



WIRC BULLETIN

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WIRC Wishes all its Members a very Happy & Prosperous New Year 2016



CMA V. Madhusudana Rao, Chairman of Nagpur Chapter, CMA M.S.N. Murthy – Director Finance – MECL, Hon. Shri Nitin Gadkari, Minister of Road Transport, Highways and Shipping, CMA P.V. Bhattad, President, ICAI, CMA Upendra Gupta, Commissioner GST, Shri S. S. Malhi, Director, Finance WCL, Shri Girish Deshmukh, Chairman, Taxation Committee, Nagpur Municipal Corporation & CMA Shriram Mahankaliwar, Hon. Secretary WIRC during Annual Seminar organised by Nagpur Chapter on 3rd January 2016

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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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Glimpses of 3 days Refresher Course on "Indirect Taxation and Gearing for GST" 18th to 20th December 2015 at WIRC Office, Mumbai



CMA H R Garg Additional Director, DRI inaugurating the seminar



CMA H R Garg Additional Director, DRI giving Inaugural address.



Mr. Prasant Kumar, Additional Commissioner, Service Tax I, Mumbai



View of Participants



CMA Debasish Mitra, Chairman WIRC and CMA Ashok Nawal, Chairman, Taxation Committee ICAI felicitating CMA P.V. Bhattad, President ICAI



CMA P.V. Bhattad, President ICAI distributing Certificate to participants



CMA A. B. Nawal interacting with participants. Also seen CMA Nanda Barde, Co-speaker and CMA Harshad Deshpande, RCM



CMA Sanjay Bhargave interacting with participants, also Seen CMA Pradip H Desai



CMA V.S. Datey being felicitated by CMA Pradip H Desai, Vice Chairman WIRC



CMA Shailendra Saxena is being felicitated by CMA Shriram Mahankaliwar, Hon. Secretary WIRC



Mr. B. V. Borhade, Jt. Commissioner, Sales Tax interacting with participants



From the Desk of Chairman

Respected Members,

At the outset, I on behalf of my entire Western India Regional Council convey our best wishes to all of you and your family members a HAPPY AND PROSPEROUS NEW YEAR 2016. Let this New Year bring new rays of hope and new dimensions to our profession. I am really thankful to my profession which has taught me to analyse any subject of professional interest. Core sector of the Cost Accountant is the Costing and which is in the blood of each of us due to our curriculum. This helps us to increase the analytical skill and stimulate us to update & enlighten us to other areas of professional interest as well. December 2015 exams have smoothly concluded all over the region. I wish all students who appeared for the exam will come out with flying colors. The inauguration of learning classes of the next session will be started at Regional & Chapters level soon.

I had informed in my last communication that Western India Regional Council will organize the Regional Cost Convention for 2015-16 jointly with the Pimpri-Chinchwad-Akurdi Chapter of Cost Accountants at Auto Cluster Auditorium, Pimpri-Chinchwad, Pune, on 16th & 17th January 2016. Number of state level ministers, known and important personalities from the Industries have agreed to be present at the said convention. The detail of the said convention has been published in this bulletin. I also appeal to all of you to make the said convention a grand success.

The National Convention is scheduled on 30th & 31st January 2016 at New Delhi. I request all the members to participate in this National Convention.

I request all members to attend the same and demonstrate our unity and strength to the Government authorities and also express our gratitude to them. As informed earlier, we have organized three days programme on 18th to 20th December 2015 at WIRC auditorium for Refresher course on "Indirect Taxation and gearing for GST". Around 60 members have benefited out of the said program. The feedback from the members are excellent. We assure you to conduct such type of programs in future as well. We also feel that such type of program at Chapter level will bring benefit to the members at grass root level. We request Headquarters to undertake a policy decision to conduct such types of refresher course on various subjects like Direct Taxation, Corporate Finance, Treasury, Cost Audit, Internal Audit, Tax Audit, on a regular basis, for the benefit of the members. It is also advisable to incorporate final pass student in such type of refresher course to bring maximum benefit for the profession.

The number of students strength has come down significantly. We have to work jointly as a team to counter this situation. Headquarters is also concerned about this situation. They have called a meeting to formulate a long term strategy for the same. Chairmen of all four regions have been called, for the said meeting. We expect with positive and constructive suggestions from all dignitaries present over the said meeting, Institute will be able to find out a road map to increase the number of students strength and at the same time true professional development in near future.

Wish you and your family a happy new year 2016. See you next month.

With warm regards

CMA Debasish Mitra

NAGPUR CHAPTER – PRESS REPORT

Institute of Cost Accountants - Nagpur Chapter held One-Day Annual Seminar on the theme "GST - Making One India" at Hotel Tuli Imperial, Ramdaspeth, Nagpur.

The Annual Seminar was inaugurated by Hon. Nitin Gadkari, Union Minister for Road Transport, Highways & Shipping. While inaugurating the seminar, he said that it is time for country to build for future prospective and cost accountants should give their contribution. He emphasized the need for cost effectiveness to survive in the International market.

CMA V. M. Rao, Chairman of the Nagpur Chapter delivered the welcome address, which highlighted the various achievements of the Chapter. The Seminar was presided over by CMA. P. V. Bhattad, President of the Institute of Cost & Accountants of India. In his address, he highlighted that GST is necessary for cost effectiveness and cost competitiveness to bring all round development of industries and professionals. Key Note address was given by CMA Upendra Gupta, IRS, Commissioner - GST, Govt of India. While delivering his key note address he said that the present system limits free flow of goods, but GST attributes will be uniformed throughout the entire country. With GST there would be higher economic activities, higher demand and supply of goods which in turn would make the industry flourish. He added that the entire GST process would be IT based hence the professional are required to have knowledge of IT and taxation as well. Shri S. S. Malhi, Director (Tech/Fin) & CMA S. N. Mahankaliwar, Secretary, WIRC-ICAI was guest of honour. CMA MSN Murty, Director (Finance), MECL was also present.

CMA K. V. Kashivishwanathan, Vice Chairman of the Nagpur Chapter, proposed the Vote of Thanks for the Inaugural Session.

1st Technical session was chaired by Shri. Atul Pandey, President, VIA. CMA Upendra Gupta, IRS, Commissioner - GST, Govt of India & CMA N. P. Vishwanathan were speakers on the topic "Overview of GST Buleprint vis-a-vis one India perspective".

The 2nd Technical Session was chaired by CMA T. V. Raman Murty, Zonal Manager, Bank of Maharashtra. CMA Mrityunjay Acharjee, Associate Vice President, Balmer Lawrie & Co. deliberated on "Implication of GST for works contracts".

The Final Session was on "Business process and credit mechanism under GST". Shri P. Pramod, DGM, Powergrid, Nagpur chaired the session. CMA. Rahul Rnavikar, Executive Director, Ernst & Young deliberated the topic.

CMA Anil B. Verma, Treasurer of Nagpur Chapter and other executive members CMA A. Sundram, CMA. Sameer Joshi, CMA Jai Prakash Gupta, CMA K M Rao, CMA Vivel Chauhan, CMA K. V. Badwe, CMA Dr. Sreehari Chava, CMA Renu Kulkarni, CMA Rachna Dixit in the organizing committee, helped in making the Seminar a grand success.

CMA. Renu Kulkarni and CMA K. M. Rao compared the Seminar.

Shri. Arun Kumar, Secretary of Nagpur Chapter presented the Vote of Thanks. The Seminar concluded with the National Anthem.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

WESTERN INDIA REGIONAL COUNCIL & PIMPRI-CHINCHWAD-AKURDI CHAPTER

are pleased to announce



REGIONAL COST CONVENTION 2016



Theme:

**"Make in India through - Cost Competitiveness,
Tax Reforms, Ease of Doing Business and Digital India"**

16th & 17th January 2016

Venue: Auto Cluster Auditorium, H-Block, Plot C-181, Pimpri-Chinchwad, Pune 411 019

**Delegate Fees : Corporate Delegates: Rs. 2,000/- For Self-Sponsored CMAs: Rs. 1,250/- Students: Rs. 750/-
Cheque/DD should be in the favour of "ICAI-WIRC"**

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THEME:

Manufacturing Sector of India contributes approx 16% of total GDP. This share is very low when we compare this with countries like Indonesia, China, Brazil wherein manufacturing sector contributes more than 20% of GDP. World Bank has suggested that to realize its full potential India needs to continue making progress on its domestic reforms agenda and encourage investments. Improvement in manufacturing sector is need of the day to enable India to achieve higher economic growth.

However, there are many problems faced by manufacturing sector, which stand as an obstacle in the path of economic growth. This year's Regional Cost Convention aims at focusing on how Make in India can become a reality with the help of four main pillars viz. Cost competitiveness, Ease of Doing Business, Tax reforms and Digital India.

Cost Competitiveness: The main problem faced by Manufacturing Sector is Cost of Doing Business. To boost manufacturing, both for domestic and international market, and making success of make in India, what are needed are - lower costs of doing business.

Ease of Doing Business: Apart from reducing costs,

Manufacturing sector ails from number of issues which make doing business in India very cumbersome. In a study undertaken by the World Bank on "Ease of doing business", India is ranked at 142 among 189 countries. In order to enable success of "Make in India", we have to ensure that many issues such as outdated labour laws, ease in acquisition of land etc are streamlined and any business owner will find that starting and running a successful business in India will not be an impossible dream.

Tax Reforms: Simpler Tax structure is long awaited reform. India's taxation system has become too complex. Apart from the direct and indirect taxes imposed by the Centre, large number of duties are imposed by the States. This results in increased costs and inordinate delays in dealing with various authorities.

We need to address the cost and non cost factors and change the perception around the investment climate in India.

Thus, we aim, through this Regional Cost Convention, to discuss the various issues faced, to make the delegates aware of the various reforms undertaken and to enable skill development among our members.

PROGRAMME SCHEDULE

Saturday, January 16, 2016

Time Session

09.00 a.m. - 10.00 a.m.	Registration & Inauguration
10.00 a.m. - 11.15 a.m.	Inaugural Session
11.15 a.m. - 11.30 a.m.	Tea/Coffee Break
11.30 a.m. - 01.30 p.m.	Technical Session 1
01.30 p.m. - 02.15 p.m.	Lunch
02.15 p.m. - 04.15 p.m.	Technical Session 2
04.15 p.m. - 04.30 p.m.	Tea / Coffee Break
04.30 p.m. - 06.00 p.m.	Technical Session 3
06.00 p.m. - 07.00 p.m.	Chapters & Members Meet
07.00 p.m. - 08.00 p.m.	Cultural Programme
08.00 p.m. - 09.30 p.m.	Dinner

Sunday, January 17, 2016

Time Session

09.45 a.m. - 11.15 a.m.	Technical Session 4
11.15 a.m. - 11.30 a.m.	Tea Break
11.30 a.m. - 12.30 a.m.	Technical Session 5
12.30 a.m. - 02.00 p.m.	Valedictory Session
02.00 p.m. onwards	Networking Lunch

CEP Credit : 6 Hours

TARIFF

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CONVENTION AGENDA

TECHNICAL SESSION I - MAKE IN INDIA THROUGH COST COMPETITIVENESS

Cost Competitiveness through Chanakyaniti: CMA Narasimha Murthy

CMA Narasimha Murthy is associated with the development of Cost & Management Information Systems for more than 175 Companies covering more than 50 Industries. In addition, he is closely associated with turning around of many large Corporates, focusing on systems improvement with Cost Reduction approach. He is closely involved with several National level Institutions & is presently on the Boards of several companies. He is associated as Member Tirumala Tirupathi Devasthanams Internal Audits Investment Committees.

He is part of more than 32 High Level Committees as Chairman / Member both at National & State Level. He is also associated with the development of Cost Accounting Record Rules for many Industries as a member of Informal Advisory Committee, Dept. of Corporate Affairs, Govt. of India. Recently, he is nominated as Chairman of the Expert Committee on Financial Ponzi Schemes by Government of Andhra Pradesh.

Cost Competitiveness - Activity based costing : CMA C S Adawadkar

CMA Adawadkar is Practising Cost Accountant and also faculty member at Indsearch & other Management Institutes. He is specialized in the field of Bench Marking, Activity Based Costing & other management functions & advising to the corporates.

TECHNICAL SESSION II - MAKE IN INDIA- EASE OF DOING BUSINESS

Panel : CMA Vivek Bhimanwar, PS to
Discussion Chief Minister of Maharashtra
CMA Brijmohan Sharma,
Past President of ICAI

TECHNICAL SESSION III - MAKE IN INDIA- DIGITAL INDIA

Digital Enterprise and Next Gen Technologies: Mr.Mandar Marulkar, CIO KPIT Infosystems Ltd.

Mr. Mandar Marulkar is Head-IT Infrastructure, Systems & CISO of KPIT Cummins Infosystems. Marulkar has over 19 years of experience in IT, and has held senior positions in IT infrastructure, systems and security. His extensive knowledge in IT strategies, technology, and processes have helped transform business processes and provided his organization with a competitive edge.

TECHNICAL SESSION IV-MAKE IN INDIA-TAX REFORMS

GST - Shri. Sumit Dutt Majumdar- Former Chairman, CBEC, Author of Book on GST deli\ number of lecture through ASSOCHAM, deliberating on taxindiaonline and also advisor to CENTAX Publication of ELT.

Shri Gautam Bhattacharya –
Commissioner, Service Tax

GST CORNER

By CMA Ashok B. Nawal

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It is stated that "Man Proposes & God Disposes". In India each citizen is eagerly waiting for simplified Tax Reform, which will attract investment and also create an employment opportunity through Make in India movement. Mission Make in India will never successful until following mantras have not been adopted and become the part of system / culture of the Nation:

- a. Cost Competitiveness
- b. Tax Reforms
- c. Ease of doing business
- d. Digital India

It was expected priorities of the nation will be given importance over the political priorities but unfortunately we have seen how democratic process has been mis-utilized. It is surprising 40 to 50 MPs of Upper House of Indian National Congress have totally stalled the progress and hope of GST to be implemented w.e.f. 1.04.2016 has been vanished. In spite of the facts economist claim and implementation of GST will improve the GDP by 1.5% to 2%, still different issues have taken the priorities over the national priorities.

Meanwhile, Model GST Law which is under discussion was leaked through hosting the same on website of UP Government and immediately it was declared by Mrs. Rashmi Verma - Special Secretary, Department of Revenue that the report, which has been put on website of UP Govt. is not official report but thereafter number of changes have taken place in the series of discussion with State and Central Govt. officials. In spite of the said fact, it is felt to discuss the important point of the said report and represent Govt Officials w.r.t. difficulties which will be faced by the Trade and Industries and thereafter an attempt has been made to discuss important features.

1. Draft GST Law (CGST, SGST & IGST Law) will have number of similar provisions which was prevailing either in Central Excise Act 1944 & rules made thereunder, Finance Act 1994 & Rules made thereunder for Service Tax and State VAT Acts. In addition to that some provisions of Customs Act 1962 & Rules made thereunder have also been imported in the Draft Law and therefore Draft GST Law is not "Old Wine in the New Bottle" but it is the "Blend of Old & New Wine" or if some of the provisions remains as it is, it can be considered as "Cocktail" and will

have the "Kick" to the Trade & Industries.

2. Fortunately, "Meaning of Supply" has been provided in Sec 3 of the said Law, which is the foundation of GST Law. Earlier self-supply of goods and services without consideration were included in the Schedule I of the said Law, but it is understood that the same has been taken it out otherwise it might have created lot of negative impact on Trade & Industries.
3. Time & Place of Supply has been given and it seems that person who are dealing in Goods & Services on "PAN India Basis" they will have to obtain registration in each State, otherwise there may be a cascading effect of the taxes.
4. Valuation of goods or services without consideration will be the challenge, since parallel provisions of Customs Act 1962 and Rules made thereunder has been incorporated in the Draft GST Law.
5. Fortunately, consensus is emerging for not introducing 1% additional tax for Inter-State supply of goods & services irrespective of for consideration or without consideration. Hope, this should prevail, since it is against the principle of GST.
6. Draft Business Process Reports on Registration, Payment, Refund & Returns has been put on the public domain and recommendations made by public are under discussion and hope these will be incorporated in Model GST.
7. Blacklisting provisions of the Tax Payer will be real hardship, since trigger for blacklisting, which has been given in Business Process Reports are normal anomalies of trade & industries and hence such harsh provisions needs to be deleted.
8. Existing exclusions in the definition of Input & Input Services of Cenvat Credit Rules 2004 has been retained, which will be hurdle for not having the cascading effect of taxes.
9. Existing provisions of offences, penalties, prosecutions and recoveries of Central Excise Act has been retained in the Model GST Law which will cause un-necessary harassment to the trade & industries.
10. Transitional provisions for carry forward of existing balances of taxes i.e. credit is welcome provision. However, deemed credit provisions on stock in absence of duty paying documents will be required.

We give below existing provisions which have been carried forward in the Draft Model GST Law:

Provisions of Central Excise Act, 1994:

Section/Rule	Provision	Section in Draft Act
Section 3, Central Excise Act, 1944	Rate of Tax as per the Schedule to the Act	Section 7(1)
Section 3A, Central Excise Act, 1944	Compounded levy	Section 8
Section 2(f)(iii), Central Excise Act, 1944	Manufacturer (in GST Taxable person)	Section 9
Section 4, Central Excise Act, 1944	Valuation - Transaction value	Section 17(2)
Section 4A, Central Excise Act, 1944	Valuation - MRP/Retail Price Valuation method	Section 17(5)
Section 11A, Central Excise Act, 1944	Demand	Section 20A
Section 11AC, Central Excise Act, 1944	Penalty	Section 20A
Section 11AC, Central Excise Act, 1944	Limitation Period	Section 20A
Section 11D, Central Excise Act, 1944	Recovery of duty	Section 11D
Section 14A & 14AA, Central Excise Act, 1944	Special Audit	Section 55
Section 34A, Central Excise Act, 1944	Confiscation or penalty	Section 62
Section 12F, Central Excise Act, 1944	Power of inspection, search and seizure	Section 68
Section 13, 18, 19 & 20, Central Excise Act, 1944	Power to arrest	Section 69
Section 14, Central Excise Act, 1944	Power To summon	Section 70
Section 15B, Central Excise Act, 1944	Penalty for failure to furnish information return	Section 76
Section 12C, Central Excise Act, 1944	Consumer Welfare Fund	Section 78
Section 12E, Central Excise Act, 1944	Powers of officers	Section 79

Provisions of Central Excise Rules 2002 :

Section/Rule	Provision	Section in Draft Act
Central Excise Valuation (determination of price of excisable goods) Rules, 2000	Valuation	GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016
Rule 21, Central excise rules, 2002	Remission of duty	Section 19
Rule 11, Central excise rules, 2002	Invoice	Section 30
Rule 12, Central excise rules, 2002	Returns	Section 36
Rule 12, Central excise rules, 2002	Late fee for filing of return	Section 45
Rule 8, Central excise rules, 2002	Payment of tax, penalty, interest	Section 47
Rule 6, Central excise rules, 2002	Self Assessment	Section 47
Rule 26, Central excise rules, 2002	Offences and Penalties	Section 56
Rule 27, Central excise rules, 2002	General Penalties	Section 57
Rule 27, Central excise rules, 2002	Confiscation of goods and levy of penalty	Section 60
Rule 22, Central excise rules, 2002	Access to business premises	Section 71

Rule 3(1), CENVAT credit rules, 2004	Input Tax Credit	Section 18(1)
Rule 2(a),(k),(l) & Rule 6, CENVAT credit rules, 2004	Eligibility of Input Tax credit	Section 18(2) & Section 18(9)
Rule 6, CENVAT credit rules, 2004	Reversal of Credit	Section 18(3)
Rule 4, CENVAT credit rules, 2004	Utilization of credit	Section 18(5)
Rule 5, CENVAT credit rules, 2004	Refund of cenvat credit	Section 18(7)
Rule 9(1), CENVAT credit rules, 2004	Conditions for availment of credit	Section 18(10)
Rule 10, CENVAT credit rules, 2004	Transfer of cenvat credit balance in certain cases	Section 18(11)
Rule 14, CENVAT credit rules, 2004	Recovery of CENVAT credit wrongly taken or erroneously refunded	Section 39
Rule 15, CENVAT credit rules, 2004	Penalty for wrong utilization of credit	Section 56

Provisions of Finance Act, 1994 :

Section/Rule	Provision	Section in Draft Act
Section 67, Finance Act 1994	Valuation	Section 17(1)
Section 71(3)(a), Finance Act 1994	Submission of returns through Tax Return Preparers	Section 46
Section 70, Finance Act 1994	Self-Assessment	Section 49
Section 72(a), Finance Act 1994	Assessment of non-filers of returns	Section 46
Section 72(b), Finance Act 1994	Summary assessment in certain special cases	Section 53
Section 72A, Finance Act 1994	Special Audit	Section 55

Provisions of Service Tax Rules, 1994

Section/Rule	Provision	Section in Draft Act
Rule 2(1)(d), Service Tax Rules, 1994	Person liable to pay tax	Section 9
Rule 5, Service Tax (Determination of Value) Rules, 2006	Valuation	Rule 8 of GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016
Rule 6(7B), Service Tax Rules, 1994	Valuation	Rule 8 of GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016
Rule 4(5), Service Tax Rules, 1994	Deemed registration	Section 26(8)
Rule 4A, Service Tax Rules, 1994	Invoice	Section 30
Rule 5, Service Tax Rules, 1994	Maintenance of records	Section 32
Rule 7, Service Tax Rules, 1994	Returns	Section 36
Rule 7C, Service Tax Rules, 1994	Late fees for late filing of return	Section 45
Rule 6, Service Tax Rules, 1994	Payment of tax	Section 47

Provisions of Customs Valuation (Determination of value of Imported Goods) Rules, 2007 :

Section/Rule	Provision	Section in Draft Act
Rule 2, Customs Valuation (Determination of value of Imported Goods) Rules, 2007	similar and identical goods	Rule 2 of GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016

Rule 4&5, Customs Valuation (Determination of value of Imported Goods) Rules, 2007	Valuation	Rule 4 of GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016
Rule 8, Customs Valuation (Determination of value of Imported Goods) Rules, 2007	Computed value method	Rule 5 of GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016
Rule 9, Customs Valuation (Determination of value of Imported Goods) Rules, 2007	Residual method	Rule 6 of GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016
Rule 12, Customs Valuation (Determination of value of Imported Goods) Rules, 2007	Rejection of declared value	Rule 7 of GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016

Provisions of MVAT Act, 2002/ CST Act, 1956 :

Section/Rule	Provision	Section in Draft Act
Section 6, CST Act, 1956	Levy on all intra-state supplies of goods and services	Section 7
Section 8, CST Act, 1956	Rate of Tax as per the Schedule to the Act	Section 7
Section 2(8), MVAT Act, 2002	Dealer	Section 9
Section 3/4, CST Act, 1956	Nature of supply	Section 14
Section 63, MVAT Act, 2002	Records	Section 32
Rule 17(4)(d), MVAT Rules, 2005	J1 - J2 return	Section 36
Rule 17, MVAT Rules, 2005	Returns	Section 36
Section 61, MVAT Act, 2002	Annual Return	Section 43
Section 20, MVAT Act, 2002	Late fee	Section 45
Section 31, MVAT Act, 2002	TDS	Section 2(41)
Section 20, MVAT Act, 2002	Self-Assessment	Section 49
Section 23(3), MVAT Act, 2002	Assessment of non-filers of returns	Section 51
Section 23(4), MVAT Act, 2002	Assessment of unregistered persons	Section 52
Section 23, MVAT Act, 2002	Summary assessment in certain special cases	Section 53
Section 22, MVAT Act, 2002	Audit	Section 54
Section 22, MVAT Act, 2002	Cognizance of offences	Section 64

It can be appreciated from above that most of the provisions of existing law will be in the Draft GST Law. In other words, the stricter provisions w.r.t. Tax, Administration and Compliance of either laws has been incorporated in Draft GST Law. Since there is no any liberal provision in either law, no liberal provisions has been invented. Time will decide whether it will be ease of doing business or otherwise.

Nothing concrete has been mentioned in Draft GST Law for adjudication except National Tax Tribunal, but whether assessment and first appeal will have combined dispute

resolution system for CGST, IGST and SGST is not clear and that will be the test of "Whether there will be Acche Din OR continued to be the same"...

Let us hope, Model Draft GST law will be put on Public Domain by January 2016 end and 122nd Constitutional Amendment Bill will be tabled again in Upper House either in the budget session or subsequent to the budget session in month of April 2016, but one thing is definite, GST is not going to be implemented w.e.f. 1st April 2016 and time will decide whether it will be in 2016 or w.e.f. 1st April 2017.





Internet of Things for Efficient Strategic Cost Management

Mr. Indraneel Sen Gupta

Master in Economics/MBA in International Business Management / ICAI Final /
Journalist Global Business Strategist & Global Macro Economic Researcher

Cost Accountants and Cost Management goes in diverse ways where the former struggles and the latter is crowned with success. New dimensions and segments have evolved in cost management but the professionals are facing higher levels of difficulties. Strategic cost management has taken new heights in designing the business structures under these turbulent economic times. In the coming next 5 years frame we will find technology driven strategic cost management where cost will be zero and earnings will be a topping. Yes strategic cost management is being adopted and implemented widely for designing the competitiveness structure of a company or for the industry. Further I find very clearly that Technology will change the economic consumption cost boosting consumption of other goods and services from the same cost which has been saved. Yes strategic cost managements is changing its landscape. We all know the theoretical part of the subject but lest get into a real life case study where technology will be changing the new paradigm of thinking towards strategic cost management.

Internet of Things (IOT) is soon going to create problem for the oil producing countries as well as for the traditional power generation companies. India might be slow in these steps but developed economies and Middle East countries are already under full stream of using strategic cost management and IOT. Sensors are being designed where solar power storage and consumption both are being measured and the stored power is being transferred to the government based storage facilities,. In exchange of the transfer the sensor helps to measure how much benefit of storage (excess over consumption) is being adjusted against the power cost consumed. Now how strategic cost management is changing the economic culture is here to be found. As more household are inclined towards power storage transfer as its give them adjusted benefit to their own cost of consumption, large amount of solar power panels are being used in residential houses. When people through IOT are able to measure how much they are saving in power cost and also to make earning from cost consumption based product more investments flows into the industry. Hence more industries of solar power panels and its ancillary products come into the economy and more job opportunities, more technical knowledge inflows, skill development, overall economic development.

Coming to gas and traditional power sources where IOT of things are helping to find which product of an car or electric equipment is damages which is leading to substantial consumption of gas and oil for an family or industry. Through these sensors one gets an idea of when

to replace the products so that unnecessary consumption cost can be eliminated. These sensors are either connected with mobile apps or through other technology driven gadgets. Hence IOT and strategic cost management is being used to control resources, usages, avoid abnormal losses. Using IOT in strategic cost management a whole new economy be constructed and traditional losses and efficient usages of resources can be designed.

IOT is bringing down the cost of down time which impacts profitability and creates significant losses in operating as well as at the end user. From parking car to an early detection of damages in a plant or a particularly machine can be found much earlier before it's comes down totally. Strategic cost and investment decisions are being taken much earlier which saves billions of funds for getting into abnormal loss across the globe.

IOT of things can significantly bring down the cost of operation and hence increase the next level of costing management practices. The costing methods are no longer alone. Big data analysis helps to design and identify price mix and product mix strategies. In a similar fashion IOT is changing the world of down time and abnormal losses and ideal time phases. It's time for cost accountants to brace up with strategic cost management using technology as a guiding tool. We need to understand that the profession might be going through tough times domestically but in the global world its being used effectively to design new production strategies and reduced carbon emission where productivity is being taken into the next level. Very soon strategic cost management strategies would be adopted to reduce carbon emission as IOT is changing the landscape. Strategic costing will reduce carbon emission as its works in both ways. Strategic costing is being adopted and applied for designing energy efficient products whereas the same subject is being applied for detecting and taking preventive steps to eliminate losses. The age of digitization will change the look out of cost management and costing methods applicability. Don't think that what was redundant yesterday will remain forever the same. Technology needs extensive support of Cost management so that efficient products design and limited resources in these global economic turmoil could be implemented. The global economic imbalances have triggered a massive problem for open architecture of investments. Every decision of investments is based on technology driven data and also on long term change over's that might happen. Countries like Kuwait, Iran, Middle east knows very well that technology and cost management is the dual sword to bring new innovation for the global economy.



TDS on Work Contract (WCT TDS) - MVAT

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Meaning of work Contract: A works contract is an agreement which is a mixture of service or labour and transfer of goods. Under a works contract the contractor agrees to do certain job in execution whereof, certain goods are transferred to the contractee. Thus, an agreement of building construction, manufacture, processing, fabrication, erection, installation, repair or commissioning of any movable or immovable property, is a works contract. In relation to a works contract only that part of consideration which represents transfer of property in the goods involved in execution of the works contract, shall be taxable.

CONCEPT OF WCT TDS

The concept of WCT TDS is same of TDS, Like in TDS we deduct and Deductee can claim setoff in income tax, in same way dealer can claim setoff of WCT TDS in VAT Payment.

Definition of Works Contract:

Works Contract is defined under the MVAT Act, 2002

Section 2(24) : the transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract including, an agreement for carrying out for cash, deferred payment or other valuable consideration, the building, construction, manufacture, processing, fabrication, erection, installation, fitting out, improvement, modification, repair or commissioning of any movable or immovable property.

Works Contract is defined under the CST Act, 1956

Section 2(ja) : works contract means a contract for carrying out any work which includes assembling, construction, building, altering, manufacturing, processing, fabricating, erection, installation, fitting out, improvement, repair or commissioning of any movable or immovable property.

Applicability of WCT-TDS:

- 1) TDS is applicable for Works Contract Transactions.
- 2) Employer employing Contractor for Work Contract is required to comply with requirement of TDS.

What is covered under work Contract::

1. Construction Contract includes contraction of buildings, roads, water purification plant, Bridge, etc.
2. Other Contracts, which includes installation of Plant and machinery, air conditions, painting & polishing, laying pipes, etc.

Rate of deduction of TDS:

- 2% in case of Registered Dealer
- 5% in Unregistered Dealer

When to deduct WCT TDS

WCT TDS is required to be deducted on payment basis.

Not Required to deduct WCT TDS

- no deduction as provided under this clause shall be made in respect of any sale or purchase to which section 8 applies

(Section 8 of Maharashtra Value Added Tax Act, 2002 deals with certain sales and purchases not to be liable to tax)

- no deduction shall be made from any payment made to any sub-contractor by a principal contractor where the principal contractor has assigned the execution of any works contract, in whole or in part, to the said sub-contractor

PROCEDURE FOR WCT TDS

- Remittance of tax to Government Treasury in MTR - 6 within 21 days from the expiry of the month.
- Furnish the Certificate to the Contractor in Form No 402 immediately after deduction of TDS
- Employer shall maintain the record of amount of tax deduction, furnishing of TDS certificate and payment of deduction to Government treasury in Form No 404.
- Employer is required to file annual TDS return in Form No 424 with Joint Commissioner of Sales Tax within 3 months of the end of the year to which it relates.

WCT RETURN

Form 424 is required to file within 3 months of end of year in which it relates (i.e. 30th june)

LATE PAYMENT INTEREST

Interest on late payment is same like MVAT i.e. 1.25% p.m.

Changes in the rate of Interest w.e.f.1/12/2015

No. Period	Rate of Interest
1 Up to one month	One and a quarter per cent of the amount of such tax, for the month or for part thereof
2 Up to three months	One and a quarter per cent of the amount of such tax, for the month or for part thereof for the first month of delay and one and a half percent of the amount of such tax, for each month or for part thereof for delay beyond one month up to three months
3 More than 3 months	One and a quarter per cent of the amount of such tax, for each month or for part thereof for the first month of delay, one and a half per cent of the amount of such tax, for each month or for part thereof for delay beyond one month up to three months and two percent of the amount of such tax, for each month or for part thereof for the period delay beyond three months

WCT PAYMENT CHALLAN

Challan MTR 6 is required to be paid within 21 days from the expiry of the month.

ISSUE OF FORM 402

Form 402 is required to be issued by deductor to deductee immediately after deducting WCT tds.



Interest Rate on Advances-based on Marginal Cost of Funds

CMA R. P. Gore, M 6355

Mob.: 98602 21012 Pune

The RBI has issued circular RBI/ 2015-16/273 DBR NO DIR BC 67/13 03 00/ 2015-16 ATED 17TH Dec 2015 informing to all scheduled banks about new internal benchmark of Interest rates/ lending rate based on Marginal cost. This MCLR (Marginal cost of lending rate) would be effective from 1st Apr 2016. The bank interest forms large part of every industry's expenses & it would be in our interest to know how it would be worked out by the banks

Let us first understand its evolution. BPLR - Benchmark prime lending rate was prevailing from 2003 to 2010. to price bank loans on the actual cost of funds. However, the BPLR was subverted, resulting in an opaque system. The bulk of wholesale credit (loans to corporate customers) was contracted at sub-BPL rates and it comprised nearly 70% of all bank credit. Under this system, banks were subsidizing corporate loans by charging high interest rates from retail and small and medium enterprise customers.

This system defeated the purpose of having a prime lending rate, or the rate that banks charge from its best customers. It also resulted in another problem: bank interest rates ceased to respond to monetary policy changes that the RBI introduced periodically.

After a series of circulars, discussion groups and a rigorous consultative process, the RBI announced its decision to implement the base rate from 1st July 2010. Now, banks were not allowed to lend below this rate. Under the new rule, banks were free to use any method to calculate their base rates (the RBI did provide an 'illustrative' formula), provided that the RBI found it consistent. Banks were also directed to announce their base rates on their Websites, in keeping with the objective of making lending rates more transparent. All banks operating in India announced their base rates on 1 July. Most public sector banks kept their rates at 8%, while most private banks, a few government-owned banks (such as SBI) and foreign banks kept their base rates at 7.5%.

To bring transparency & uniformity now RBI has come out with new system ie. MCLR will comprise of Marginal cost of funds. The details are available on RBI circular RBI/ 2015-16/273 DBR NO DIR BC 67/13.03.00/ 2015-16 dated 17th Dec 2015 addressed to all scheduled commercial banks (The detailed methodology for computing marginal cost of funds is given in the Annexure 2 of the same circular)

The MCLR -Marginal cost of lending rate will comprise of

- a) The marginal cost of funds will comprise of Marginal cost of borrowings and return on networth.

- b) Negative carry on account of CRR (Cash Reserve Ratio) Negative Carry on CRR Negative carry on the mandatory CRR which arises due to return on CRR balances being nil, will be calculated as under: $\text{Required CRR} \times (\text{marginal cost}) / (1 - \text{CRR})$ The marginal cost of funds arrived at (iii) above will be used for arriving at negative carry on CRR
- c) Operating costs All operating costs associated with providing the loan product including cost of raising funds will be included under this head. It should be ensured that the costs of providing those services which are separately recovered by way of service charges do not form part of this component
- d) Tenor premium These costs arise from loan commitments with longer tenor. The change in tenor premium should not be borrower specific or loan class specific. In other words, the tenor premium will be uniform for all types of loans for a given residual tenor

Since MCLR will be a tenor linked benchmark, banks shall arrive at the MCLR of a particular maturity by adding the corresponding tenor premium to the sum of Marginal cost of funds, Negative carry on account of CRR and Operating costs. viii. Accordingly, banks shall publish the internal benchmark for the following maturities: a. overnight MCLR, b. one-month MCLR, c. three-month MCLR, d. six month MCLR, e. One year MCLR. In addition to the above, banks have the option of publishing MCLR of any other longer maturity.

Spread i. Banks should have a Board approved policy delineating the components of spread charged to a customer. Spread (Net interest spread) means Interest earned on loans less interest paid on deposits ie Borrowing rate less lending rate

The policy shall include principles:

- a. To determine the quantum of each component of spread.
- b. To determine the range of spread for a given category of borrower / type of loan.
- c. To delegate powers in respect of loan pricing.

For the sake of uniformity in these components, all banks shall adopt the following broad components of spread:

- a. Business strategy The component will be arrived at taking into consideration the business strategy, market competition, embedded options in the loan product, market liquidity of the loan etc. (Thus it seems that the lower rate of interest earned on investments which banks make under statutory liquidity ratio would have to be taken care in the spread working)

- b. Credit risk premium The credit risk premium charged to the customer representing the default risk arising from loan sanctioned should be arrived at based on an appropriate credit risk rating/scoring model and after taking into consideration customer relationship, expected losses, collaterals, etc.

Actual lending rates will be determined by adding the components of spread to the MCLR. Accordingly, there will be no lending below the MCLR of a particular maturity for all loans linked to that benchmark ii. The reference benchmark rate used for pricing the loans should form

part of the terms of the loan contract.

There would be certain exemptions as given in the circular Exemptions from MCLR i. Loans covered by schemes specially formulated by Government of India wherein banks have to charge interest rates as per the scheme, are exempted from being linked to MCLR as the benchmark for determining interest rate. ii. Working Capital Term Loan (WCTL), Funded Interest Term Loan (FITL), etc. granted as part of the rectification/restructuring package, are exempted from being linked to MCLR

ILLUSTRATIVE WORKING - ALL FIGURES / DETAILS/ DATA ASSUMED				
S.No.	Source of funds	Rates offered on deposit on the date of review / Rates at which funds raised	Balance outstanding as on previous day of review as % of total fund	Marginal cost
	A	B	C	D=B X C
A	Marginal cost of Borrowings			
1	Deposits			
a	Current A/c balance	0.00%	5	–
b	Saving A/c balance	4.00%	20	0.8000
c	Term Deposit (Fixed rate)	7.50%	25	1.8750
d	Term Deposit (Flating rate)	7.76%	20	1.5520
e	Foreign currency deposits	7.95%	3	0.2385
2	Borrowing		–	
a	Short term Rupee borrowings	7.75%	5	0.3875
b	Long term Rupee Borrowing	6.00%	12	0.7200
c	foreign Currency Borrowing	7.50%	2	0.1500
	Marginal cost Borrowings	subtotal	92	5.7230
	(equele to 92 % of total funds)			
B	Add Equity / own funds say 8%	10.00%	8	0.8000
	Return on networkth			
	Total Marginal cost of Fund			6.5230
	Marginal cost of Funds = 92 % X Marginal cost of Borrowings+ 8% Return of networkth			
	Negative carry on CRR	: Required CRR x (marginal cost) / (1- CRR)		
	Negative carry on CRR	4%x (6.5230)/(1-4%)		0.2718

The Author acknowledge with thanks some details received from CMA P. V. Bhattad The President of our Institute. To make this working easy to understand some modifications are made. Please refer the RBI's original circular for clarifications

*Only a weak mind allows Itself to be swung hither and thither by the winds of uncontrolled passion.
With reason at the helm, the ship of human destiny sails straight to the port.* **– Sir C. V. Raman**

Report on 3 days Refresher Course on "Indirect Taxation and Gearing for GST"

Taxation Committee of The Institute of Cost Accountants of India had taken unique initiative to conduct 3 days Refresher Course on "Indirect Taxation and Gearing for GST", which was organised at WIRC from 18th December to 20th December 2015. We got excellent response from the members across WIRC.

In our inaugural session on day 1, we had Chief Guest CMA H R Garg Additional Director, DRI and Guest of Honour Mr. Prasant Kumar, Additional Commissioner, Service Tax- I, CMA V.S. Datey, Lead Speaker and Chairman WIRC CMA Debasish Mitra and CMA Kailash Gandhi, Chairman - Professional Development Committee on dais. CMA Kailash Gandhi welcomed all the dignitaries on dais & the participants and shared welcome note. The seminar was inaugurated by lighting the lamp by dignitaries.

CMA H R Garg motivated the members by sharing his experience and knowledge on Indirect taxes, and role of CMA's. Young and dynamic Mr. Prasant Kumar shared his view on GST and emphasis that CMA can play very important role in educating the businesses with new development in Indirect taxes. In his address CMA Debasish Mitra, Chairman WIRC brief the members about the activities of WIRC and CMA Pradip H. Desai, Vice Chairman proposed vote of thanks.

Technical session 1 was conducted by CMA V. S. Datey

Topics covered

- Service, Negative Services, Bundled Services, Declared services
- Exempted service, person liable to pay service tax, Place of Provision of Service Rules
- Point of Taxation Rules, Abatement, Valuation

Technical session 2 was conducted by CMA Shailendra Saxena

- Routine Procedures-Registration, Invoice, Payment, Returns.
- Works Contract, Valuation of Services
- GST - Case Study and Group Discussion

On 19th December 2015

Day 2 started with a team building game, which gave importance of Networking. CMA Sharad Marathe won the game. All the participant liked the new idea of having such corporate games in middle of sessions....

Technical session 3 was conducted by CMA (Dr.) Sanjay Bhargave

- Central Excise Law - concept, manufacture, levy of duty and valuation
- Procedural Aspects - Central Excise Rules, Valuation Rules and other rules
- CENVAT Credit Rules

Technical session 4 was conducted by CMA Amit Sarker

- Show Cause/ Reply to show Cause/Adjudication
- Case Study and Group Discussion

Technical session 5 was conducted by CMA L.D. Pawar

- VAT Act, Rules & Procedures

On 20th December 2015 -

Technical Session 6 was conducted by CMA Nanda Barde

- Audit under Central Excise and Service Tax

Technical Session 7 was conducted by CMAs Ashok Nawal & Nanda Barde

- Audit under Central Ex
- Goods & Service Tax (GST) - including Business Process Reports and Place of Supply Rules

Technical Session 6 was conducted by CMA Nanda Barde

- Audit under Central Excise and Service Tax

Technical Session 7 was conducted by CMAs Ashok Nawal & Nanda Barde

- Audit under Central Excise and Service Tax

Technical Session 8 was conducted by Mr. B.V. Borhade, Jt. Commissioner, Sales Tax

- Goods & Service Tax (GST) - including Business Process Reports and Place of Supply Rules

CMA P.V. Bhattad, President of The institute and Mr. B.V. Borhade, Jt. Commissioner, Sales Tax distributed participation certificates to all the participants.

We have received excellent feedback from the participants and many participants appreciated conducting 3 days of Refresher Course on "Indirect Taxation and Gearing for GST" at WIRC, Mumbai.



Compliance Checks under Companies Act, 2013

CMA Satya Narayan Mundra

M.COM, LLB, LLM, DTP, PGDIE, ACMA, CS (F)

Vice President Kutch Chemical Industries Ltd., Vadodara, Gujarat

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[A] Meetings

1. Annual General Meeting (AGM)

Sr.	Requirement	Time Frame / Requisite Number		
i	One AGM of the Company should be held every year.	Within 6 months from the end of financial year or Within 15 months from the date of last AGM, whichever is earlier;		
ii	Notice of AGM shall be sent to • Members, • Auditors • Directors of the Company in writing by way of registered post / speedpost/ courier electronic mode.	Shall be sent clear 21 days in advance of Meeting. * AGM may be called by shorter Notice if consent is accorded to that by 95% of the members entitled to vote. • Notice of AGM shall be simultaneously placed on the website of the Company, if any.		
iii	Quorum for the meeting [Minimum no. of Members to be personally present]	Type of Company	If no. of members as on date of meeting-	Quorum
		Public	Upto 1000	5
			From 1001 to 5000	15
			From 5001	30
		Private	Irrespective of no. of members	2

- ❖ However, Extra Ordinary General Meetings (EGMs) can be held whenever required.
- ❖ The Company shall hold its 1st Annual General Meeting within 9 months from the closure of 1st F.Y.
- ❖ Every listed company or company having more than 1000 members shall provide e-voting facility [facility to exercise right to vote at General Meetings by electronic means] to its members.

2. Board Meeting (BM)

- ❖ Every Company shall hold four Board Meetings in each year.
- ❖ Gap between two Board Meetings shall not be more than 120 days.
- ❖ In case of newly incorporated company, 1st Board Meeting shall be held within 30 days of date of incorporation.
- ❖ Independent Directors should at least meet once in a year without the attendance of non-independent directors & members of management.

Sr.#	Compliance	Requirement	
i	One BM should be held in each quarter.	Months	No. of BM
		January, February, March	1
		April, May, June	1
		July, August, September	1
		October, November, December	1

ii	Notice of BM	Shall be given 7 days in advance of BM, in writing to every Director by hand delivery / post / electronic mode.
iii	Quorum for BM	1/3 of total strength or 2, whichever is higher. Interested director greater than or equal to 2/3 of total strength then 2 or Not interested directors } will be the quorum

3. Audit Committee Meeting (Applicable to Listed Co. & certain classes of Unlisted Public Limited Co.)

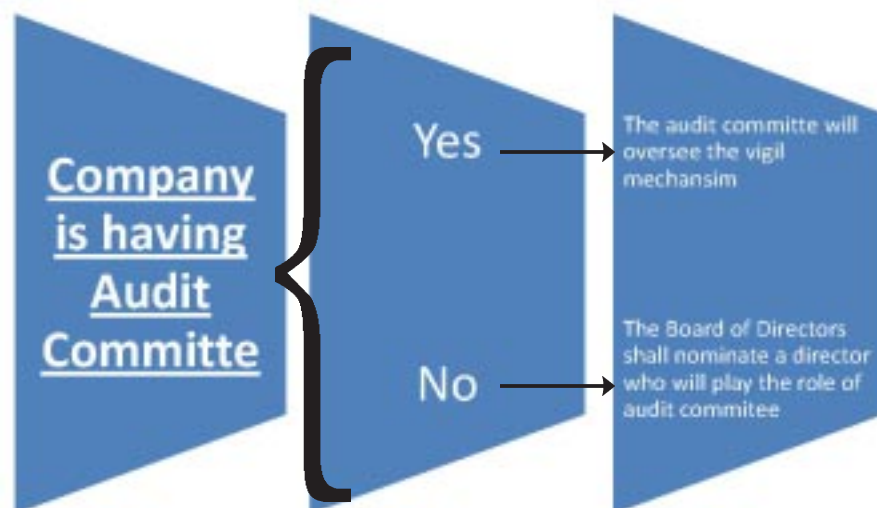
Sr.#	Type of Public Ltd. Co.	Compliance
i	Listed Company to which Clause 49 of the Listing Agreement is applicable.	At least 4 Meetings of Audit Committee shall be held in a year and gap between two meetings should not be more than 120 days.
ii	Unlisted Public Ltd. Company having • Paid-up Cap. - Rs. 10 Cr./ more; or • Turnover - Rs. 100 Cr./ more; or • Outstanding loans or borrowings or Debentures or Deposits - Rs. 50 Cr. or more	Audit Committee should meet twice in a year.(Suggestive)
iii	Composition of Audit Committee	Minimum 3 directors with independent directors forming majority.
iv	Quorum of the Meeting	All the members of the committee is necessary to form the quorum unless otherwise as stipulated in the Act/ other law/ article/by board

Vigil Mechanism

a) Constitution

Companies

1. Which accepts deposit from public
2. Which borrowed from banks and Public financial Institutions in excess of Rs 50 Cr.



b) Purpose

- ¢ Mechanism for directors & employees to report genuine concerns.
- ¢ Shall provide for adequate safeguards against victimization of persons who use such mechanism &
- ¢ Make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

c) Disclosure

- ¢ Details of establishment of vigil mechanism shall be disclosed on Company's website, if any.
- ¢ In Board's Report.

4. Nomination & Remuneration Committee Meeting [Effective from 01.04.2014]

Sr. #	Compliance	Provisions
i	Applicable to	I. Listed Company
		II. Unlisted Public Ltd. Company having • Paid-up Cap. - Rs. 10 Cr./ more; or • Turnover - Rs. 100 Cr./ more; or • Outstanding Loans or Borrowings or Debentures or Deposits - Rs. 50 Cr. or more.
ii	Composition	❖ 3 or more non-executive directors out of which not less than ½ shall be independent directors. ❖ Chairperson of the Company may be appointed as member but cannot be appointed as chairperson of the Committee.
iii	Role	❖ Formulate criteria for determining qualifications, positive attributes of independence of director & ❖ Recommend to board a policy relating to remuneration for Directors, KMP & other employees.
iv	Disclosure	❖ In Board Reports

5. Stakeholders Relationship Committee Meeting [Effective from 01.04.2014]

Sr. #	Compliance	Provisions
i	Applicable to	I. Listed Company II. Company consisting of more than 1000 shareholders, debenture-holders, deposit-holders & any other security holders at any time during a financial year.
ii	Composition	Chairperson who shall be a non-executive director & such other members as may be decided by the Board.
iii	Role	Consider & resolve the grievances of security holders.

6. CSR Committee Meeting [Effective From 01.04.2014]

Sr. #	Requirement	Time Frame / Requisite Number
i	Applicable to	Every company whether holding or subsidiary and a foreign company having place of business in India satisfying any of the following criteria during any financial year; i. Net Profit of Rs. 5 Crores or more, or ii. Net worth of Rs. 500 Crores or more, or iii. Turnover of Rs. 1000 Crores or more
ii	CSR Obligation	Every company satisfying any of the above criteria shall constitute CSR Committee & in every financial year, it shall spend 2% of Average Net Profits of last 3 F.Y for such committee.

iii	Frequency of Meetings	At least 2 Meetings of CSR Committee shall be held in a year on half yearly basis. [Suggestive]
iv	Disclosure	❖ In the Board Reports
v	Role	❖ Formulate and recommend to the board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the company as specified in schedule vii ❖ Recommend the amount of expenditure to be incurred on the activities of CSR ❖ Monitor the CSR policy of the company from time to time.

[B] Internal Complaints Committee

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Sr. #	Requirement	Time Frame / Requisite Number
1.	Applicable to	Every employer who is having 10 or more employees should constitute a Internal Complaints Committee, which is formed to solve grievances of sexual harassment in the work place.
2.	Constitution of Committee	- Chairperson - Shall be a woman employed at a senior level at workplace amongst the employees - Two members- Shall be amongst employees preferably committed to the cause of woman. - One Member - amongst Non-Governmental Organisations or associations committed to cause of woman The Presiding Officer and every Member of the Internal Committee shall hold office for such period. not exceeding three years, from the date of their nomination as may be specified by the employer.
3.	Disclosure	Annual report of company should contain disclosure regarding issues of sexual harassment in the following manner : <i>"The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.</i> <i>The following is a summary of sexual harassment complaints received and disposed off during each Calendar year:</i> - No. of complaints received: - No. of complaints disposed off:

[C] Forms

1. Forms to be Filed Annually

Sr.#	Form	To be filed within	Subject Matter
1.	ADT-1	15 days of meeting in which Auditor is appointed	Notice of appointment of Auditor by the Company
2.	MGT-15	30 days of conclusion of AGM	Report on Annual General Meeting [Applicable to Listed Company only]
3.	AOC-4	30 days of AGM	Balance Sheet and Profit & Loss Account
4.	AOC-4 XBRL	30 days of AGM	Balance Sheet And Profit & Loss Account

5.	MGT-7	60 days of AGM	Annual Return by a company having share capital
6.	CRA-2	30 days of BM in which Cost Auditor is appointed	Intimation of appointment of Cost Auditor by company to Central Govt.
7.	CRA-4	30 days of receipt of Cost Audit Report	Cost Audit Report
8.	I-XBRL	180 days of end of F.Y.	Cost Audit Report
9.	A-XBRL	180 days of end of F.Y.	Compliance Report certified by Cost Auditor
10.	DPT-3	30th June	Return of deposits.
11.	MGT-14	30 days of passing resolution	Approval of Accounts & Approval of Directors report.
			[Only for Unlisted Public Cos. and Listed Companies]
12.	5INV	90 days of AGM date	Statement of unpaid / unclaimed amount [including dividend] lying with company as on date of AGM
	Excel Templates	14 days of filing form # 5INV	Details of investors who have not claimed their dividend

Note: * XBRL Applicability for financial year commencing on/after 01.04.2011

- (i) All companies listed in India & their Indian Subsidiaries.
- (ii) All Companies having paid-up capital of Rs. 5 Crores & more.
- (iii) All Companies having turnover of Rs. 100 Crores & above.
- (iv) All Companies which were required to file their financial statements for F.Y. 2010-11, using XBRL mode.

2. Forms for Casual Occurrences

Sr. #	Form #	To be filed within	Subject Matter
1.	PAS-3	30 days of event	Particulars of allotment of Securities.
2.	SH-7	30 days of alteration / increase / redemption	Consolidation, division etc., or increase in share capital or increase in number of members.
3.	CHG-1	30 days of creation / modification of Charge or with additional fees within further 270 days	Registration of creation / modification of charge [other than those related to debentures].
4.	CHG-4	30 days of satisfaction of Charge or with additional fees within further 270 days	Particulars of satisfaction of charge.
5.	CHG-9	30 days of creation / modification of Charge or with additional fees within further 270 days	Registration of creation / modification of charge for debentures.
6.	INC-22	30 days of Incorporation of 15 days of change	Notice of situation/Change of situation of Registered Office of the Company.
7.	DIR-12	30 days of appointment / change	Particulars of appointment / change of Directors, Key Managerial Personnel & change among them.
8.	DIR-11	30 days of resignation	Notice of resignation of Director
9.	MGT-10	15 days of change	Return with respect to change of 2% / more in shareholding of promoters & top ten shareholders.
10.	MR-1	60 days of appointment	Return of appointment of Key Managerial Personnel.
11.	MGT-14	30 days of passing resolutions / making agreements	Filing of resolutions & agreements out of Board and Shareholders Meeting.
12.	1-INV	90 days of transferring amount to IEPF	Statement of amounts credited to IEPF [Investor Education & Protection Fund]

13.	Refund Form	Not after expiry of 1095 days	Application for requesting refund of fees paid in case of multiple, incorrect and excess payments.
			*Refund amount shall be deducted depending on the time lapsed after SRN generation date.
14.	INC-29	Integrated form for incorporation of the company	INC-29 has replaced INC-1, INC-7 and DIR-3. Single integrated form for the incorporation of the company.

[D] Issue of Share / Securities Certificates

Sr.#	Event	Time Limit	
i	Subscription to MOA	Within 2 months from the date of incorporation of Company deliver the certificate of all the securities allotted, transferred or transmitted.	
ii	Allotment of Shares	Within 2 months from the date of allotment of shares shall deliver the certificate of all securities allotted.	
iii	Allotment of Debentures	Within 6 months from the date of allotment of debentures / debenture stocks as the case may be the certificate shall be delivered	
iv	Transfer / Transmission	Private Co. & Public Unlisted Co.	Within 1 month from the receipt of instrument of transfer / intimation of transmission for the registration of transfer of shares, debentures/ debenture stocks as the case may be.
		Listed Co.	Within 15 days of lodgment of transfer.

[E] Disclosure and Declaration

Sr. #	Compliance	Provision Requirement
i	Declaration u/s 164(2) of the Companies Act, 2013	Every Director shall give declaration whether he is disqualified from being appointed as director u/s 164(2) of Companies Act, 2013 before he is appointed/re-appointed, in Form DIR-8.
ii	Disclosure of interests by Director in Form MBP-1 u/s 184 of Companies Act, 2013	Every Director shall ❖ at 1st Board Meeting in which he participates as Director, ❖ thereafter at 1st Board Meeting in every financial year or ❖ whenever there is change in disclosures already made, disclose his interest/ concern in any company(ies)/ Bodies Corporate, firms, or other association of individuals, by giving notice in writing in form MBP-1.
iii	Declaration by Independent Director u/s 149 of Companies Act, 2013	Every Independent Director shall ❖ at 1st Board Meeting in which he participates as Director, ❖ thereafter at 1st Board Meeting in every financial year or ❖ whenever there is change in circumstances which may affect his status as independent director, give declaration that he meets criteria of independence as provided u/s 149(6) of Companies Act, 2013.

[F] Publication of Notice of Book Closure u/s 154, [Applicable to Listed Company only]

Sr. #	Subject	Time Limit / Provision
i	Notice of Book Closure	In advance of 7 days by way of advertisement
		❖ in principal vernacular language in vernacular newspaper circulating in district where the registered office of the company is situated & ❖ in English language in English Newspaper having wide circulation in district where the registered office of the company is situated. Further, Company shall publish notice on the website of the company also.

ii	Period(s) of Book Closure	❖ Shall not exceed in aggregate 45 days in each year. ❖ Shall not exceed 30 days at any one time.
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**[G] Publication of Notice of E-voting u/s 108 read with Rule # 20 of Cos.
(Management & Administration) Rules, 2014**

Sr. #	Subject	Time Limit / Provision
i	E-voting Applicability	I. Listed Company II. Company having more than 1000 Shareholders
ii	Notice of e-voting	Notice of meeting shall be sent to all the ❖ Member ❖ Auditors of the company ❖ Directors of the company either by registered post or speed post through electronic mode through courier service Company shall make advertisement of notice 5 days before the date of beginning of the voting period, ❖ in principal vernacular language in vernacular newspaper circulating in district where the registered office of the company is situated & ❖ in English language in English Newspaper having wide circulation in district where the registered office of the company is situated, specifying prescribed information.
iii	Period of e-voting	❖ E-voting shall remain open for not less than 1 day & not more than 3 days. ❖ Further, in all cases, such voting period shall be completed 3 days prior to date of General Meeting. ❖ At the end of the voting period the portal where votes are cast shall forthwith be blocked.
iv	Scrutinizer	❖ BOD shall appoint 1 scrutinizer who may be Chartered Accountant in practice, Cost Accountant in practice or Company Secretary or an Advocate but not in employment of the company. ❖ Person should scrutinize the e-voting process in a fair and transparent manner. ❖ The scrutinizer shall within a period of not exceeding 3 working days from the date of conclusion of e-voting period, unblock the votes in the presence of atleast 2 witnesses not in the employment of the company of the company. ❖ Scrutinizer reports of votes cast in favour or against in any forthwith to the chairman.

Noble Thought

A fleet horse or a greyhound does not make a noise when they have done well, or a bee neither when she has made a little honey. And thus a man that has achieved something, never proclaims it, but does another as soon as he can, just like a vine that bears again the next season.

— Marcus

CHAPTER NEWS

AHMEDABAD

Inauguration function of Oral Coaching Classes on 26-12-2015

Chapter organized inauguration function of oral coaching classes and to felicitate meritorious students of June '15 exam of Foundation, Intermediate and Final on 26-12-2015 at Chapter's premises at the hands of CMA R B Kothari, Past Chairman and Chairman of Training and Placement Committee. CMA V H Savalia, Chairman of Chapter welcomes the guest, Managing Committee members, faculties and students and gave the brief activities of chapter. CMA P D Modh, Chairman of Oral Coaching Committee given tips to the students for getting success in examination. Also explain about the facilities are available at the chapter.

Chief Guest CMA R B Kothari in his speech advised that student should understand the topic and subject from applicability or implementation point of view. In the era of stiff competition to get success, students need to have continuous study, dedication and confidence.

The meritorious students and rank holder students are facilitate by chief guest, chairman and other dignitaries. CMA Manish Analkat, Hon. Secretary presented vote of thanks.

BILASPUR

A CEP program was organized by Chapter on 5-12-2015 at Hotel Ananda Imperial, Bilaspur. Eminent tax consultant CMA Mallikarjuna Gupta from Hyderabad was the speaker. On the occasion Shri Gupta told the new GST bill will rationalize the total indirect tax structure for more transparent way of revenue collection by the Government. This will augment growth and development of the country and good administration in tax structure. He describes details pros and cons of the GST bill and how it works for the benefit of common man.

On the occasion Shri Sanjay Srivastava, Secretary of this Chapter told new GST bill if passed by parliament which is scheduled to be effective w.e.f 1-4-2016 will reduce the tax burden on the consumer as tax will be divided equally between manufacturing and services. It will increase tax collection due to wider base and uniformity. To compete with global market like china, Japan etc. we have to maintain transparency and good governance in every activity so that optimum utilization of resources of the country may be made.

Shri M. Maiti, Co-ordinator & Shri K. K. Choudhury, Treasurer of the chapter and about other 50 members of SECL, CMPDIL, Rail, NTPC from Bilaspur, Korba Raigarh, Champa & Raipur were present.

PUNE

CEP on Introduction to Lean Six Sigma

Chapter conducted CEP on 28-11-2015 in Association with Ness Wadia College of Commerce on the subject 'Introduction to Lean Six Sigma' at Ness Wadia College premises and the Faculty was CMA Manohar V. Dansingani. Prof. Choudhary, Vice Principal Ness Wadia College of Commerce inaugurated the session. Session was appreciated by the participants considering the topic and experience of the faculty. The session ended with question answer session.

CMA Anant Dhavale Chairman ICAI-Pune Chapter delivered vote of thanks.

CEP on "Discussion & comments on - Exposure Draft of Standard on Cost Auditing

ICAI Pune Chapter organized CEP on 30th November 2015 at ICAI-Pune Chapter premises on the subject "Discussion & comments on - Exposure Draft of Standard on Cost Auditing (ED SCA) 'Cost Auditor's Responsibility Relating to Fraud in an Audit of Cost Statements". Speaker was CMA Dr. D V Joshi Past President ICAI & Other Panelist.

CMA Amit Shahane, Secretary & Chairman P D Committee, Welcomed the speakers & members. The seminar was attended by a number of members. Discussion on the subject was very fruitful for the members.

CEP on Draft Model of GST Act 2016'

ICAI Pune Chapter organized CEP on 12th December 2015 at ICAI-Pune Chapter premises on the subject 'Draft Model of GST Act 2016'. Speaker was CMA Dr. Sanjay Bhargave.

The programme was attended by our members, professionals, Consultants etc. in large number. The whole programme including question answer session was very interactive and found useful to the participants.

CMA Anant Dhavale, Chairman ICAI-Pune Chapter proposed Vote of thanks.

SURAT-SOUTH GUJARAT

Career Counselling

Chapter initiated Career guidance drive during Dec, 2015 at various Higher Secondary Schools at Surat. Mrs. Mita Desai, Staff of the Chapter approached for career counseling approximately 15 to 20 schools. On 18-12-2015, Career Guidance seminar was arranged at V. D. Desai Wadiwala School on 21-12-2015 at R. S. M. Punawala Experimental English Medium School on 22-12-2015 at Jeevan Bharati High School on 28-12-2015 at Shardashan High School on 30-12-2015 at Experimental Gujarat Medium School.

CMA Manubhai K. Desai, Chairman of the Chapter co-ordinated the drive along with CMA Kenish Mehta & CMA Nanty Shah, sub-committee members of the Chapter, CMA Jaimin Sheth, student member of the Managing Committee, and Mrs. Mita Desai, staff of the Chapter. Principals of the schools along with commerce teachers whole-heartedly co-operated in our drive and approximately 1500 students were took benefit of it.

CEP on "MIS and Accounting"

A CEP on "MIS and Accounting" was organized by Chapter on 23-12-2015 at Chapter's Office. CMA Manubhai K. Desai, Chairman of the Chapter welcomed the faculty and members & gave brief introduction about the subject & Faculty. CMA Amish Parmar, a member of the Chapter, felicitated the faculty, CMA Dipali Lakdawala, a Practicing Cost Accountant who discussed comprehensively on the topic. Members and final year Students took advantage of this CEP. Vote of thanks was presented by CMA Amish Parmar, Member of Surat-South Gujarat Chapter.



CMA Mallikarjuna Gupta interacting with participants during CEP organised by Bilaspur Chapter on 5th December 2015.



CMA R B Kothari inaugurating the Oral Coaching classes of Ahmedabad Chapter on 26th December 2015.



CMA Meena Vaidya felicitating CMA. Pramod Ralkar during Career Guidance lecture organised by Pune Chapter



CMA Chaitanya Mohrir, Vice Chairman ICAI-Pune Chapter felicitating Speaker CMA Savitri Iyer during CEP organised by Pune Chapter.



View of Students during Career Guidance lecture organised by Pune Chapter

- ❖ *Power is of two kinds. One is obtained by the fear of punishment and the other by acts of love. Power based on love is a thousand times more effective and permanent than the one derived from fear of punishment.*
- ❖ *Non-violence is the greatest force at the disposal of mankind. It is mightier than the mightiest weapon of destruction devised by the ingenuity of man.*

— Mahatma Gandhi

Constitution of Appellate Authority in u/s 22A **Ministry of Corporate Affairs** **NOTIFICATION**

New Delhi, the 3rd November 2015



G.S.R. 835(E)- In exercise of the powers conferred by sub-section (1) of Section 22A of the Chartered Accountants Act, 1949 (38 of 1949), Section 22A of the Cost & Works Accountants Act, 1959 (23 of 1959) and section 22A of the Company Secretaries Act, (56 of 1980)

CMA B.M. Sharma, Past President ICAI has been appointed as member of the Committee on behalf of The Institute of Cost Accountants of India.

PUNE CHAPTER **GOLDEN JUBLIEE CELEBRATIONS**

Theme :

“Together we make – Great India Greatest”

**From Thursday, 21st January 2016
to Sunday, 24th January 2016**

**For details please check :
www.icmai-wirc.in**



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

57TH NATIONAL COST CONVENTION

Chief Guest: Hon'ble Shri Arun Jaitley,

Union Minister for Finance, Corporate Affairs and Information & Broadcasting

Dates : 30th & 31st January 2016

Theme : Building Cost Competitiveness – Mission "Make in India"

Venue : Vigyan Bhawan, New Delhi

PROGRAMME SCHEDULE

Day 1 : 30th January 2016 (Saturday)

08.30 Hrs to 09.30 Hrs	Registration
09.30 Hrs to 11.00 Hrs	Inaugural Session
11.00 Hrs to 11.30 Hrs	Tea Break
11.30 Hrs to 13.00 Hrs	Plenary Session: Building Cost Competitiveness-Mission "Make in India"
13.00 Hrs to 13.45 Hrs	Lunch break
13.45 Hrs to 14.15 Hrs	Spiritual Session: Stress Management
14.15 Hrs to 15.30 Hrs	Technical Session-I: Develop Yourself-Develop III-Tier
15.30 Hrs to 15.45 Hrs	Tea Break
15.45 Hrs to 17.00 Hrs	Technical Session-II: Your Health-Economic Health
18.00 Hrs to 20.00 Hrs	Cultural Programme
20.00 Hrs to 21.00 Hrs	Convention Dinner

Day 2: 31st January 2016 (Sunday)

09.30 Hrs to 11.00 Hrs	Technical Session-III: Cost Competitiveness through Cost Audit
11.00 Hrs to 11.30 Hrs	Tea Break
11.30 Hrs to 13.00 Hrs	Technical Session-IV: Nation Needs- Goods and Service Tax (GST)
13.00 Hrs to 13.45 Hrs	Lunch break
13.45 Hrs to 15.00 Hrs	Technical Session-V: You and Your MSME
15.00 Hrs to 16.15 Hrs	Technical Session-VI: Reach the Unreach
16.15 Hrs to 17.15 Hrs	Valedictory Session

For details please check : www.icmai.in/www.icmai-wirc.in

CEP Credit : 6 Hours

To



If undelivered please return to:

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