



WIRC BULLETIN

EDITORIAL BOARD

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For Members only

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From the Desk of Chairman



October was celebrated mainly on festive as well as election in the State of Maharashtra & Haryana. Once again voters have given the preference for growth & against corruption. Message from the voters is very clear to have zero tolerance on corruption & malpractices. This message should be understood by all elected representatives and assist us in cleaning the malpractices happened in Institute, Regions & some of the

Chapters.

Hon. Prime Minister Narendrabhai Modi have asked people to join movement for Unity and therefore, whole Nation celebrated 31st October 2014, the birthday of Respected Sardar Vallabhbhai Patel as Unity Day and taken the Oath of striving for unity of India. Hope, unity of all Chapters, Regions & members will take our profession at greater heights as well as contribute towards Nation Building.

Surat Chapter of Cost Accountants is inaugurating their own building in the name of Institute on 16th November 2014 and also arranging the Seminar on the subject "Role of CMA in Nation Building vis-a-vis "Make in India". I appreciate all the office bearers and the members of the Chapters for CMA Bhawan as well as selection of right subject. Role of CMA in creating "Make in India" Brand will be very vital, since it will focus on not only on the resource utilization but also on cost reduction and applying value engineering techniques. On the discussions of implementation of GST, we need to focus on the impact of various transactions and formulating the strategies of the business as well as new ERP systems. We need to gear up on various dynamics of the business as well as forthcoming changes like Direct Tax Code, Goods & Service Tax, IFRS, Corporate Governance and creating the new Accounting Standards as envisaged in the Companies Act 2013. WIRC is arranging the Workshops / Seminars on the subjects.

WIRC has made the appeal to all the chapters to arrange such type of seminars but very few chapters responded to the call of WIRC. However, Surat Chapter, Raipur Chapter as well as Navi Mumbai Chapter have planned to arrange the seminar with the close coordination of WIRC.

WIRC once again appeal to all Chapters to arrange number of CEPs as well as number of Seminars, which will not only update the members but also will create the brand value of CMAs. Some of the members from Pune have requested WIRC to arrange the seminar at Pune which is under consideration.

PROFESSIONAL DEVELOPMENT ACTIVITIES:

I appreciate efforts taken by Chairman - Professional Development Committee - CMA Debasish Mitra, who has arranged following CEP programs, which was well appreciated by members.

- Contractual Practices in Construction Industry
- Overview on Recent development in Direct Taxation
- SAP & Costing

I also put on the record and also acknowledge the efforts & contribution of CMA Rajeev Chatterjee and CMA Kishore Bhatia.

WIRC along with Navi Mumbai Chapter of Cost Accountants have organized full day workshop on SERVICE TAX on 15th November 2014.

Bhopal Chapter have arranged the seminar on "PRESENT SERVICE TAX RULES: CHALLENGES & OPPORTUNITIES FOR PROFESSIONALS. I express my sincere thanks to office bearers of Bhopal Chapters.

CHAPTERS & STUDENTS:

Bhopal Chapter of Cost Accountants have felicitated the successful students and also celebrated Student Day. Quiz program was also arranged. Students have also made paper presentation on various topics including that of ethics. Contents of the paper presentation was really appreciable, similarly the questions of the quiz was more relevant to the future CMAs and Role of CMA and I was amazed to note that the next generation of future CMA will be far better and will definitely contribute for Nation Building.

Aurangabad Chapter of Cost Accountants have also felicitated the successful students. The involvement of students and parents was exemplary. More than 600 students and their parents were invited and involved in the activities. This will definitely help to create the brand of our Institute. I express my sincere thanks to all the office bearers as well as senior Cost Accountants for organizing such event.

REGIONAL COST CONFERENCE:

We are planning to have Regional Cost Conference at Navi Mumbai perhaps in the month of December 2014 or after National Cost Convention.

THE COMPANIES (COST RECORDS & COST AUDIT) RULES 2014:

All of us are eagerly awaiting for substantive amendment in The Companies (Cost Audit & Cost Record) Rules 2014. All the corporates as well as members are in the dilemma, since CRA-2 form is reflected on MCA Site, moreover there is a huge penalty is demanded from the company for appointment of cost auditor for earlier years. This volatile situation will be more dangerous to the profession. Though it is a fact that our President had the meeting with Hon. Minister Smt. Nirmala Sitharaman and requested to keep The Companies (Cost Record & Cost Audit) Rules 2014 in abeyance and continue the earlier rules, there is no decision taken in this regard. We are confident, MCA will take the decision at the earliest to resolve this issue in the interest of Nation.

CMA Ashok B. Nawal



CMA Rajeev Chatterjee interacting with members during CEP on Contractual Practices in Const. Industry & Costing organised by WIRC on 11th Oct. 2014 at Borivali SMFC.



View of participants during CEP on Contractual Practices in Construction Industry & Costing organised by WIRC on 11th October 2014 at Borivali SMFC.



Mr. Bhairav Dalal interacting with members during CEP on Overview on Recent development in Direct Taxation organised by WIRC at WIRC on 18th Oct. 2014.



Mr. Yogesh Gadre is being felicitated by CMA V.V. Deodhar, Past President, ICAI during CEP on SAP & Costing organised by WIRC on 1st Nov. 2014 at WIRC.



View of participants during CEP on SAP & Costing organised by WIRC on 1st November 2014 at WIRC.



WIRC Staff and students taking pledge on 31st Oct. 2014 of "Rashtriya Ekta Diwas" on the occasion of the birth anniversary of Late Sardar Vallabhbhai Patel



Felicitation Function for the Successful students of June 2014 Exam was organized by Aurangabad Chapter of ICAI. With the Successful students of Final Complete students CMA A.B.Nawal (Chairman WIRC of ICAI), CMA Sunilkumar Maniyar (Vice Chairman, Aurangabad Chapter), CMA Vaibhav Argade (Secretary Aurangabad Chapter), CMA S.R.Pimple, CMA M.R.Pandit, CMA A. R. Joshi, CMA Nagarjun Rao, R.S.Deshmukh, CMA Kiran Kulkarni and CMA R. P. Gore



View of Participants during Seminar on Career Planning for CMA Profession by Indore-Dewas Chapter



L-R CMA Vijay P Joshi (RCM WIRC) CMA Pankaz Raizada (Chairman IDCCA) CMA Shailendra Jain (Hon. Secretary IDCCA) during Seminar on Career Planning for CMA Profession by Indore-Dewas Chapter



View of Participants during Seminar on Career Planning for CMA Profession by Indore-Dewas Chapter

CEP REPORT

On 11th October 2014 WIRC organised CEP on Contractual Practices in Construction Industry at Borivali SMF Centre. CMA Rajeev Chatterjee was the speaker.

On 18th October 2014 WIRC organized CEP on Overview on Recent development in Direct Taxation at WIRC Office Hall. Mr. Bhairav Dalal, Associate Director, Pricewaterhouse Coopers Private Limited was the speaker.

On 1st November 2014 WIRC organized CEP on SAP & Costing at WIRC Office Hall. Mr. Yogesh Gadre, Industry & Consulting veteran was the speaker.



The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

Western India Regional Council

jointly with

Navi Mumbai Chapter of Cost Accountants

announces

FULL DAY WORKSHOP ON SERVICE TAX

Need for the Workshop : The remarkable growth in the Services sector during the past decade has made service tax as a major contributor of revenue for the Government of India. Service Tax, introduced as a levy in 1994, has also evolved since its inception. From being a tax on select services initially, the coverage of Service tax has increased manifold with the introduction of negative list regime in 2012. Further, the expansion of reverse charge mechanism with regard to specified services has put the onus even on entities which are not engaged in providing services to comply with the service tax provisions. Furthermore, the frequent amendments and clarifications coupled with decisions from various Courts make it even more cumbersome for a professional to keep track of the developments regarding this important indirect tax levy.

In such a scenario it is important for practitioners and corporates to keep themselves updated on Service Tax issues. This workshop is intended to provide an update on recent legislative changes in service tax and their impact on business. It will also provide practical insights in respect of the significant issues in service tax matters that a professional should be aware of.

Date: Saturday, 15th November 2014

Venue: Navi Mumbai Sports Association, Sector-1A, Vashi, Navi Mumbai-400 703.

Speakers : **CMA V.S. Datey** - Well known Author of Indirect Tax published by Taxman
CMA Amit Sarkar - Sr. Consultant, Director, Indirect Taxes, Deloitte Touche Tohmatsu India Pvt. Ltd.
CMA Ashok Nawal - Managing Director, Bizsolindia Services Pvt. Ltd.

Delegate Fees: Rs.1685/- for Practising CMAs & Students Rs.2250/- for Professionals & Company Sponsored (including service Tax)
 Cheque should be drawn in favour of ICAI-WIRC

(FOUR CEP CREDIT HOURS WILL BE PROVIDED)

PROGRAMME SCHEDULE

09.30 to 10.00	Inauguration by Shri Sushil Solanki , The Commissioner of Excise and Service Tax (Navi Mumbai Zone) (<i>Confirmation awaited</i>)
10.00 to 11.30	Constitutional Background Definition of Service, Negative List, Declared Service. Exempted Service by CMA V.S. Datey
11.30 to 11.45	Tea Break
11.45 to 01.15	Point of Taxation, Place of Provision of Service, Service tax procedures, recent amendments in appellate procedures & other important provisions of the Law by CMA Amit Sarkar
01.30 to 02.15	Lunch
02.15 to 03.30	Person liable to pay tax, Important Accounting Controls For 100% Statutory Compliance by CMA Ashok Nawal
03.30 to 03.45	Tea Break
03.45 to 05.00	Important Landmark Judgments w.r.t. Service Tax By CMA Ashok Nawal
05.00 to 05.30	Questions answers

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Alert - Department of Revenue Restructured, Have You?

By CMA Ashok B. Nawal

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Towards the path of GST, Central Excise & Service Tax department is getting augmented and therefore more Commissionerate & more divisions have been made by way of restructuring. Separate Service Tax Commissionerate & Audit Commissionerate has been made.

Separate post for Principal Chief Commissioner & Principal Commissioner has been created. Now, 8 Principal Chief Commissionerate at office has been made at Chennai, Delhi, Hyderabad, Lucknow, Mumbai - I, Kolkata, Vadodara, Large Taxpayer Unit (LTU). No of Commissionerate has been created so as to reduce geographical area and similarly number of divisions have been made. Number of inspectors have been promoted as Superintendent and number of Superintendent have been promoted as Asst. Commissioner of Central Excise mainly with the object of stricter monitoring of implementation of the law. Audit divisions are separately made and they have been empowered for audit as well as issuance of Show Cause Notice.

The proposed sections in the Audit Headquarters will be:

- i. Planning and coordination section to look after scheduling and support in conduct of MCM meeting, maintenance and Updation of Assessee Master File, maintenance of Records/Registers and submission of reports to look after formation / constitution of audit groups and deployment of officers matching skills with audit requirement, maintenance of database of officer's profile, training needs of officers.
- ii. Administration, Personnel & Vigilance section to look after administrative matters, transfer, leave, allowances, budgetary grants, vigilance matters etc.
- iii. Technical section to look after draft Show Cause Notices, audit follow up, court cases, Board's circulars, instructions etc.
- iv. Risk Management and Quality Assurance section to look after risk based selection of units, use of Third Party Source of Information, maintenance of Audit database of units to be audited, selecting themes/ issues for audit, performance appraisal and Quality Assurance

Staffing Norms:

1. Headquarters shall be manned by one Commissioner, two Additional or Joint Commissioners and three or four Deputy Commissioners.

2. Each Audit Circle shall be headed by Deputy or Assistant Commissioner and will also comprise of Audit Groups. The Audit Groups deployed for large units should comprise of 2-3 Superintendents and 4-6 Inspectors. For Medium units the Audit Group should include 1-2 Superintendents and 2 - 4 Inspectors. For Small units the Audit Group should include, 1 Superintendent and 1 - 2 Inspectors.
3. Groups for Large units, Medium units and Small units should be in such number that the following distribution of manpower deployment in audit groups is achieved.
 - a. 50% of manpower to Large units
 - b. 30% of manpower to Medium units
 - c. 10 % of manpower to Small units
 - d. 10% of manpower for planning, coordination and follow up.

Functions of Audit Commissionerate

1. Monitoring Committee Meeting (MCM) should be convened by Audit Commissionerate, for which the Executive Commissioner or his representative will be invited to attend. The decision with regard to settlement of an audit objections after recovery of all dues or dropping of the unsustainable audit objections shall vest with the Audit Commissioner. Approved audit objections including those in which show cause notices are proposed to be issued should be conveyed to the Executive Commissioner in the form of Minutes of the MCMs, who shall respond to these objections conveying his agreement/disagreement within 15 days of the receipt of the minutes of the MCM.
2. On points of difference, further consultations may be held for a maximum period of 15 days. In case the difference persists, the final decision to issue show cause notice rests with the Audit Commissioner.
3. Audit Commissionerate shall issue the show cause notice, wherever necessary, after the audit objections are confirmed in the MCMs. The show cause notice shall be answerable to and adjudicated by the Executive Commissioner or the subordinate officers of the Executive Commissionerate as per the adjudication limits prescribed the Board. Audit function will end with the issuance of show cause notice and further action including adjudication and

follow-up shall be the responsibility of Executive Commissioner.

4. Litigation after adjudication proceedings (including defending the order before the appellate forums-Commissioner (Appeals)/Tribunals/Courts) shall be the responsibility of Executive Commissioner. However, Audit Commissionerates shall remain closely associated and provide inputs wherever required.
5. The function of pre-audit/post-audits of refunds, rebates and brand rate fixation of drawback shall continue with the jurisdictional Executive Commissionerate.
6. CERA audit shall be attended by the Executive Commissionerate by compiling necessary information and replying to the audit objections raised by C&AG. Audit Commissioners will have no role either in compiling / furnishing information to CERA or replying to the C&AG objections. However, it is desirable that Audit Commissionerate is aware of the objections raised by C&AG. Therefore, copy of the objections received from CERA and replies furnished by the Executive Commissioner shall be forwarded to the Audit Commissionerate by the Executive Commissionerate.
7. Anti-evasion functions shall continue with the Executive Commissionerates. Audit Commissionerates may refer, with the approval of the MCM, any case arising out of audit where detailed investigation is necessary to the Executive Commissionerates.
8. Special Audit shall be ordered by the Audit Commissionerates. Section 14A / 14AA of CEA, 1944 and Section 72A of the Finance Act, 1994 provide for such special audits in the specified circumstances by Cost Accountants / Chartered Accountants. The Audit Commissioners shall be the competent authority to order Special Audit, either on their own satisfaction or on a reference received from the Executive Commissioner.
9. Audit should be so conducted that the assessee is least inconvenienced. Documents as prescribed in the manual should be called and preparatory work finalized ahead of audit. Audit should be completed expeditiously and as soon as the Final Audit Report is prepared, it should be ensured that a copy of the Final Audit Report including 'NIL' report is dispatched or provided to the assessee under acknowledgement to be kept in Assessee Master File.
10. Currently, audit is undertaken for each tax separately even though the business and financial records verified during the audit remains common for all the three tax administered by the Board. In order to improve the efficiency of audit process, it has been decided

that coordinated and integrated audit covering two or more taxes for assessee having common PAN shall be carried out. Necessary legal enablement has been provided in the notification conferring territorial jurisdiction to the Commissionerates such that Service Tax Audit Commissionerates can audit Central Excise assessee within a zone and vice-versa. An assessee who is registered under Central Excise, Service Tax and Customs need not be subjected to three separate audits. The information about his various registrations is available and such assessee would be subjected to a complete audit by the designated Audit Commissionerate. For this purpose the Principal Chief Commissioner / Chief Commissioner will assign the audit of an assessee to a particular Audit Commissionerate, based on payment of Central Excise duty or Service tax whichever is higher. Following the same principle OSPCA would also be carried out by the designated Central Excise or Service Tax Audit Commissionerate, in an integrated manner.

11. It is proposed to issue risk based audit norms in due course of time. In the interim the existing audit norms may be used to ensure that audit functions continue efficiently.

In other words frequency of audit, time span of audit will be increased and it will be more focused on record based control with ERP system.

Moreover, Conference of Chief Commissioners have decided certain action agenda some of which are briefly given below:

1. Chief Commissioners should strictly monitor the key result areas, have regular interactions with the major tax payers (to ascertain the projected revenue), re-deploy the staff within their zone as per the need and if required, Board approval can be sought for such temporary redeployment.
2. There should be sharing of best practices across the country through greater interaction amongst the field formations. It was impressed upon officers that the Board should be informed about any major changes affecting the revenue collection.
3. Non-sanctioning of refund/drawback claim in the guise of revenue drive is not acceptable. All refund / drawback claim should be sanctioned within the time limit prescribed for such claims.
4. Since ownership of process is important, DG (Insp) should be made the process owner for monitoring revenue augmentation through return scrutiny.
5. An SOP for use of Returns Scrutiny by Ranges/ Divisions to augment Revenue to be made by Pune-III, for circulations to all field formations. (c) Since EDW software license (Business Author-Query Studio)

is expensive, hence, initially such licenses can be procured for divisional level officer. Member (CX) suggested that suitable modification should be made by DG (Systems) in the existing system so that a pre-defined query can be built-in for data mining and retrieval tool at par with EDW system. It was also suggested that time lag between filing of returns and availability of data for data-mining to the concerned officer should be minimized. Since scrutiny of return is one of the core functions, it should be properly monitored at zonal level.

6. The criteria for selection of units for audit should take into account the antecedents of the unit. If a unit has complied with legal and procedural requirements, then, whether such unit could be considered for exemption from audit for a year or more need to be examined. It was explained that present system allows for giving Accredited Status to the units (to be audited mandatorily), if such units are legally and procedurally compliant.
7. Recovery arising from non-fulfillment of export obligation be reported by TAR as recovery of arrears, if not being done already. CH (EC) pointed out that computerization of TAR is very important, and a database of defaulters would help in monitoring progress.

Moreover, Monthly Performance Reports for Central Excise Service Tax and customs are separately prescribed which provides the information w.r.t. Revenue, Anti-evasion, audit, adjudication, legal & TAX arrears Pending adjudications are required to be submitted and the same will be analyzed by Chief Commissioner & Principal Chief Commissioner.

To conclude, department is now well organized to find out the evasion whether intentional or un-intentional and provisions of arrest with non-bailable and bailable have been incorporated in the law. Similarly, provisions for recovery has been made stricter mainly to ensure 100% statutory compliance.

Now, it is the duty of each assessee to be 100% statutory compliant by way of establishing full proof computerized system, regular internal checks, regular audits by experts and built in internal control.

Assessee will have no option but any person doesn't get equipped and works in the same manner as he/she is working, then hard days are ahead. In the era of liberalization at one end Govt. has introduced self-assessment system and "Inspection Raj" is removed, on another end Jurisdictional Geographical area has been reduced for stricter monitoring the assessee and therefore it is a high time to tighten the belt and introduce better controls.

Whats News Central Excise & Service Tax

By **CMA Ashok B. Nawal**

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CENTRAL EXCISE

Tariff

- No New Notifications

Non-Tariff

- Review Committee of Commissioner of Central Excise has been formed consisting of two Commissioners of Central Excise for the areas falling within the jurisdiction of the Commissioner of Central Excise (Appeals). [**Office Order No.5/2014-CE dated 22nd Oct 2014**]

Circulars

- As per recent judgment of Hon'ble High Court of Delhi dated 04.08.2014 in case of M/s Travelite (India) [2014-TIOL-1304-HCDEL-ST] wherein the Hon'ble High Court has held that the powers to conduct audit as envisaged in rule 5A (2) of the Service Tax Rules, 1994, does not have appropriate statutory backing and therefore quashed the rule. It may be noted that the judgment did not deal with the issue of audit in Central Excise, as w.r.t. Central Excise there is adequate statutory backing for audit by the Central Excise Officers with relevant provisions in statute for excise audit are clause (x) of Section 37(2) and rule 22 of the Central Excise Rules, 2002. [**Circular No. 986/ 10/ 2014-CX dated 9th Oct 2014**] **MAKE IT SIMPLER**

- Facility of Export Warehousing has also been extended at Bhuj Taluka, in Kutch District in the State of Gujarat. [**Circular No. 987/ 11/ 2014-CX dated 15th Oct 2014**]
- Board has noted the instances, where on the basis of the claims of the manufacturer regarding freight charges or who bore the risk of insurance, the place of removal was decided without ascertaining the place where transfer of property in goods has taken place. This is a deviation from the Board's circular and is also contrary to the legal position on the subject. Accordingly determination of Place of Removal has been clarified and reiterated that the place of removal needs to be ascertained in term of provisions of Central Excise Act, 1944 read with provisions of the Sale of Goods Act, 1930. Payment of transport, inclusion of transport charges in value, payment of insurance or who bears the risk are not the relevant considerations to ascertain the place of removal. The place where sale has taken place or when the property in goods passes from the seller to the buyer is the relevant consideration to determine the place of removal. [**Circular No. 988/ 12/ 2014-CX dated 20th Oct 2014**]

Instructions

- It is directed to discontinuation of certain reports received to TRU through field formations which are no longer required, list of said reports are as under:

S.No.	Name of The Report
1	Monthly Report on Zarda Scented Tobacco (F. No. 341/24/2010-TRU)
2	Monthly Statement in Respect of Clearance and Revenue Realization of All Brands of Cigarettes (F. No. 352/4/84-TRU)
3	Cigarette Data- Report (F. No. 341/24/2009-TRU)
4	Component Wise Monthly Revenue from Customs (F. No. 334/1/2005-TRU)
5	Information in Respect of Functioning of Compounded Levy Scheme for Gutkha/Pan Masala (F. No. 336/27/2008-TRU)
6	Import of Vanaspati/Bakery Shortening etc. at nil rate of duty from Nepal and Sri Lanka and at Customs duty of 30% from Countries other than Nepal and Sri Lanka(F. No. 341/4/2005-TRU)
7	Statement Showing Monthly Revenue Collection and Cess Collected for Different Commodities (F. No. 333/11/93-TRU)
8	Monthly Report regarding Import of Alcoholic Beverages. (F. No. 334/1/2003-TRU)
9	Import Under Indo-Srilanka Free Trade Agreement - Monitoring of Quota Allocation
10	Mechanism for Refund Scheme for the 4% Additional CV Duty in those Cases where the Imported Goods are resold and again subjected to Vat/Sales Tax-Monthly Report (F.No. 354/129/2007-TRU)
11	Data on Imports of Wheat (F.No.354/88/2010 TRU)
12	Data on Export of Chromium Ores and Concentrates (F. No. 334/1/2008-TRU)
13	Data in respect of Man-Made Fibers and Filament Yarn (F. No. 335/2/2005-TRU)
14	Data on Revenue from Levy of 10% Excise Duty on Ready Made Garments and Made Up Articles Bearing a Brand Name or Sold Under a Brand Name Falling under Chapters 61,62 and 63 (F. No. 336/255/2011-TRU)
15	Data in respect of Exports and Imports of Cotton and Cotton waste (F. No. 354/164/2006-TRU)

[Instruction F. No.354/156/2014-TRU dated 10th Oct, 2014]

- At present there are more than 100 reports that are being sent by the field formations on a monthly basis to various Directorates and sections of the Board. But, the present reporting system within the Department suffers from the problem of unreliability and susceptibility to error as it involves manual

compilation at various stages as well as no two reports ever tally. Therefore it is decided to lay down the strategic roadmap for the development of the MIS. So that to provide reliable, accurate and up-to-date information, to help the policy makers in taking accurate and fast decisions. The MIS will be implemented in a phased manner, as stated below:-

1. First Stage: Online / Web-uploading of information in predefined formats:
2. Second Stage: Digital recording of critical events:
3. Third Stage: Integration of modules and process automation:

[Instruction F. No. 296/127/2013-CX-9 dated 10th Oct, 2014]

- In cases where the assesses have submitted rebate claims by splitting up the amounts of rebate claims so as to keep each individual claim below Rs. 5 lakhs to avoid pre-audit, the Rebate sanctioning authorities have been instructed by CBEC to exercise their discretionary powers to order pre-audit by clubbing such claims where such claims are artificially split and there is need for pre-audit. [Instruction F. No. 206/05/2014-CX.6dated 3rd Nov., 2014]

Trade Notice

- Restructuring of Central Excise and Service Tax of Pune, Kolhapur, Goa has been made with effect from 15/10/2014 vide trade notice no 01 dated 10.10.2014. Copy of the trade notice is already circulated by mail.

Considering your location select appropriate Commissionerate, Division, Range and their codes and ensure that:

1. Same is mentioned on your Excise Invoice / Service Tax Invoice
2. Inform the above to all your vendors and service providers
3. Incorporate changes in the system
4. File the return whenever due with correct Range code, Division and Commissionerate based on your location

[Trade notice no 01 dated 10.10.2014]

SERVICE TAX

Notifications

- Due date of filing of Service Tax Return for the period from April 14 to September 14 has been extended from 25th October 2014 to 14th November 2014. [Order No 2/2014 F.No. 137/99/2011 dated 24.10.2014]

Circulars / Instructions

- Following clarification has been issued w.r.t. levy of service tax on activities involved in relation to inward remittances from abroad to beneficiaries in India through MTSOs

S.No.	Issues	Clarification
1	Whether service tax is payable on remittance received in India from abroad?	No service tax is payable per se on the amount of foreign currency remitted to India from overseas. As the remittance comprises money, it does not in itself constitute any service in terms of the definition of 'service' as contained in clause (44) of section 65B of the Finance Act 1994.
2	Whether the service of an agent or the representation service provided by an Indian entity/ bank to a foreign money transfer service operator (MTSO) in relation to money transfer falls in the category of intermediary service?	Yes. The Indian bank or other entity acting as an agent to MTSO in relation to money transfer, facilitates in the delivery of the remittance to the beneficiary in India. In performing this service, the Indian Bank/entity facilitates the provision of Money transfer Service by the MTSO to a beneficiary in India. For their service, agent receives commission or fee. Hence, the agent falls in the category of intermediary as defined in rule 2(f) of the Place of Provision of Service Rules, 2012.
3	Whether service tax is leviable on the service provided, by an intermediary/agent located in India (in taxable territory) to MTSOs located outside India?	<p>Service provided by an intermediary is covered by rule 9 (c) of the Place of Provision of Service Rules, 2012. As per this rule, the place of provision of service is the location of service provider. Hence, service provided by an agent, located in India (in taxable territory), to MTSO is liable to service tax.</p> <p>The value of intermediary service provided by the agent to MTSO is the commission or fee or any similar amount, by whatever name called, received by it from MTSO and service tax is payable on such commission or fee.</p>
4	Whether service tax would apply on the amount charged separately, if any, by the Indian bank/ entity/agent/sub-agent from the person who receives remittance in the taxable territory, for the service provided by such Indian bank/entity/ agent/sub-agent	Yes. As the service is provided by Indian bank/entity/ agent/sub-agent to a person located in taxable territory, the Place of Provision is in the taxable territory. Therefore, service tax is payable on amount charged separately, if any.
5	Whether service tax would apply on the services provided by way of currency conversion by a bank /entity located in India (in the taxable territory) to the recipient of remittance in India?	Any activity of money changing comprises an independent taxable activity. Therefore, service tax applies on currency conversion in such cases in terms of the Service Tax (Determination of Value) Rules. Service provider has an option to pay service tax at prescribed rates in terms of Rule 6(7B) of the Service Tax Rules 1994.
6	Whether services provided by sub-agents to such Indian Bank/entity located in the taxable territory in relation to money transfer is leviable to service tax?	Sub-agents also fall in the category of intermediary. Therefore, service tax is payable on commission received by sub-agents from Indian bank/entity.

[Circular No 180/06/2014-ST dated 14-10-2014]

- **No New Instructions!!**



MANUFACTURING COST : Apply CAS-22 w.e.f. 1st April 2015

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1. INTRODUCTION

With an objective to bring uniformity & consistency in the principles & methods of determining cost of specific items of general & special purpose cost statements and their classification, measurement & assignment for determination of the cost of product or service along with the presentation & disclosure in cost statements, The Institute of Cost Accountants of India has issued 22 cost accounting standards till date. The latest amongst the series of these cost accounting standards is number 22 popularly known as CAS-22 which is on Manufacturing Cost. This standard deals with the principles and methods of classification, measurement & assignment for determining the Manufacturing Cost of excisable goods and the presentation and disclosure in cost statements.

2. A BIRDS EYE -VIEW ON COST ACCOUNTING STANDARDS:

Till date the Institute of Cost Accountants of India has issued the following cost accounting standards:

- CAS-1:** Classification of Cost
- CAS-2:** Capacity Determination
- CAS-3:** Overheads
- CAS-4:** Cost of Production for Captive Consumption
- CAS-5:** Average (equalized) Cost of Transportation
- CAS-6:** Material Cost
- CAS-7:** Employee Cost
- CAS-8:** Cost of Utilities
- CAS-9:** Packing Material Cost
- CAS-10:** Direct Expenses
- CAS-11:** Administrative Overheads
- CAS-12:** Repairs and Maintenance Cost
- CAS-13:** Cost of Service Cost Centre
- CAS-14:** Pollution Control Cost
- CAS-15:** Selling and Distribution Overheads
- CAS-16:** Depreciation and Amortisation
- CAS-17:** Interest and Financing Charges.
- CAS-18:** Research and Development Costs
- CAS-19:** Joint Costs
- CAS-20:** Royalty & Technical Know-How Fee
- CAS-21:** Quality Control
- CAS-22:** Manufacturing Cost

3. OBJECTIVE, SCOPE & APPLICABILITY OF CAS-22:

How to determine Manufacturing Cost of an excisable product? What are the principles & methods of measuring and assigning the costs so as to arrive at Manufacturing Cost of an excisable product? How are they presented and disclosed in cost statements? In fact with intent to settle all these type of issues, the Institute of Cost Accountants of India has recently come up with CAS-22 on "Manufacturing Cost".

The objective of this standard is to bring uniformity and consistency in the principles and methods of determining the Manufacturing Cost of excisable goods.

This Cost Accounting Standard shall be applicable for the preparation and certification of Cost Accounting Statements of excisable goods with effect from the period commencing on or after 1st April 2015,

4. IMPORTANT TERMS USED IN CAS-22:

A brief description of terms used by this standard is as under:

- 4.1. **Terms adapted as such from CAS:** This type of terms includes those which are already defined under CAS-1 to CAS-21 and adapted by this standard. These terms are as under:
 - 4.1.1. **Abnormal Cost:** It is an unusual or atypical cost whose occurrence is usually irregular and unexpected and/ or due to some abnormal situation of the production or operation
 - 4.1.2. **Scrap:** These are discarded material having some value in few cases and which is usually either disposed of without further treatment (other than reclamation and handling) or reintroduced into the production process.
 - 4.1.3. **Waste:** This is material lost during production or storage due to various factors such as evaporation, chemical reaction, contamination, unrecoverable residue, shrinkage, etc. and discarded material which may or may not have a value.
 - 4.1.4. **Spoilage:** Production that does not meet with dimensional or quality standards in such a way that it cannot be rectified economically and is sold for a disposal value. Net Spoilage is the difference between costs accumulated up to the point of rejection and the salvage value.
 - 4.1.5. **Defectives:** These are End Product and/or

intermediate product units that do not meet quality standards. These may include reworks or rejects.

- 4.1.6. **Reworks:** Those Defectives which can be brought up to the standards by putting in additional resources are defined as reworks. Reworks include repairs, reconditioning and refurbishing.
- 4.1.7. **Rejects:** Those Defectives which cannot meet the quality standards even after putting in additional resources are known as rejects. Rejects may be disposed off as waste or sold for salvage value or recycled in the production process.
- 4.1.8. **Employee Cost:** The aggregate of all kinds of consideration paid, payable and provisions made for future payments for the services rendered by employees of an enterprise (including temporary, part time and contract employees). Consideration includes wages, salary, contractual payments and benefits, as applicable or any amount paid or payable on behalf of employee. This is also known as Labour Cost.
- 4.1.9. **Repairs & Maintenance Cost:** Cost of all activities which have the objective of maintaining or restoring an asset in or to a state in which it can perform its required function at intended capacity and efficiency.
- 4.1.10. **Royalty:** Royalty is compensation/periodic payments for the use of asset (tangible and/or intangible) to the owner for use of his asset in the production/manufacture, selling and distribution by an entity.
- 4.2.11. **Technical Know-how Fee:** Technical Know-how Fee is a lump sum or periodical amount payable to provider of Technical Know-how in the form of design, drawings, training of personnel, or practical knowledge, skills or experience.
- 4.2. **Terms adapted after modification from CAS:** This type of terms includes those which are already defined under CAS-1 to CAS-21 and considered by this standard after suitable modifications. These terms are as under:
- 4.2.1. **Administrative Overheads:** Cost of all activities relating to general management and administration of an organisation. Administrative overheads need to be analysed in relation to production/manufacturing activities and other activities. Administrative overheads in relation to production/manufacturing activities shall be included in the manufacturing cost. Administrative overheads in relation to marketing, projects management, corporate office or any other expense not related to the manufacturing activity shall be excluded from manufacturing cost.
- 4.3.2. **Captive Consumption:** The consumption of goods manufactured by one division or unit and consumed by another division or unit of the same organization or related undertaking for

manufacturing another product(s), as defined in section 4(3) of the Central Excise Act, 1944.

- 4.3.3. **Depreciation:** Depreciation is a measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, efflux of time or obsolescence through technology and market changes. Depreciation does not include impairment loss. Depreciation is allocated so as to charge a fair proportion of the depreciable amount in each accounting period during the estimated useful life of the asset. Depreciable amount of a depreciable asset is its historical cost, or other amount substituted for historical cost in the financial statements, less the estimated residual value. Useful life of asset is either the period over which a depreciable asset is expected to be used by the enterprise; or the number of production or similar units expected to be obtained from the use of the asset by the entity. Depreciation that is charged in audited financial statement should be considered.
- 4.2.4. **Direct Expenses:** Expenses relating to manufacture of an excisable good, which can be identified to such excisable good other than direct material cost and direct employee cost.
- 4.2.5. **Direct Employee Cost:** The cost of employees which can be attributed to an excisable good in an economically feasible way.
- 4.2.6. **Indirect Employee Cost:** The cost of employees which cannot be directly attributed to a particular excisable good.
- 4.2.7. **Manufacturing Overheads:** These are indirect costs involved in the manufacturing process. The terms Manufacturing Overheads, Factory Overheads, Works Overheads and Production Overheads have the same meaning and are used interchangeably. Manufacturing overheads shall include administration cost relating to production, factory, works or manufacturing and depot. Manufacturing Overheads shall be classified on the basis of behaviour as Variable Manufacturing Overheads and Fixed Manufacturing Overheads.
- 4.2.7.1. **Variable Manufacturing Overheads** comprise of expenses which vary in proportion to the change in volume of production. For example, cost of utilities etc.
- 4.2.7.2. **Fixed Manufacturing Overheads** comprise of expenses which does not change with the change in volume of production. For example, salaries, rent, repairs & maintenance, etc.
- 4.2.8. **Material Consumed:** Material Consumed includes materials directly identified for production of excisable goods such as:
- 4.2.8.1. Indigenous materials
- 4.2.8.2. Imported materials

- 4.2.8.3. Bought out items
- 4.2.8.4. Self-manufactured items
- 4.2.8.5. Process materials and other items
- 4.2.8.6. Materials received free of cost or at concessional value from the buyer
- 4.2.8.7. Accessories, on which cenvat credit is admissible, and which are cleared along with the final product
- 4.2.8.8. Goods used for providing free warranty for excisable goods

Cost of material consumed consists of cost of material, duties and taxes, freight inwards, insurance and other expenditure directly attributable to procurement. Trade discount, rebates and other similar items are deducted for determining the cost of materials. Cenvat credit, credit for Countervailing Customs Duty, Sales Tax set off, VAT, duty draw back and other similar duties subsequently recovered/recoverable by the entity are also deducted.

- 4.2.9. **Normal Capacity:** This is the production achieved or achievable on an average over a period or season under normal circumstances taking into account the loss of capacity resulting from planned maintenance. Capacity may be determined in terms of units of production or equivalent machine or man hours.
- 4.2.10. **Packing Material Cost:** The cost of material of any nature used for the purpose of packing of excisable good.
- 4.2.11. **Quality Control Cost:** The quality control cost is the expenses incurred relating to quality control activities for adhering to quality standard. These expenses include salaries & wages relating to employees engaged in quality control activity and other related expenses.
- 4.2.12. **Research and Development Cost:** The research and development cost incurred for development and improvement of the process or the excisable good.
- 4.3. **Terms adapted from International Professional Bodies:** These types of terms include those which are already defined by any other international professional bodies of repute and adapted by this standard. Term adapted from The Chartered Institute of Management Accountants - U.K is Interest & Finance (Borrowing) Costs defined as costs incurred by an enterprise in connection with the borrowing of funds.
- 4.4. **Terms defined afresh:** This type of terms include those which are defined under this Cost Accounting Standard afresh. These terms are as under:
 - 4.4.1. **Intermediate Product:** This is a product that might require further processing before it is

saleable to the ultimate consumer.

- 4.4.2. **Manufacturing Cost:** Manufacturing cost of an excisable good is the aggregate of costs of all resources used in the process of its manufacturing. Manufacturing cost includes cost of Materials (including process materials), Employee Cost, Cost of Utilities, Packing Cost, Direct Expenses, Repairs & Maintenance Cost, Pollution Control Cost, Quality Control Cost, Research & Development Cost, Cost of Inputs received free of cost or received at concessional value from the buyer of the excisable good, Depreciation and Amortisation (including amortisation cost of free tools, patterns, dies, drawings, blue prints, technical maps, charts, engineering, development, art work, design work, plans, sketches, packaging material and the like necessary for production of excisable goods), Cost of Rework, reconditioning, retro-fitment, Manufacturing Overheads, other costs allocable to such activity, adjustment for stock of work-in-process and recoveries for sales of scrap and wastages and the like but does not include expenses of the above nature incurred for post manufacturing purposes. Manufacturing Cost and Cost of Production are used interchangeably.

5. PRINCIPLES OF MEASUREMENT PRESCRIBED IN CAS-22:

Manufacturing cost of each excisable good shall be measured separately as the aggregate of direct and indirect cost relating to manufacturing activity. The measurement of cost under this standard involves combined application of principles of division, inclusion, exclusion and reduction which are as under:-

- 5.1. **Division:** Cost of the following elements shall be measured for each excisable good separately:-
 - 5.1.1. Indigenous material
 - 5.1.2. Imported material
 - 5.1.3. Bought out components
 - 5.1.4. Process materials
 - 5.1.5. Self-manufactured items
 - 5.1.6. Accessories
 - 5.1.7. Employees
 - 5.1.8. Each type of utility consumed
 - 5.1.9. Each type of packing in which such good is removed
 - 5.1.10. Direct expenses
 - 5.1.11. Repairs & Maintenance
 - 5.1.12. Depreciation & Amortisation
 - 5.1.13. Research & Development
 - 5.1.14. Further Processing w.r.t. each joint/by product
 - 5.1.15. Royalty and Technical Know How as per CAS-20

- 5.1.16. Quality Control as per CAS-21
- 5.1.17. Manufacturing Overheads representing procurement of resources determined at invoice or agreed price including duties & taxes (net of refundable) and other expenditure directly attributable thereto (net of discounts).
- 5.1.18. Manufacturing Overheads other than those referred to above determined on cost incurred in connection therewith.
- 5.2. **Inclusion:** Manufacturing Cost shall include the following elements:
- 5.2.1. **Cost of Freebees:** This includes following received free of cost or at concessional rates from the buyer of excisable good:-
- 5.2.1.1. Cost of Input material
- 5.2.1.2. Cost of Packing material
- 5.2.1.3. Amortisation cost of free tools, pattern, dies, drawings, blue prints, technical maps, charts, engineering, development, art work, design work, plans, sketches, and the like necessary for production of excisable good.
- 5.2.2. **Cost of Reiteration:** This includes cost of rework, reconditioning, retro-fitment. Manufacturing Overheads and other costs allocable to such activity should also be included.
- 5.2.3. **Cost of normal scrap/defectives:** This includes cost incurred on that quantity of scarp/defective production which falls under normal category.
- 5.3. **Exclusion:** Manufacturing Cost shall exclude all the costs that are not relevant with normal activity of production for example:
- 5.3.1. Royalty paid on sales
- 5.3.2. Interest and other finance costs
- 5.3.3. Forex cost after date of transaction w.r.t imported material
- 5.3.4. Fines, penalties, damages, demurrage and similar levies paid to statutory authorities or other third parties
- 5.3.5. Cost of abnormal scrap /defectives
- 5.3.6. Unabsorbed cost based on the normal capacity or actual capacity utilization whichever is higher
- 5.3.7. Any other material and quantifiable abnormal costs
- 5.4. **Reduction:** Manufacturing Cost shall be reduced by all the relevant credits/recoveries for example:-
- 5.4.1. Realized or realizable value of normal scrap / defectives
- 5.4.2. Work in process/progress stock measured at cost computed for different stages of completion as per cost accounting principles
- 5.4.3. Any Subsidy/Grant/Incentive or any such payment received/receivable, from entity other than the buyer with respect to any manufacturing cost of excisable good
- 5.4.4. Any other material and quantifiable credits/recoveries or miscellaneous income with respect to Manufacturing Cost e.g. income from sale of empty containers used for procurement of raw material shall be reduced from manufacturing cost
- 6. ASSIGNMENT OF COSTS IN CAS-22:**
- The Manufacturing Costs shall be assigned on the nature/purpose of such cost as follows:
- 6.1. **Directly Traceable Costs:** These shall be directly assigned to the concerned Excisable Good.
- 6.2. **Not Directly Traceable Costs:** These shall be apportioned to the Excisable Goods on any of the following basis:
- 6.2.1. Benefits received by them e.g. number of tests performed for a product or
- 6.2.2. Cause i.e. process/operation/activity & Effect i.e. incurrence of cost.
- 6.3. **Variable Costs:** Variable costs like variable manufacturing overheads shall be absorbed based on actual production.
- 6.4. **Fixed Costs:** Fixed costs like manufacturing overheads, manufacturing related admin overheads, quality control costs, R&D costs etc. shall be absorbed based on higher of normal or actual capacity utilisation.
- 6.5. **Joint Costs:** These shall be allocated amongst joint products in a rational and constant basis.
- 6.6. **By-product Costs:** These shall be credited to the main product on net realizable value of by-product.
- 7. PRESENTATION OF COSTS IN CAS-22:**
- Following information shall be presented in the format of Cost statement as provided in Appendix 1 to this standard:
- 7.1. Actual capacity utilization in absolute terms and as a percentage of normal capacity.
- 7.2. Separate cost information relating to various elements of cost.
- 7.3. Separate Cost Statement(s) shall be prepared for each excisable good
- 8. DISCLOSURES IN CAS-22:**
- 8.1. Disclosures should be made wherever they are material, significant and quantifiable.
- 8.2. Any change in the cost accounting principles and methods applied for the measurement and assignment of the Manufacturing Cost during the period covered by the cost statement which has a material effect.

9. APPENDIX 1:**Cost Statement showing Manufacturing Cost of (Name of excisable good) for the period:**

	Name of the Manufacturer					
	Address of the Manufacturer					
	Excise Registration Number					
	Name of the unit					
	Address of the unit					
	Central Excise Tariff Heading					
A	Quantitative Information				Unit	Quantity
1	Normal/Installed Capacity					
2	Production					
3	Captive Consumption					
4	Production as %age of Normal/Installed Capacity					
B	Cost Information	Unit	Quantity	Rate	Amount	Cost per Unit
	Materials (specify)					
1	A.					
	B.					
	C.					
	D.					
	Total Materials Consumed					
2	Process Materials					
3	Utilities					
4	Direct Employee Cost					
5	Direct Expenses					
6	Consumable Stores and Spares					
7	Repairs and Maintenance Cost					
8	Quality Control Cost					
9	Research & Development Cost					
10	Technical Know-how Fee/Royalty, if any					
11	Depreciation/Amortization					
12	Other Manufacturing Overheads					
13	Total(1 to 12)					
14	Add/Less Work-in-Progress Adjustments					
15	Less Credit for Recoveries , if any					
16	Packing Cost					
17	Cost of Inputs Received Free or at concessional value					
18	Manufacturing Cost (13 to 17)					

Date:

Seal & Signature of the Company's Authorised Representative

I/We have verified above data on test check basis with reference to the books of account, cost accounting records and other records. Based on the information and explanations given to me/us, and on the basis of generally accepted cost accounting principles and practices and Cost Accounting Standards followed by the entity, I/we certify that the above cost data reflects true and fair view of the manufacturing cost of the above excisable good.

Date:

Seal & Signature of Cost Accountant

Place:

Membership No.:..... Firm Regn. No.:.....

10. DISCLAIMER: This article is written purely with knowledge dissemination purpose and is based on Cost Accounting Standards & relevant Guidance Notes issued till date by The Institute of Cost Accountants of India. The author does not own any responsibility for any error or omission which might have crept in this article inadvertently.

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MIS Report for Monitoring, Controlling & Reducing Operating Cost of Cooling Water

CMA Rajesh Kapadia

A cooling tower system is a vital production component in any manufacturing facility. It is One of the Important Utilities along with water, electricity and natural gas.

CMA Department can prepare MIS Report for Cooling Water as per Annexure-I to help management in monitoring, controlling & reducing Operating Cost of Cooling Water.

The most expensive component in the total cost of cooling water is energy .

To save & optimize energy cost, following steps can be taken:

(1) Emphasize proper maintenance. Ignoring maintenance costs more.

As with most industrial machinery, a cooling tower runs more efficiently when properly maintained. Proper maintenance of cooling tower cuts energy costs and helps prevent breakdowns that result in downtime and lost production. Protect your reputation and profits with proper maintenance.

In a typical Colling Tower System, significant energy savings can be achieved by improving maintenance practices.

When maintenance is deferred, it costs the organization in the form of reduced reliability, efficiency & operating life of equipment.

(2) A Category Cost Centres

Management should focus on A Category Cost Centres which account for 70 % to 75 % of total Consumption of Cooling Water.

This is because, even a small step taken by the management with respect to these A Category Cost Centres will result in far greater advantage to the management with respect to Cost Control & Cost Reduction of Operating Cost of Cooling Water.

It can be observed in Annexure I that A Category Cost Centres are Process (45 %) followed by Refrigeration (21 %) & Heat Transfer Medium (15 %).

(3) Installation of Variable Frequency Drives for

Cooling Tower Pumps & Fans thereby reducing consumption of power.

(4) Rationalisation of Cooling Tower Operation which interalia includes rationalization of cooling water requirements of various condensers.

(5) Company can explore the possibility of using Fan Less Induced Draft Cooling Tower.

(6) Monitoring of Electricity Cost as per Budget vs Actual

Actual Electricity Cost of Cooling Tower should be regularly monitored against budget both with respect to rate of electricity & units of electricity.

Any adverse electricity cost either due to increase in rate of electricity or increase in units of electricity should be properly looked into so that timely corrective action can be taken.

(7) Internal Bench Marking of Electricity Cost

If company has more than one cooling tower either at same factory premises or at some other location then electricity units of all these cooling towers can be bench marked against each other & advantage of one cooling tower with lower electricity units can be passed on to another cooling tower which has higher electricity units.

Once the above mentioned steps are taken, it becomes necessary to quantify the benefits that occur to the company by way of reduction in energy cost.

Here, company can take help of Cooling Water Cost Sheet as mentioned in Annexure I.

For every measure taken from (1) to (7) as mentioned above, energy units will come down as compared to generation of cooling water.

With result that energy cost per unit of cooling water & % of energy cost as % of total operating cost of cooling water will come down.

Conclusion : Thus, this Report when submitted to the management with suitable analysis, it serves dual purpose of providing information as well as acting as a control device.

Cooling 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	%
Make up Water for Cooling Water									
Cost Particulars :									
(I) Chemicals :									
1 Chlorine									
2 I - 9443									
3 I - 9077									
4 I - 9053									
4 I - 7106									
5 Sulphric Acid									
(II) Electricity									
(III) Filtered Water									
(IV) ETP									
(V) Salaries & Wages									
(VI) Cons. Stores									
(VII) Repairs & Maint.									
(VIII) Depreciation									
(IX) Insurance									
Total Cost									100%
Cost/Unit									

Cooling Water Used In :	Kg/hr	%	klt/month
Process	728,573	45%	
Refrigeration	329,510	21%	
HTM	240289	15%	
DG			
Set	190,102	12%	
AC Unit of DCS	63,367	4%	
Compressor	48,159	3%	
	1,600,000	100%	

Service which is rendered without joy helps neither the servant nor the served. But all other pleasures and possessions pale into nothingness before service which is rendered in a spirit of joy.

— Mahatma Gandhi

CHAPTER NEWS

AHMEDABAD

As per guideline of the Institute, Kolkata, ICAI-Ahmedabad Chapter has organized "Rashtriya Ekta Diwas Shapath" (Pledge) at 9.30 am on 31st October'2014 in Chapter premises.

CMA R B Kothari- Chairman, CMA V H Savaliya-Vice Chairman, CMA Ashish Bhavsar-Secretary, CMA A G Dalwadi-Ex.CCM, CMA P H Desai-Ex.Chairman, Faculties, Staff members & Students have actively participated & take Pledge.

* * * * *

ICAI-Ahmedabad Chapter has arranged Industrial visit for the Final student's under Industry oriented Training Program at Solar Plant of Abellon Cleaning Energy - Rameshwar Kampa, Modasa on 19th Oct'2014. CMA R B Kothari-Chairman, CMA Mitesh Prajapati-MCM alongwith 35 Final Students visited Solar Plant & Botany Park. Mr. Sandipbhai explained the process of Generation of Electricity using Solar Panels.

* * * * *

ICAI-Ahmedabad Chapter has arranged Campus placement on 10th & 11th Oct'2014. Leading companies like Tata Motors, QxKpo Ltd, Crystal Research Analysis Ltd and Befree Company participated to select the recently final passed students. There were 39 students appeared for campus placement from Ahmedabad, Baroda, Surat, Gandhidham during the process. Three students offered posting in QxKpo Ltd & Befree Company.

AURANGABAD

Felicitation function for successful students organized by Aurangabad Chapter

Felicitation Function for the successful students of June - 2014 exams was organized by Aurangabad Chapter of ICAI on 12th October, 2014 at Hotel Atithi, Aurangabad. In the Foundation Course 25 students were passed out, intermediate - 24 & Final - 29 students were passed.

To celebrate this achievement & to boost morale of the students, a function was organized by Aurangabad Chapter of ICAI. WIRC Chairman CMA A.B.Nawal was the Chief Guest and Mr Milind Kank M.D, Yashashree Group of Companies, Aurangbad was the Guest of Honor.

CMA S.B. Maniyar, Vice Chairman of the Chapter welcomed the Chief Guest and Guest of Honour and narrated the activities of the Chapter. CMA A.R. Joshi briefed about the achievements of the training committee. Mr Yogesh Kauthekar co-ordinated the programme.

Chief Guest CMA A.B.Nawal Explained the importance of New Syllabus which was implemented by the ICAI in 2012. He had told that in a coming few years Aurangabad

is going to be a big business hub through which opportunities for Businessmen and professionals like CMA's will going to be increased and for this from today itself Aurangabad Chapter must start to create maximum CMA's to fulfill the requirement of a market in a future prospective. He has also emphasis the vital role of CMA's in industry as well as locally & globally.

Shri. Milind Kank appealed to students to plan their studies and work hard to achieve success. He also appealed to focus on their objectives first for getting success in professional examinations and to build the confidence for increasing the percentage of success. Shri Kank has given the information about the plans of Govt of India regarding economy of country. The policies of a Govt. about economy are very good and maximum foreign investors going to come in our country and which may going to increase the growth of our economy, country & society. Due to the projects DMIC, industrial hub, smart city etc Aurangabad city is able to grow with the high speed and become very attractive business hub for all the industries.

The programme was started with Ganesh Vandana of Miss Bhakti Dandwate.

CMA S.B.Maniyar proposed vote of thanks. CMA Vaibhav Argade, CMA N.L.Kuyate, CMA R.S.Deshmukh, CMA M.R. Pandit, CMA R.G.Modani, CMA S.R.Pimple, CMA Nagarjun Akula Rao, CMA S.P.Bhangale, CMA R.P.Gore, CMA S.B.Mundade and large number of students were attended the programme.

BHOPAL

Seminar on Service Tax Rules

A Seminar on "Present Service Tax Rules:Challenges & Opportunities for professionals" was held by Bhopal Chapter of Cost Accountants at hotel K International on 26.10.2014. CMA Ashok Nawal, Chairman, WIRC was the Guest speaker at the seminar who explained the service tax rules and the challenges and opportunities the professionals are likely to witness. The seminar was highly interactive with the active participation of the members.

Earlier in the morning, CMA Nawal inaugurated the day long programme. CMA S M Ramanathan, the Chairman of the chapter delivered the welcome address and CMA Biswabandhu Mohapatra, the Secretary of the Chapter briefed about the chapter's activities. In the morning session, there were various activities for the students which included presentation of papers, quiz etc. On this occasion, the successful students of the June 2014 term were felicitated. Shri Aman Jain and Shri Ankur Jain compered the morning session and Ms. Charulata Mahajan compered the afternoon session. CMA Indu Bajaj proposed the vote of thanks.

INDORE DEWAS

"Seminar on Career Planning for CMA Profession"

A Seminar was organized by Indore Dewas Chapter of ICAI on "Career Orientation for CMA Profession" on 12th October'2014 at Hotel Winway, Indore. CMA Vijay P. Joshi (RCM WIRC) highlighted the theme of the seminar and delivered a talk on "Career Planning"

CMA Dr. Niranjana Shastri (Treasurer & Ex Chairman IDCCA) discussed the importance of "Time Management". CMA Pankaz Raizada (Chairman - IDCCA) guided the students on the topic "Industry Experience". CMA Shailendra Jain (Hon. Secretary IDCCA) Discussed Importance of "Practical Training". Prof. Madhavi Dhabolkar took a workshop on Communication & Other Soft Skills.

Seminar was well attended by Intermediate Stage & Final Stage Students.

NAVI MUMBAI

CPE Session held on 19/10/2014

Regular monthly CEP session was organised by Navi Mumbai Chapter on Sunday, 19-10-2014 at K.B. Patil College, Vashi. The topic of the session was: "An Insight in to India's Fiscal Deficit Numbers". It was presented by CMA K.V.V.S Murthy, Sr.VP & Head -FC&AAcademy with Reliance Industries Limited. Mr. Murthy took the audience through the Fiscal Deficit numbers as presented in the Union Budget 2014-15 and explained how the Fiscal Deficit as a % of India's nominal GDP is calculated and shown in the Budget at a glance document. He gave an insight in to how the Union Budget making process takes the advance estimates and /or provisional estimates of nominal GDP at factor cost as released by the Ministry of Statistics and Programme Implementation as a basis for estimating the next year's nominal GDP and also the basis for nominal GDP growth rates thereof. Then he narrated how the fiscal deficit percentage as rounded off to 1 decimal number is calculated and shown in the budget documents. He went on to distinguish between real and nominal GDP and explained lucidly about the GDP deflator and how it is used to arrive at the Real GDP and its growth rates that are more common in the news media.

The session was well attended with a participant coming from a distant Goa. The session ended with vote of thanks by Mr. B.N. Sapkal, chairman of the Chapter.

PIMPRI-CHINCHWAD-AKURDI

CEP Seminar on Costing in Construction Industry

The Pimpri-Chinchwad-Akurdi Chapter of the ICAI had organized seminar on - "Costing in Construction Industry" on October 18th 2014, at CMA Bhawan, Pimpri.

CMA Laxman Pawar, Chairman gave welcome speech and welcomed the guest speakers CMA Ashish Deshmukh, Practicing Cost Accountant and Shri Shyam Deshpande, MD - Zero Degree North Pvt. Ltd.

In the Technical session, CMA Ashish Deshmukh explained the accounting and costing process followed in the Construction Industry. Shri Shyam Deshpande explained in detail the technical aspects and their effects on costing of various processes.

The session was well attended by members in practice and from industry. After the technical session, CMA Pradeep Deshpande gave vote of thanks.

SURAT – SOUTH GUJARAT

Industry Oriented Training Programme

Surat South Gujarat Chapter of the Institute of Cost Accountants of India has organized an Industry Oriented Training Programme on 19.09.2014 for the benefit of the Students of the Chapter at KRIBHCO, Hazira, Surat, a Fertilizer Manufacturing organization.

A group of 45 students including the Management Committee Members of the Chapter CMA Brijesh Mali, Secretary & Treasurer & CMA Nanty Shah, Joint Secretary, visited the Plant.

They were well received by the KRIBHCO Management.

After a brief introduction of the KRIBHCO & its Manufacturing Process by the Human Resources Development Centre, a group of Engineers took all the students around the Plant and physically shown the Manufacturing process of Urea, Bio-Fertilizers and their Bagging & Transportation etc.,

Various Officers (including CMA P.G.Soni, CM (F&A) & CMA Minal J Trivedi, AM(F&A)) under the overall guidance of CMA G.P.Rao, GM(F&A), KRIBHCO has acquainted the students with the practical aspects on Insurance, SAP, Taxation, MIS, Pricing Mechanism under FICC & Employee payments etc., with Power Point presentations in a lively interactive mode.

Shri R.K. Aggarwal, Operations Director, KRIBHCO was kind enough to spare his valuable time and interacted with the students to share their experience during the Industrial Visit and advised them to work hard not only for their own benefit but also for the benefit of the Nation.

CMA Girish Prajapati, AM(F&A), KRIBHCO stood by the students throughout the programme and made the visit fruitful and successful.

The Visit was well appreciated by the students and their parents. We are thankful to the KRIBHCO Management for this wonderful experience to our students.

SURAT SOUTH GUJARAT CHAPTER

B-210, Tirupati Plaza, Near Collector Office, Athwa Gate, Surat-395001.
Tel / Fax: 0261-2477057, 3040931-32-33 • E-mail: surat@icmai.in

One day Seminar on Role of CMA in Nation Building Vis a Vis "Make in India"

Key Details of the Programme

- Date** : Sunday, 16th November 2014
Timing : 9.00 a.m. - 2.00 p.m.
Venue : CMA Bhawan, 103, Ritz Square, Nr. Indoor Stadium, Above Ajay Vijay Jewellers, Ghod Dod Road, Surat.
Chief Guest : CMA Dr. A. S. Durga Prasad – President ICAI
Guest of Honour: Shri Chhatrasinh Punjabhai Mori – Minister of State, Food and Civil Supplies, Consumer Affairs IND. Charge)
Special Invitees : CMA P V Bhattad - Vice President, ICAI
 CMA B M Sharma - Past President, ICAI
 CMA Ashok Nawal - Chairman, WIRC ICAI

Technical Session

- Topic** : Internal Audit, Companies Act 2013 **Speaker** : CMA Ashok Nawal
Topic : IFRS **Speaker** : CMA Rammohan Bhawe
Delegate Fees : **Rs. 500/-** For Corporate Delegates. **Rs. 300/-** for Individuals, **Free for students**
 (*Includes Refreshment and Lunch)

Annual Function (Prize Distribution, Members Students Meet and Cultural Event)

Key Details of the Programme

- Date** : Sunday 16th November, 2014
Timing : 4.30 p.m. onwards
Venue : KRIBHCO AUDITORIUM HALL, Krishak Bharati Cooperative Limited., Hazira, SURAT.
Chief Guest : CMA Dr. A S Durga Prasad - President ICAI
Guest of Honour: Shri R. K. Aggarwal - Operations Director, KRIBHCO
Special Invitees : CMA P. V. Bhattad - Vice President, ICAI
 CMA B. M. Sharma - Past President, ICAI
 CMA Ashok Nawal - Chairman, WIRC ICAI
 CMA Shrenik Shah - Chairman, Students, Members & Chapter Co-ordinatoin Committee, WIRC
Chief Convener : • CMA S. N. Mundra - Chairman +91 955 881 3718
 • CMA Rajendra Rathi - Vice Chairman +91 999 897 5889
 • CMA J. T. Parmar - Vice Chairman +91 942 685 4926
 • CMA Brijesh Mali - SEC Cum Treasurer +91 987 948 6800
 • CMA Nanty Shah - Joint Secretary +91 960 109 9950

Convener :

CMA Manubhai Desai	CMA Heena Oza	CMA Shailendra Saxena
CMA G. P. Rao	CMA Amish Parmar	CMA Biswadev Chanda
CMA Shirish Mohite	CMA R A Mehta	CMA V. Srinivasan
CMA Bhanwarlal Gurjar		

Free Transportation arranged from Tirupati Plaza Chapter Office, by Chapter.

Contact : Mrs. Meeta Desai M. 9825115293 or **Mr. Tarun Shah** M. 9016310279 for any clarifications.

Glimpses of Ahmedabad Chapter Activities



Campus Placements



Campus Placements



Campus Placements

"Rashtriya Ekta Diwas Shapath" (Pledge)



Industrial visit for the Final students under Industry oriented Training Program at Solar Plant of Abellon Cleaning Energy - Rameshwar Kampa, Modasa on 19th October 2014.

Industrial visit at KRIBHCO organised by Surat South Gujarat Chapter on 19th Sept. 2014



GLIMPSES OF BHOPAL CHAPTER ACTIVITIES



Warm welcome to CMA Ashok Nawal, Chairman WIRC by CMA S M Ramanathan, Chairman, Bhopal Chapter



Inauguration of Seminar on Service Tax Rules at Bhopal on 26.10.2014 by CMA Ashok Nawal, Chairman WIRC



The August audience at the Seminar



Ms. Anumeha Jain, Topper, Bhopal Chapter in Foundation Exam-June 2014 term being felicitated by the Guest



Quiz competition among the students



CMA L D Pawar giving welcome speech during seminar on "Costing in Construction Industry" organized by Pimpri-Chinchwad-Akurdi Chapter



Speaker CMA Ashish Deshmukh conducting seminar on "Costing in Construction Industry" organized by Pimpri-Chinchwad-Akurdi Chapter



Speaker Shri Shyam Deshpande delivering lecture during seminar on "Costing in Construction Industry" organized by Pimpri-Chinchwad-Akurdi Chapter



Audience at the seminar on "Costing in Construction Industry" organized by Pimpri-Chinchwad-Akurdi Chapter



If undelivered please return to:

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