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WIRC BULLETIN

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Theme : **Atmanirbhar Bharat**

Inside Bulletin

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

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From the Desk of Chairman . . . . . .

"Tomorrow is the first blank page of a 365-page book. Write a good one."

– Brad Paisley

Dear Friends,

The New Year 2021 has arrived with a very good news. The much awaited Vaccine "Covishield" by Serum Institute / Oxford and "Covaxin" by Bharat Biotech/ICMR are being tested and will be soon rolled out for mass vaccination program by Government of India as announced by the Hon'ble Prime Minister Shri Narendra Modi.

We have also witnessed phenomenal bull market in the Capital Markets and the indices are breaking new records with each passing day. The industrial output is also recovering fast and highest GST collection of Rs. 1.22 Lakh Crore was touched in the month of December2020. In real sense we are witnessing a "V Shaped" recovery as predicted by many experts. Soon the restrictions of LOCKDOWN will be phased out and we should be back to normal, but "New Normal" with proper care and safety precautions to avoid any contamination.

Government has relaxed the due dates for filing of Income Tax and GST Audit for the financial year 2019-20. The necessary extensions of due dates for Cost Audit and other MCA compliances including CFSS & LLP scheme are much awaited and appeal by all quarters. We are sure that the Government will be considering positively in order to facilitate growth in trade and commerce.

We are thankful to the Headquarters of the Institute for extending the UDIN amnesty scheme by another month upon representation sent by WIRC. The professionals are requested to avail the benefits without expecting further relaxations now.

I was privileged to be appointed as a Member of Advisory Committee of IPA of ICAI. The Insolvency Laws are a niche area of practice for the CMAs. I will give my best attempt on the faith bestowed upon me to fulfill the requirements of the members with full energy and confidence.

WIRC will be conducting Campus for Students who wish to undertake internship under Practical Training Scheme 2020 on 16th January 2021. Invite practicing CMAs and Corporates to join for campus placement in order to support CMA Students to complete the mandatory training under the new scheme."

I express my solidarity and wish all our members for the upcoming 72nd Republic Day Celebrations of our great Nation & also Netaji Subhas Chandra Bose Jayanti and all the festivals which would be celebrated in the month of January like Makar Sankranti, Pongal, Baisakhi, Lohri, Bihu. May all such festivities spread joy and happiness in our lives.

Jai Hind

CMA Harshad S. Deshpande
Chairman, ICAI-WIRC.

Activities undertaken during December 2020

- Webinar on Ind AS - 38 - Intangible Assets jointly with Bilaspur Chapter of Cost Accountant - 7th December 2020
- Webinar on Ind AS - 36 - Impairment - 10th December 2020
- Webinar on Ind AS - 19 - Employee benefits defined benefits jointly with Aurangabad Chapter of ICAI - 15th December 2020
- Webinar on Ind AS - 102 - Share Based payment employee stock options jointly with Kolhapur-Sangli Chapter of ICAI - 18h December 2020
- Webinar on Farmers Producer Organisation (FPO) constitution - Benefits and Concerns & GST on Agriculture Inputs Mechanism jointly with Pimpri-Chinchwad-Akurdi Chapter of The ICAI - 23rd December 2020 by Mr. Vivek Kapadnis, MD - Alligo Horizon PVT ltd
- Webinar on Unlock to Take-off -A Paradigm shift for CMA's jointly with Vapi Daman Silvassa Chapter of ICAI - 24th December 2020 - by CMA Gopal Bhutada, Head, Business Finance - R&D, Tata Motors
- Webinar on Faceless Assessment Scheme jointly with Navi Mumbai Chapter of ICAI - 26th December 2020 by CMA Santosh Korade,
- Ministry of Corporate Affairs has introduced the Young Professionals Programme for engagement of Cost Accountants in its field offices on contractual basis. Interviews are to be conducted by the Regional Director (Western Region) to fill up the remaining vacancies. WIRC has collected the CVs and forwarded to them for necessary action.
- CEAT Ltd. has approached WIRC for recruiting a good number of "Cost Accountants" for their organization.
- Online Examination Started from 3rd January 2021.
- CMA Vidyarthi : Dec 20 Edition focusing on Tips on online examination
- Direct Tax Corner in WIRC Bulletin

What WE could achieve during 4th month

Status # Agenda 21	Completed	Total
Upto December 2020	9	21

Achieved in the month of December

 # Agenda 3 Focused Workshops/Trainings for members every month on Online Platform for emerging opportunities
Webinar Series on IndAS

 # Agenda 4 Structured Campus placements & creating platform for job openings for experienced & fresher CMAs post disruption of Pandemic.
Special Campus Placements arranged for CEAT & Special Recruitment Drive by MCA

 # Agenda 7 PD/CEP Programmes in all small chapters periodically jointly by ICAI-WIRC minimum 2 programs in year:
Joint Program with Bilaspur, Aurangabad, Kolhapur-Sangli, Pimpri-Chinchwad-Akurdi, Vapi Daman Silvassa Chapter, Navi Mumbai Chapter

 # Agenda 12 Social Media Campaigns & Digital Marketing for Visibility & Branding of Profession
Videos of Young CMAs, Gratitude Week, Hashtag #Proud CMA, #Thank You CMA

From Desk of Chief Editor . . . . . .

Dear CMA Professional Colleagues,

Happy New Year 2021 !!!!!!!!!!!

New Year 2021 comes with lots of hopes of happiness. New year begin with good new of approval of emergence use of COVID vaccine. It is a matter of pride that our scientist done a great job and we get atmanirbhar vaccine.

Theme of this bulletin is **"Role of Cost Accountant – Atma Nirbhar Bharat".** We have received good response from members. We have received 4 articles on the themes. Articles on the theme are published as cover story. We are also publishing articles on other professional matters. I am thankful to all authors for providing articles and making WIRC bulletin a Knowledge Pack.

We have also start publishing interview of CMAs who had reached a respectable position like CFO, VP, Director etc. Objective of the same to share their experience with CMA fraternity. It will inspire young CMAs for making their future brighter. In this bulletin, we have published interview of CMA Nikunj Shah Executive Vice President – Finance Cadila Pharmaceuticals Limited. I thank CMA Malhar Dalwadi for conducting the interview. I request our proud CMAs who reach at highest position during their career to share their experience with CMA fraternity. Place reach us so that we can conduct interview.

We have started "GST Corner" in the bulletin. GST corner will contain major update related to GST during past month and due dates of GST for next month. I am thankful to CMA Vandit Trivedi to take responsibility for compiling the updates.

After getting good response to "GST Corner", we are starting "Direct Tax Corner" from this edition. Direct Tax corner will contain major update related to Direct Tax during past month and due dates of Direct Tax for next month. I am thankful to CMA Harshesh Pandya to take responsibility for compiling the updates.

I urge the members to share knowledge by way of article to make WIRC Bulletins Knowledge Pack.

We welcome suggestions and feedback for betterment of WIRC Bulletin.

Stay Safe

Happy Reading !!!

With Ward Regards

CMA Ashish Bhavsar
Chairman, Editorial Board

MSME Sector, the Key to Atma Nirbhar Bharat

CMA Lt. Dhananjay Kumar Vatsyayan (Ret.)

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"Be it fighting the pandemic or ensuring economic stability, India's remarkable resilience is driven by the strength of our system, support of our people and stability of our policies. India's quest to become Atmanirbhar can contribute to stabilization of the world economic order"

– Narendra D. Modi

India, a developing nation had become the fastest growing economy of the world. Indian Economy was on the verge of taking off to reach $ 5 Trillion and beyond. It was targeting to be third largest economy in the world. The legislator, planner and the executer were busy preparing the road map. GDP growth, inflation, employment and various economic indicator were on track. The boom in economy were expected to continue.

Suddenly, Covid 19 broke out in Wuhan, China in Nov-Dec 2019. Shortly after this, whole world was under its grip and India was not an exception. So, Year 2020 will be known in Indian history for pandemic like Covid 19 and ban of Chinese product amid tension at Indo-China boarder & Indo-Pak border.

Complete lock down of nation in March 2020, because pandemic has shattered the nation and its economy like never before. The bleak future and unemployment were eminent in every body's mind. The economic establishments were shut down and millions of citizens marched thousand miles from employment centers to native place.

But there was a silver lining, The MSME silently supported the national economy and acted as strong defence against global economic shock and adversities. Experts feel that India is propelling towards a robust global economy through a silent revolution powered by MSMEs.

Govt. recognized the importance of MSME (Micro, Small and Medium Enterprises) sector. MSME were identified as backbone of Indian economy. It had reclassifying based on turnover and investment. May 2020, Govt. of India announced "Atmanirbhar' stimulus package" to reboot India's micro, small and medium enterprises (MSMEs) sector.

Many economists hailed the 'Atmanirbhar Bharat Abhiyaan' as major fiscal policy of Indian Govt. and relief measure package with specific emphasis on MSME revival to assuage India's economic downfall amidst the pandemic.

A. MSME SECTOR

The definition of Micro, Small & Medium enterprises as per MSMED (Micro, Small and Medium Enterprises Development) Act, 2006 is as under. Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below.

- Micro Enterprise - Investment in plant and machinery does not exceed Rs. 25 lakh for manufacturing. Investment in equipment does not exceed 10 Lacs for service.
- Small Enterprise - Investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 crore for manufacturing. Investment in equipment is more than Rs 10 Lakh but less than Rs 2 crore.
- Medium Enterprise - Investment in plant and machinery is more than Rs.5 crore but does not exceed Rs.10 crore for manufacturing. Investment in equipment is more than Rs 2 Cr but less than Rs 5 Cr.

The definitions of MSME sector were redefined in 2018 and added new criteria of turnover in addition to investment. The investment in plant & Machinery will be calculated as per Income Tax Act and turnover will be calculated as per GST act. Export turnover will not be included while calculating the turnover.

Sr.	Particulars	Investment in Plant & Machinery	Turnover as per GST Act except export
1	Micro Enterprises	Rs 1 Crore	Rs 5 Crore
2	Small Enterprises	Rs 1 - 10 Crore	Rs 5 - 50 Crore
3	Medium Enterprises	Rs 10- 50 Crore	Rs. 50-500 Crore

Enterprises satisfying both conditions will be kept in that category. Enterprise satisfying one condition in low category and other condition in higher category, it will be kept in higher category.

B. Contribution of MSME Sector to Economy

MSME sector proved an important pillar of India's economy and its growth engine. Its contribution in Indian economy was praise worthy. It spread all around the country from village to all tier of cities, from industrial developed state to industrial backward states and from industrial cluster to stand alone areas. It was not only a major employer but also contribute to the development of backward areas and people to down trodden society. Thus, MSME sector has enormously contributed to its socio-economic development of India. A glimpse of MSME contributions is as under.

- Employment generation- 45 % of Industrial employment
  120 Million
  (Target – 190 Million in five years)
- Export - 45% of total export (Direct & Indirect)

• Contribution to GDP	30% of Total GDP (Target 50% of total GDP by 2025)
• Growth rate	More than 10%
• No of products -	More than 6,000
• No of units -	95% of total industrial unit
– Micro	63.05 Million
– Small	0.33 Million
– Medium	5000

C. The Road Blocks Being Faced

In spite of its excellent performance and contribution, MSME is facing many hurdles. As per report of PM task force 2010, major hurdle of MSME sector were as under.

- Lack of Demand
- Non availability of adequate and timely credit
- Collateral requirement for credit
- High cost of credit
- No access to equity capital
- No scheme for rehabilitation of sick unit

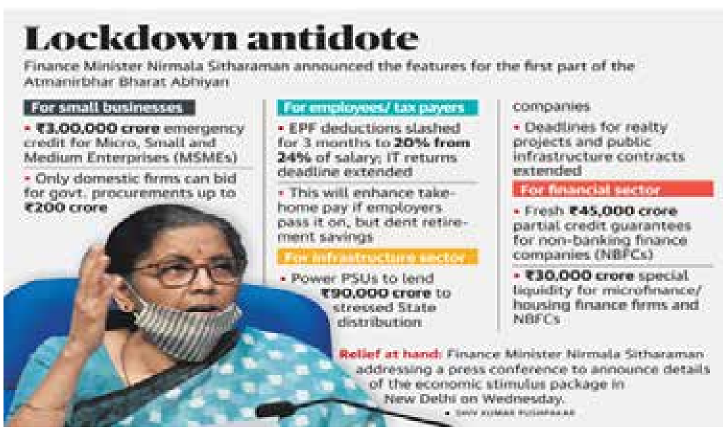


Fig 1 – Newspaper clipping – Finance Minister announcing various scheme;

Source - Internet

D. Incentives Schemes for MSME

MSME requires low capital compared to the large industries. It acts as a complementary unit to large sectors. Keeping the problems of MSME in mind Govt. of India has offered many incentive schemes to strengthen the MSME sector.

Boosting Demand

1. Govt. enterprises and Public sector are mandated to procure 25% of its requirement from MSME sector.
2. MSME registration helps to acquire government tenders easily as Udyam Registration Portal is integrated with Government e-Marketplace and various other State Government portals which give easy access to their marketplace and e-tenders
3. Schemes for market support and export promotion
4. Amendment to General Financial Rule 2017 -No global tender up to value Rs 200 Crore for Government procurement. MSME sector will get the PRIIORITY.

Recovery of Dues

5. Ensuring payment on invoices within 45 days. If a company fail to pay with in time limit, it is liable for compound interest at rate three times of rate notified by RBI.

Credit Support

6. Emergency Credit line - 20% of the outstanding loan will be guaranteed by the government and banks will be able to lend without additional guarantees
7. 59-Minute loan Programme - Government ensured through the scheme that loans are sanctions in at the earliest. However actual disbursement still remains a far cry.
8. An offer for MSMEs to get a Moratorium period of 12 months
9. MSME is a granted a repayment Tenure of 48 months
10. It allowed credit for minimum alternate tax (MAT) to be carried forward for up to 15 years instead of 10 years
11. Collateral / guarantee-free loans
12. Funds of Fund scheme - Corpus of Rs 10,000 crore (likely to increase Rs 50,000 crore) for financial relief and funding to MSMEs with growth potential and viability.

Cost of Capital

13. Interest subvention scheme

Direct Support

14. Concession in electricity bills
15. Reimbursement of ISO certification charges
16. Once registered the cost getting a patent done, or the cost of setting up the industry reduces as many rebates and concessions are available.

Equity Support

17. The subordinate debt scheme – Bank will fund 15% of promotor contribution or Rs 75 Lacs, whichever is lower. Funding gets guaranteed by Government. Promoter contribution will reduce by 15% and still enhance the liquidity and maintain debt-equity ratio.

E. MSME Network and Associated Institutes

Development Commissioner (Micro, Small & Medium Enterprises) assists the Ministry in formulating, co-ordinating, implementing and monitoring different policies and programmes for the promotion and development of MSMEs in the country. It is supported by a large network and supporting organisations.

1. Micro, Small and Medium Enterprises-Development Institutes (MSME-Dls) -30
2. Branch MSME-Dls - 28
3. MSME Testing Centres (MSME-TCs) - 4
4. MSME-Testing Stations (MSME-TSs) - 7
5. MSME-Training Institutes (MSME-Tls) - 2 (Footwear Training Institutes 2 -Autonomous bodies registered as Societies under the Societies Act)

6. MSME-Technology Development Center- 1
7. Hand Tools (MSME-TDC-Hand Tools).
8. Network of Tool Rooms and Technology Development Centres
9. National Small Industries Corporation (NSIC),
10. Khadi and Village Industries Commission (KVIC);
11. The Coir Board,
12. National Institute for Entrepreneurship and Small Business Development (NIESBUD), NOIDA
13. National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad
14. Indian Institute of Entrepreneurship (lIE), Guwahati
15. Mahatma Gandhi Institute for Rural Industrialization (MGIRI), Wardha

F. MSME Registration Process

The registration to MSME is not mandatory by the Government but it is beneficial to get business registered, because it provides a lot of benefits. MSMEs (Existing and new) can obtain Udyam Registration Number.. One can register online with self-certification of documents. Registration process is simple as mentioned below. Aadhaar number is mandatory for obtaining the Udyam registration application.

At the homepage of the government portal

1. Opens the page for registration
2. Enter the Aadhaar number and name of entrepreneur. <After entering details>
3. “Validate and Generate OTP Button” is to be clicked < Once, this button is clicked >
4. OTP is received and entered
5. PAN Verification page opens. <If the entrepreneur has a PAN Card>
6. Portal gets the PAN details from the government databases and automatically fills details on the page.
7. ITR details are to be filled by the entrepreneur
8. Once PAN details are entered, a message appears as “Udyam Registration has already been done through this PAN”
9. Click the “Validate PAN” button
10. On verification of PAN, the Udyam Registration box will appear
11. Fill the personal details and details of the plant or industry.
12. “Submit and Get Final OTP” button is clicked,
13. MSME is registered and a message of successful registration with reference number will appear.
14. After verification of registration, which may take a few days, the Udyam Registration Certificate is issued.

G. Conclusion

In absence of level playing field, MSME sector had been shattered by various policy shocks in past. It had also adversely affected by Act of God like Covid 19. The financial stimulus incentive provided by Govt is a good initiative in right direction, however it is not enough to boost MSME sentiment beyond a point. It requires politico-economy / more holistic approach like easing of regulatory burden, faster disbursal of credit, lower cost of capital, faster debtor’s recovery and sufficient demand for products. These steps will really boost the sector. I am hopeful that Govt will take sufficient steps to boost MSME sector further, considering the possibilities and opportunities ahead.

“Jai Hind”

Campus Recruitment for Cost & Management Trainee

Under New Practical Training Scheme 2020

As you may be aware that as per the Guideline of the Institute all students have to undergo Training for 15 months instead of 6 months before appearing Institute’s Examination w.e.f. August, 2020 onwards.

Western India Regional Council of The Institute of Cost Accountants of India (WIRC of ICAI) is organizing Campus Recruitment via Virtual Google Meet for the students appearing for Intermediate/Final Examination of the Institute. Term & Conditions of Training will be as per Practical Training Scheme 2020 announced by Institute.

Interested Organization / Practicing Cost Accountants firm can send their details on or before Thursday, 14th January, 2021 as per the format given below on email: wirc.admin@icmai.in

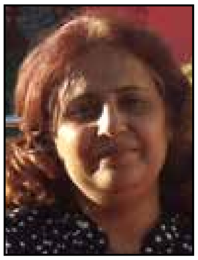
Campus will be organized on Saturday, 16th January 2021 from 10.00 a.m. to 4.00 p.m.

Name of Organization / Practicing Cost Accountants Firm	Mobile No. Email Id	No. of Cost Trainee required	Job Location

NO PARTICIPATION FEES

Free for all Organization / Practicing Cost Accountants firms.

For further Details Contact Mr. D G Vanjari - Mob. 9892185588



Agriculture and the CMAs

CMA Jyotsna Rajpal

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Agriculture – An Ever-Growing Industry

Agriculture is the backbone of civilization. It feeds the population & livestock, provides employment opportunities to a very large percentage of the population, contributes to National revenue and gives raw material to many industries such as textile, food processing, sugar, tobacco, edible & non-edible oils, paper, power generation, ethanol, etc. Indian agriculture sector adds to the GDP and helps to earn foreign exchange through exports.

Even on this day, about 65% of the India's total population lives in villages and survives on agriculture. Indian farmer feeds more than one sixth of the world population and keeps surplus for exports.Proud to say that India is the largest exporter of rice, the third largest producer of food grains and second largest producer of fruits and vegetables in the world. The credit goes to Indian farmer and agriculture sector.

Agro based industries employ nearly 130 million people. Agro Industries engaged in the manufacturing of agricultural equipment, fertilizers, pesticides, seeds, pump sets etc. provide employment to additional few million. In a nut shell, it can be said that agriculture is the most manpower intensive industry, which employs much more people than any single industry or even group of industries.

Surprisingly, in India, despite of its size and magnitude, it has never been considered as an industry. Farmer has never been considered as an entrepreneur, venture is never recognized as an establishment and thereby no effort is made to evolve the systems. It can be said that agriculture is the largest manpower intensive industry of unorganized sector. The revenue and profit generated by agriculture has always been recognized by the industries/ sector it's catering to. Now in the changing scenario, need has emerged to recognize it as an industry and bring it to the organized sector by evolving and implementing the systems. There, lies the vital role for cost & management accountants too.

Process Flow:

Like any other industrial product, agriculture products also have the routine process flow (which is depicted diagrammatically alongside). This flow needs to be monitored with respect to the crop cycle. The cycle may, however, differ from crop to crop.

Like any industrial unit, agriculture also has a value chain and set inputs. These input resources include seed, water, manure, fertilizers, pesticides, weedicide, man power etc. The control exercised on inputs and quality management finally decide the quality and quantity of the output and thereby the revenue generated.

Agriculture – Opportunity for CMAs

CMAs, have been continuously contributing to the growth of the industrial and economic climate of the Country. Next in the row is Agriculture Industry. This is a great opportunity as CMAs can help all the stake holders to develop farming as a profitable and lucrative venture.

1. **Normative Cost Sheets** can be developed for all major crops considering regional factor. These cost sheets can give the guideline to farmers to evaluate the margin for every crop. These cost sheets can also be the basis of computing MSP. Sample Normative Cost sheet for 3 major crops of Vidarbha region is given in the table. On the basis of these cost sheets, farmers will be able to control their cost and increase the margin.

Table: Normative Cost per Acre of Cultivation

(Rs.)

Sr	Activity	Cotton	Sugar Cane	Soyabean
1	Soil Preparation	1000	3500	2000
2	Plantation	2600	16675	3500
3	Earthing Up	4800	2400	–
4	Nutrients	5400	11045	6200
5	Weed Control	2500	2350	875
6	Pesticides	5600	1500	500
7	Irrigation	2000	7650	575
8	Total (1….7)	23900	45120	13650

2. **Crop Mix & Varietal Planning** are the most crucial decisions, affecting the overall profitability. Multi cropping is a normal practice. To decide the crop mix, farmers need the actual data to help them in decision making. But, as of now, due to non-availability of timely data, farmers are taking decision only on the basis of prevailing estimates, mostly that is not paying off well. Working out the crop mix on regional basis can be a fruitful preposition for farmers and consumers.

3. **Productivity Improvement** – is the key for better farm margins. All the expenses in the farming are of fixed nature but output per acre depends on many factors. If farmers take proper care and as a result productivity is increased then it directly adds to the farm margin. So, emphasis should be laid on productivity improvement.

4. **Input Cost Management** includes Cost ascertainment, Cost Monitoring and Cost Control. About 70% - 80% cost is incurred towards purchase of seeds, nutrients, pesticide & weed management. Following measures can be adopted to contain the cost:

   a. Planning for own seeds should be done to avoid seed cost and to get assured quality.

   b. Use organic and greenmanure in place of chemical fertilizers.

   c. Use herbal pesticides in place of chemical pesticides.

   d. In place of using chemical weedicide, efficient weed management practices can be adopted. There are certain weeds which protect the main crop, should be promoted by spreading their seeds around the main crop.

5. **Collective Farming:** is when a group of farmers pool their land, domestic animals, and agricultural implements, retaining as private property enough only for the members' own requirements. The profits of the farm are divided among its members. In this case the marginal farmers can also enjoy the profits of large farms.

6. Forward Contract - is an agreement between two parties, for the delivery of a certain quality and quantity of a commodity at specified time and for a specified price. Farmers often use forward contracts as hedges against falling prices and at times it also resolves their working capital problem. This practice needs to be encouraged.

Way Ahead

Agriculture is an ever-rising industry. It is directly linked to human survival, so it will always be increasing with the rise in population. Since, it caters to every human being on earth, it has global market with ever increasing demand. Continuous research and development also open up new avenues for Cost and Management Accountants to work on.

Innovative practices can make the Agriculture self-sustainable and then EVEN SKY IS NOT THE LIMIT.

WIRC WELCOMES NEW ASSOCIATE MEMBERS

Sr.No.	Member No.	Name	City
1	49409	Vishal Madhav Lahamage	Nashik
2	49412	Bhushan Dilip Shet	Raigad
3	49414	Navdeep Kumar	Mumbai
4	49415	Dhiraj Madanlal Dalal	Valsad
5	49417	Narendra Mohan Jha	Mumbai
6	49423	Garvit Gupta	Pune
7	49427	Purvangi Hemant Gupta	Mumbai
8	49430	Hiren Ravindra Solanki	Ahmedabad
9	49431	Siddharth Chandrakant Bhutada	Nashik
10	49432	Bhaviniben Omprakash Gupta	Navsari
11	49436	Sanjay Dattatray Patil	Pune
12	49441	Amit Kumar Agrawal	Korba
13	49453	Bhushan Ashok Kulkarni	Badlapur
14	49471	Vedavyas Molleti	Pune
15	49482	Rishi Hargovindsingh Yadav	Ahmedabad
16	49485	Harsh Kiranbhai Gandhi	Ahmadabad
17	49486	Tika Ram Sahu	Korba
18	49495	Mahima Dani	Borivali
19	49498	Ruchita Shirishkumar Glaswala	Surat
20	49511	Atul Trimbak Prabhu	Mumbai
21	49514	Prateek Tomar	Bhilai Nagar
22	49519	Kuldeep Vijaykumar More	Ahmedabad
23	49527	Asheesh Kamalakanta Chatterjee	Mumbai
24	49531	Rupesh Govind Pande	Mumbai
25	49533	Gopal Yograj Bansod	Nashik
26	49534	Sushil Jaiswal	Mumbai
27	49538	Ravi Jayantibhai Panchal	Mumbai

Making MSMEs "Atma Nirbhar" with SME Listing

CMA Gopal Bhutada & CMA Amar R. Kakaria

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Over 6.5 crore micro, small & medium enterprises (MSMEs) are serving our great country of 135 crore Indians and these MSMEs are employing nearly 11 crore people which is equivalent to one third of total domestic workforce. Besides 30% contribution to Indian GDP, MSMEs contribute for around 45% of manufactured output and 40% of total exports from India. Despite such a vibrant sector, large number of MSMEs have been unable to grow primarily due to inadequate availability of capital in a timely manner.

Financiers usually prefer to fund the organisations having corporate structure and India is not an exception though there has been very low corporatisation here. Around 12 lakh companies are actively registered with the Ministry of Corporate Affairs amounting to less than 2% of total MSMEs in India. Among those 12 lakh registered companies, about 6000 are actively listed on nationwide stock exchanges which is a very negligible proportion.

During FY 2011-12, Government of India took a novel initiative by launching SME Exchanges ~ BSE SME and NSE Emerge in order to help SMEs to get listed on easier terms with relaxed norms. BCB Finance Limited was the first company to get listed in March 2012 on BSE SME and since then, over 500 companies have got successfully listed on SME platforms of BSE & NSE.

Norms for SME Listing:

SEBI has permitted both the stock exchanges ~ BSE SME and NSE Emerge to have their own set of norms. Following are standard norms which need to be met by companies while applying to get listed on BSE SME:

1. Minimum track record of 3 years
2. Minimum net worth and tangible assets of Rs 3 crores
3. Positive cash accruals for at least 2 years out of preceding 3 years
4. It needs to be a company incorporated in India under the Companies Act, 1956 / 2013 and there should not be any winding up petition pending against it

BSE SME has offered further concessions to DPIIT recognised Start-ups for listing on its platform. Norms of NSE Emerge are also similar to BSE SME with few differences related to tangible assets and net worth.

With the ongoing Covid-19 pandemic, BSE SME has temporarily reduced net tangible asset requirement by 50% to 1.50 crores. Moreover, positive cash accrual in any 1 year out of last 3 years will suffice instead of earlier requirement of 2 years. Further, both BSE SME and NSE Emerge have offered 25% discount in annual listing fees to all companies listed on their platforms for the current financial year.

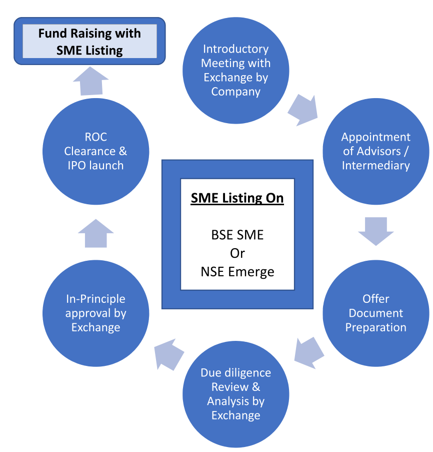
Atma Nirbhar Package - Fund of Funds Scheme for MSMEs

In May 2020, Hon'ble Finance Minister had announced about "Fund of Funds" scheme in the form of "Self Reliant India (SRI) Fund" for MSMEs for which guidelines were drafted in August 2020. Accordingly, a mother fund will be anchored by a special purpose vehicle having 100% equity from National Small Industries Corporation Limited. This mother fund will have corpus of Rs 10,000 crore and in turn it will have another 4-5 daughter funds whereby equity funding of Rs 50,000 crore will be invested across promising companies in order to enable them for expansion in size and capacity besides encouraging them for listing. It is intended to help those businesses which are in their nascent and initial stages, where there are limited prospects to raise funds through the help of professional corporations or venture capitalists.

All investments will be compulsorily routed through daughter funds and in any given company, it will not hold stake beyond 15% of its issued capital. As per the proposed guidelines, priority will be given to traditional manufacturing & services sector instead of information technology. Once SRI Fund is actively operational through its daughter funds, deserving companies which have adopted corporate structure may be able to have easier access to funds besides opportunity to avail benefits through stock exchange listing. On successful exit from any company after listing, the proceeds will be deployed to make investments in other emerging MSMEs.

SME Listing - Process Outline:

SEBI has given freedom to both the stock exchanges with respect to IPOs on SME platforms to devise own process and hence, it is possible to get listed in a short duration of just 3 months if all documents are in order. Following is the brief process snapshot:



If the company is fully compliant with SEBI Listing Regulations, then on completion of 2 years it will be eligible to migrate to the main board, provided its minimum paid-up capital and market capitalisation would be Rs 10 crore and 25 crore respectively

Comparison between IPO on SME Exchange vis-à-vis Main Board

IPO on SME Exchange	IPO on Main Board
1) SEBI approval is not necessary and approval from stock exchange is sufficient	1) SEBI approval is required for every IPO on main board
2) Maximum paid-up capital can be upto Rs 25 crores	2) Minimum paid-up capital need to be Rs 10 crores
3) Simplified listing norms and shorter process. Listing is possible at much lower cost.	3) Complex listing norms and lengthy process. Cost of listing is significantly high as compared to SME Listing
4) Every issue is 100% underwritten. So, every IPO will succeed due to compulsory underwriting	4) No need to have 100% underwriting. So, some IPOs may not succeed if there is shortfall in subscription.
5) Minimum 50 allottees	5) Minimum 1000 allottees
6) Minimum quantity to be traded is of a lot amounting to Rs 1 lakh or above	6) Minimum quantity to be traded is as low as just 1 share
7) Market making is compulsory	7) Market making is not required
8) Merchant Banker is responsible for market making for a period of 3 years	8) No responsibility on merchant banker for market making
9) Half yearly compliances & disclosures	9) Quarterly compliances & disclosures
10) Abridged version of annual report and simple regulations in relation thereto	10) Specific and complex annual report with strict governing regulations

Key Benefits of SME Listing – "Atma Nirbhar" MSMEs:

With successful IPO, every company will be further expanding its equity base which will strengthen its balance sheet and thereby, it will be able to raise further loans from banks or financial institutions. For promising companies which will be raising funds through daughter funds of Indian Government's SRI Fund, attracting next round of funding from overseas / sovereign funds will be easier. Getting listed on the SME exchanges by MSMEs will also help them to be self reliant (Atma Nirbhar) in true sense while enjoying numerous benefits:

- Higher brand equity
- Proficient risk distribution
- Reduced tax on capital gains
- Incentives offered by few states
- Higher liquidity for stakeholders
- Inspiring entrepreneurial spirit & innovation
- Access to capital and future funding requirements
- Option to explore inorganic growth through M&A route

SME Listing is currently the most economical option to raise money while getting listed on SME platform of any of Top 2 stock exchanges in India with an option to migrate to main board after just 2 years by meeting prescribed norms. Moreover, SEBI has prescribed relatively liberal compliance structure which can help these companies to prepare themselves while migrating to the main board in future.

Expectations from Union Budget - 2021:

There was no tax on long term capital gains on sale of shares of listed companies, but since 2018, the Government has introduced 10% tax. Given the huge scarcity of funds due to Covid-19, perhaps, exemption from aforesaid tax can be provided for investments made on SME exchanges. It can motivate larger number of retail & institutional investors to actively come forward and support ailing MSMEs.

Moreover, cost of listing has gone up rapidly during last 1 decade and further, uniform penalties have also been introduced on all listed companies irrespective of their size for different non-compliances though concession could have been offered to financially weaker / ailing companies. In the interest of all stakeholders, there is an urgent need to address this issue and rationalise listing costs / penalties for listed MSMEs in the upcoming budget.

Paramount Role of Cost Accountants:

Over last 6 decades, Cost Accountants have been highly regarded for providing bespoke solutions to MSMEs using their domain expertise in Costing & Finance, deep understanding of Business & processes and partnering with leadership team in charting strategies for long term growth.

Thousands of CMAs are spread across our giant nation and many of them are into practice. India is going through massive economic crisis due to Covid-19 and so, there has been huge demand for funds by SMEs which is likely to prevail in short to medium term. CMAs have a chance to positively spread more awareness about various benefits of listing among capable SMEs and help them unlock value by accessing capital markets. Needless to mention, SME listing can positively help speedy revival of MSMEs and also encourage them to tap growth opportunities with the support of investors. Most of the CMAs are closely associated with large number of SMEs since their inception which has helped them to gain an insight into their unique business practices and hence, they are in the best position to write new success stories for these promising companies with stock exchange listing. In this unprecedented Covid-19 era, when numerous other businesses are struggling for survival, such success stories can positively contribute for economic growth and it will be a true service to our Mother Nation.

Afterall, it is another chance to once again prove, "Behind Every Successful Business Decision, there is always a CMA." ■

Budget 2021: Atmanirbhar Bharat is govt's mantra for economic revival

CMA N. Rajaraman

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Synopsis:

- *The beauty of this Mission, Atmanirbhar Bharat, is that it concentrates on the* ***revival*** *of every sphere from demand and supply to manufacturing to bring the Indian* ***economy*** *back on track by* ***focusing*** *on the five "pillars", namely* ***economy****, infrastructure, technology-driven systems, vibrant demography and demand.*

- *primary aim of this package is to make the country independent and combating the competition in the global market.*

The Indian economy shrank 7.5% in the September quarter from a record contraction of 23.9% in the preceding June quarter following the covid-19 outbreak and subsequent nationwide lockdown. The Reserve Bank of India expects the economy to post 0.1% growth in the December quarter and 0.7% in the three months ended March, to end FY21 with a 7.5% contraction. The finance ministry also expects marginal growth in the economy from the December quarter.

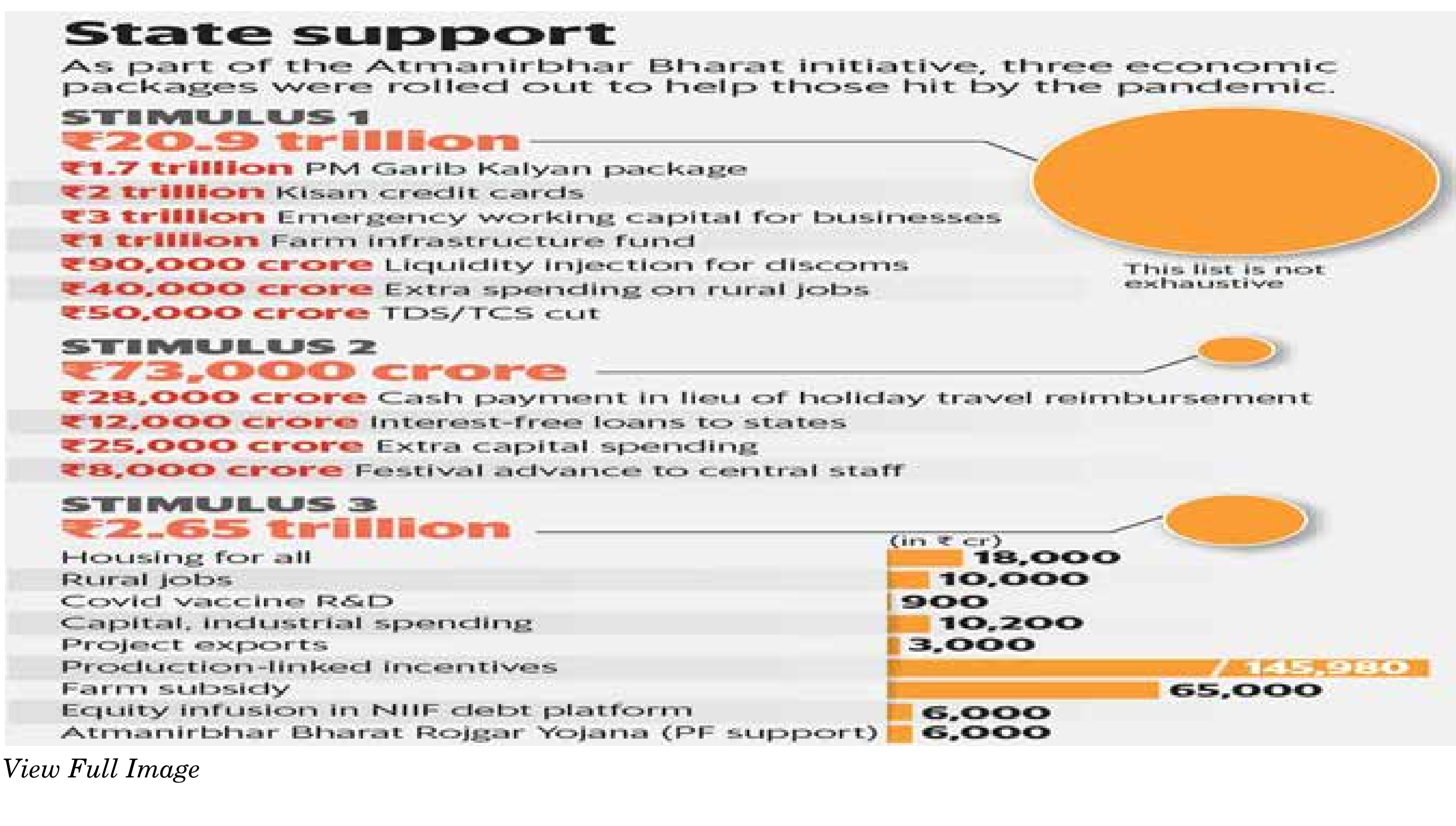
What is the Atmanirbhar Bharat initiative?

The sustainable road to self-reliance entails a quantum jump in the economy, infrastructure, efficient technology-driven systems, vibrant demography and extensive leveraging of the demand and supply chain.

This idea has been the basis for the three stimulus packages announced so far this year to aid economic recovery. Strengthening all stakeholders was a key point stressed at a time of loss of income, especially among migrant workers, dampened consumption and an economy that had ground to a halt. Reforms and pushing Exports are also part of this drive. Keeping this in mind, right time the following stimulus packages were rolled out Government

How this is done?

So far, it has mainly taken the shape of aid packages. Economic packages were rolled out in May, October, and November, offering relief to the poor and migrant workers, credit flow to businesses, liquidity to power distribution utilities and relaxation in compliance requirements to individuals and firms.



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Farm reforms, which lifted restrictions on holdings and supply of produce and sought to usher in private investments, however, have led to protests by farmers. The Centre also allowed the coal sector to start commercial mining. The borrowing ceiling was raised for states and income tax relief was offered to home buyers. The Centre has substantially stepped up its borrowing to fund higher spending on rural jobs, housing and infra projects and fertilizer subsidy.

To encourage domestic manufacturing, a Rs. 1.46 trillion incentive scheme was also announced.

What is the package size?

The first round of stimulus and humanitarian aid package, which included giving credit cards to farmers and emergency working capital to businesses, totaled Rs. 20.9 trillion and was the largest. Including the other two, the Centre's economic package goes up to Rs. 24.3 trillion. If the central bank's steps are included, it touches Rs. 29.87 trillion.

What is the progress?

Funds are being released under various schemes, but the production-linked incentive scheme may take a couple of months to be rolled out as its design needs to be foolproof. More than half of the Rs. 3 trillion collateral-free loans to small businesses have been issued to 4 million businesses.

Procurement from micro, small and medium enterprises (MSMEs) by government agencies and state-run firms as well as payments to them have more than doubled in October compared to May. In October, sourcing from MSMEs touched Rs. 5,124 crore.

Does self-reliance mean an inward-looking economy?

Use of tariff and non-tariff barriers to give domestic producers an edge over imports is a key element of the drive for self-reliance, but policymakers insist that these are temporary measures taken keeping in mind international rules.

"Before expecting any tax relief, the current economic situation should be factored. GDP is expected to contract by around 8-10 per cent and fiscal deficit is at record high. Further, large scale expenditure on vaccination is on the cards, and on the other hand, there is a need to increase government spending especially capital expenditure,"

In this backdrop and with limited avenues to garner resources, expecting large scale tax relief would be too fictitious. However, investment-based relief and flexibility in terms of setting off loss can be expected.

Personal income tax relief

The effect of the new personal income tax regime is yet to be it came into effect from 1 April 2020. While the higher slabs may not see any relaxation, the lower slabs are expected to get some relief. "On the individual front, tax for the higher strata would remain unchanged but there could be some relief in terms of adjustment in tax rates or increase in limits for the lowest slab

However, any relief given on the tax front will add burden to the government's revenue. "Individual taxpayers would greatly benefit from reduction in personal income tax rates. This would increase cash in hand for them, combined with other measures this could boost consumption in the economy, leading to overall growth and improvement in the economic situation However, given that the government will likely be in an unfavorable fiscal situation, this will be a strain on the exchequer

FY 21-22 budget will focus on infrastructure, which is considered a growth multiplier.

Conclusion:

Building a Self-Reliant India is essential in a post COVID-19 New normal world. India's self-reliance rest on fundamentally 5 pillars - Economy, Infrastructure, System, Demography & Demand. Atmanirbhar Bharat is strengthening this Five Pillars of our Nation.

Forthcoming Webinars for the month of January, 2021

Date	Theme	Faculty
16-01-2021	Reduction in sugar Conversion Cost	Mr. Dilip Patil - M.D., Samrath Sugar
23-01-2021	The sexual Harassment- Prevention, Prohibition & Redressal Act 2013	CS Kavita Jain
30-01-2021	Stress Management	CMA Dhananjay Kumar Vatsyayan

CFO Speaks

CMA Nikunj Shah

***Interview by* CMA Malhar Dalwadi**

He is fellow members of Institute and having over 25 years of post-qualification experience in the fields of Management Accounting, Costing, Budget & MIS, DPCO Pricing, and ERP Systems Implementation.

He is Executive Vice President-Finance in Cadila Pharmacueticals Limited Ahmedabad. He is associated with the company over 20 years and worked in various capacity in the areas of Corporate Planning, MIS, Inventory Management, Production & Productivity and Business finance for Domestic and International Pharmaceutical Business. He was also worked as management representative with leading Hospital in Ahmedabad.

He is currently working as Finance Head of the International business of the company.

1. **What do feel about your role as Executive Vice President of the Company?**

   It is indeed great sense of achievement. My role as Executive Vice President of strategic business unit in an organisation having diverse responsibilities of management reporting of financial performance of the company and strategic business unit. The responsibilities includes Sales & Profitability performance, pricing decision, inventory management, credit risk compliance, review of supply & logistic management, productivity, cost optimisation as well as policies and procedure compliance along with strategic business unit head. Current scenario of complexity, uncertainty and competition my role become very vital for business decision. It is very challenging and dynamic.

2. **What are your main constraints/ challenges you face as Executive Vice President of the Company?**

   Every role there is the challenge & having constraint but way forward is always there. I got many opportunities to work in different areas of management accountancy. Specialised subject viz corporate taxation, global merger /acquisition are the challenges when there is interpretation of law and specialisation of skills are required. In case you work in core competency area, other subject may sometimes become challenge.

3. **What inspire you to pursing CMA?**

   I always fascinated with the subject of Cost & management accountancy in my earlier days of career. CMA was considered by the student in earlier days more difficult as the course also includes basics of engineering /science background. The CMA study gives in-depth knowledge about the various management aspects, business evaluation tools & technique. At the time of graduation, I decided to do professional course which gives me in-depth knowledge of management tools & technique with more challenges.

4. **How the CMA qualification helps you in your career path?**

   In my opinion, hard work along-with professional degree help to build the career. CMA qualification helps me to build my career. When SAP ERP was introduced in my organisation I was chosen as core team members as CMA and I was in charge of MIS and budget department for CO module and I used the opportunities to implement cost & management accounting concept while framing the CO Module. It is immense help in my career having CMA qualification. My organisation always give preference to the various concept of improvement in productivity, cost optimisation, marginal costing, profitability improvement breakeven point. Various business decision considering our inbuilt analytical helps me to built up my career.

5. **How a CMA can helpful to industry in Cost Control and Cost Saving, specially pharma industry?**

   Earlier, the concept of CMA mainly used in manufacturing but now with service industry coming with great competition, CMA role is also recognised in all sector of industry where cost measurement is crucial. I would like to use word cost optimisation instead of cost control and saving. Economy is open, more competition. Each & every cost accounting aspects can be put into practice along with various technique. Postponement of expenses is only temporary cost saving tool but one can check the long term cost saving plan. It may require some new innovative ideas. The few simple examples are communication expenses can be optimised by getting benefit of increased player & its competition, electricity expenses by replacing conventional light to LED and solar energy, outsourcing of cheque printing and accounting work, using artificial intelligence of various repetitive work, manual packing to auto packing. Small measure will benefit to the organisation to improve the profitability.

6. **What are your views about statutory cost records maintenance and cost audit?**

   The statutory cost records are very useful to management for insight to cost structure. This will also help to build the costing system for the organisation. Based on Cost records, one can understand the profitable product or business, wasteful of expenditure and abnormal cost affecting the business operations. Statutory cost audit is also useful where government wanted to fix the pricing for the controlled and essential items. This exercise shall be carried out on monthly/quarterly basis instead of annual exercise. The financial audit gives the overall perspective to the business whereas cost audit gives the each business line or product line perspective which will help to improve the organisation profitability.

7. **Is the Cost Audit create value addition for industry?**

   Statutory Audit report is always creating the value addition to Industry and two aspects are covered viz. Compliance and treatment of cost. Apart from financial audit, cost audit is highlighting the business performance and various key indicator. One cannot underestimate the value of the cost audit. At present with introduction of XBRL, the value of cost audit is very useful to government to check the industry parameters and cost structure. For industry, there are many insight to cost audit report for correct performance as compared to financial audit. Based on cost audit recommendation, the area of cost improvement, business evaluation in terms of cost structure is derived and management take corrective action

8. **What are the key challenges for auditee and auditor for completing audit task under this pandemic situation of COVID?**

   In new normal condition, there are challenges for both auditee and auditor. The challenges to auditee are to ensure the data given to auditor with supporting documents. The majority industry will have the ERP /other software for which assess can be given remotely but constant dialogue by using communication tools like zoom meeting, team meeting etc shall be useful to explain the transaction to auditor. Auditor is also now checking the process and data analytics to overcome the challenges in absence of physical documentation.

9. **What are the positives of new normal?**

   Redefining of business objective and process/method of doing business under new normal situation require rethinking. Many restriction imposed by the government to normalise the business. Work from home culture require thinking of utilisation of office space, increase in communication through various means and connectivity is possible physical meeting concept may not require, the nature of meeting will be different due to travel restriction. E.g. Pharma industries is traditionally knowledge and contact based industry which moves to digitalisation for sharing the knowledge which reduces the cost of travel.

10. **Your message to young CMAs.**

    Set Goal, Work Hard and Achieve the Milestone. Nothing in life is free.

    You can do everything on your bucket list but you can't do it all at once. Therefore prioritise the work and focus on career path. Upgrading of knowledge is continuous process in all areas of finance as well as IT. There may be failure but remember failure is simply the OPPRTUNITY to begin again and this time more intelligently with more zeal & vigour.

CMAs' Role In Survival of MSMEs During and Post-COVID-19

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In the prolonged COVID-19 situation, survival of the most micro, small and medium enterprises (MSMEs) are at stake in view of present and prospective dismal condition of the Indian economy during FY 2020-21 and beyond. Indian companies including MSMEs is likely to face a 15% (for micro companies 17-21%) contraction in turnover and 25% drop in EBITDA as per CRISIL Report. Among others, to name a few sectors likes of small infra-contractors in EPC projects, ceramics, textiles makers, consumer discretionary, other construction and export-linked businesses had been worst hit in the areas of liquidity and profitability along with their corresponding fall of credit worthiness.

Why accomplished CMAs are desperately required for MSMEs amidst the global pandemic?

Government of India along with MSMEs and other companies are trying their best ways to reverse the position with desperate measures in such abnormal atmosphere. In such situations, a CMA has to perform a major role. His pulse reading of financial world and indian economy along with world economy will bring financial stability in the respective MSMEs. CMAs' financial understanding of the concerned MSME in such crisis as a leader/team member of the group with right strategies will make concerned MSMEs back on foot.

Here are certain aspects and fields where unconventional CMA may contribute for the concerned MSMEs.

1. **Leadership** - As of now, the CMA will have to adapt itself and must be an all rounder with multiskilled features. He is definitrly a strategic advisor of the CEO and a result oriented peer on board that forcasts the future scenario with an eye on judicious and optimum distribution of resources (capital) and corporate leadership. He is a key partner of the team that navigates the survival path and subsequent growth. CMA is a leader who says 'come on' rather than 'go on'. CMA's latent skills virtually power exerted over the minds or behavior of others in a leadership way in the main decision making.

2. **Facing the challenges** - In this pathetic situation of the economy, CMA must be a front runner throughout. Up and down of demand in the market, customer preference, statutory modifications and short of certainty of financial scenario, calls for resiliency from a CMA to drive the company to a sustained growth. By making blueprint for recovery policies and a sustainable growth guidelines to control these day to day challenges, the CMA infuses trust or strong belief in the captainship.

3. **Uninterupted flow of funds** - Cash is the prime in all business in this crisis of COVID-19 situations whether in MSMEs or otherwise. It is the obligation and prerogative of CMA to ensure availability the needed cash in the company. With hawk eyes on the flawless cash inflows and outgo, CMA guarantees required liquidity. Maintaining uninterupted liquidity, reducing the intensity of risk and managing good image/goodwill of the company are also few important aspects where a CMA performs a key role.

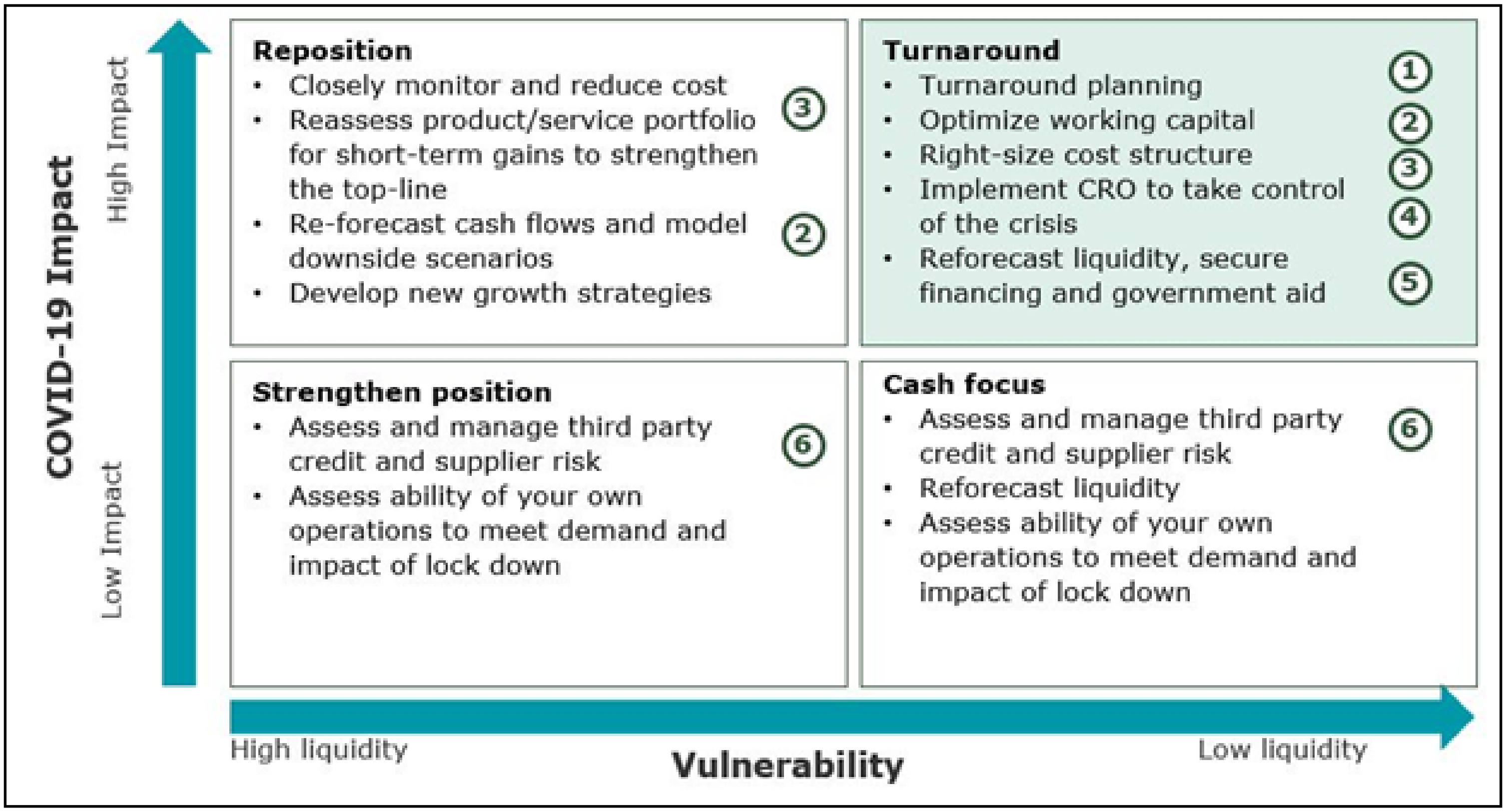
4. **Digitalization a Business Process** - CMA must be proactive in digitalization a business process. This is his key role in MSMEs' survival. All those above mentioned roles of CMAs are clubbed together and merged in digitalization of business process for an uninterrupted real-time information system. Past data are passé and only required for future projection of MSMEs. At present, CMAs' target is not only post mortem of past performance of concerned MSME but also to convert business opportunities into future growth. A technology savvy CMA is a gift to the organisation, specifically to pilot ultimate business goal.

How CMAs can contribute to MSMEs during COVID-19 in the following Six (6) ways -

1. **Cash is king** – There is a saying, "Turnover is vanity, profit is sanity but cash is king." This is all the more crucial during the COVID-19 situation. It is important for each MSME to assess their latest cash position and project a cash flow for the next 2/4/6 months. Then it is appropriate to estimate the likely longivity of COVID-19 and so that cash – flow projection may be made for that corresponding time period.

From the projection, if it appears, there will be no light at the end of tunnel, the CMA will have to make a restructuring plan and advise the management accordingly with the time frame of recovery from the black-hole of cash-flow disaster contributed by COVI-19.

Hence, it is crucial that CMAs are alert in measuring their risks and negative evantualities from angles of operation and finance. CMAs need to be proactive to cushion against risks and plan for speedy and crawling recovery situations and also on liquidity.COVID-19 actively damaged business flow as business volume dipped, interrupted supply chains and demand chain. These consequential risks invariably led to liquidity risks, disturbed business agreements, need of re-financing and enhanced third party risk.



Source - https://www2.deloitte.com/ch/en/pages/financial-advisory/articles/managing-business-continuity-finance-covid-19.html

2. Why CMAs For Loans In MSMEs, adhere to Cash flow and Not Asset Based Method of Lending

Asset Based Lending-In Asset-based lending by Banks are supported by client's fixed and current assets in the balance sheet. These assets are real estate, sundry debtors, plant & machinery and all sorts of stocks including raw materials, work-in-progress and finished stock. This method is followed in companies that have solid balance sheets and require lending so that flow of future projected sales and EBITDA do not interrupt the flow of credit for growth of business.

Cash flow method lending

Cash flow lending is without collateral (compared to Asset-Based loans) is suited to MSMEs which is obtained against projected revenue. This method of lending is on EBITDA (a company's earnings before interest, taxes, depreciation, and amortisation). Such lenders take head on concerned industries' risks. This method of lending is generally for MSMEs that keep very high margins or lower margin with quick turnover (but in view of quick roll over of turnover, ultimate margin is high). Such lending is suited to MSMEs who do not possess tangible or current assets to provide back up for loan. In this method of lending, the assessment of the creditworthiness of a borrower (ability to pay back loan in time) is prime aspect

3. Minutely observe your MSMEs' supply chains – Disruption of supply chain both for each raw material for manufactuers and also finished stocks for traders damage businesses. Is there any second option for uninterrupted supply for manufacturers and traders. It has already endangered the existential crisis of many MSMEs mainly for companies who purely rely on China for supply of raw materials or finished products. Over 200 of the Fortune Global 500 corporates have a dependence for supply chain on Wuhan (China) which said to be birthplace of COVID-19 and its economy massively effected. Good news is that this particular china province has backed to rail by June,2020. On the other hand, China depends on supply chain of premium quality of different parts which are imported from countries such as Italy, South Korea, Japan and even the US, which are predominately in a locked-down situation for last eight months. It is double whammy for MSMEs and other companies. How you will obtain that materials and finished goods vis-a-vis to your business rivals at competitive price in a buyers' market and do these aspects will have impact on your cash flow?

4. Demand chain - Watch the customers to see how their interests have been impaired by lockdown of COVID-19 and what adverse effects on orders. How customers' business damaged due to supply chain disruptions on their products? In that case, how customers' companies and when they will be back on rail? Moreover, suppliers' companies' must pursue other avenues as substitute because of disruption or closure of customers' business because of COVID-19.

5. Take a Call on continuation of Service of Employees

- Manpower is the greatest assets for any company. Most of them have great Degrees/ Diplomas/Licences. They have enormous experiences in the particular company and also related industries. Virtually, they guide the company in the right direction. It depends on who are departing the company. It is massive talent loss for the company who have nursed these talents and trained with huge cost. If they depart, the company will have to retrain another batch of people with huge cost. In this lockdown situation, if situation so warrant, company should retain these skilled manpower with certain concessional cost. Another assessment is necessary at what point of time, the company is likely to pay full salary/wages. It is a policy matter of the company. In case of termination of employees is unavoidable, in the tight cash-flow situation, how company will pay the termination statutory benefits. CMA, as a senior management team member, must contribute after assessing the cost-benefit of retention of trained manpower.

6. Watch these above mentioned aspects on day to day basis- Make a war chest (It is easier said than done) for any adverse eventuality that may come up. For instance, when Government imposed lockdown suddenly, all companies got rude shock and collapsed literally specially MSMEs.

Post- COVID-19 Measures for MSMEs

It is imperative that senior management team of MSMEs along with CMAs will have to re-look their Business Strategies by inserting the three aspects of Business model innovation, Digital Marketing and Brand building.

Business Model Innovation : - Innovative business models could come up if the MSME can read the anatomy of the market. For instance, the retailer avails a credit of one to one and half months from a distributor. However, in view of the COVID-19 situation and liquidity problem, the investment of the distributor is blocked. Many items are not moving from the godowns of distributors. In this scenario, it is natural for distributors to communicate with the consumers directly through tailor made digital promotions and e-commerce. Credit sales of three months to retailers may be dispensed with. Instead, the good discount may be relayed directly to the consumers. In a revised model, in place of the retailers, the distributors can make agreement with Banks or NBFCs to offer retail consumers through EMIs.

Brand Building: -For instance, it is new normal to apply sanitizers, wearing hand gloves and masks a enduring behavioural attributes in the society, even if Corona is evaporated in coming days. It is not only imperative that an SME produces superior quality sanitizers, masks or gloves by innovative design but is all more crucial it is "The Change of mindset from transactional approach to Brand building approach."

Digital Marketing:- Post COVID time, it will be difficult for more than 50% of the retailers to run their businesses unless they find a new way to run it with intimate knowledge of the customers via digital marketing/ data analytics/CRM tools. In addition, tailor made social media campaign apart from SMS and e-mail marketing should be new norm. Besides, retailers should innovate through product, pricing, place and promotions(4 Ps). Ultimate objective for customers to have high standard products at reasonable price. The liquidity position is dismal in the economy. Accordingly, fund will have to be deployed in a rational manner. So with limited money, one will have to evolve products in innovative ways which will enable penetration into the mind of the consumer.

Post-Covid MSME companies in manufacturing, services, logistics, supply chain, ware, housing, real estate, education, marketing etc. must discard their outdated learning and graps in a speed way new wisdom.

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MSME & Indian Economy

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Abstract

The micro, small and medium enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable development. The labour intensity of the MSME sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. The MSMEs play a vital role in the overall growth of industrial economy of the country. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession and have lots of opportunities to grow in the future. This article highlighting the growth of MSMEs and outlining the opportunities available for the MSMES in the Indian economy also what roles are playing by MSME for growth of Indian Economy.

What is MSME

In a nutshell, MSMEs are Micro, Small and Medium Enterprises that engage in the service sector or in manufacturing, processing, production and preservation of goods. MSMEs contribute significantly to India's total GDP, and the government's objective is to raise this contribution to 50% in the coming years. It is no wonder then that MSMEs are considered to be the backbone of the economy. Moreover, MSMEs are also pivotal to the growth of the nation as they provide employment to lakhs of unskilled and semi-skilled individuals.

Policy Framework -MSMED Act 2006

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 seeks to facilitate the development of these enterprises as also enhance their competitiveness. It provides the first-ever legal framework for recognition of the concept of "enterprise", which comprises both manufacturing and service entities. It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium. The Act also provides for a statutory consultative mechanism at the national level with balanced representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory functions.

How are units classified as MSMEs?

In India, the enterprises have been classified broadly into two categories:

(i) Manufacturing; and

(ii) Those engaged in providing/rendering of services.

Both categories of enterprises have been further classified into micro, small and medium enterprises based on their investment in plant and machinery (for manufacturing enterprises) or on equipment (in case of enterprises providing or rendering services). The present ceiling on investment as well as turnover to be classified as micro, small or medium enterprises is as under:

Existing and Revised Definition of MSME as per MSMED Act 2006 w.e.f. 01.07.2020

Existing MSME Classification				
	Criteria-Investment in Plant & Manchinary and Equipment			
	Classification	**Micro**	**Small**	**Medium**
Old	Manufacturing Sector	Investment <Rs 25 Lakhs	Investment <Rs 5 Crs	Investment <Rs 10 Crs
	Services Sector	Investment <Rs 10 Lakhs	Investment <Rs 2 Crs	Investment <Rs 5 Crs

Revised MSME Classification (according to GAZETTE NOTIFICATION - 1st June, 2020)

	Criteria-Investment & Annual Turnover			
New	**Classification**	**Micro**	**Small**	**Medium**
	Manufacturing & Service Sector	Investment <Rs 1 Cr & Turnover < Rs 5 Cr	Investment < Rs 10 Cr & Turnover < Rs 50 Cr	Investment < Rs 20 Cr & Turnover < Rs 100 Cr

Why MSME

Following are the factors creating opportunities in the MSMEs

- Extensive Promotion & Support by Government
- Less Capital Intensive
- Reservation for Exclusive Manufacture by small scale sector
- Funding - Finance & Subsidies
- Less Capital Intensive
- Reservation for Exclusive Purchase by Government
- Export Promotion
- Growth in demand in the domestic market size due to overall economic growth
- Increasing Export Potential for Indian products
- Growth in Requirements for ancillary units due to the increase in number of green field units coming up in the large scale sector.

- Small industry sector has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and diversification.

Due to its less capital intensive and high labour absorption nature, this sector has made significant contributions to employment generation and also to rural industrialization. This sector is ideally suited to build on the strengths of our traditional skills and knowledge, by infusion of technologies, capital and innovative marketing practices. This is the opportune time to set up projects in the small-scale sector. The diversity in production systems and demand structures will ensure long term co-existence of many layers of demand for consumer products / technologies / processes. The promotional and protective policies of the Govt. have ensured the presence of this sector in an astonishing range of products, particularly in consumer goods.

What are the government schemes available to MSMEs?

Considering the role of this sector in the Indian economy, the central government along with the RBI has launched schemes to help the MSME entrepreneurs. A few notable initiatives are as follows.

- MSME Samadhaan
- Udyog Aadhaar
- MUDRA
- ZED Scheme
- Make In India
- Stand Up India
- MSME Business Loan
- 9 MSME-SAMBANDH
- Prime Minister's Employment Generation Programme (PMEGP)
- Credit Linked Capital Subsidy Scheme (CLCSS)
- Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)

With the help of the above-mentioned schemes, MSME can grow their business in this sector and make a contribution to India's economic development.

Employment Opportunities created by MSME

MSME in India creates largest employment opportunities for the Indian populace, next only to Agriculture. It has been estimated that a lakh rupees of investment in fixed assets in the small scale sector generates employment for four persons. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

It is well known that the MSME sector provides maximum opportunities for both self-employment and wage-employment, outside agriculture sector. MSME sector contributes in higher rate of economic growth as well as in building an inclusive and sustainable society in innumerable ways through creation of non-farm livelihood at low cost, balanced regional development, gender & social balance, environmentally sustainable development and to top it all, recession proofing of economic growth, which the sector has proven time and again.

MSME sector has created about 11.10 crore jobs in the country as per National Sample Survey 73rd Round (2015-16) as below:

Employments by MSME	in Lakhs
Manufacturing Sector	360.41
Trade	387.18
Other Services	362.29
Total	1109.88

MSME & Foreign Direct Investment (FDI) Policy

With the promulgation of the MSMED Act, 2006, the restrictive 24% ceiling prescribed for equity holding by industrial undertakings, whether domestic or foreign, in the MSEs has been done away with and MSEs are defined solely on the basis of investment in plant and machinery (manufacturing enterprises) and equipment (service enterprises). Thus, the present policy on FDI in MSE permit FDI subject only to the sectoral equity caps, entry routes and other relevant sectoral regulations.

Competitive Technology

In today's fast paced global business scenario, technology has become more vital than ever before. With a view to foster the growth of MSME sector in the country, Government has set up ten state-of-the-art Tool Rooms and Training Centres. These Tool Rooms provide invaluable service to the Indian industry by way of precision tooling and providing well trained craftsmen in the area of tool and die making. These Tool Room are highly proficient in mould and die making technology and promote precision and quality in the development and manufacture of sophisticated moulds, dies and tools. The Tool Rooms are not only equipped with the best technology but are also abreast with the latest advancements like CAD/CAM, CNC machining for tooling, Vacuum Heat Treatment, Rapid Prototyping, etc. The Tool Room & Training Centres also offer various training programmes to meet the wide spectrum of technical manpower required in the manufacturing sector. The training programmes are designed with optimum blend of theory and practice giving the trainees exposure on actual jobs and hands on working experience. The Tool Rooms have also developed special training programmes to meet the requirements at international level, which are attended by participants from all over the globe.

Export Promotion

Export promotion from the MSE sector has been accorded a high priority. To help MSEs in exporting their products, the following facilities/incentives are provided:

i) Products of MSE exporters are displayed in international exhibitions and the expenditure incurred is reimbursed by the Government;

ii) To acquaint MSE exporters with latest packaging standards, techniques, etc., training programme on packaging for exporters are organised in various parts of the country in association with the Indian Institute of Packaging;

iii) Under the MSE Marketing Development Assistance (MDA) Scheme, assistance is provided to individuals for participation in overseas fairs/ exhibitions, overseas study tours, or tours of individuals as member of a trade delegation going abroad. The Scheme also offers assistance for

   (a) sector specific market study by MSE Associations/ Export Promotion Councils/Federation of Indian Export Organisation;

   (b) Initiating/contesting anti-dumping cases by MSE Associations; and

   (c) reimbursement of 75 per cent of the one time registration fee and annual fee (recurring for first three years) charged by GSI India (formerly EAN India) for adoption of Bar Coding.

Infrastructure Development

For setting up of industrial unit and to develop infrastructure facilities like power distribution network, water, telecommunication, drainage and pollution control facilities, roads, banks, raw materials, storage and marketing outlets, common service facilities and technological back up services, etc., for MSMEs, the Integrated Infrastructural Development (IID) Scheme was launched in 1994. The scheme covers rural as well as urban areas with a provision of 50 % reservation for rural areas and 50 % industrial plots are to be reserved for the micro enterprises . The Scheme also provides for upgradation/strengthening of the infrastructural facilities in the existing industrial estates. The IID Scheme has been subsumed under the Micro and Small Enterprise Cluster Development Programme (MSECDP). All the features of the IID Scheme have been retained and will be covered as "New Clusters" under MSECDP.

Skill Training Eco-system of Ministry of MSME

Organizations under the ministry are providing skill training to the youths for wage employment and self-employment. They also provide skill up-gradation trainings to existing entrepreneurs and working force to enhance their performances. These training are provided under various schemes such as MSME-TCs, Assistance to Training Institutions (ATI), National SC/ST Hub, Capacity Building, Coir Vikas Yojna- Skill Upgradation & Mahila Coir Yojna, etc. Furthermore, customized demand-driven training courses as per industry requirements are also conducted by organizations under the Ministry.

Impact of Covid-19 on MSME

As per Opinion of Global Chief Economist at Dun & Bradstreet Arun Singh that The MSMEs will take at least 7-8 months to recover from the impact of COVID-19 pandemic, and the recovery rate of an enterprise will depend on factors like its rate of digitisation and the sector in which it is operating.

The Micro, Small and Medium Enterprises (MSMEs) contribute 29 per cent to the country's GDP. The sector is among the worst hit by the pandemic. The recovery time of an MSME will be tied to the sector in which it is operational. Sectors like online gaming, telecommunications and e-education operating in the digital space are witnessing a positive impact by leveraging opportunities arising from the pandemic. On the other hand, traditional sectors like food, drugs, pharmaceutical, ITes (IT enabled services), banking, retail, automotive, real estate and jewellery are witnessing moderate to high to severe impact. So Impact of Covid-19 pandemic is found adverse as well as positive also and its depends upon nature of business of MSME, but most of MSME sector has badly affected due to Covid-19 pandemic. As MSME is backbone of Indian economy as stated above is collapse due to covid-19 resulted into negative GDP. So quick recovery of MSME will defiantly recover Indian economy from this recession phase due to Covid-19.

Conclusion

The MSME sector of India is today at the gateway of global growth on the strength of competitive and quality product range. India's MSME Sector comprises of 633.88 lakh units as per National Sample Survey 73rd Round (2015-16). However, facilitation from the Government is required to minimize the transaction costs of technology upgradation, market penetration, modernisation of infrastructure etc. The MSME sector has often been termed the 'engine of growth' for developing economies. It is concluded that MSMEs in the Indian Economy have shown tremendous growth and excellent performance with the contribution of policy framework and efficient steps which had been taken by the Government time to time for the growth and development of the MSMEs. Also recovery of Indian Economy affected due Covid-19 pandemic is defiantly depends upon recovery of MSME sectors as early as possible.

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GST - Concept of Seamless Flow of ITC & Contradictions

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India has gone through in absolutely bad phase in the year 2020-21, not only on account of pandemics of COVID-19 but number of aspects w.r.t. business and tax compliances. At present, trade & industries and professionals are struggling to revive their business and liquidity is the only oxygen for them for survival of the business. Collection of GST has drastically reduced during the lockdown period and started picking up only from last month and government has also detected certain malpractices of issuing the fake invoices without supply of goods and services and therefore, honest taxpayer have been axed on account of the bureaucratical thinking, which has killed the basic concept of seamless of input tax credit, which can be evidence from the following action taken by the government.

1. Rule 36 (4) of CGST Rules 2017 was inserted vide Notification No. 49/2019 dtd. 9th October 2019 restricting the input credit to the extent of 120% of ITC reflected in GSTR-2A.

   Quote

   (4) Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, shall not exceed 20 per cent. of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37.

   Unquote

   Further, the said notification was amended vide Notification No. 75/2019 – Central Tax dtd. 26th Dec 2019 restricting the ITC to the extent of 110% of ITC reflected in GSTR-2A.

   Such amendments are contrary to the provisions of Section 16 of CGST Act 2017, but even though it is covered under provisions of Section 41.

2. Rule 86A of CGST Rules 2017 was inserted vide Notification No. 75/2019 Central Tax dtd. 26th Dec 2019. This is contradictory with provisions of CGST Act 2017 and un-constitutional.

   Quote

   "86A. Conditions of use of amount available in electronic credit ledger.

   (1) The Commissioner or an officer authorised by him in this behalf, not below the rank of an Assistant Commissioner, having reasons to believe that credit of input tax available in the electronic credit ledger has been fraudulently availed or is ineligible in as much as-

   a) the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under rule 36- i.issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or

   ii.without receipt of goods or services or both; or

   b) the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under rule 36 in respect of any supply, the tax charged in respect of which has not been paid to the Government; or

   c) the registered person availing the credit of input tax has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or

   d) the registered person availing any credit of input tax is not in possession of a tax invoice or debit note or any other document prescribed under rule 36, may, for reasons to be recorded in writing, not allow debit of an amount equivalent to such credit in electronic credit ledger for discharge of any liability under section 49 or for claim of any refund of any unutilised amount.

   (2) The Commissioner, or the officer authorised by him under sub-rule (1) may, upon being satisfied that conditions for disallowing debit of electronic credit ledger as above, no longer exist, allow such debit.

   (3) Such restriction shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction.

   Quote

   This rule is challenged in the Gujarat High Court in the case of Surat Mercantile Association Vs Union of India, on the following grounds and Gujarat High Court have issued the notice to the government.

   a) Conditions under Section 16 of CGST Act restrict the availment of credit, and warrant reversal in cases where credit has been wrongly availed.

   b) The right to avail and utilize ITC for discharging tax liability is a legal right arising from the statute and it is trite in law that this right can be curtailed only with the specific power of the law and not otherwise'. [Eicher Motors Ltd. v. Union of India - 2002-TIOL-149-SC-CX-LB

c) None of the provisions contained in Section 16 including the Proviso 2 to the said Section or any other sections under the CGST Act empower the government to block ITC unilaterally, under any circumstances.

d) The Act provides for the provisional taking of credit on a self-assessment basis, and the blocking of credit goes against the scheme of the Act.

Thus, Rule 86A does not draw strength from any provisions of the CGST Act. The powers prescribed vide Rule 86A does not flow from the CGST Act, and hence can be challenged on the ground that it is ultra vires the Parent Act.

e) The decision of the Court in a similar case namely Kalpsutra Gujarat v. Union of India - 2020-TIOL-1558-HC-AHM-GST is awaited.

f) A similar issue was also before the Gujarat High Court in the cases of Valerius Industries v. Union of India - 2019-TIOL-2094-HC-AHM-GST whether the ITC can be blocked by the Revenue authorities.

g) The Court held that blocking of ITC without issuing a show cause notice and opportunity of hearing, was patently illegal and arbitrary and therefore asked the Department to accordingly unblock the ITC so blocked.

h) However, above cases were decided prior to the introduction of Rule 86A in the CGST rules.

i) Under Rule 86A of the CGST Rules, the empowered officer is not required to give the assessee an opportunity of being heard before blocking of their credit ledger.

Therefore, the operation of Rule 86A in itself is tantamount to violation of principles of natural justice, insofar as it does not mandate that an opportunity be given to the assessee to be heard before the credit ledger is blocked and therefore, any action taken by the revenue arbitrarily under the said Rule is in violation of Principle of Natural Justice.

j) Recipient should not suffer on account of a supplier's default.

3. Further amendment was made in Rule 36(4) vide Notification No. 94 /2020 – Central Tax dtd. 22nd Dec 2020 which has been made effective from 1st Jan 2020, whereby credit is restricted to the extent of 105% of ITC reflected in GSTR-2A and also GSTR-1 Return has been furnished by the suppliers.

Within the span of 1 year, government has restricted the credit 3 times. However, it is pertinent to note that the restriction is applicable only on those invoices or debit notes which are to be uploaded by the supplier under section 37(1) of CGST Act i.e., in his GSTR-1 but which have not been uploaded by him. Therefore, one could avail full ITC of the GST paid on the following:

- IGST paid on the import of goods;
- IGST paid on the import of services under RCM;
- ITC distributed by ISD availed on the basis of ISD invoice; and
- ITC of the GST paid under RCM by the recipient on the procurements which are taxable under RCM availed on the basis of RCM document i.e., self-invoice [for ex., legal services, GTA services, etc.].

However, there is no clarification issued by the department including its press release clarifying the myths & facts, whether such restriction on overall amount of ITC or supplier wise.

In our opinion, the restriction imposed is not supplier wise. Therefore, one would be required to consider the above restriction on a consolidated basis i.e., on the basis of total eligible ITC appearing in its GSTR-2A and total eligible ITC as per its books of accounts. It would not be required to do the comparison supplier wise or invoice wise.

4. Similarly, Rule 86B has been inserted vide Notification No. 94 /2020 – Central Tax dtd. 22nd Dec 2020, which stipulates that

Quote

86B. Restrictions on use of amount available in electronic credit ledger.-Notwithstanding anything contained in these rules, the registered person shall not use the amount available in electronic credit ledger to discharge his liability towards output tax in excess of ninety-nine per cent. of such tax liability, in cases where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds fifty lakh rupees:

Provided that the said restriction shall not apply where

(a) the said person or the proprietor or karta or the managing director or any of its two partners, whole-time Directors, Members of Managing Committee of Associations or Board of Trustees, as the case may be, have paid more than one lakh rupees as income tax under the Income-tax Act, 1961(43 of 1961) in each of the last two financial years for which the time limit to file return of income under subsection (1) of section 139 of the said Act has expired; or

(b) the registered person has received a refund amount of more than one lakh rupees in the preceding financial year on account of unutilised input tax credit under clause (i) of first proviso of sub-section (3) of section 54; or

(c) the registered person has received a refund amount of more than one lakh rupees in the preceding financial year on account of unutilised input tax credit under clause (ii) of first proviso of sub-section (3) of section 54; or

(d) the registered person has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the current financial year; or

(e) the registered person is –

i) Government Department; or

ii) a Public Sector Undertaking; or

iii) a local authority;or

iv) a statutory body:

Provided further that the Commissioner or an officer authorised by him in this behalf may remove the said restriction after such verifications and such safeguards as he may deem fit.".

Unquote

Admittedly, less taxpayers will be affected but there is no guarantee for the government that this will not be extended to other taxpayers removing the exclusions. Such provisions provide the directions of thinking of government, which will cause hurdles.

5. Similarly, the provisions of suspension of registration and cancellation of registration has been amended, which is definitely add harassment to the taxpayer and raise the questions on faceless working of the government providing very high powers without providing natural justice, which will definitely hamper trade & industry adversely.

a) Now the officer can proceed for cancellation of GSTIN where a taxpayer avails Input Tax Credit (ITC) exceeding than that permissible in Section 16. Clause (e) has been inserted in Rule 21 of CGST Rules 2017.

b) Now where the liability declared in GSTR 3B is less than that declared in GSTR 1 in a particular month, department may now proceed with cancellation of GSTIN. There might be some practical difficulties in implementing such a provision as there are number of corrections which are made in GSTR 3B which may result in lower tax liability as compared with GSTR 1. The clause (f) newly inserted talks about details of outward supply to which we understand that Taxable value and tax both should be in synchronization between GSTR 1 and GSTR 3B.

c) Now, no opportunity of being heard shall be given to a taxpayer for suspension of GSTIN, where the proper officer (PO) has reasons to believe that the registration of person is liable to be cancelled. The words "opportunity of being heard has been omitted from clause (2) of Rule 21A.

d) Where there are significant deviation/anomalies between details of outward supply between GSTR 3B and GSTR1 or inward supplies (ITC) between GSTR 3B and GSTR 2B which indicate contravention of Act, department shall now serve a notice in FORM GST REG 31 to call explanation as to why GSTIN should not be cancelled. Taxpayer shall be required to submit his reply within 30 days of such notice being served to him.

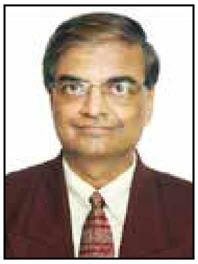
During the period of suspension and cancellation of registration taxpayer will adversely suffer not only in the business for making outward supplies but also for availing input tax credit, since one cannot stop the business on account of no fault of him. Such type of rules / prohibitions were not in existence even in the British Raj.

Unfortunately, such type of amendments are made on the eve of birthday of Late Arun Jaitely, who has built up the concept of "One Nation- One Tax" for providing seamless credit and hassle-free business without interface of the officer, but his dream is shattered by the bureaucracy.

All such amendments are not only unconstitutional and contradictory to the basic provisions of the CGST Act but detrimental to the growth of trade and industry and will be the big hurdle for ease of doing business.

Appeal to be made by each citizen to Hon Prime Minister Shri Narendrabhai Modi and Finance Minister Smt Nirmala Sitharaman to withdraw such notifications.

Education is the most powerful weapon which you can use to change the world.



Management Wisdom
Article 1: The incomplete CEO!

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Many CEOs perform as great leaders, build an institution and retire timely & gracefully. They do not become possessive of their own creation, as they know that their 'able successor' would drive the institution further. But there are ' incomplete CEOs' who inject steroid into the whole organisation, achieve impressive top & bottom lines, pocket handsome incentive and a glittery in the media before they retire. The damaging impact of the steroid becomes visible only after around one or two business cycles. The 'retired CEO' conveniently blames his successor for the 'fall from grace'. Obviously, the saddened successor is not given any opportunity by the board, to dig out the truth of injected steroid!

Normally a CEO emerges or appointed through one of the six different channels - 1. Succession Planning 2. Member of the owner's family 3. Invited from outside 4. Accidental CEO 5. CEO as a result of a conspiracy or coup and 6. CEO as a specialist to conduct a specific phase in the organization's life cycle. All these channels may offer an incomplete CEO. The normal risk here is, a CEO's deficiency is mostly known after the damage is done. The course of correction ie. his replacement too may be done in a hurry, as a reaction out of anxiety. Two - three wrong consecutive choices cause a considerable tangible and intangible damage, which becomes unrepairable.

Let us look at eight representative cases of an incomplete CEO very briefly.

1. The R & D Head of a seed development company was promoted as its CEO. He got quite a few great patents for his company but could not retain talented scientists. He was weak at engineering strategic alliances.
2. A CEO of an infrastructure company brought it up to a great size but being very possessive, didn't execute succession planning timely and correctly. Most of his business vertical heads today lack entrepreneurial excellence and suffer from 'robotic, hierarchical ego'.
3. A senior government executive was appointed as a CEO of a state finance company. He introduced a good administrative system but lacked banking knowledge. The company lost considerable business and some of the senior executives could take undue advantage of the CEO's incompleteness.
4. A CHRO, being very close to the promoter's family, was made CEO of a steel company. He could correct the manpower of the company but lacked a strategic perspective. Company could not exploit good market opportunities.
5. An FMCG company hired a senior consultant from an international consulting firm as its strategy head. Soon he was promoted as the CEO of the company. He messed up the industrial (employee) relations at the plants.
6. The CFO of a mining company was promoted as its CEO. He could substantially improve the financial control in all the functional divisions but could not develop the core business of mining. The company lost its market share considerably.
7. The purchase head of an electronic company was made its CEO. The business model of the company was based only on 'assembling' and not 'manufacturing'. The CEO didn't have a good 'manufacturing vision', hence the company had a serious setback.
8. The marketing head of a multinational electric company was made its CEO. He being ruthless, tripled company's sales in only three years but ruined the ethos of the organization. For last four years the company could not come back to its great old legacies.

The best way to get a good CEO is succession planning. A good candidate becoming a CEO is 90% complete. The remaining 10% has to be added after sitting in a CEO's chair, through 1. Knowledge networking, 2. Appreciating the SCA (Sustained Competitive Advantage) of the organization & defining an ambitious plan to enhance it further and 3. Giving confidence to all the major stakeholders that he is here to lead! An internal candidate identified to be tomorrow's CEO should be groomed for around three to five years. During this period, he should attain reasonable competence of 1. Strategic thinking through actual strategy formulation & execution 2. Financial acumen through actual experience of project evaluation, financial monitoring, networking with financiers etc. and 3. People management skills. Here an underlying assumption is, the successor is a fine technocrat who knows well the various dimensions of business and has been an outstanding performer in his domain area.

After becoming the CEO and executing a few important decisions relating to various stakeholders, he should gather 'real' informal feedback about his leadership. People giving this feedback should include young bright executives, customers, external business associates, retired executives who remain connected, senior executives, opinion - making workers, members of chamber of commerce and if possible, the competition. Such feedback is essential to evaluate his 'completeness' and gain stakeholders' confidence in his leadership. I should refer to a mythological example from Mahabharat. Bhishma and Krishna were the two great opposite leaders. Krishna won the war through his 'strategic guidance' given to the Pandavas. Bhishma lost, although he operationally fought the war with his unparallel warring technology. The difference between these two leaders was about 'completeness'!

■

MIS Report showing Product wise Electricity Cost as % of Total Electricity Cost of All Products

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In Manufacturing Industry, Electricity, either purchased or Self-Generated or Both, is required

(1) To run Manufacturing Operations and Supporting Utilities like Filtered Water, Demineralised Water, Boiler, Cooling Tower, Chilled Water, Air Compressor Units as well as

(2) For Supporting Activities like Stores for Raw Materials, Packing Materials & Consumable Stores, Warehouse for Storing & despatching Finished Products and

(3) For Office Areas of Finance, Costing, HR, Company Secretary, Purchase, Marketing etc.

It is imperative for CMA Department to monitor, control & reduce Cost of Electricity as Electricity Cost often forms 70 % to 80 % of total utility cost including Electricity required for running Manufacturing Operations.

And as Electricity Cost being Dominant Cost Component in Total Utility Cost and thereby in Cost of Sales, it pays to Monitor / Control / Reduce Electricity Cost.

This can be achieved through MIS Report as mentioned in Annexure 1.

Focus should be on Major Products that may contribute 70 % to 80 % of Total Electricity Cost.

To Monitor / Control / Reduce Its Usages

1) Plant should run at optimum capacity

   Usually, consumption of electricity per Unit of Output depends upon volume of output also.

   So, better the Capacity Utilisation for a product, lower should be the consumption per unit of output.

2) Suggestions can be invited from Employees working on Shop Floors.

   Company can suitably reward any good suggestion.

3) Possibility can be explored to replace existing Plant & Machinery with new Energy Efficient after having carried out proper Cost Benefit Analysis and its Pay Back Period.

4) To monitor, control & reduce electricity consumption, management should focus on A Category of Cost Centres which may account for at least 70 % of total electricity consumption.

5) When Company has its own Generating Power Plant, Ensure proper maintenance to avoid any avoidable break down

6) When Company has its own Power Generating Plant, then Auxiliary Consumption should be monitored regularly. Auxiliary Power Consumption is self-consumption used for operating the power plant. It can be equated with the Captive Consumption.

To Monitor / Control / Reduce Its Prices

1) To try to explore possibility of putting up own generating plant / wind mills / solar

2) When Company has its own Power Generating Plant, then it is always advisable to plan annual shut down, if any, with annual shut down of mfg plants, if possible, to avoid drawl of electricity at higher rate from State Boards

Note : It may please be noted that this Article deals with Direct Electricity for Production Cost Centres. It does not deal with Electricity forming part of Product Cost through Utilities Cost Centres and also through Other Cost Centres.

Annexure 1: Yearwise Trend of Productwise Electricity Cost as % of Total Electricity Cost of all products

YEAR	2019-20 (Rs Lacs)	%	2018-19 (Rs Lacs)	%	2017-18 (Rs Lacs)	%
PARTICULARS						
Break Up of Productwise Electricity Cost						
Product 1						
Product 2						
Product 3						
Product 4						
Product 5						
Product 6						
Product 7						
Product 8						
Product 9						
Product 10						
Product 11						
Product 12						
Product 13						
Product 14						
Electricity Cost for Other Products						
Total Electricity Cost of all products						

Note : Views expressed are personal views of the author

GST Corner

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Happy New Year…!

- **Annul Compliance for F.Y. 2019-20:**

  The due date for filing of GSTR 9 & 9C has been extended till 28th February 2021. However, the original due date was 31st December 2020. Now, all taxpayers shall be required to complete the entire exercise within 60 days' time limit.

  (Notification 95/2020-Central Tax dated 30.12.2020)

- **Amendments in CGST Rules, 2017:**

  Spat of the notifications issued on 22nd December 2020 turned out with major impacts on various sensitive issues such as admissibility of Input Tax Credit (ITC), Imposed multiple restrictions on Registration & Monthly Compliances. In addition to it also ratified the amendments are carried out through the Finance Act 2020.

  (Notification 94/2020-Central Tax dated 22.12.2020)

- **REGISTRATION:**
- **Rule 8 CGST Rules:**

  Introduced Biometric verification facility (Aadhaar authentication and taking photograph or taking biometric information, photograph and verification of such other KYC documents) for the applications for new registration.

- **Rule 9 of CGST Rules:**

  i) Extension for the registration approval time limit from 3 days to 7 days.

  ii) Failure in case of the biometric verification, then the officer may to conduct physical inspection of the places of business. In such case, the consent for registration shall be granted within a period of 30 days instead of the normal 7 days.

  iii) In case if, the officer fails to take any action within the statutory time limit i.e. 7 days, the application for grant of registration shall be deemed to be approved.

- **Rule 21 of CGST Rules:**

  i) The authority is empowered to cancel registration on the following grounds "without giving the opportunity of being heard":

     a) ITC availed in violation of Section 16 of CGST Act

     b) Mismatching the value furnished in GSTR -1 v/s GSTR -3B.

     c) Violation of any provision of Rule 86B of CGST Rules

  ii) Post cancellation of the Registration –

     a) The taxpayer will get 30 days' time limit to submit the reply and seek the reasons for revocation of the registrations.

     b) Refund will be blocked during suspension period.

     c) E-way bill cannot be generated during suspension period

- **E-Way Bill**
- **Rule 138 of CGST Rules:**

  i) 100 km per day is the parameter to derive the validity of the E-way bill.

  ii) Now, it curtailed to 50%. 200 km per day is the new parameter to derive the validity of E-way bill.

  iii) It results in to compel for increasing speed to reach the destination.

  (Applicable from 1st January 2021)

- **Restriction imposed for filing of GSTR-1:**

  - Rule 59 of CGST Rules: The taxpayer cannot file GSTR -1

     a) If a FORM GSTR-3B is not furnished for the preceding two months (for monthly returns)

     b) If a FORM GSTR-3B is not furnished for the preceding tax period (for quarterly returns)

     c) Not discharge the tax liability of at least 1% by cash (as per Rule 86B) and along with not furnished the return in FORM GSTR-3B for preceding tax period (instead of two months under (a)). (Applicable from 1st January 2021)

- **Input Tax Credit (ITC)**
- **Rule 36(4) of CGST Rules:**

  a) Earlier the limit for excess claim of eligible ITC was reduced from 20% to 10% on 1. January 2020. Now the said limit has further reduced to 5%. Means now the taxpayer can claim only 5% of ITC over and above the details appearing in GSTR-2A. *(Applicable from 1st January 2021)*

- **Rule 86(B) of CGST Rules:**

  a) Introduced a new rule for restriction on utilization of ITC

  b) Taxpayer can setoff output tax liability by utilizing 99% of ITC balance only.

c) It is applicable to the taxpayers where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds ` 50 lakh.

d) Even for such taxpayers, the said provision shall not apply in cases where:

1. The said person or the proprietor or karta or the managing director or any of its two partners, whole-time Directors, Members of Managing Committee of Associations or Board of Trustees, as the case may be, have paid more than ` 1 lakh as income tax in each of the last two financial years for which the time limit to file the return of income has expired; or
2. Received a refund amount of more than ` 1 lakh in the preceding financial year on account of unutilised input tax credit on account of zero-rated supplies (exports + SEZ); or
3. Received a refund amount of more than `1 lakh in the preceding financial year on account of unutilised input tax credit on account of inverted rate structure; or
4. Discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, up to the said month in the current financial year; or
5. The registered person is – (i) Government Department; or (ii) a Public Sector Undertaking; or (iii)a local authority; or (iv)a statutory body.

The Commissioner has also been granted powers to provided relaxation from the above provision after due verifications and imposing such safeguards as he may deem fit.

(Applicable from 1st January 2021)

- **Waiver of late fees for GSTR-4:**

  No late fees to be levied for delay filing of FORM GSTR-4 during 1st November 2020 to 31st December 2020 in UT of Ladakh for Financial year 2019-20.

  (93/2020-Central Tax dated 22.12.2020)

- Ratified the provision of CGST Act carried of Finance Act 2020: (92/2020-Central Tax dated 22.12.2020)

Finance Act 2020	Analysis (applicable from 1st January 2021)
Section 119	**Section 10 of CGST Act:** Enrolled list of restrictions for eligibility of the composition scheme • Making any supply of goods or services which are not leviable to tax under this Act • any inter-State outward supplies of goods or services • any supply of goods or services through an electronic commerce operator who is required to collect tax at source under section 52;
Section 120	**Section 16(4) of CGST Act** • Currently eligibility ITC of the debit note is linked with the date of Tax Invoice. Hence. ITC on the debit note can not avail post expiry of the statutory time limit prescribed under the law. • Now, removed the lacuna by removing of the word “invoice relating to such” • Therefore, ITC on Debit note is not integrated with the date of Invoice.
Section 121	**Section 29 of CGST Act** • Any taxpayer having opted for voluntary registration, can apply for cancellation of registration subject to such person is otherwise not required or not covered under any of the provisions of registration
Section 123	**Section 30 of CGST Act** • Additional / Joint Commissioner can now condone the delay in filling application for revocation of registration for max. 30 days and Commissioner can further condone the delay for 30 days
Section 126	**Section 122 of CGST Act** • Imposed penalty to the beneficiary of fake invoices • Penalty equivalent to the tax evaded or availed of ITC or passed on
Section 127	**Section 132 of CGST Act** • Imposed punishment to penalize to those who retain the benefit intentionally or unintentionally or at whose instance such transaction is conducted or fraudulently avails input tax credit without any invoice or bill
Section 131* ***(w.e.f. 1st July 2017)**	**Schedule II of CGST Act** • Has removed the word from para 4 “whether or not for a consideration from the transfer of assets.” • Now it is merely a classification schedule and does not determine whether a transaction is a supply or not.

DIRECT TAX CORNER

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After so many representations provided from the different professional bodies and the professional colleagues, finally government has come up with the date extension in various compliances which are explained in detail as under.

1. The Government has come up with the Notification No. – 93/2020-Income Tax dated 31'st December-2020. The important parts of the Notifications are explained as follows.
   - The Due Date for Income Tax Return for the Individuals whose accounts are not required to be audited was 31/12/2020, the same has been extended to 10/01/2021.
   - The Due Date for Income Tax Return for the Individuals whose accounts are required to be audited was 31/01/2021, the same has been extended to 15/02/2021.
   - The Due Date for Income Tax Audit Report and Transfer Pricing Audit Report was 31/12/2020, the same has been extended to 15/01/2021
2. The Government has also extended the date for filing declaration before the proper officer under the Vivad Se Vishwas Scheme from 31/12/2020 to 31/01/2021. The detailed Notification Number - 92 issued on 31/12/2020.

Due dates for the month of January-2021:

1. 07-01-2021 :

Due date for deposit of Tax deducted by an assesses other than an office of the Government for the month of DEC 2020.

2. 10-01-2021 :

Annual return of income for the (Financial Year 2019-20) assessment year 2020-21 for all assesses other than

(a) corporate-assessee OR

(b) non-corporate assessee (whose books of account are required to be audited) OR

(c) partner of a firm whose accounts are required to be audited or

(d) an assessee who is required to furnish a report under section 92E.

3. 14-01-2021 :

- Due date for issue of TDS Certificate for tax deducted u/s 194-IA (TDS on Immovable property) in m/o NOV 2020.
- Due date for issue of TDS Certificate for tax deducted under section 194-IB (TDS on Certain Rent payment) in m/o NOV 2020.
- Due date for issue of TDS Certificate for tax deducted under section 194M in the month of NOV 2020.

4. 15-01-2021

- Due date for furnishing of various audit reports including tax audit report and report in respect of international/specified domestic transaction for the Assessment Year 2020-21.
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of DEC2020 has been paid without the production of a Challan.
- Due date for filing TCS Return filing for 3rd Quarter.

5. 30-01-2021

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of DEC 2020.
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of DEC 2020.
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of DEC 2020
- CBDT Notification No. 92/2020 dated 31.12.2020 for extension under VSVS to 31.1.2021 for filing declaration.

6. 31.01.2021

- Due date for filing TDS Return for 3RD Quarter for FY.2020-21.

CHAPTER NEWS

AHMEDABAD

Webinar on Value Based Management

Chapter had organized Webinar on Value Based Management on 24th December 2020 for the Members on google meet. The welcome speech given by CMA Dakshesh Choksi, Chairman of P.D. Committee with introduction of speaker CMA P. D. Modh. CMA Haren Bhatt Chairman of Chapter proposed vote of thanks.

Webinar on Recent Amendments in GST

Chapter had organized Webinar on Recent Amendments in GST on 25th December 2020 for the Members. CMA Dakshesh Choksi, Chairman of P.D. Committee welcomed speaker and participants. Speaker CMA Vandit Trivedi gave detailed presentation on the subject. The program was well appreciated by the participants. Large number of members participated in the program. Vote of thanks proposed by CMA Malhar Dalwadi, Secretary of Chapter.

NASHIK-OJHAR

Chapter conducted "New Year Resolution"' online session for foundation students.The Managing Committee member CMA Nikhil Pawar initiated this session.During this online session he helped students to set a new year resolution in a different manner.

His session was based on the concept of SAVERS.

S - Silence

A - Affirmations

V - Visualization

E - Exercise

R - Reading

S - Scribing

All students enjoyed the session.

NAVI MUMBAI

CEP on Insight on Practical Approach for Conducting Internal Audit

Chapter conducted a Webinar on "Insight on Practical Approach for Conducting Internal Audit" on 20th December, 2020 via Google Meet app. The speaker for this event was CMA Anil Kumar Mishra Ex- Chief Manager Internal Audit at ACC and currently practicing as Cost Accountant from ASMM & Co.

CMA Vivek Bhalerao PD Chairman of the Chapter welcomed the audience. CMA Sirish Mohite, Chairman introduced the speaker. Vote of thanks proposed by CMA Vaidyanathan Iyer Vice Chairman of the Chapter

Webinar CEP on "Efficient & Effective Use of MS Excel"

CMA Akanksha Khare, Cost Accountant and PG Diploma in Financial Market & Portfolio Management was the speaker. CMA Sirish Mohite, Chairman of the Chapter introduced the speaker to the audience and highlighted its importance in today's business environment. The programme commenced with the speaker examining the widespread use of Microsoft Excel in the industry. Vote of thanks proposed by CMA Vaidyanathan Iyer, Vice Chairman of the Chapter.

PIMPRI-CHINCHWAD-AKURDI

Career Counseling

Chapter has conducted Career Counseling program on 7th December 2020 at Dnyandeep College of Science and Commerce, Tal-Khed, Dist-Ratnagiri through Google Digital Platform for 11th, 12th & F.Y. Commerce and Science students. CMA Jayant Hampiholi, Chairman of PCA Chapter has interacted with all the participants given introduction about the Chapter.

Webinar on "Stress Management"

Chapter conducted the webinar on "Stress Management" on Saturday, December 12, 2020 at 6.00 pm to 8.30 pm through Google Digital platform. CMA Ashish Deshmukh, Past Chairman of PCA Chapter has introduced and welcomed audience and introduced the speaker CMA Dhananjay Kumar Vatsyayan, Vice-Chairman of PCA Chapter.

Webinar on "Reverse Auction: What it is and How does it work"

Chapter conducted the webinar on "Reverse Auction; What it is and How does it work" on Saturday, December 19, 2020 at 6.00 pm to 8.30pm through Google Digital platform. CMA Pradeep Deshpande, Secretary of PCA Chapter has welcomed audience & speaker CMA Dr. Sunil Kumar Gupta, Managing Director, RVO – The Institute of Cost Accountants of Indian.

Webinar on "Farmers Producer Organisation (FPO) constitution - Benefits and Concerns & GST on Agriculture Inputs Mechanism"

Chapter jointly with WIRC of ICAI conducted the webinar on "Farmers Producer Organisation (FPO) constitution - Benefits and Concerns & GST on Agriculture Inputs Mechanism" to observe the National Farmer's Day on 23rd December 2020 at 4.00 pm to 5.00 pm through Google Digital Platform. CMA Mahendra Bhombe, Treasurer – WIRC of ICAI welcomed the participants. CMA Ashish Deshmukh, Past Chairman of PCA Chapter introduced speaker Mr. Vivek Kapadnis, Managing Director, Alligo Horizon Pvt Ltd., Nasik.

Webinar on "Mutual Funds in India – Growth and Opportunities"

Chapter conducted the webinar on "Mutual Funds in India – Growth and Opportunities" on Saturday, December 26, 2020 at 6.00 pm to 8.30 pm through Google Digital platform. CMA Ashish Deshmukh, Past Chairman of PCA Chapter has welcomed all the participants and introduced the speaker Mr. Sarath Bhamidipathi, Executive Director, IDBI Mutual Fund & Founder of Lotus Financials. CMA

Avinash Foujdar, Practicing Cost Accountant proposed a vote of thanks.

PUNE

Webinar on "New return system on Quarterly Return Monthly Payment Scheme (QRMP)"

Chapter organized Webinar for members on 11th December 2020 on the topic "New return system on Quarterly Return Monthly Payment Scheme (QRMP)" Mr. Rajiv Kapoor , Hon. Commissioner Central Taxes (Pune-2), CMA Narhar Nimkar, Indirect Tax Committee, MCCIA, and CMA Rahul Chincholkar, Chairman Students Co-ordination Committee, ICAI-Pune Chapter were speakers for the webinar. CMA Sujata Budhkar, Chairperson ICAI-Pune Chapter welcomed the members& introduced the Speaker to the participants. CMA Abhay Deodhar, Vice Chairman, of ICAI-Pune Chapter expressed vote of thanks.

Webinar on "Cricket Way of Life"

Chapter arranged Webinar for members on 12th December 2020 on the topic "Cricket Way of Life". Mr. Satchidanand A.Ranade was speaker for the webinar. CMA Abhay Deodhar, Vice Chairman, of ICAI-Pune Chapter welcomed & introduced the Speaker to the participants. CMA Nagesh Bhagane, Treasurer, ICAI-Pune Chapter expressed vote of thanks.

Webinar on "Valuation under GST"

Chapter arranged Webinar for members on 19th December 2020 on the topic "Valuation under GST". CMA Jasraj Kuleria, Practicing Cost Accountant was speaker for the webinar. Lecture was very Informative and fruitful for participants in current situation.. CMA Nilesh Kekan, Chairman, P D Committee ICAI-Pune Chapter welcomed & introduced the Speaker to the participants. He also expressed vote of thanks.

Webinar on "Artificial Intelligence and the Finance Function"

Chapter arranged Webinar for members on Saturday, 5th December 2020 on the topic "Artificial Intelligence and the Finance Function". CA, CMA S Balasubramaniam (Executive Vice President & Chief Financial Officer)Zensar Technologies was speaker for the webinar. CMA Sujata Budhkar, Chairperson ICAI-Pune Chapter welcomed the members & introduced the Speaker to the participants.CMA Rahul Chincholkar, Chairman Students Co-ordination Committee, ICAI-Pune Chapter expressed vote of thanks.

Webinar on "Agriculture Costing" : In this pandemic situation with the objective of 'Augmenting the farmer's income' The Institute of Cost Accountant of India has constituted the Task Force to evolve ways and means of 'Strategic Agri Cost Management'. ICAI Pune Chapter arranged 'Agriculture Meet' jointly with Nasik Ozar Chapter and Kolhapur-Sangli Chapter for members on 23rdDecember 2020 on the topic "Agriculture Costing". Hon. Shri Pasha Patel, Hon. Shri Pandurang Taware, Hon. Dr. Jyotiba Kumbhar were speakers for the webinar. CMA Raju Iyer, Vice-President ICAI,CCM CMA Neeraj Joshi, CCM CMA Ashish Thatte, CMA Sujata Budhkar , Chairperson ICAI-Pune Chapter, CMA Kailash Shinde, Chairman, Nasik Ojhar Chapter, CMA Basavraj Mule, Treasurer, Kolhapur Sangli Chapter were present for the Webinar.CMA Nilesh Kekan, Chairman, P D Committee ICAI-Pune Chapter welcomed the participants. CMA Rahul Chincholkar, Chairman Students Co-ordination Committee, ICAI-Pune Chapter proposed vote of thanks.

Course for IDAS Probationers : National Academy of Defence Financial Management Pune, a designated Central Training Institute (CTI) by DoP&T, Govt. of India under Ministry of Defence is engaged in imparting training to Indian Defence Accounts Service (IDAS) Probationers, IDAS officers, Group 'A' level officers from Defence establishments and other Group 'A' service officers. The Academy conducts a number of courses on Defence Financial Management for the officers of Defence Services – Army, Air Force, DRDO, MES and others. Under the revamped training programme of IDAS Probationers the Academy proposes to include a '5 days course on Cost Accounting from 28-12-2020 to 01-01-2021' and another 5 day course on Risk Analysis from 04-01-2021 to 08-01-2021 to ICAI-Pune Chapter. As a part of this ICAI-Pune Chapter arranged Training course on Cost Accounting and Financial risk analysis for IDAS Probationer's From Monday 28th December 2020. On this occasion Inaugural session arranged by Pune Chapter to interact with Participants, CMA Abhay Deodhar, Vice Chairman ICAI-Pune Chapter welcomed to all dignitaries & Participants. Dr. Mahesh Dale (Joint Director) IDAS, explained the importance of Training for Defence Probationers, CCM CMA Neeraj Joshi, CMA Amit Apte Past President ICAI addressed the session. Inaugural address was given by Shri Anand Agrawal, Director IDAS, NADFM, Pune. Vote of thanks delivered by CMA Rahul Chincholkar.

SURAT SOUTH GUJARAT

As per the guidelines issued by the Central Government & HQ regarding the COVID19 pandemic, the Chapter held the program on a virtual platform. Chapter organized a Webinar on "E- invoices under GST" on 5th December, 2020 through the google meet. The Speaker of the Program was CMA Malav Dalwadi. The Vice Chairman, CMA Nanty Shah presented a welcome address and CMA Bhanwar Lal Gurjar- Vice Chairman of the chapter introduced the Speaker to the members. CMA Malav Dalwadi commenced the session and explained about the procedure to generate E-invoices under GST. Members also raised their queries and all the queries were being answered by the speaker. CMA Bhanwar Lal Gurjar - Vice Chairman of the Chapter presented a formal Vote of Thanks.

■

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WESTERN INDIA REGIONAL COUNCIL

wishes all its Members and Students

Theme for February 2021

Theme for February month is Management Information System – Costing Prospective & Strategic Cost & Management System

Sub Theme :

- **MIS – Product Costing & Cost Control**
- **MIS - Standard Costing V/s Actual Costing**
- **Various Tools for preparation of MIS**
- **MIS in various industries**
- **Strategic Cost & Management System**
- **Decision making and Strategic Cost & Management System**

Articles on the theme as well as other professional matters are invited along with scanned copies of their recent passport size photograph, email id, mobile no and scanned copy of declaration stating that the articles are their own original and have not been considered for anywhere else. Please send your articles by e-mail to wirc.admin@icmai.in before 25th February 2021.

Pls. Note the final decision to consider Article/Paper is left with Chairman – Editorial Board.

THEME FOR MARCH 2021

Yearend (2020-21) Activities under COVID 19 –
Do's & Don'ts (Accounting, Income Tax, Companies Act Prospective)

To,

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