any activity will be determined based on the fundamental criteria, i.e. whether a particular activity is 'service' by a 'person' to 'another' for 'consideration' falling under the definition of 'service' and not found mention under the negative list or mega exemption notification. Here unincorporated association or a body of persons and member thereof shall be treated as distinct persons. Place of provision of services is also relevant to determine the taxing jurisdiction for a service.

Negative list

Section 66D of the Act provides list of services which is termed as Negative list of services, means the services which are not taxable. Services not found in this list or excluded from it shall be subject to service tax if otherwise not prescribed as exempted.

Section 66D(a) of the Act excludes following services provided by Government or a local authority from negative list, therefore, these services shall be taxable.

- i) services by department of posts by way of speed post, express parcel post, life insurance and agency services provided to person other than Government;
- ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;
- iii) transport of goods or passengers;
- iv) 'any service' other than above provided to business entities.

Reverse Charge mechanism

As per notification no. 30/2012 dated 20th June 2012 as amended from time to time read with section 2(d)(E) of the Service Tax Rules, 1994 liability for payment of ST on taxable services provided or agreed to be provided by Government or local authority to any business entity located in taxable territory shall be on recipient of such service except for clause (i) to (iii) referred in previous para and for service of renting of immovable property by Government or local authority. Thus, for services other than this, the liability for payment of ST shall be on service recipient on reverse charge basis.

Exemption

Exempted services means the services which though otherwise are taxable but notified as exempted by way of notification. Total 63 (10 services added on 13-4-2016) types of services are exempted under the Mega Exemption Notification no. 25/2012 dated 20-6-2012 as amended from time to time.

Following taxable services provided by Government or a local authority to business entities are exempted:-

1. A business entity with a turnover upto Rs. 10 lakh in the preceding financial year as per sr.no. 48 of Notification no. 25/ 2012 dated 20-6-2012.
2. By Government or a local authority to another Government or a local authority except services specified under section 66D (a) (i), (ii) and (iii) of the Act.
3. Services by way of issuance of passport, visa, driving

- license birth or death certificate.
4. Services by Government or local authority where gross amount charged doesn't exceed Rs. 5000/- except for services specified under section 66D (a) (i), (ii) and (iii) of the Act
 5. In case of continuous supply of services exemption shall be for gross amount charged upto Rs. 5000/- in a financial year.
 6. Services by way of tolerating non-performance of a contract for which consideration in the form of fines, liquidated damages is payable to the Government or local authority under such contract.
 7. Services provided by Government or local authority by way of registration required under any law for the time being in force or services by way of testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, required under any law for the time being in force;
 8. Services provided by Government or a local authority by way of assignment of right to use natural resources to an individual farmer for the purposes of agriculture;
 9. Services by Government, a local authority or a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution of India;
 10. Services provided by Government or a local authority by way of assignment of right to use any natural resource where such right to use was assigned by the Government or the local authority before the 1st April, 2016. Provided that the exemption shall apply only to service tax payable on one time charge payable, in full upfront or in installments, for assignment of right to use such natural resource;
 11. Services provided by Government or a local authority by way of allowing a business entity to operate as a telecom service provider or use radiofrequency spectrum during the financial year 2015-16 on payment of licence fee or spectrum user charges, as the case may be;
 12. Services provided by Government by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges (MOT).

Further, following taxable services provided to Government or a local authority are also exempted.

Construction, installation, erection, commissioning, fitting out, repair, maintenance, renovation or alteration of

- a. historical monuments, archaeological site or remains of national importance, archaeological excavation or specified antiquity
- b. canal, dam, or other irrigation works,
- c. pipeline conduit or plant for water supply, water treatment or sewerage treatment or disposal
 - d. a civil structure or any other original works meant predominantly for use other than for commerce, industry or any other business or profession
 - e. a structure meant pre-dominantly for use as an educational, a clinical or an art or cultural establishment;
 - f. a residential complex pre-dominantly meant for self-use or the use of their employees or other person specified in explanation 1 to section 65B(44) (Members of Parliament, State Legislative, Panchayats, Municipalities, local authorities, persons holding post in pursuance of the Constitution of India, Chairperson or a member or a director in a body established by Central / State Government / local authority, etc.)

Fees & activity in nature of service by Government, local authority

Fees is charged by the Government / local authority for allowing or approving certain functions or activities or to enjoy certain privileges, facilities, rights or special benefits. Such fees shall now be taxable except the cases referred in below table or specified in negative list, exemption list. Examples of such services may be inspection fee for approval, ROC fees (other than registration), security services provided by government, royalty, charges for extracting minerals, charges against allocation of coal blocks, telecom spectrum, etc.

However, fees for registration required under any law or taxes, duties or penalties where element of service / consideration is not present and which are imposed without the consent of payer with an objective to generate revenue or for infringement of any law are not the activity of service and hence not liable to ST.

For clarifying provisions of law, the department has issued a clarification on 13-4-2016 which is summarised as under:

	Issue	Clarification
	Nature of Services provided by Government / local authority :	
1.	To another Government or local authority	Exempted except services covered under sub-clauses (i), (ii) and (iii) of clause (a) of section 66 D of the Act
2	To individual	Exempted services are grant of passport, visa, driving license, birth or death certificates

		Services where gross amount charged upto Rs. 5000/- have been exempted except services covered under sub-clauses (i), (ii) and (iii) of clause (a) of section 66 D. In case of continuous services, it will be exempted if value is upto Rs. 5000/- in a financial year.
3	Taxes, cesses or duties	Not subject to service tax
4	Fines and penalties	Fines, penalties for violation of laws are not subject to service tax, however, fines and liquidated damages for non-performance of contract entered into with Government or local authority have been exempted.
5	Services provided in lieu of fee charged	Any activity against consideration constitute a service and is taxable irrespective of fact whether it is statutory or mandatory under law. Service tax is leviable on any payment, in lieu of any permission or license granted.
		However, services by way of registration required under the law, services by way of testing, calibration, safety check, certification relating to protection or safety of workers, consumers, public at large have been exempted
6	Allocation of natural resources to individual farmers for agriculture	Exempted for individual farmers but taxable for other than individual farmers.
7	Change of land use, commercial building, approval, utility services.	Regulation of land use, construction of buildings and other services listed in 12th Schedule to the Constitution which have been entrusted to Municipalities under Article 243W are exempted.
8	Functions entrusted to a Panchayat under Article 243G of the Constitution	Exempted
9	Yearly instalments due after 01-4-2016 in respect of spectrum assigned before 01-4-2016	ST is payable on such instalments, however, the same have been exempted to the extent of ST payable on one time charges, payable in full upfront or in instalments, for assignment of right to use any natural resources except any periodic payment required to be made by the assignee such as Spectrum User Charges, license fee, monthly payment with respect to coal extracted from coal mine or royalty payable on the same.
10	Interest charged by Government or local authority where the payment for assignment of natural resources is allowed to be made under deferred payment option	Such interest shall be included in the value of taxable service.

Thus, it can be seen that the coverage of service tax has now become too wide and assessee needs to carefully study the applicability of law, tax incidence and timely compliance in order to avoid litigation and penal provisions.

Pune Central CEP Study Circle

Pune Central CEP Study Circle formed under the guidelines of the Institute of Cost Accountants of India organized its tenth function on 22nd April 2016. The topic of the program was "Updating on recent changes in Maharashtra VAT Act, 2002 and its procedural impacts". CMA Laxman Pawar, Regional Council Member gave a lecture on this occasion and explained the recent provisions of Maharashtra VAT Act, 2002 as well as methodology of filing E>Returns under the new scheme to be implemented from April 2016. CMA Prashant Vaze, Convener of the Study Circle along with CMA Varsha Limaye (Members of the Advisory committee of the Study Circle) arranged the Program. Members of the Institute attended the program.

WIRC Activities - April 2016

CEP Report - WIRC

WIRC had organised two programmes under "Celebration of World earth week". 1st programme was held on 21st April 2016 at WIRC Office on the Topic was "Role of CMA in Companies Act 2013". CMA Dr.Jagan Mohan Rao, CCM-ICAI was the faculty for the same. 2nd Programme was held 23rd April 2016 at WIRC on Topic "Role of CMA in NCLT". Advocate Prachi Munekar-Wazalwar was the faculty.

CMA Debasish Mitra, Chairman WIRC, CMA Kailash Gandhi, Chairman PD Committee and CMA Ashok .B. Nawal, CCM-ICAI were present on the occasion.

WIRC had also organised CEP on "Personal Financial Planning and optimizing returns on Savings" on 23rd April 2016 at Borivli SMFC. CMA Rasesh Chokshi, Practising Cost Accountant was the faculty

Campus Placement

The Institute of Cost Accountants of India conducted Campus Placement for the December 2015 Final passed students on 15th & 16th April 2016 at Aruna Manharlal Shah Institute of Management, Mumbai. Total 12 Companies participated in Campus and selected 40 students out of 113.

In continuation of Orientation Programme, WIRC conducted Mock Interview on 12th & 13th April 2016 by HR Professionals for the benefit of the fresh CMAs. WIRC has received excellent feedback for the Orientation Programme.

CMA Debasish Mitra, Chairman WIRC, CMA Kailash Gandhi - Chairman, Professional Development Committee WIRC and CMA L Gurumurthy, Sr. Director, CAT, Training & Placement ICAI were present during the Presentation programme by the Companies participated.

Companies Participated

- Accenture
- Coal India
- Galaxy Surfactants Ltd
- Grindwell Norton Ltd. (Saint Gobain)
- Hindustan Unilever Limited
- KPMG
- NBCC
- Radius
- RMC Ready Mix India (Prism Cement)
- Progress Partners Business Advisory LLP
- RSM Astute Consulting Pvt. ltd
- Schneider Electric India Pvt. Ltd.

Felicitation Programme

WIRC organized Felicitation Function for the students who completed Foundation, Intermediate and Final in December 2015 Examination, on Saturday 9th April 2016 at Sydenham College Auditorium, Mumbai. CMAs Debasish Mitra - Chairman WIRC, P. H. Desai, Vice Chairman WIRC, Shriram Mahankaliwar, Hon. Secretary

WIRC, CMA Laxman D. Pawar - Chairman, Students Members and Chapters Co-ordination Committee, CMA Kailash Gandhi - Chairman, Professional Development Committee WIRC, CMA Harshad Deshpande, RCM and CMA Ashok B Nawal, CCM, ICAI were present on the occasion. More than 200 students and some of the parents attended the function. Prizes were given to all successful students by Council Members. WIRC also felicitated all the Rank holders from the Western Region on this occasion. The programme ended with Vote of Thanks and National Anthem and followed by High Tea

WIRC Faculty Meet

The Faculty Meet of WIRC Oral Coaching was held at WIRC office Fort Mumbai on Saturday the 9th April 2016 at 5.30 pm to discuss various issues pertaining to Oral Coaching.

CMA LD Pawar Chairman, Students, Members and Chapters Co-ordination Committee, WIRC welcomed the Faculty Members.

CMA Ashok Nawal - Central Council Member has given presentation on syllabus 2016 which will be implemented from 1st August 2016 onwards. He further emphasised the Faculty to improve the Coaching Standards to curtail the downfall of the results and also attract more students for CMA Course. Faculty members suggested various methods to improve the admission and also assured full support in Institute activities. CMA Ashok Nawal replied all the queries raised by the faculty on the proposed syllabus and also thank the huge turnout of the faculty for the Meet.

CMAs Debasish Mitra, Chairman WIRC, P. H. Desai, Vice Chairman WIRC, Kailash Gandhi - Chairman, Professional Development Committee WIRC, Harshad Deshpande, RCM were also present on the occasion.

CMA Shriram Mahankaliwar, Hon. Secretary proposed vote of thanks and invited Faculty Members for Dinner.

OBITUARY



CMA C. S. Krishnan, (M/10027- Ex.Novartis) from Mumbai passed away on 12th April 2016.

May his soul rest in eternal peace.

CHAPTER NEWS

AHMEDABAD

Chapter had organized CEP Program on -A Role of Cost Management Accountants, Income Tax- on 28/04/2016 at Chapters' premises. CMA Ashish Bhavsar, Vice Chairman gave welcome speech. Shri Ajay Das Mehrotra- IRS, Principal Commissioner of Income Tax, Ahmedabad and CCM nominated by Govt. of India was Chief Guest of the program. CMA Vinod Savalia, Chairman of Chapter introduce the Chief Guest. CMA P.H, Desai, Vice Chairman of WIRC felicitated guest by presenting memento and bouquet. CMA P G Tulsian, Practicing Cost Accountant and faculty of Program was felicitated by CMA A. G. Dalwadi, Chairman of P.D. Committee by presenting bouquet. Shri Ajay Das Mehrotra inter-acted with the members and in his speech he explained that there is a wide scope for members in Direct Taxation. He also advised the members to work hard and be habitual to learn new amendments. CMA P G Tulsian presented his views on Role of Cost and Management Accountant in Income Tax through impressive power point presentation. He also replied to the questions raised by the curious participants. The session was well attended by members in practice. They appreciated the effective and lucid presentation.

PUNE

1) Special session for Final Students under Mentorship programme.

Chapter organized special session for Final Students under Mentorship programme. The topic for the session was Personal Development & GD Skills. The faculty for the session was Mrs. Motiya Basargekar. She explained the students, various means by which they can present themselves. She also conducted mock interviews to apprise the students about the process involved as the expectations of the interviewer from them. Total 15 students of the final attended & appreciated the session. Students also requested for further such value added sessions from the chapter.

2) CEP on MVAT (2.4.2016)

Chapter arranged a CEP on "Recent Changes in VAT on 2nd April 2016. Adv. Mahesh Bhagwat was the faculty for the same. He talked about the changes, suggested in the MVAT Procedures & Formats. He explained the new formats and how the details are to be filled. Large number of members attended the CEP.

3) CEP on "Roll of CMAs as Independent Director" (21.4.2016)

On 21st April, Chapter had organized CEP on "Role of Cost Accountants as Independent Director" by CMA Milind Date. After giving the brief about the legal position about the appointment, CMA Date mainly emphasized on how CMAs can play a role as an Independent Director. He also briefed about the

precautions to be taken before accepting the assignment & also shared few real life case studies.

SURAT-SOUTH GUJARAT

Chapter celebrated Silver Jubilee function on 28th April 2016. On this auspicious day Chapter had arranged Programme for Students on "Goal Setting, Getting ready for Examination & Career Planning" at conference hall of the Chapter. CMA Manubhai K. Desai Chairman of the Chapter welcomed the faculty & students. Ms. Khushbu Mashru was the faculty. She elaborated themes like Positive Attitude, Goal Setting; time Management & Setting Priorities by stories, videos & games.

Bharuch - Ankleshwar CEP Study Circle

Bharuch Ankleshwar CEP Study circle organized a Post Budget seminar on Indirect Tax and Direct Tax on 04.03.2016 at Hotel Lord Plaza Ankleshwar. Seminar was inaugurated by Commissioner of Central Excise Bharuch Shri Vijay Kalsi and CFO of ONGC Petro Additions Ltd CMA Trinath Behera. More than 175 participants were present in the seminar from Bharuch, Dahej, Ankleshwar, Panoli, Jaghdia & Surat (Surrounding of Biggest Industrial area).

CMA Satyanarayan Mundra (Convener of Bharuch Ankleshwar Study circle of Cost Accountant) welcome the participants. He explained the activities of study circle and support of all industry. In Asia biggest Industrial area CMA profession play very important role for Effective utilization of resources and consumer protection -Make In India -Concept of Our honorable Prime minister Shri Modiji.

CMA Trinath Behera explained certain budgetary impact linking it with railway budget nicely as earlier he was working with Railway. CMA Shailendra Saxena made brief presentation about expectation of industry from Budget nicely. CMA V. S. Datey (Author of various books on indirect taxes & corporate law) had explained the overall impact of changes of indirect tax on industry nicely specially on Service Tax. He explained that certain changes made in this budget are logical and beneficial to industries. Question Answer session was very interactive and all the participant had taken active part in clarifying the doubts. CMA Manoj Malpani explained the changes and impact of Budget in detail on Excise, Customs and Service Tax. Direct tax Mr. Rakecha had made presentation explaining the changes and their impact on Industry. And Programme was coordinated by CMA R.K. Rathi, CMA R.A. Mehta, Mr. Rajesh Makwana & Entire team of CEP Study Circle CMA Anand Chary had proposed vote of thanks for success of seminar. CMA Bhawerlal Gujjar, CMA D.C. Gupta presented Memento to Chief Guest. Mr. Sunil Bhatt Joint President of DIA was also present in seminar. Local Channel cover Interview of CMA V.S. Datey and CMA Satya Narayan Mundra.

Faculty Meet held on 9th April 2016 at WIRC Office, Mumbai



CMA L.D. Pawar Chairman, Students, Members and Chapters Co-ordination Committee, WIRC welcoming Faculty Members.



CMA Ashok Nawal - Central Council Member



View of Faculty Members



CMA Laxman Pawar, RCM interacting with members during seminar organised by Pune Central CEP Study Circle on 22nd April 2016.



View of audience during Post Budget Seminar held on 4th March 2016 at Ankleshwar organised by Bharuch-Ankleshwar Gujarat CEP study circle.



CMA P. H. Desai, Vice Chairman of WIRC felicitating Shri Ajay Das Mehrotra, Chief Guest during CEP organised by Ahmedabad Chapter on 28th April 2016.



View of participants during CEP organised by Ahmedabad Chapter on 28th April 2016.



Ms. Khushbu Mashru interacting with students during Silver Jubilee Celebration arranged by Surat-South Gujarat Chapter on 28th April 2016.



Mrs. Motiya Basargekar interacting with students during Mentorship Programme organized by Pune Chapter on 29th March 2016.



CMA N. K. Nimkar, felicitating Advocate Mahesh Bhagvat, faculty during CEP organized by Pune Chapter on 2nd April 2016.



CMA Pramod Dube, felicitating CMA Milind Date during CEP organized by Pune chapter on 21st April 2016.

ICAI Campus Placements held on 15th & 16th April 2016 at Mumbai



CMA L Gurumurthy, Sr. Director, CAT, Training & Placement ICAI.



CMA Debasish Mitra, Chairman WIRC.



CMA Kailash Gandhi - Chairman, Professional Development Committee WIRC presenting memento to participating company Saint Gobain.



Mr. K P. Unnikrishnan, Joint Director-WIRC presenting memento to participating company RMC (Prism Cement). CMA L Gurumurthy, Sr. Director, CAT, Training & Placement ICAI look on.



CMA Kailash Gandhi, Chairman, Professional Development Committee-WIRC presenting memento to participating company RSM Astute Consulting.



View of students.

To



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