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REGIONAL COST CONVENTION 2023

Theme "Digital Bharat towards Amrit Kaal"

On Friday, 20th & Saturday, 21st January 2023

at Indian Education Society's

Pracharya B N Vaidya Sabhagriha

2nd Floor, IES, Raja Shivaji Vidya Sankul, Gate No.12, Patkar Guruji Chowk,
Hindu Colony, Dadar (East), Mumbai - 400 014

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

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REGIONAL COST CONVENTION 2023

ABOUT THE THEME OF THE CONVENTION

We are honoured and privileged to be at this crossroad of Indian Economic Independence initiated by our Hon'ble Pradhan Mantri, Shri Narendraji Modi, with his clarion call of SABKA SAATH. SABKA VIKAS. SABKA VISHWAS, SABKA PRAYAS. It encompasses Government policies, schemes, action plans along with commitments from institutions, businesses, NGOs, civil society that helps actualise our ideas and help us collectively create a better tomorrow.

It encompasses the initiative to transform India into a digitally empowered society and knowledge economy. It aims to connect entire India digitally focusing on our collective resolve and determination to shape the destiny of our motherland. The journey to 2047 requires each one of us to rise up and play our part as individuals, groups, civil society, institutions of governance etc.

Any Institution is not worthy of its existence if it cannot impart useful knowledge to its members as well as the local beneficiaries amongst whom it functions. Western India Regional Council of the Institute of Cost Accountants of India in the past has never wavered from its goal of "Tamaso ma Jyotirgamaya".

Being the Professional body our endeavour is to justify the "Amrit Kaal" by observing it as a "Kartavya Kaal" and that is the reason why we at the Western India Regional Council of the Institute of Cost Accountants of India have decided to deliberate on the apt theme "Digital Bharat towards Amrit Kaal".Through this we extend our support and associate as a partner with the various digital initiatives of the Govt. of India as well as to educate and upgrade the knowledge of our members about the digital dimension and development happening in the Global Economy. Since India is emerging as a Global leader in Digital transformation what better and apt subject can be the guiding force behind the annual congregation of CMA's this year.

Every Indian involved in organising and partaking in this event should feel proud of this opportunity and feel honoured to associate themselves with this endeavour of the Institute of Cost Accountants of India with their overwhelming cooperation and contributions.

We at Western India Regional Council of the Institute of Cost Accountants of India look forward to receiving you all with warm greetings for an eventful period of positive deliberations to enable the materialisation of the sincere dream of our Hon'ble Pradhan Mantriji.

PROGRAMME SCHEDULE

Friday, 20th January, 2023

From	To	Details
09.00 am	10.00 am	Registration & High Tea
10.00 am	11.30 am	Inauguration Session
11.30 am	12.00 pm	Tea / Coffee Break
12.00 pm	01.30 pm	**Plenary Session :** India as a Global Leader in Digital Transformation
01.30 pm	02.30 pm	Lunch
02.30 pm	04.00 pm	**Technical Session – 1** Cost Management Vis-à-vis Technology
04.00 pm	04.30 pm	Tea / Coffee Break
04.30 pm	06.00 pm	**Technical Session – 2** Digital Transformation & its impact on Professionals (Pannel Discussion)
06.00 pm	06.30 pm	Tea / Coffee Break
06.30 pm	08.30 pm	Cultural Programme
08.30 pm	-	Convention Dinner

Saturday, 21st January, 2023

From	To	Details
09.30 am	10.00 am	High Tea
10.00 am	11.00 am	**Technical Session – 3** New ABCD in Business Language risk management & cyber security
11.00 am	12.00 pm	**Technical Session – 4** Leveraging Digital Transformation for Business Growth
12.00 pm	12.15 pm	Tea / Coffee Break
12.15 pm	01.30 pm	Valedictory Session
01.30 pm		Networking Lunch

CEP Credit – 6 Hours

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FROM THE DESK OF CHAIRMAN

Respected Dear Professional Colleagues,

Season's Greetings and Happy New Year 2023 to all the members, students and their families. May this year bring all the joy and happiness in Professional field as well as in your personal front.

As you may all be aware that we have planned Regional Cost Convention 2023 (RCC) on the apt theme "Digital Bharat towards Amrit Kaal" on 20th & 21st January 2023 at Indian Education Society's Pracharya B N Vaidya Sabhagriha, Hindu Colony, Dadar, Mumbai. During the Two Day Long Deliberation and Discussion, participants will be enlightened on the various aspects covering the theme which include -- "India as a Global Leader in Digital Transformation, Cost Management Vis-à-vis Technology, Digital Transformation & its impact on Professionals, New ABCD in Business Language, risk management & Cyber Security, & Leveraging Digital Transformation for Business Growth". I request all the members to participate in this event in large numbers & take the advantage of knowledge sharing in technical sessions of the RCC. I also appeal particularly to members in Industry to support this event by way of Sponsorship and advertisement for the Souvenir and together we make this event a huge success.

Taskforce for members in industry of ICAI-WIRC and Pune Chapter conducted a full day program on 17th December 2022 on "Manufacturing 4.0 - The Enabler for Value Creation", at MCCIA, Pune. Detailed report is published in this issue.

Sequel to abreast the Members, WIRC had organised Webinar on GSTR 9 & 9C on 22nd & 23rd December 2022. CMA Vandit Trivedi was the speaker.

WIRC also started Series of Webinars on Industry Specific Costing & Cost Audit. 1ST Webinar in the series was on Coal Mining Industry which was held on 24th December2022. CMA B. Pandurangan, Manager (Fin.), Western Coalfields Ltd. & CMA Neeraj Joshi, CCM-ICAI were the Resource Persons.

In our Endeavour "Reach to Un-Reach", we have planned to Conduct Professional Development activities at a number of chapter/remote places so that the Members can attend Professional Development activities to keep them abreast about the apt topics of Professional relevance. In this regard, a half day Seminar is organised at Mehsana Gujarat on the subject "CMA's Growth Partner to Corporates"

As informed you in my earlier communique, WIRC has started "JOB Portal "window at the WIRC Website. It's a Connect counter for the Prospective Employers & Employees to meet their Demand. Pleasure to share that WIRC is getting good response from the Companies & Practising Cost Accountants also.

Happy to note after COVID Offline Examination of the Institute has started from 5th January. 2023 for which I extend my Best Wishes to all the Students appearing for the examination. WIRC will be starting Regular (Offline) coaching for the New Syllabus for the session February 2023 at various Oral Coaching Centres.

I wish all the Students and Members Happy Makar Sankranti, Pongal & Republic Day.

With With Warms Regards

CMA Shriram Mahankaliwar
Chairman, WIRC-ICAI

FROM DESK OF CHIEF EDITOR

Respected Seniors and Dear professional Colleagues,

Greetings!

Wish you and your family a very Happy and Prosperous New Year. Life is an adventure that's full of beautiful destinations, wishing you many wonderful memories in 2023.

On 20th and 21st January 2023, Western India Regional Council will be conducting Regional Cost Convention 2023. The convention will be held at Pracharya B N Vaidya Auditorium, Dadar East, Mumbai. The theme of the convention is "Digital Bharat Towards Amrit Kaal". Since last couple of decades, India is progressing towards digitally empowered nation. The theme is in accordance with the current developments in country.

On 17th December 2022, Taskforce for members in industry of ICAI-WIRC and Pune Chapter conducted a Full day programme on "Manufacturing 4.0- The Enabler for Value Creation", at MCCIA,Pune. This program was specifically designed for the automobile and engineering industry. It was an interactive session with great value which increased awareness about the developments of Manufacturing 4.0 and its impact on the finance professionals. Participant had insightful discussions which gave new perspective about methods of costing and accounting. It was really an eye opener for all the participants and participants came to know about the developments of Manufacturing 4.0 and its impact on the finance professionals. WIRC is planning to conduct similar programs for other industries also.

January 12th is celebrated as "National Youth Day" in India, in honor of Swami Vivekananda's birthday. He was an influential figure in India in the 19th century and a firm believer in the power of youth. Swami Vivekananda promoted philosophies and ideals that might be a great source of inspiration and for the youth of the country of India.

On 26th January 2023 India will be celebration its 74th Independence Day. Republic Day marks the adoption of India's constitution and the country's transition to a republic on January 26, 1950. I request everyone to attend the flag hosting on 26th Jan nearby your places.

WIRC has started "JOB Portal" session on WIRC's Website. This will help to facilitate the Students & Members at large regarding to the job requirements. It's a Connect counter for the Prospective Employer's & Employees to meet their Demand.

WIRC will be starting Regular coaching for the New Syllabus for the session at various centers in Mumbai. After a gap of almost 3 years physical sessions will be conducted. I am sure students and faculties are very excited to meet in person.

I welcome all of you for the Regional Cost Convention 2023 at Mumbai. Let's make this event a grand success.

Regards,

CMA Chaitanya Mohrir
Chairman, Editorial Board

Theme of February 2023

Union Budget - 2023

Sub Themes: Income tax – Corporate
Income Tax – Non-Corporate
Indirect Tax

Please send your articles by e-mail to wirc.admin@icmai.in before 5th February 2023.

Direct Taxes – Expectations from Union Budget 2023

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India's net direct tax collection grew 24% to Rs 8.77 lakh crore in the April to November of the current fiscal year. With this, the direct tax collection has reached around 61.79% of the full-year Budget Estimates (BE) for FY2023. Tax collection is an indicator of economic activity in any country

The net direct tax collection for fiscal year 2022–23 witnessed a steep growth of 23 percent over its last year, indicating that the economy is reviving post the pandemic. Plugging of tax leakages by the Government is one of the factors that resulted in this growth. The government introduced various withholding tax provisions to plug such tax leakages and increase the tax base. However, clarity is required on the implementation of these provisions, as the industry is grappling with various challenges

The Key expectations on the Direct taxation front from the Union Budget 2023 is as follows but the list is only indicative and not exhaustive.

Expectation 1: Clarification for deduction of tax at source under Section 194-O of the I T Act.

Taxpayers faced practical issues on applicability and implementation of the provisions of Section 194-O of the Act. Address those issues, clarify as to which entity shall be required to deduct tax under Section 194-O of the Act where the sale of products/service is via intermediaries and multiple e-commerce operators participate in a transaction.

Promote exports from India, it should be clarified that the provisions of Section 194-O will not apply when the e-commerce operator facilitates sale of goods or services by a resident seller to a customer outside India. Further, exemption for exports is provided in Section 206C(1H) to collect taxes at source and threshold of this exemption needs to be increased for individuals and HUFs from current level of Rs5 lacs to a more apt level of Rs 40 lacs to align it with the threshold for GST registration prevailing in majority of the states. Budget to examine possibility of allowing the deductor to report a consolidated monthly entry per deductee to reduce the volume of quarterly transactions for reporting and issuing TDS certificates. – It is recommended that sales returns, cancellations, and incidental charges (such as delivery or transport charges, packing charges, gift wrap charges, convenience fee) shall be excluded while computing the 'gross amount' for the purpose of Section 194-O of the Act. Clarify that pre-paid instruments (such as gift vouchers) are excluded from the definition of goods and services.

Expectation #2: Clarifications on applicability and implementation of Section 194R of the Act

In the context of Section 28(iv) of the Act, the Supreme Court (SC), in the case of Mahindra & Mahindra Ltd (2018), has upheld that the benefit received must be in some other form rather than just money. It is recommended to reconsider the Circular No 12/2022 and clarify that TDS under Section 194R is applicable only to payment of nonmonetary benefit or perquisite.

It should be clarified that any write-off of debt is not a benefit or perquisite arising from business or exercise of profession and hence, not liable to TDS under Section 194R.

With the practical challenges facing the industry, a lead time of at least six months may be provided and the effective date of the provision may be deferred to that extent. Alternatively, it may be clarified that no punitive action by way of TDS recovery, interest, penalty, or disallowance of expense will be taken for any TDS default under Section 194R for a period of six months starting 1 July 2022.

Expectation 3: Equalisation Levy (EQL) & Significant Economic Presence (SEP)

With the advancement of the OECD proposals on Pillar 1 and 2 and to promote the ease of doing business in India, the government should come out with a roadmap with respect to implementation of SEP and EQL provisions. Need for clarity that the SEP provisions should only apply to digital transactions. The terms, such as 'systematic and continuous soliciting of business activities,' 'engaging in interactions', 'users' should be defined and guidance using appropriate examples and quantifiable metric for explaining the meaning should be issued.

Rules for attribution of income should be prescribed at the earliest to provide certainty and smooth implementation of the SEP provisions. Transactions with group companies and the definition of users for SEP provisions should be excluded from EQL. Clarification should be provided to eliminate the overlap of SEP and EL provisions to ensure that the income chargeable to EL, which is exempt, should not be attributed to SEP

Expectation 4: Exemption from filing of tax return to non-residents

A relaxation from the requirement for filing of income tax return was extended to non-resident taxpayers deriving income in the dividend, interest, royalty, and fees for technical services as referred in Sections 115A(1)(a) and 115A(1)(b) of the Act. It is in the fitness of things to extend the said relaxation to non-residents taxpayers who have been subject to withholding tax on income (and having no permanent establishment in India) under the Act for ease of compliance.

For example, non-residents earning interest on income tax refund or interest received from the government or an Indian concern on monies borrowed or debt incurred other than in foreign currency, which has been subject to withholding tax under the Act. They should be exempted from filing of tax return in India.

Expectation 5: Extension of the sunset clause for Section 194LC and Section 194LD

The concessional tax rate regime introduced by the Finance Act, 2012 (for Section 194LC) and Finance Act, 2013 (for Section 194LD) has significantly provided a viable and attractive avenue for raising funds by Indian businesses, thus helping India to maintain the momentum in economic growth over the years. Therefore, it may be considered to further extend the sunset clause period for the said concessional tax regimes, which would support the vision to make India an attractive investment for the debt market and attain the objective of being a US$ 5 trillion economy

Need of the hour is Tax rationalised aimed at widening the tax base progressively so that individual tax burden brought to minimum for all to voluntarily prepared to pay the taxes. ■

Expectation from Budget – Individual, Industry & Society

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A. THE UNION BUDGET

1. Union Budget is a document, based on economic survey of India of previous year, indicating projected income and expenditure for a fixed period of time (Generally one financial year).
2. It outlines the PRIORITY of government, its policy, taxation pattern and various important economic indicators.
3. It is used as tool to promote certain sector and discourage certain sector through modifying tax structure and introducing / withdrawing incentive schemes.
4. It strikes a balance between welfare state and growth-oriented outlook in order to boost up the economy.
5. Common citizen, Industry, Society and farmers look forward for a positive factor in Government budget for them and country as whole.
6. Investor (Foreign & Domestic) tries to identify sunrise industry / sector for investment opportunity.

B. UNION BUDGET 2022-23

1. Budget - Government, while preparing the budget, generally focus certain sector / activities in order to improve the income of citizen, secure economic growth and stability in system. The budget of 2022-23 has aimed on following themes.
   a. PM Gatishakati
   b. Inclusive development
   c. Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action.
   d. Financing of investment
2. Economic Survey - Report of Economic Survey was presented one day before presenting the budget in parliament. Economic Survey Report highlighted the area needs more attention and impact of last year budget on economic condition of nation.
3. Railway Budget - Railway budget, earlier use to be a separate budget, has now been clubbed with Union budget. So, allocation of capital expenditure on expansion, modernization and upgradation has been included here.
4. Defense Budget - Defense expenditure remain a focus point in view of tension at LOC & LAC. Promoting manufacturing of defense product in India has shown positive impact and export in this sector is growing.

C. ANNUAL BUDGET 2023-24

1. Feedback system - Annual Budget 2023-24 is expected to be presented in parliament on 1 Feb 2023. Government has already invited suggestion from common citizen and approx. 400 responses has been received by Government and same has been incorporated in Budget preparation process.
2. Political Compulsion- It will be last budget of Modi -2 government and 5th budget of Mrs. Nirmala Sitharaman. Ruling party (BJP) will face general election in 2024 and crucial state election prior to general election. So, the budget is expected to consider populist and lucrative features to win over the mandate.
3. Salaried & Middle Class - The salaried class has paid the tax honestly and contributed significantly to economic growth of India in past. The Government focused the benefit mainly to poor & business class in past. So, Government is expected to meet the inspiration of salaried class and middle-class people at large in this budget.
4. Growth Engine - India is recognized as fastest growing economy of world and it will try to continue the status in future too. Therefore, Government will base its budget on report of Indian economic survey, suggestion received from various sector of society and current international economic outlook.
5. Before analyzing the expectation from Union Budget 2023-24, we have to understand the challenges, roadblocks and other important factors relevant for Union Budget 2023-24.

D. THE CHALANGES

Indian economy did well in first half of financial year 2022-23 and positive indication are there for second half. Union budget 2023-24 is expected to further enhance the momentum of growth in future. Important guiding factors of budget will be as under.

1. To continue with the economic growth trajectory, it will be necessary to further strengthen the following.
   a. Support to entrepreneur - Financial & Logistic Support for new entrepreneur & existing entrepreneur in trouble pertaining to Manufacturing, Agri & Service sector.
   b. Infrastructure – Govt has done well to enhance rail, road, water and air infrastructure. However, infrastructure like new port, access to port, material handling capacity at port,

manufacturing hub near port focusing export of goods etc. needs to be strengthen farther with high speed in order to promote export. Export promotion infrastructure to encourage export.

c. Employment Opportunity – India being a country of youth, so unemployment is a criminal wastage of available human resources. It is important to work on skill development of youth and promote employment generating sectors. Employment opportunity in rural areas also needs to be focused.

d. Health Care Infrastructure - Present healthcare infrastructure is too little for huge Indian population. Healthcare infrastructure needs to be strengthened further, especially in rural sector. Reasonable health care at affordable cost be available to all citizen of India.

e. Inflation - The money value of individual savings deposited in Fixed Deposit or similar instruments, erodes the value of money, because of high inflation rate. Curtailing the inflation will boost saving and investment.

f. High Interest Rate – The interest rate of RBI, banks and financial institution in India are higher than most developed nation. Higher Interest rate on loan increases overhead cost and finally the product cost. It is difficult to sale costly products in highly competitive international market.

i. Impact of lower interest rate on loan will be positive on trade and commerce.

ii. Lower interest rate may discourage deposit in bank (Availability of fund for loan) and ultimately capital creation capacity of Banks. A fine balance of interest rate and stepwise lowering of interest rate can solve the issue.

g. Saving Habits – Common people of Eastern world, including India have the habit of savings. The saving rate of people in this region are far higher than western countries. The main challenge is to mobilize the saving and utilize the same for capital formation. Banks and financial institutions are working on this front but unable to explore full potential. New product / instrument to mobilize the saving may the desired capital to achieve double digit GDP growth.

2. GDP 5 trillion USD $ - India poised to cross 5 trillion USD $ economy by 2025-26 and become third largest economy of world in near future. So, it is important to achieve double digit GDP growth in manufacturing & service sector. It is also important to accelerate growth in agriculture sector.

3. Export 1 trillion USD$ - India is trying hard to boost up its export and many expert feel that Indian export to touch 1 trillion USD $ by 2025. Though it is tough task for policy maker but appears to be feasible.

4. Atama Nirbhar Bharat – Government of India is focusing on “Make in India” concept. It tries to woo foreign manufacturer to locate its base in India. India is also planning to become major player in the field of defense export.

E. THE ROADBLOCKS

Expectation from budget is very high in spite of following negative factors looming large.

1. Pandemic in India & abroad - Just revival of India and world from the outbreak of pandemic Covid 19. Though India has managed the pandemic well but economic impacts are more serious. Latest & fresh outbreak of Covid 19 in China is heating the headline of newspaper. The news coming from China is a reminder of medical emergency people faced worldwide.

2. Free bees by state Government – Political parties of many states promising free bees to gain popular votes without considering the economic situation of state. Punjab is facing severe problem because of free bees. There should be limitation on political free bees in order to secure economically viable and progressive states in India.

3. Boarder Dispute - The tense situation at border (LAC and LOC) and occasional low-level confrontation with armies of China & Pakistan is a regular feature. Heavy mobilization of armed forces by China at northern border of India and Indian ocean is a matter of great concern.

4. International Harmony - Continued long war between Ukraine and Russia has destabilized the economic condition of European countries. UK has affected most. USA also feeling the heat of economic slowdown. Trouble for Russian & Chinese economy is also being forecasted by experts. Indian economy have to tackle the situation arising because of slowdown in major economy.

5. Situation in neighboring Countries - Economic bankruptcy in neighboring countries like Sri Lanka, Pakistan, Bangladesh & Nepal has worsened the economic and political stability in the region. So, it is important to monitor all projects, contract and investment being shared foreign owned company / government. Special caution is required in case of Chinese companies.

6. Economic Outlook - Worldwide economic recession including developed economies is heating hard and growth projection are being corrected to lower than initial projection.

7. India-Pacific - Taiwan, North Korea & complete South China sea remains a high flash zone between China and its neighboring countries including Indonesia.

F. EXPECTATION FROM BUDGET – SOCIETY

1. Waste Disposal –

i. Waste disposal is remaining a great concern for urban society. In appropriate waste disposal create environmental issue and affects the health of common citizen.

ii. Very tight norms for waste disposal increase the cost of final product. It is difficult to sale costly product in competitive market.

iii. It is therefore necessary to develop new technology, which ensure proper waste disposal at affordable cost.

2. Air Pollution

i. Air quality of most urban areas especially New Delhi are at alarming high level. Air pollution affecting the health of common citizen ultimately reducing the productive capacity of human power.

ii. Air pollution are mainly generated from vehicle exhaust, furnace, dust from project site, burning of parali, waste disposal and boiler.

3. Water Pollution

i. Water from most water bodies (River, lake, ponds and ground water dare getting polluted because of rapid industrialization. The measures taken are not sufficient to protect the water bodies.

ii. Project like Namimi Gange has produced some effect but still lot needs to be done.

iii. Effluent treatment of Industrial waste water, sewage treatment plant etc. prior to disposing polluted water in water body. New technology and research must be encouraged to curtail water pollution.

G. EXPECTATION FROM BUDGET – INDUSTRY

1. PLI Schemes –

a. It is expected that the Government will identify upcoming sectors, needs incentive

b. Export sector to boost further and widen the export basket in order to achieve the export target of 1 trillion USD $ by 2025.

2. Port infrastructure

a. It should aim to improve the approach infrastructure up to port, cargo handling at port, enhancing port capacity and developing new ports.

b. Area around port should be develop as manufacturing and export hub.

c. Tax exemption to foreign ships at designated port, so that these ports can be developed as business hub of south & east Asian countries. Potential port at Andaman Nicobar, Laksh dweep etc. should be selected for the purpose and developed accordingly.

3. Health Care Sector

a. India is having the potential to became top manufacturer & exporter of pharmaceuticals. R&D in this sector will benefit the most.

b. Affordable medical care to every citizen and extension of health care facilities towards tier 2 & 3 cities. This sector is having huge potential to expand.

c. Time bound upgradation of existing facilities and infrastructure.

4. Sunrise Sector – Sunrise sectors like electrical vehicle, Solar energy, Hydrogen energy, pharmaceuticals (Including aayurveda), deep see mining, high speed rail & road network, inland water ways, manufacturing hub in economic corridor, Tourism sector etc. can be treated like engine of future growth. These sectors deserve more focus.

5. Strategic Institutions of national interest.

a. Electrical vehicle, solar panel, mobile phone, Laptop etc. should be encouraged through setting up new manufacturing facilities.

b. Promote R&D and similar activities in reputed educational institute (IIT, NIT, IIM, IISc, ISI etc.).

c. Promote and expand institutes like AIIMS and reputed medical institute in health sector. India can be developed as hub for medical support to international community, being the most competitive pricing.

H. Expectation from Budget – Individual

1. Non taxable limit & Standard deduction – It is required to increase these limits considering the inflation and cost of higher living standard.

2. Tax Exemption Limit - Increase tax exemption limit under section 80C

3. Expansion of Scope - Expand the scope of section 80D to include the treatment of person of any age for disease under pandemic like Covid 19.

4. Deduction Limit –

i. Increase in deduction limit on interest on home loans. Cost of home has increased substantially it needs to be revised.

ii. Increase in non-taxable limits for income from interest, specially for senior citizen.

5. Work from home deduction for salaried class – Employee working from home spend on internet and power. So suitable deduction may be allowed while calculating direct tax.

I. CONCLUSION

1. Above list of expectation from the Union budget 2023-24 are not exhaustive but only an indicative in nature. Every individual is having different expectation but Government should try to consider, which affects the most.

2. Farmer and salaried class are generally neglected in most of the budget needs to be focused.

3. New upcoming sector needs to capitalize and promoted as future of consistent growth.

4. India is a vast and complex society having plenty of crossing interest. It is important to strike a balance and optimize the gain at minimum cost.

"Jay Hind"

Upcoming Budget and PLI Scheme

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1. What is Production Linked Incentive Scheme:

The Production linked incentive scheme is an initiative that provides incentives to domestic industries to boost domestic production. It involves financial incentives for businesses to augment their output, whether in the form of tax rebates, lowered import and export duties or land acquisition norms. This scheme has been launched in line with India's Atmanirbhar Bharat Campaign. The production linked incentive scheme was introduced first in 2020 with a view to boost domestic manufacturing. This scheme has been launched in 13 sectors identified by the government with a total outlay of approx. 2 lakh crore rupees. It also aimed at encouraging foreign companies to find workforce in the country and thus generate employment. In this article, we shall discuss the main aspects of this scheme.

2. A Brief Background of PLI Scheme

2.1. It was introduced as a part of the National Policy on Electronics by the IT Ministry to give incentives of 4-6% to electronic companies, manufacturing electronic components like mobile phones, transistors, diodes, etc.

2.2. The main aim of this scheme was to invite foreign investors to set up their manufacturing units in India and also promote the local manufacturers to expand their units and generate employment

2.3. The first sector which the PLI scheme had targeted was the Large Scale Electronics Manufacturing in April 2020, and by the end of the year (November 2020), 10 more sectors including food processing, telecom, electronics, textiles, speciality steel, automobiles and auto components, solar photovoltaic modules and white goods such as air conditioners and LEDs were also expanded under the PLI scheme

2.4. As far as the eligibility is concerned, all electronic manufacturing companies which are either Indian or have a registered unit in India will be eligible to apply for the scheme

2.5. In the Union Budget 2021, Finance Minister Nirmala Sitharaman mentioned the inclusion of thirteen more sectors under the PLI Scheme for a period of five years and Rs. 1.97 lakh crores have been allocated for this scheme from Financial Year 2022

3. Objectives

This scheme was introduced with four objectives-

3.1. To Target specific product areas;

3.2. Introduce non-tariff measures to compete effectively with cheap imports;

3.3. Blend domestic sales and export sales to ensure manufacturing remains competitive and sustainable;

3.4. To promote manufacturing domestically while encouraging investment from India as well as outside India.

3.5. The objective of the PLI scheme, announced by the Modi government after the Covid-19 pandemic, is to make domestic manufacturing globally competitive and create global champions in manufacturing. In September, Commerce and Industry Minister Piyush Goyal stated that the government is working to extend incentives under the PLI scheme to more sectors.

4. Some of the main features of this scheme are as follows:

4.1 Introduced as a part of the national policy on electronics to provide incentives of 4-6% to electronic companies and manufacturing electric components such as phones, transistors etc.

4.2 The main objective of the scheme is to attract foreign investors to set up their manufacturing units in India and to promote and encourage local manufacturers to widen their units and generate employment.

4.3 One the primary sectors which were targeted under this scheme was the large scale electronics manufacturing sector. Later this scheme went onto target 10 other sectors, namely- food processing, telecom, electronics, speciality steel, automobiles and auto components, aviation, textile apparel, solar photovoltaic modules and white goods like ACs and LEDs.

4.4 The eligibility requirement of this scheme entails that the companies that are electronic manufacturing companies having a registered unit in India can apply for this scheme. Detailed eligibility requirements have been discussed below;

4.5 In the Union Budget of 2021, Finance Minister had said that 13 more sectors have been included under this scheme for a period of 5 years and an amount of 1.9 lakh crore rupees have been allocated for this scheme.

5. Benefits of PLI:

The PLI framework enables India to take definitive steps, in the near term, to expand the manufacturing potential of the economy. The pillars of the policy are:

5.1. Creation of large-scale manufacturing capacity: Since the incentives are directly proportional to production capacity / incremental turnover, it is expected that investors will be compelled to create large-scale manufacturing facilities. Furthermore, it is also expected to bring improvements in industrial infrastructure, benefiting the overall supply chain ecosystem.

5.2. Import substitution and increase in exports: PLI schemes intend to plug the gap between the highly skewed Indian import- export basket, which is mainly characterized by heavy imports of raw materials and finished goods. The PLI schemes are intended to enable domestic manufacture of goods, thereby causing a reduction in reliance on imports in the short term and expanding quantum of exports from India over long term.

5.3. Employment generation: As large-scale manufacturing requires large labor force, it is expected that the PLI schemes will utilize India's abundant human capital and enable upskilling and technical education.

5.4. Facilitates Global Competitiveness :The incentive amount offered varies across sectors and the savings generated from PLI of one sector can be appropriated towards other sectors in order to maximize returns. The PLI schemes are intended to incentivize large domestic and global players to participated in production and lead to more inclusive growth across the country.

6. How to Apply for a PLI Scheme? : Individuals should know that different sectors follow a separate application procedure.Here is an example to make an application for the telecom sector.

- **Step 1:** Visit the official Production Linked Incentive scheme website.
- **Step 2:** On the homepage, click on "Register".
- **Step 3:** Fill in the Production Linked Incentive Scheme registration form for a large-scale electronics company with details such as PAN, organisation name, address, etc.
- **Step 4:** Complete your application by clicking on "Register".

Individuals should keep a tab on the official website to know the details on incentives. This practice would allow them to know the latest PLI scheme and terms.

7. **Expansion of PLI Scheme:** This scheme has been expanded to include 10 more sectors. Below we list down the sectors to which the scheme has been expanded and also the approved financial outlay:

Hon'ble Finance Minister, Smt Nirmala Sitharaman has announced an outlay of INR 1.97 Lakh Crores for the Production Linked Incentive (PLI) Schemes across 14 key sectors, to create national manufacturing champions and to create 60 lakh new jobs, and an additional production of 30 lakh crore during next 5 years. In addition to the three schemes announced earlier in March 2020, GoI has further introduced the following 10 new PLI schemes in November 2020.

7.1 March 2020:

- Key Starting Materials (KSMs)/Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs): Department of Pharmaceuticals
- Large Scale Electronics Manufacturing: Ministry of Electronics and Information Technology
- Manufacturing of Medical Devices: Department of Pharmaceuticals

7.2. November 2020:

- Electronic/Technology Products: Ministry of Electronics and Information Technology
- Pharmaceuticals drugs: Department of Pharmaceuticals
- Telecom & Networking Products: Department of Telecommunications
- Food Products: Ministry of Food Processing Industries
- White Goods (ACs & LED): Department for Promotion of Industry and Internal Trade
- High-Efficiency Solar PV Modules: Ministry of New and Renewable Energy
- Automobiles & Auto Components: Department of Heavy Industry
- Advance Chemistry Cell (ACC) Battery: Department of Heavy Industry
- Textile Products: MMF segment and technical textiles: Ministry of Textiles
- Specialty Steel: Ministry of Steel

7.3. September 2021

- Drones and Drone Components: Ministry of Civil Aviation

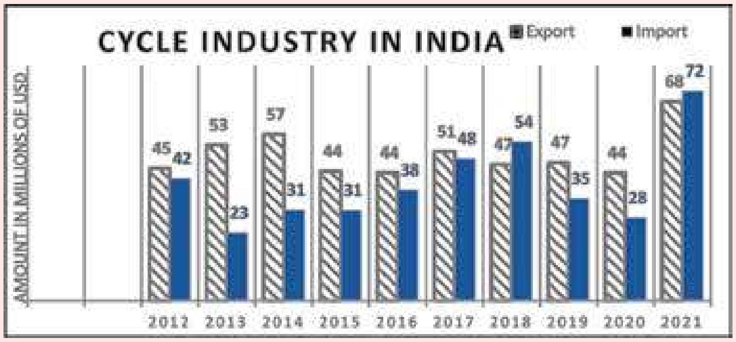
As on December 2022, 650 applications have been approved under 13 Schemes and more than 100 MSMEs are among the PLI beneficiaries in sectors such as Bulk Drugs, Medical Devices, Telecom, White Goods and Food Processing.

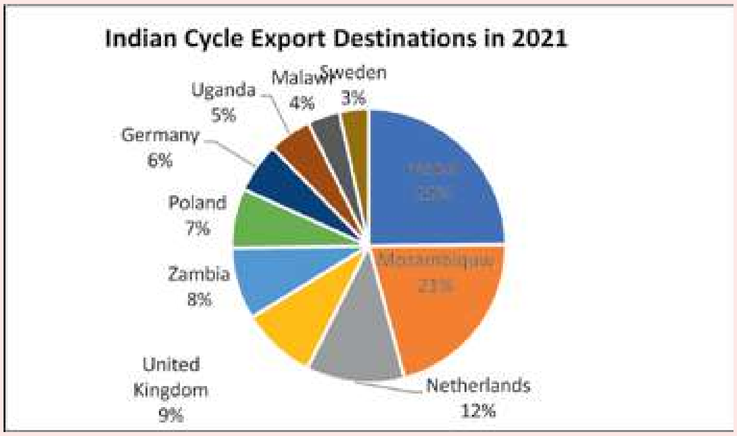
8. PLI Schemes expectations in Coming Budget:

The government is considering proposals to extend Rs. 35,000 crore PLI scheme to different sectors such as leather, bicycle, some vaccine materials, and certain telecom products with an aim to boost domestic manufacturing and create jobs, an official said. PLI (production-linked incentive) benefits are also being considered for toys, some chemicals and shipping containers. The opposition claims that unemployment and inflation are two big issues that Indians face today. Many lost jobs as a result of the Covid-19 pandemic and should India face a recession, the situation may change for the worse. The Indian government in the form of PLI, Make in India and other schemes has been encouraging job creation in India and may continue to do so in the upcoming Budget.

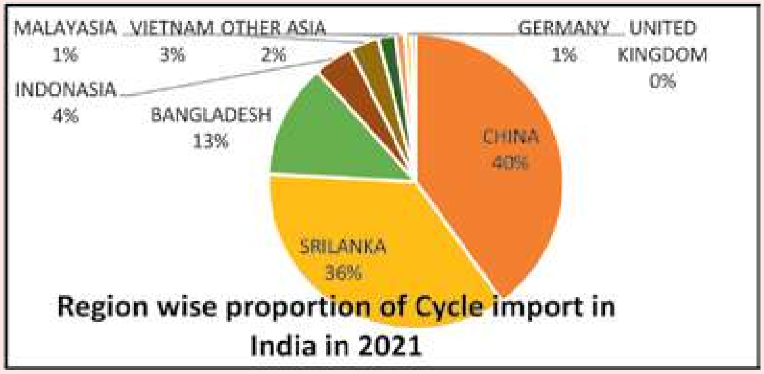
9. Case Study of Cycle Industries to be qualified for PLI Scheme:

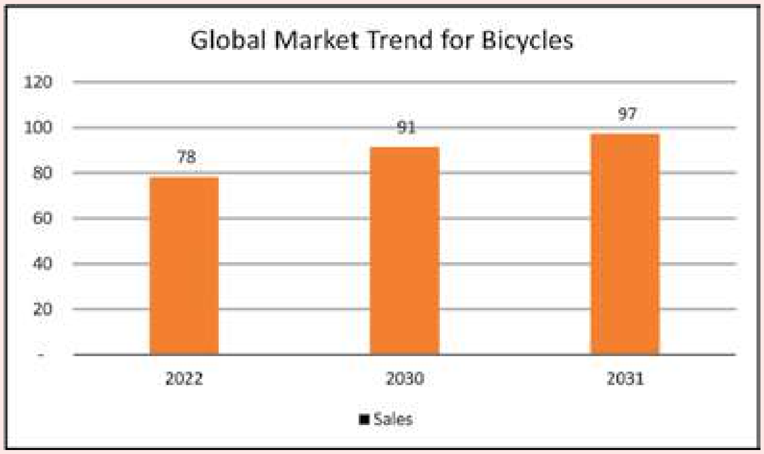
9.1. Present Scenario:





9.2. Future Predictions: New York, United States, Oct. 27, 2022 (GLOBE NEWSWIRE) -- The Worldwide Bicycle Market Size was valued at $78.33 billion in 2021 and is expected to reach at a CAGR of 6.5% from 2022 to 2030, and is anticipated to grow at a CAGR of 16.7% from 2022 to 2030, According to a latest research study published by Spherical Insights & Consulting.





- The U.S. Market is Estimated at $9.1 Billion, While China is Forecast to Grow at 7.7% CAGR
- Mountain Bicycles Segment to Record 6.2% CAGR

9.3 **Analysis:** This can be concluded that India has proved its cycle manufacturing skill in the world market and since the industry has good future scope so this Industry can be given support from the Government.

Conclusion:

There are various aspects in upcoming budget that will affect life style of citizens as well as the economy of the country. PLI schemes needs to support t MSMEs Units to implement self reliance and come over the trade deficits. India is the largest exporter of Sandalwood and its export is controlled by the Government. People may expect privatisation of this industry as well like Petroleum Industry in near future.

Citations:

1. *Investopedia.com*
2. *Economictimes.com*
3. *https://connect2india.com/global/import-Cycle-to-india*
4. *And various Google Searches*

Why Registered Valuer should be included for Valuation under Income tax Act ?

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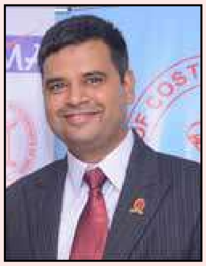

Valuation refers to calculation of value of business/ underlying asset / liabilities of entity. One of key factors which drives valuation process is purpose. The Valuation approach will depend on the purpose for which the valuation is done. E.g. Practically the approach followed for Valuation of Inventory for the purpose of submission of Stock Statement to Bank will be different from the approach followed for same asset for the purpose of submission to Income Tax Authority, isn't it ? Similarly, the approach followed for valuation for merger will definitely depend upon which side is doing evaluation. That's why the Valuation is always dynamic, it changes according to situation, side, scenario and most importantly time. The purposes can be broadly segregated in two parts i.e. Statutory and non-statutory. Non-Statutory purposes will include the valuations carried out for various business deals or may be for self-assessment, These Valuations are carried out to aid business take certain decisions. The valuation assessment is done mainly to know what value the business/ asset/ liability would fetch in order decide future course of action. These valuations are done purely on voluntary basis and not as requirement of any law. The professional who is having adequate knowledge of subject Valuation and having experience in carrying out Valuations would be preferred choice. Although not mandatory, the Professional having competency, experience and credentials in valuation would be best fit.

Statutory Purpose includes the valuations carried out in order to adhere to laws of the land. In country like India there are so many laws which requires valuation. However there was no single professionals which were given authority to do valuations. Different laws which came in force different times has prescribed different set of professionals who can carry out and certify Valuation. Professional recognized 'to certify valuations under major Act/ Rules / Regulations are shown below in matrix format :

Sr.	Particulars	Registered Valuer (RV)	Merchant Banker (MB)	Chartered Accountant (CA)	Cost Accountant (CMA)
1	Companies Act, 2013	✓	×	×	×
2	Income Tax Act, 1961	×	✓	×	×
3	FEMA,1999	×	✓	✓	✓
4	SEBI Laws*	✓	✓	×	×

*SEBI Laws includes many rules & regulations which prescribes Merchant banker to carry out valuation, however recently those are amended to recognize Registered Valuer (as per companies Act 2013).

It may be noted that no professional has been vested with authority wrt all laws. Hence that brings lot of redundancy and add to costs of business. E.g. If Company wants to issue further shares to Investor located outside India at premium it may have to get the valuation done for 3 different purpose. One for Companies Act, second FEMA & third Income Tax. In such scenario, the entity may have to get valuation done of same thing form may be two or three different professionals. Further the values calculated by these professionals may also vary as the valuations involve subjectivity and professional judgment. To avoid this Government should come out with amendments in the laws in order to bring the uniformity, avoid duplication of work and save time & costs of business.

Who should be preferred choice ?

When the different laws were enacted, there was no separate professional who was recognized as Valuer. Hence being no other choice, the authority was entrusted to professional like CA, CMA or Merchant Banker. If you look at the curriculum of these qualifications although the subject of Valuation may have been covered in their syllabi, the focus is something different. These qualifications were not carved to engage the professionals to be become valuer. Whereas since enactment of Companies Act 2013 followed by notifying the Companies (Registered Valuers and Valuation) Rules, 2017, there not professional available who is focused only to carry out Valuation i.e. Registered valuer. Naturally given the preferred choice is available now.

To Conclude

The Government should amend the provisions of Income Tax Act & other acts to enable Registered Valuer to attest the valuations in all laws. The alignment process has already been initiated by recognizing Registered valuer in other laws like Insolvency & Bankruptcy Code 2016 & SEBI Regulations (REIT & INVIT).

This would one more step taken by Govt in order to prove EODS (Ease of doing Business) ranking. To conclude Government should recognize the Registered Valuer for Income Tax, FEMA, SEBI and all enactments wherever the valuation is required at the earliest. Commerce & Industry will welcome this change which will bring more consistency, professionalism, avoid redundancies and cost effective.

Debit Entry in Electronic cash / Credit ledger - How much important it is?

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In the context of recent Hon'ble Madras high court judgment in the case of India Yamaha Motor Private Limited – 2022– TIOL -1186-HC-MAD-GST the caption assumes great importance and I would like to discuss the same hereunder.

Fact of the case

Para - 1

1. The Petitioner M/s India Yamaha Motors Pvt Ltd. is an assessee under the provisions of the Tamil Nadu Goods & service tax Act 2017.
2. Assessee has Challenged an order dated 10.04.2019 wherein the respondent called upon to remit interest of sum of Rs. 500,00,000 (5cr) for belated remittance of GST for the period July- 2017 to Oct. – 2017.

Para -4

3. The levy of interest u/s 50 of the Act arose out of the fact that when the Petitioner filed the GSTR -3B return for the month of July 2017, there was an inadvertent error where by the data pertaining to its plant at Faridabad was included instead of data pertaining to the Chennai plant.

Para - 5

4. This swap resulted in a short disclosure of liability for the period July 2017 to oct 2017 leading to the levy of interest.

Petitioner contention / submission

Para - 8

1. It had sufficient ITC credit in both Electronics cash Ledger (ECR) as well as in electronic credit register (ECrC) thus there had been no loss cause to revenue hence no justification to levy interest, since interest is only compensatory in nature.

Para - 9

2. Taking note of Amendment to section 50 of the Act the respondent has recomputed the interest payable reducing the same from (5 Cr, To to Rs, 1,19,00,000 (1.19 CR).
3. The submission of Assessee is that the same logic that has merited acceptance by GST authorities in relation to Cash balance should apply in the content of credit balanced as well

Deptt contention

Para 4.2.2

1. Wherever the balance available in electronic cash ledger the same is the property of GST Registrant and its apposite to mention that they can file refund of the balances of electronic cash ledger at any point of time as per GST provisions.
2. Where as the amount will go to the Govt Exchequer only when the return is filed and amt is debited from electronic cash ledger toward tax liability.
3. The date of debit of tax payable in ledger operated by common portal is the date of payment of tax. Such debit of tax would arise only in the event filing of statutory return.

Para 16

4. Unless an assessee actually file a return and debit the respective registers, the authorities cannot be expected to assume that available Cr will be set off against tax liability.

Judgment

Balance in ledger does not reach the Government Exchequer unless the balance amount is debited through an entry towards payment of tax at the time of filing Return GSTR-3B. Belated filing of Return leads to belated payment of tax and hence interest is leviable.

Important take away:-

Even under earlier Central Excise regime there was a concept of PLA & RG23A ledgers wherein invoice wise debit was made in the respective ledgers as a proof of payment of duty. When this invoice wise duty payment was reformed to consolidated payment that time also debit in PLA & RG23A held the key proof of duty payment.

All members and assessees need to ensure to file the GSTR-3B return submission on or before due date to avoid interest liability. The crux of the Judgment discussed is on two counts.

i) GST payment takes place only if the amount lying in the Electronic Cash and Electronic Credit ledgers are debited towards tax liability. Keeping balance has no effect.

ii) Debit towards payment of tax liability takes place only at the time of filing GSTR-3B Return.

In simple words it can be understood that Electronic Cash ledger is like your wallet & unless you make transfer or debit from your wallet to Govt wallet it will not consider that payment of tax is completed.

All need to ensure to File GSTR – 3B – on or before due date.

Technically :

It is to be ensured that status of GSTR -3B has come as "Filed ". The status of "Submitted" is not suffice.

To summarize unless and until the amount is not shown as debit entry in your cash/credit ledgers one cannot argue that as there was sufficient balance in the ledgers no interest is payable.

■

SAP T-Code : MIGO

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Used in SAP PS / MM

MIGO is used to enter goods receipt in ERP, it is also used to display of MIGO documents as well as return of goods and issued of Goods. So this is purely stock pertaining T-code.

What is use of ME23N-

1) MIGO T-code use for stock entry in SAP
2) This T-code also use to display the MIGO documents
3) Material can return fully or partially using this MIGO T-code
4) User can Display PO number and Project Name for which MIGO has done
5) User can display FI document posted against MIGO
6) Stock location where material has delivered can display using MIGO t-code
7) Profit Centre/Fund Centre and commitment items also display in MIGO

MIGO Movement

103- When stock bring and just received at store location but not yet accepted store head as quality or quantity to be checked before acceptance, here no accounting impact on stock

104- This movement type is reversal of 103

105- Actual accounting impact on stock will be done at 105 MIGO movements, at this stage ,MIGO materials will increase stock of MIGO items and accounting entry will post in ERP as follows-

Stock A/c ....Dr

To IR/GR A/c......

(IRGR-Invoice Receipt, Goods Receipt)

106- This is also one type of reversal posting. 106 movements is fully reversal of 105 movements. It means total MIGO document reversed using 106 movements.

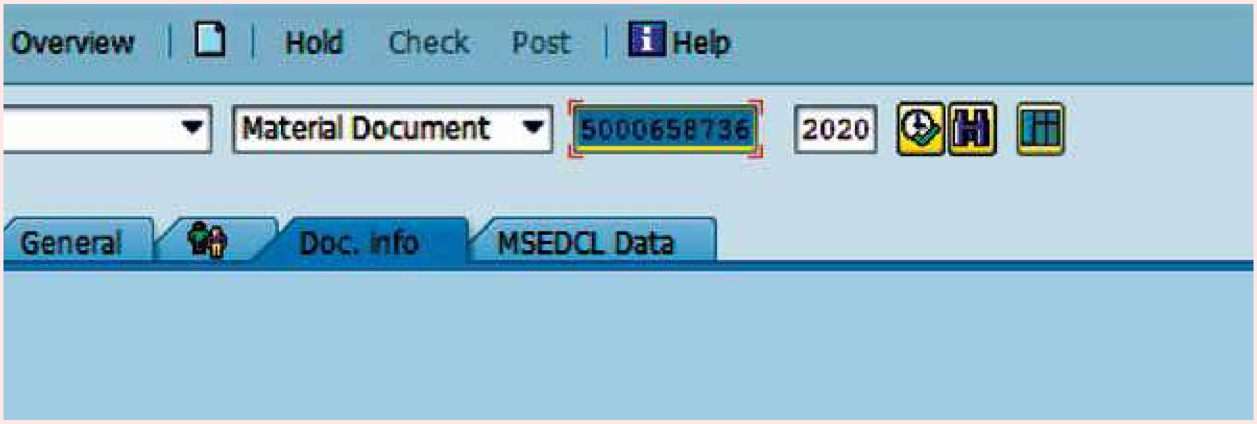
122- This movements is partially reversal of MIGO 105 movements. Any line items of MIGO which is not required or for any other reason its needs to be reversed then partially reversal of this item will be done trough MIGO 122 movment.

123- Reversal of ret. Delivery, i.e. reversal of 122 docuements.

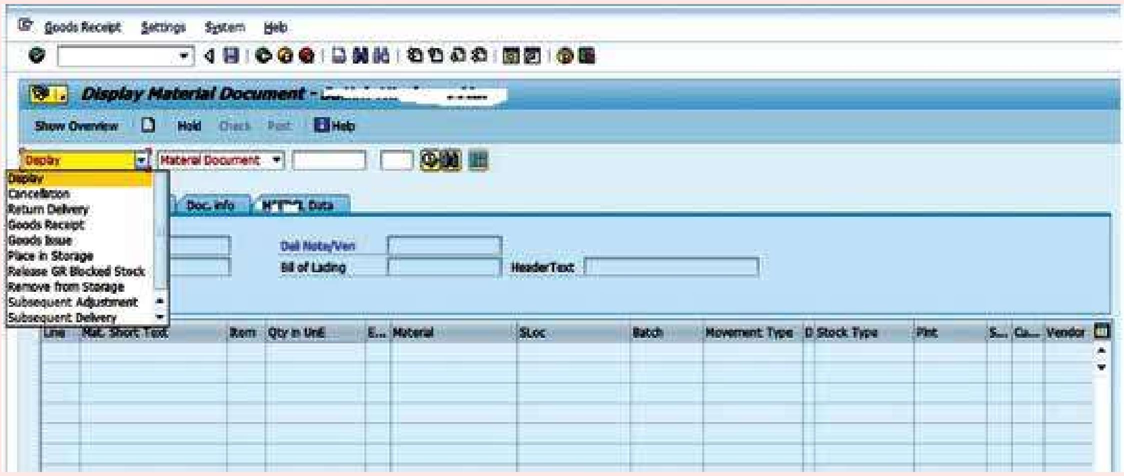
There are numbers of movements for MIGO but only some movements explained as above.

How to open MIGO-

Enter MIGO T-code in command field, press enter MIGO document number and MIGO document year, screen will appear as below



Options available for Materials movement in MIGO T-code



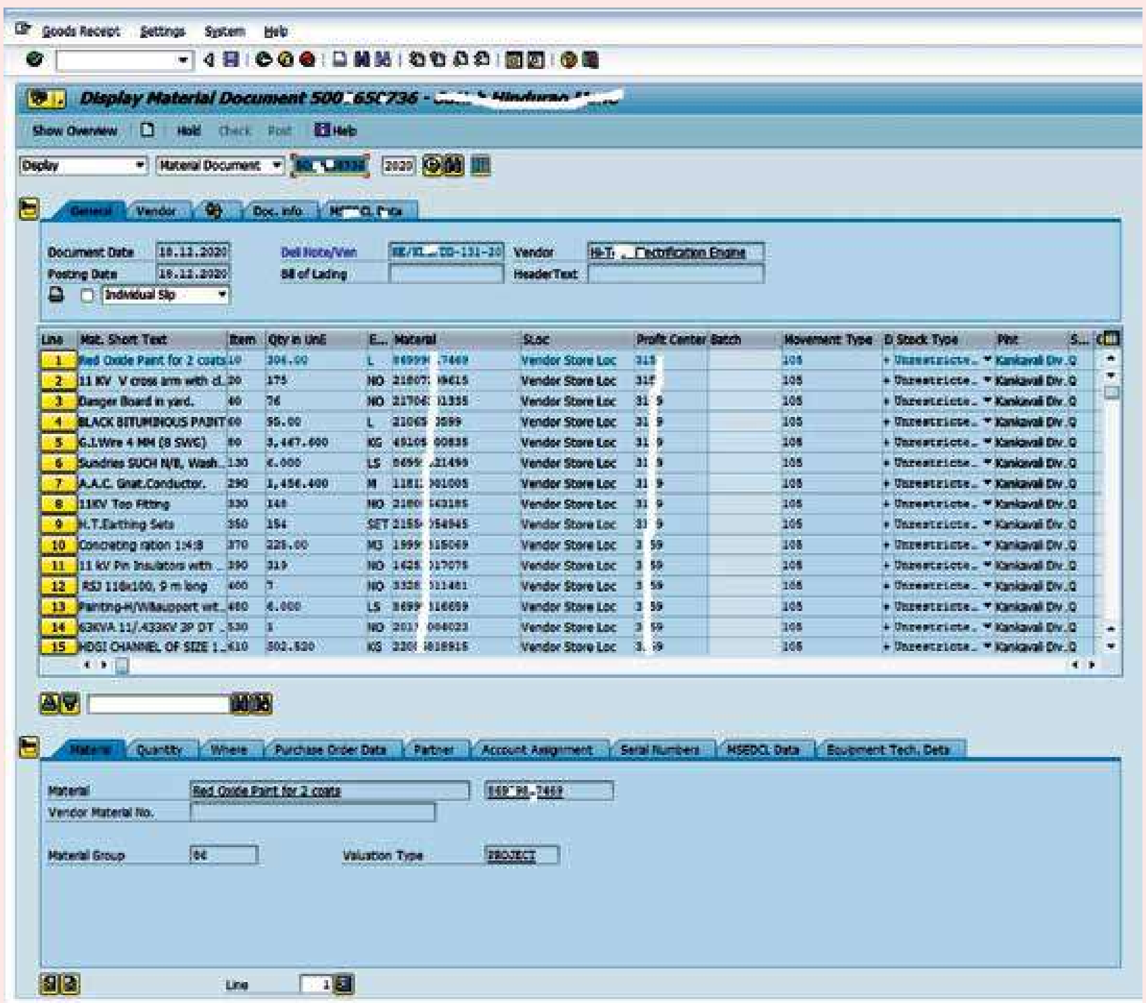
Display - This option is used to display MIGO documents

Return Delivery - This is used to return materials fully or partially

Goods Issue - Used for issued goods

Goods Receipt - Goods will be taken to stock by using this option

MIGO Display screen

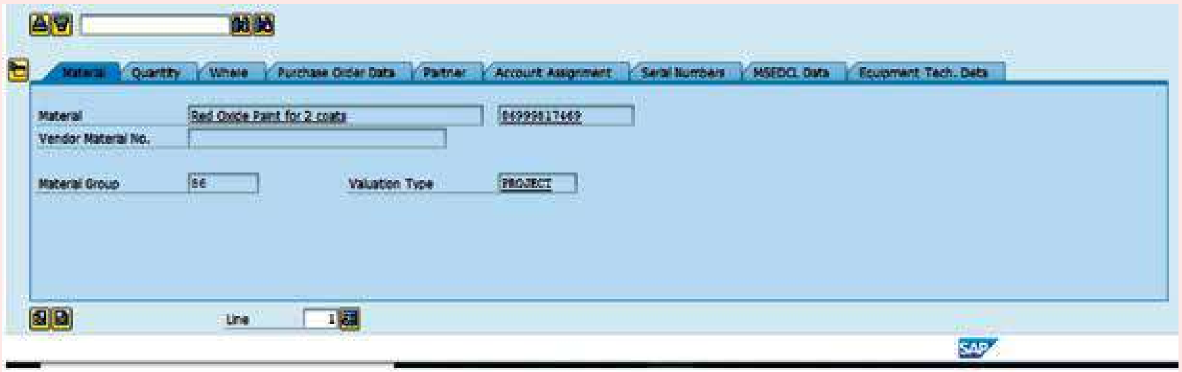


After entering MIGO document and year, above screen will appear. MIGO Document date, MIGO posting date, Delivery date, Bill of lading Name of vendor will be display in General Tab. Material wise data will be displayed on screen where details of material code number, Quantity of MIGO, Materials descriptions, movement types, plant location, stock types will be shown in Header data Tab.

Details Data

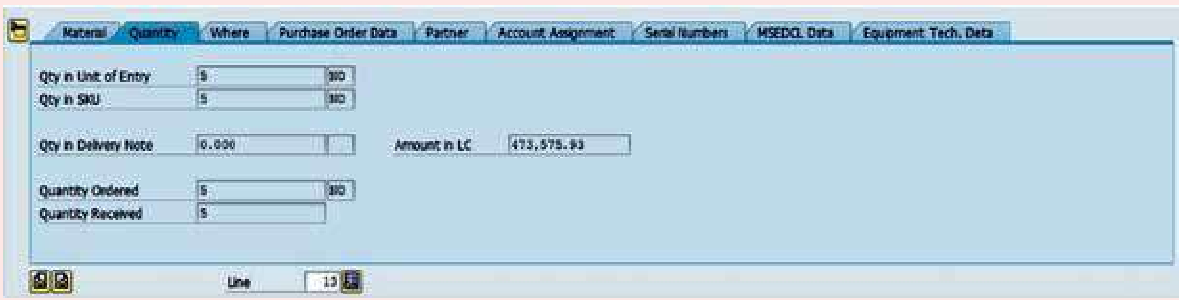
Under this head, there are various tab like as material, Quantity, Where(Location), Purchase order data, Account assignment, Serial Number and Equipment Technical data etc. Details under each tab is explained as below-

Material Tab



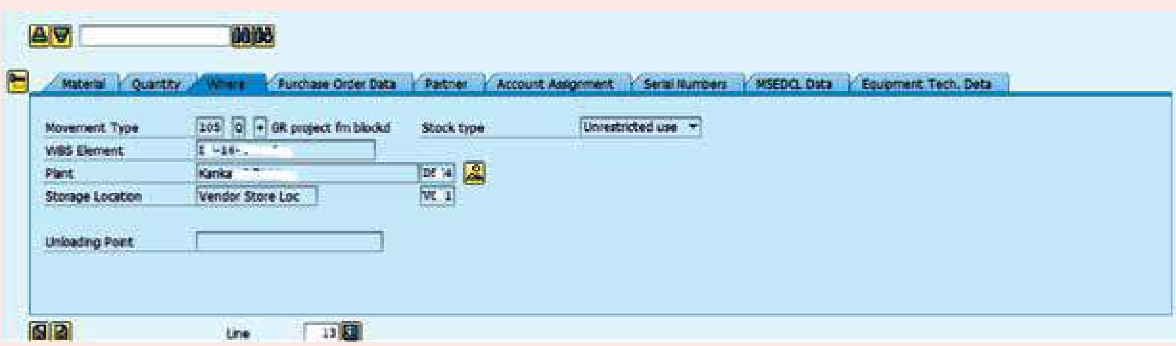
This tab showing materials description, Material code, Materials group which has specified by organisation.

Quantity Tab



Under this tab, information of quantity ordered, quantity received till date, quantity received under this MIGO documents with value will be displayed.

Where Tab (Store Location)



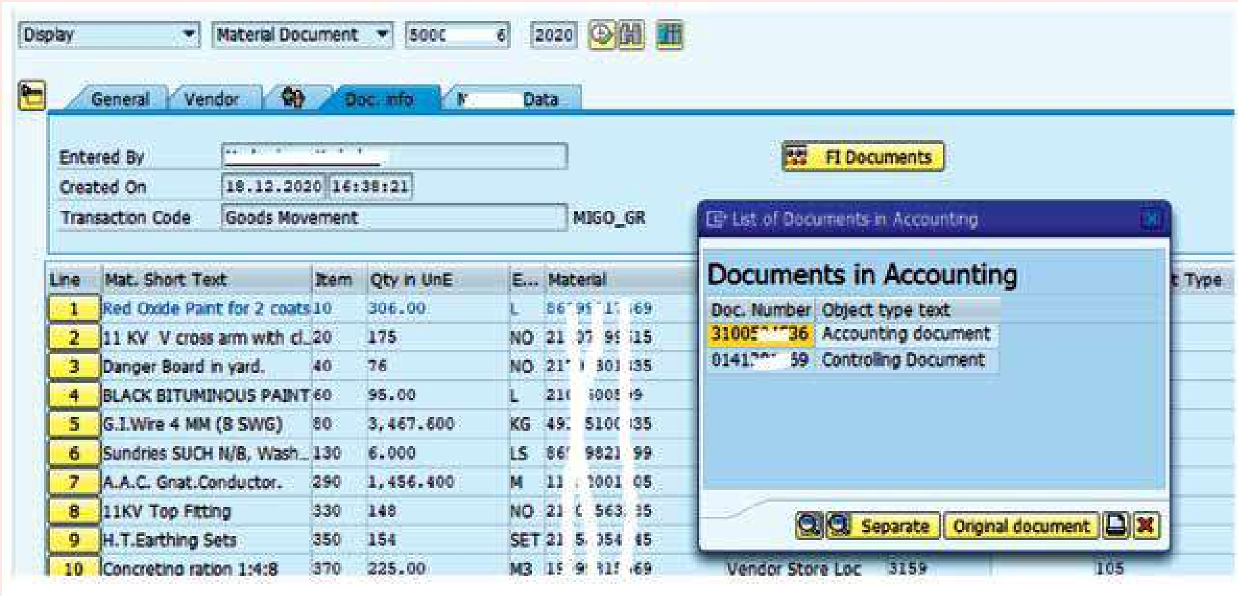
User can see the location where goods have delivered, stock types, movement types and wbs element if stock for project etc under this tab.

Purchase Order Data

User will get information of purchase order for which MIGO has done in this tab-

How to check FI documents posted for MIGO

In header tab, under Doc. Info, user will get FI Documents information as per below screen-



So, This T-code used for stock entry. MIGO is entry t-code as well as display. User can make entry through this t-code also display entry already made. MIGO documents are year specific. Basic features of MIGO is explained through this article, usefulness of MIGO may be beyond the aforesaid explanation also depends upon industry in which organisation working.

JOB POST

Dear Members,

In alignment with commitment towards members in industry, WIRC has introduced a section & quot; Job post" on the website. We make an appeal to all the members to visit the job post and

- Share openings with your organization. WIRC will post it on the website
- Interested members can view current opportunities and apply.

Please share your requirements to WIRC on following email id to post on the Job portal:

wirc.admin@icmai.in

Please Visit our website https://www.icmai-wirc.in

With regards

CMA Shriram N. Mahankaliwar,
Chairman,
WIRC - ICAI

CMA Vinayak B. Kulkarni,
Vice Chairman,
WIRC - ICAI

CMA Ashishkumar S. Bhavsar,
Hon. Secretary,
WIRC - ICAI

CMA Chaitanya L. Mohrir,
Treasurer,
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KPIs: A New Avenue (Part 2/3)

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In last article we looked into basic changes in Fourth Amendments and also seen how KPIs to be disclosed in Offer Document. As stated earlier Institute of Cost Accountants of India has issued Technical Guide to the members also. Kindly go through the same for further reading on the topic.

In this series we have divided KPIs into 5 different perspectives as follows:

I. Financial Indicators (Fin)

II. Customer Indicators (Cus)

III. Internal Business Processes Indicators (IB)

IV. Organizational Capacity Indicators (OC)

V. Environment, Sustainability and Governance Indicators (ESG)

The following table will show some of the KPIs which can be used by Issuer Company;

I. Financial Indicators (Fin)

- Profit Before Tax
- Cash Flows from Various Activities
- Cash and Cash Equivalents
- Earnings before Interest, Depreciation and Amortization (EBIDA)
- Gross Margin
- Working Capital
- Value Added
- Economic Value Added
- Du Point Models
- Quick Ratio
- Acid Test Ratio
- Working Capital
- Budget Variance
- Return to Equity Ratio
- Accounts Receivable Turnover Ratio
- Current Ratio
- Cash Conversion Cycle

And Many More….

II. Customer Indicators (Cus)

- Sales Growth
- Average Revenue Per Unit
- Average Sales Cycle Length
- Sales Target
- Customer Acquisition Cost
- Customer Churn Rate
- Opportunity to Win Ratio
- Number of Sales Opportunities
- Revenue per Sales Representative
- Profit Margin Per Sales Representative
- Incremental Sales by Campaign
- Upsell and Cross Sale Rates
- Customer Life Time Value
- Customer Satisfaction and Retention
- Number of Site Visits
- Number of Repeated Customers
- Net Promoter Score

And Many More….

III. Internal Business Processes Indicators (IB)

- Customer Support Tickets
- Percentage of Product Defects
- LOB Efficiency Measures
- Website Traffic Ratio
- Average Order Value
- Cost Per Lead
- Average Time to Conversion
- Bounce Rate
- Engagement Rate
- Goal Conversion Rate
- Number of Units Sold
- Average Invoices during the period
- Number of Set Top Boxes Sold (New Age Tech Parameter)
- Followers on Social Media
- Customer Satisfaction Index
- Number of Download or Uploads
- Footfall in Store

And Many More….

IV. Organisational Capacity Indicators (OC)

- Workforce Productivity
- Innovation Rate
- Employee Retention Rate
- Number of Training Hours
- Employee Productivity
- Talent Turnover Rate
- Female to Male Ratio
- Average Time Stay
- Dismissal Rate
- Part Time Employees
- Internal Promotions and External Drives
- Salary Competitiveness Ration
- Employee Suggestions
- Employee Participation
- Employee Satisfaction
- Average age of years of Service
- IT Development Expenses

And Many More….

V. Environment, Sustainability and Governance Indicators (ESG)

- Wastages in Supply Chain
- Recycling Rate
- Energy use Per Facility
- Expected energy saved to actual usage
- Carbon Footprints
- KPIs related to Fresh Water
- Employee Diversity
- Employee Health and Safety
- Pay Equality
- Adherence to the Law of Environment
- Penalties paid for various breach of Laws
- Diversity in Board of Directors
- Innovation Counter
- CO_2 emission
- Product Life Cycle

And Many More….

The above KPIs are only suggestive in nature and actually they can be further elaborative. KPIs included above are self-explanatory and if any added information is needed then lots of free material on each KPI is also available. In this article I have tried to cover some of KPI and in the next part I will elaborate the certification process. As stated earlier Institute has already published Technical Guide which is available on website and it is suggested that CMAs can refer format given in the same. Anyhow format is also suggestive and should help Professionals to modify according to their needs.

Seminar on "Manufacturing 4.0 – The Enabler for Value Creation

Full Day seminar on "Manufacturing 4.0- The Enabler for Value Creation" held on Saturday, 17th December 2022.

WIRC jointly with Pune Chapter organised a Full Day seminar on "Manufacturing 4.0- The Enabler for Value Creation" on Saturday, 17th December 2022 at MCCIA Trade Tower, Pune. Mr. Deepak Karandikar was Chief Guest for the programme.

Mr. Pravin Deshpande-Co Founder and Director TCP, Mr.Gopinath Jayraj- CIO-TATA Motors were speakers for 1st Technical session on the topic –Technology and Digitation,

Mr. Priyadarshan Kshirsagar, Consultant – TCS and Mr.Amit Ghaisas- Managing Director-Yash Prabha Group were speakers for 2nd Technical Session on the topic Core Manufacturing,

CMA Rajesh Shukla- Head-Indirect Taxation, TATA Motors and CMA Milind Date- Learning & Development Consultant were the speakers for 3rd Technical session on the topic Finance & ESG.

This seminar was specifically designed for the Engineering and Automobile Industry. This seminar helped the participants to understand the Impact of Manufacturing 4.0 on value creation, how to evaluate your manufacturing Value Chain and Digital Transformation.

CMA Chaitanya Mohrir, Treasurer WIRC and CMA Vinayak Kulkarni, Vice Chairman, WIRC were present on the occasion.

Profit Optimisation Through MIS Reports

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- **Process of profit optimisation enables the company to Survive / Grow**

  Usually mentioned below are chief / principal determinants of Profitability among others.

1) Consumable Stores

   (Monitoring, Controlling and Reducing Stores Expenses through Annexures I & II)

   - A Company is required to incur expenses on Stores & Spares to keep its Plant & Machineries in good condition so that it facilitates smooth running of its Plant & Machinery.
   - And as Stores and Spares often becomes Major Cost Component of Fixed Cost and thereby in Cost of Sales, it pays to Monitor / Control / Reduce Stores and Spares Cost.
   - This can be achieved through MIS Report as mentioned in Annexure I & II
   - Following Checklist (It is Illustrative in Nature and not Exhaustive) is suggested to monitor, control and reduce expenses on Stores and Spares.
   - There should be well laid down Purchase Procedure for Purchase of Stores Items
   - Purchase of Stores Items should be from List of Approved Vendors / Original Equipment Manufacturer
   - Sometimes, No of Stores Items are purchased at the same time for which Prices are invited from Approved Vendors. Here, it is advisable to put L1 (Lowest Price) against each Store Items and then to arrive at overall L1 Price for all Stores Item put to gather. It helps the negotiation committee to properly bargain for procurement price which helps bring down overall procurement value of all concerned Stores Item.
   - Company having more than 1 plants requiring same Stores Items it is always advisable to combine the purchase requirements so that with huge quantity, company is in a position to negotiate better competitive rates from suppliers.
   - Critical Spares with long delivery schedule should be kept in stock as an insurance.
   - Annexure II shows Trend of Productwise Year Wise Per MT Expenses on Stores.

If Per MT Expenses on Stores is high then it means either High Incidence of Stores Expenses for that Product / Products or Due to Low Capacity Utilisation, Per MT Expenses on Stores is high.

Annexure I

Yearwise Trend of Cost Centrewise Stores and Spares Cost as % of Total Stores and Spares Cost

YEAR	CY (Rs Lacs)	%	PY1 (Rs Lacs)	%	PY2 (Rs Lacs)	%
PARTICULARS						
Break Up of Cost Centerwise Stores and Spares Cost						
COST CENTRES :						
Manufacturing Cost Centres						
Manufacturing Plant-1						
Manufacturing Plant-2						
Manufacturing Plant-3						
Utilities Cost Centres						
Power Plant						
Boiler						
DM Water Plant						
Filteration Plant						
Cooling Water Plant						
Chilled Water Plant						
Air Compressor						
Nitrogen						
Other Cost Centres						
TOTAL STORES AND SPARES COST						

Annexure II – STORES & SPARES Expenses Per MT of Products for KEY PRODUCTS

(CONSIDERING STORES & SPPARES EXPENSES OF ONLY PRODUCTION COST CENTRES)

(Year Wise Trend)

SR.NO.	KEY PRODUCTS	UNIT (RS MT)	CY	PY1	PY2
1	Product 1				
2	Product 2				
3	Product 3				
4	Product 4				
5	Product 5				
6	Product 6				
7	Product 7				

2) REPAIRS EXPENSES

(Monitoring , Controlling and Reducing Repairs Expenses through Annexures I & II)

Nowadays, Cost Reductions are the number one priority in Corporate World. This is also true for Maintenance Managers who face Cost Control Programmes imposed by Senior Management.

And as Repairs Cost often becomes Major Cost Component of Fixed Cost and thereby in Cost of Sales, it pays to Monitor / Control / Reduce Repairs Cost.

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

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

Following Checklist (It is Illustrative in Nature and not Exhaustive) is suggested to monitor, control and reduce expenses on Repairs Cost.

(1) AMC / ARC should be awarded to OEM / Vendors who are in Approved Vendors List

(2) Sometimes, high repair cost is the result of deferred maintenance.

Deferred Maintenance is the practice of postponing maintenance activities to save costs or to meet budget or to realign available budget monies.

The failure to perform needed repair could lead to asset deterioration and untimely asset impairment.

Generally, a policy of continued deferred maintenance may result in higher costs, asset failures, and in some cases, safety, health & environmental implications.

(3) Running damaged equipment until it fails is not a good idea for two reasons:

(I) first, the magnitude of the repair cost is much greater when equipment is allowed to fail catastrophically,

(II) second, lost production costs are typically higher because the equipment usually fails at the worst time.

(4) Maintenance Managers should change their focus.

Many Maintenance Managers strongly focus on the operational side of maintence

e.g. Scheduling resources, ordering spare parts etc.

Maintenance Managers need to change focus from operational maintenance management to tactical / strategic maintenance management.

They need to realize that operations are a direct result from tactical / strategic decisions and not the other way round.

(5) Training is the foundation of cost reduction.

One would agree that training would increase awareness and prompt well thought actions from equipment operations.

The training needs to be correct training and include engineers, maintenance technicians and operators.

All these employees influence equipment reliability in some way.

(6) Modifying equipment is necessary sometimes, typically, when the equipment was not initially specified correctly or when process parameters change.

Not upgrading equipment will result in increased failures.

Annexure I –Yearwise Trend of Cost Centrewise Repairs Cost as % of Total Repair Cost for Company / for Plant 1 / for Product 1

YEAR	CY (Rs Lacs)	%	PY1 (Rs Lacs)	%	PY2 (Rs Lacs)	%
PARTICULARS						
Break Up of Cost Centerwise Repairs Cost						
COST CENTRES						
Manufacturing Cost Centres						
Manufacturing Plant-1						
Manufacturing Plant-2						
Manufacturing Plant-3						
Utilities Cost Centres						

Power Plant						
Boiler						
DM Water Plant						
Filteration Plant						
Cooling Water Plant						
Chilled Water Plant						
Air Compressor						
Nitrogen						
Other Cost Centres						
TOTAL REPAIRS COST						

REPAIRS Expenses Per MT of Products for KEY PRODUCTS – Annexure II

(CONSIDERING STORES & SPPARES EXPENSES OF ONLY PRODUCTION COST CENTRES)

(Year Wise Trend)

SR NO	KEY PRODUCTS	UNIT (RS MT)	CY	PY1	PY2
1	Product 1				
2	Product 2				
3	Product 3				
4	Product 4				
5	Product 5				

3) ADMINISTRATIVE EXPENSES

- Monitoring and Controlling Fixed Cost Incurred by Administration Department through MIS Reports mentioned in Annexure I & II
- Administration Department is required to incur certain fixed expenses in order to discharge functions assigned to it efficiently & effectively.
- These expenses are required to be monitored, controlled & wherever possible to be reduced because it is often said that:
- NO COST IS EVER TOO SMALL NOT TO BE SAVED.
- MIS Reports as mentioned in Annexure I & II can help management as well as Administration Department in monitoring and controlling its Fixed Expenses.

Utilities of this Report :

- It provides at a glance year wise trend of fixed expenses.
- A Group of Companies can have 1 Guest House and thus can reduce cost
- Viability of having guest house at places where frequent travel is required should be examined (to dispense with stay in Hotel)
- Possibility of appointing liaison officer on part time / full time basis may be examined to avoid frequent travels for routine follow up
- Travelling should be undertaken only when the matter can not be sorted through telephone / e mails.
- When Mfg. Plant is subject to frequent visits by HO Staff who needs to be accommodated in Hotel, the Cost+ Benefit analysis is required between Hotel Expenses vs Having Own Guest House
- Expenses with respect to Stationery for Computer can be controlled both with respect to its purchase price & its consumption.

Control with respect to its Purchase Price can be exercised by entering into Annual Rate Contract with concerned suppliers which can be either for a given period or for a given quantity.

This will insulate Administration Department for any increase in price either for given period or for given quantity.

With respect to controlling its consumption, whenever any department / section makes any request for computer stationery, it should be through e mail giving reasons for requirements.

This will automatically ensure that as reasons for requirements are required to be intimated through e mail, person putting the requirement always becomes careful as he or she knows that he or she may be asked to provide justifications for reasons cited for requirements.

Annexure I – Year wise Trend of Fixed Expenses for Administration Department

(Illustrative in Nature)

YEAR	CY	%	PY1 (Rs Lacs)	%	PY2 (Rs Lacs)	%
Stationery for Computers						
Travelling-Domestic						
Bus Expenses						
Uniform						
Guest House Expenses						
Hotel Expenses						
Legal and Professional Fees						
Seminar						
Books and Periodicals						
Canteen Expenses						
TOTAL						

Annexure II – Administrations Expenses Per MT of Products for KEY PRODUCTS

(Year Wise Trend)

SR NO	KEY PRODUCTS	UNIT (RS MT)	CY	PY1	PY2
1	Product 1				
2	Product 2				
3	Product 3				
4	Product 4				
5	Product 5				

Conclusion :

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

4) CONCLUDING PART

MIS Report Showing product wise Sales Realisation, Gross Margin, Contribution and Profitability (As per Annexure I Below)

Effect of Management Actions taken for Stores Expenses, Repairs Expenses and Administration Expenses will be reflected in ANNEXURE I Below.

ANNEXURE I – MIS Report showing product wise Sales, Contribution and Margin

PRODUCTS	SALES VALUE	RAW MATERISL COST	GROSS MARGIN	OTHER VARIABLE COST	CONTRIBUTION	FIXED COST	MARGIN
	RS MT	RS MT	RS MT	RS MT	RS MT	RS MT	RS MT
1	2	3	4 = 2-3	5	6 = 4-5	7	8 = 6-7
PRODUCT 1							
PRODUCT 2							
PRODUCT 3							
PRODUCT 4							
PRODUCT 5							
PRODUCT 6							
PRODUCT 7							

Cost Audit of Construction Industry

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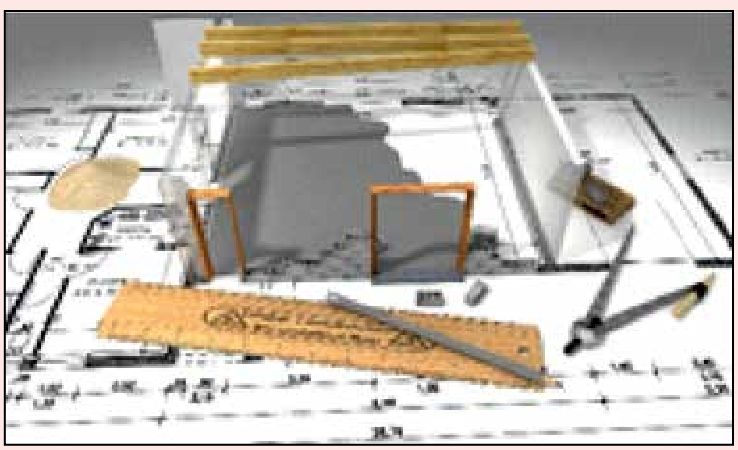
Introduction:

India's construction industry has been one of the most lucrative economic prospects in the country's recent history. The construction industry in India has experienced substantial expansion in recent years, and it is likely to continue rising at double-digit rates in the foreseeable future. The Real Estate Industry in India is expected to reach $1 Tn by 2030 and will contribute 13% to India's GDP.

Construction is an industry that includes the erection, maintenance, and repair of buildings and other immobile structures, and the building of roads and service facilities that become integral parts of structures and are essential to their use.

Construction industry creates investment opportunities across various related sectors and important for the achievement of national socio-economic objectives. Due to the ineffective cost controls of the construction projects, there is a need for construction cost audit with the main objective of controlling costs and avoiding huge cost overruns on construction projects.



Impact of covid–19:

There is no place in today's globalized world that has not been damaged by the Corona virus (COVID-19) pandemic. In India there is also severe impact of covid-19 on construction industry. As all you know, Corona virus is an infectious disease therefore to stop the spread of this disease, the construction work has been temporarily stopped keeping in mind the concerns of the workers in the construction industry. As a result, construction industries are gaining nothing but losses, which have a huge impact on Indian economy.

But now construction industry is gearing up again and trying to recover losses with new ideas, market coverage, investment strategies etc. Hence for recovering their losses and stability of business this industry needs to concentrate on their cost and controlling of cost. Cost Accountants are the persons who will help them to control their cost and decision making in their businesses by guiding them.

Cost Accounting Record Rules:

As specified in para no. (5)(a) of Schedule VI of the Companies Act, 2013, Construction Industry pertains to "Industrial, commercial and social development and maintenance including the following namely (a) "real estate development, including an industrial park or special economic zone". For the purpose of sub -section 148 of the act, Company whose overall turnover exceeding 35 crore or more from its products or services shall maintain cost records in their books of account.

Every company specified in item (B) i.e. non regulated sector of rule 3 shall get its cost records audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees one hundred crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under rule 3 is rupees thirty-five crore or more. As per section 209 of the companies act, cost accounting are required to be maintained in accordance with the "generally accepted cost accounting principles" and the "cost accounting standards" issued by the Institute of Cost Accountants of India to the extent these are relevant and applicable. The rules do not prescribe any specific format of cost statement and the company is free to adopt a system suitable to provide cost information.

The Companies (Cost Accounting Records) Rules 2011 requires records to be kept on regular basis in such manner so as to make it possible to calculate per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly/quarterly/half-yearly/annual basis. Hence, it is necessary to define cost object in relation to a construction activity.

Construction industry maintains its accounts and recognises revenue on the basis of Accounting Standard – 7. The revenue recognition for cost accounting records would follow the same principle.

Implication Of Cost Audit :

Under section 149 of companies act, cost audit applicable to construction companies whose turnover exceed 100 Crores as mentioned in Table B. Cost audit is one of legal compliance which help construction companies for cost controlling, accurate revenue recognition and actual per square feet rate of their construction work. To imply proper cost records and cost audit in construction industry have to consider below points:

1. **Revenue Recognition:**

   Revenue recognition is the most crucial part of the cost record maintenance of this industry. As construction works may continue from one or more financial periods depending on size of construction project. Cost accounting record rules state that revenue recognition should follow as per accounting standard 7. As per AS-7 in a fixed price contract the outcome of construction estimated in reliable manner when benefit of contract flow to the organisation and entire revenue from contract must be reliably measured. In cost plus contract outcome is that the economic benefits associated with the contract will flow to the company.

   The recognition of revenue is oftenly referred to as percentage of completion method and as per this method contract revenue is recognised matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. There is various ways to determine stage of completion in POC method. i.e. Completion of a physical proportion of contract work, the proportion of contract cost incurred to the total estimated cost of contract, Surveys of work performed etc.

   Hence, we have to check whether company calculate their revenue as per AS-7 or not and what is their hurdle or lacunas of their revenue data maintenance.

2. **Quantitative Information:**

   As we know in construction industry there is an exclusive UOM which is Square Feet. We have to consider quantitative data in square feet. To calculate actual service provided or actual services produced in square feet, we have to consider square feet build till date in the ratio of total cost up to the stage of completion and proportion of revenue recognised.

   As there is non availability of actual square feet build for sale, we have to assume this area as per ratio of cost and revenue at that stage of completion. In construction industry due to long time requirement to complete the project, it is difficult to determine capacity of particular project as it is impacted by several other factors too.

3. **Project Cost:**

   Various expenses are incurred during the project and at every stage there is additional cost incurred. As per cost record rules, we have to check their cost centre. Company should maintain their expense and revenue as per project. Auditor should check whether they have project wise cost and fetching of expenses cost centre wise is available in their system or not.

   Accounting of material cost in the system is the crucial part of the project cost, as construction material is very costly as compared to market trend. It is to be checked whether they have charged the depreciation on their assets and have duly maintained the records of employee cost of construction related to individual project. We have to identify their non cost expenses also i.e. Idle Cost of project, demurrage, contract cancellation expenses, cost incurred in subsequent financial year for closed jobs, liquidated damages etc.

   In case of construction industry there is some industry specific cost also which we have to identify i.e. land cost, specific material cost, idle cost on NHAI contracts etc.

   Hence project cost is crucial to calculate accurate cost of that particular project. Company have to maintain segment wise cost for the proper allocation in the heads of cost sheet.

Conclusion:

Construction industry plays a very curial role in Indian economy. A Construction company with various projects brings the change in the landscape of that city. Project wise costing and its audit helps the companies to know their profitability. Maintaining cost accounting records should help the companies to control their costs. The costing techniques includes quantitative data, which is not included in all audit mechanism of financials. Hence it is concluded that companies and cost auditors should pay at-most attention to the project cost and profitability.

Reference :

1) *Guidance Note On Construction Industry*
2) *https://www.investindia.gov.in/sector/construction*
3) *Cost Audit Record Rules.*
4) *AS 7*
5) *https://iopscience.iop.org/article/10.1088/1742-6596/1797/1/012054/pdf#:~:text=The%20impact%20of%20the%20Corona,gross%20value%20added%20and%20employment.*

Cost Audit - Cost Management - Improving Profitability or Reducing Loss - Sharing Experiences (Check List)

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In my view, as I can see, there are 2 (two) major ways of improving the profitability or reducing the loss of the Company i.e. increasing the income of the Company and reducing the loss (or expenditure / cost) of the Company. I have been referring to a check list kept with me. This relates to the areas of cost and financial management. I used to refer to this list whenever felt necessary, discuss with concerned in those organizations, whenever needed, so as to plan my work towards the direction of achieving some favorable results, to the organization I was working, whatever may be its magnitude. I had put in experience of 60years+ which included 27years in two large steel plants, one year in a large colliery (underground coal mine and open-cast coal mine) and a fertilizer plant attached to a steel plant in public sector, 10 years in an international organization (of World Bank & UN) and 23 years as a CMA Practitioner (retired from practice in 2017). I always believed in the general sayings that drops of water make an ocean or take care of your penny and the sterling pound will take care of itself.. I saw one poster inside a steel plant in public sector, after joining as Management Trainee / Junior Officer Trainee (around 24yrs age). The poster ran like this.

"THE PLANT MAINTAINS YOU AND YOU MAINTAIN THE PLANT"

This impressed me very much. This left a lasting impression in my mind. I felt and decided from that time, wherever I work, I should strive for doing whole time, without any dilution or diversifications in mind, the best for the growth of the organization in the Cost and Financial Management fields (including audit) in which I would be serving. I suddenly felt now that I would share this check list for the benefit of our CMA Professionals. Those who read this, at any level in the organizational structure could follow and pursue any points or issues which they will bring up within the organization in which he or she is working. Sincere and serious efforts are in every one 's hand but not the results. Good, sincere and analytical work would help in achieving success.

I am not attempting here now a detailed write-up as it would become very lengthy running to more than 50 or 60 pages or even more. Hence giving a checklist I should say, about the various measures needed to improve the profitability or reducing the loss of the organization, would be better and advisable. CMAs would be able to identify the specific points which could be looked into for implementation and followed-up vigorously for obtaining the desired favorable / advantageous results in their organizations.

I.STEPS FOR IMPROVING THE PROFITABILITY i.e. INCREASING THE INCOME OF THE ORGANIZATION WITHIN THE POLICIES / RULES EXPECTED TO BE FOLLOWED BY THE ORGANIZATION - If the organization feels that changes are needed in the laid down rules / policies, they could take measures for changes with the approval of the competent authority prevalent in the organization.

1. Assumed here that normal production, normal expenses along with normal profit is existing in a Company as "a going concern"
2. Secondary sales of scrap / by-products, surplus materials, obsolete materials, date expired materials, idle assets, damaged goods, waste materials, non-moving items etc. In each factory / company an integrated team or a committee may have to be formed for coordinated action and taking steps for maintaining records and for disposal of such materials as soon as possible.
3. Controls on indenting and consumption of high value stores and spares needed. Higher authorities approvals may have to be made essential for indenting and consumption of high value stores and spares.
4. Stock verification of all materials like, raw materials, semi-finished goods, finished goods, materials – in – process, unconsumed stores and spares lying on shopfloors, scrap lying in stock, etc may have to be taken as on 31st March for adjustments in accounts.
5. Demurrages - if any - To be looked into for control and also for reduction by adopting remedial measures.
6. Auction Sales method by reputed firms may be helpful in getting good returns.
7. Internal Consumption to be reviewed closely every month item wise. It needs to be monitored.
8. Outstanding Liabilities are to be regularly reviewed periodically. If any item, not required, then necessary credit to be taken, by reversing the liabilities. This would contribute for increase in profit in books.
9. For any additional quality measures for any specific product, additional cost may have to be loaded.
10. Income may be low due to hidden subsidies in certain cases. This may need examination. i.e. reduction in prices in certain cases, concessions given in certain cases, discounts, rebates etc.

II. STEPS FOR IMPROVING THE PROFITABILITY i.e. DECREASING THE COSTS IN THE ORGANIZATION WITHIN THE POLICIES / RULES EXPECTED TO BE FOLLOWED BY THE ORGANIZATION

1. COSTS - Reductions to be looked into in the following areas

i. COSTS - Men – Materials – Machines – Money.

ii. COST COMPLEX ISSUES - Multiple Products, Make or buy Fuel Costs, Capital Charges - Depreciation, Replacement, and Maintenance.

iii. MEN - Salaries, Wages, Incentives, Bonus, Subsidies (if any), Contract Labor .

iv. MATERIALS - Input Prices (Freight & Taxes), Source & Quality, Usage Technology, Wastage, Inventory Carrying Cost, Make or Buy Decisions .

v. MACHINES - Capacity Utilization, Capital Related Charges, Repairs & Maintenance.

vi. MONEY - Financing Structure, Interest Income, Interest Charges, Receivables, Payables, Generate or Borrow, Capital Expenditure (to take note of concessions and / or incentives given (if any) by the Central or / and State Governments or / and Local Bodies .

2. COSTS - EXTERNAL INFLUENCES - NEED CLOSE REVIEW -

i. Input prices of vital / key inputs like Coal / Power etc.

ii. Freight - Road / Rail / Sea / Rivers.

iii. Taxes & Duties - GST, Royalty, Entry Tax, Cess, etc.

iv. Labour Laws . Amendments .

v. Inflation Trends .

vi. Exchange Rates .

vii. Controls - Export, Import, Distribution .

3. COSTS - INTERNAL INFLUENCES -

Product Mix, Scrap, Waste Disposal, Productivity, Research & Development, Cost Control, Cost Information, Budgetary Control, Internal Audit, Post Completion Audit of Capital Schemes - Whether each completed project - Became viable or not ., etc.

4. COST ACCOUNTING SYSTEM –

i. Providing pre-determined (Standard) and Historical Costs of products and services.

ii. Variances between standard costs and actual costs and reasons to be arrived and corrective actions to be taken wherever needed .

iii. Cost highlights are to be shared with the concerned departments on a regular basis and exceptions are to be highlighted to them for taking remedial measures

iv. Provide cost data for submission of quotations / tenders, and price fixation.

v. Forecasting the performance.

vi. Accounting for internal consumption.

5. COST REPORTS - Integrated system of financial and cost accounts is essential by identifying the Cost Centers suitably and linking the same with the Financial Accounts Codes.

i. Daily Profitability .

ii. Fortnightly // Monthly // Quarterly // Profitability.

iii. By-Products / Scrap / Wastages Reports.

iv. Standard Costs and Variances.

6. HISTORICAL COST ACCOUNTING SYSTEM – COLLECTION OF RAW FINANCIAL AND COST DATA AND ANALYSIS.

ESSENTIAL - INTEGRATED SYSTEM OF FINANCIAL AND COST ACCOUNTS - WITH SUITABLE FINANCIAL ACCOUNTS CODES AND COST CENTRES CODES LINKED WITH IT.

i. Raw Materials - Consumption .

ii. Salaries and Wages including Labour.

iii. Stores and Spares Consumption .

iv. Services - Power, Fuel, Gas, Water, Steam, Road, Rail, Sea, Rivers .etc.

v. Repairs and Maintenance (Preventive maintenance and break-down maintenance to be looked into for taking corrective actions) .

vi. Overheads - Factory, Administration, Selling, Distribution

vii.Miscellaneous Expenses .

viii.Depreciation.

ix. Interest and Financing charges.

RAW MATERIALS - Purchases ; Captive Mines ; Transfers from sister units ; transfers from down / up stream . weighted average price ; transfers at cost ; Handling Loss .

MANPOWER - Cost Center wise thru analysis of Payroll ; Operation and Maintenance as per Departmental Analysis. – All items of expenses like basic, dearness allowance, special pay, special allowance, bonus, gratuity, etc are to be taken in costs normally . Voluntary Retirement expenses to be treated as per the guidelines of the ICostAI.

STORES & SPARES CONSUMPTION (OPERATING SUPPLIES) INCLUDING REFRACTORIES. – Bifurcation to be done between Operations and Maintenance suitably .

SERVICES - Power, Water Supply, Steam, Gas, Oxygen, Furnace Oil . - Inter- Departmental services are to be settled suitably, for example with formula on computer . Inter-Dependent services like for example - Coke Oven Gas, Water & Power .

REPAIR & MAINTENANCE – Directly identifiable salaries and wages, consumption of stores and spares are collected under this head.

OVERHEADS

FACTORY - Operating costs of each Production Department identified as Direct Expenses. **SERVICES** - Costs are compiled and charged to Production Department on the basis of services rendered . If measured services are there it will be fine. Otherwise technical estimates could be adopted on a fair and a reasonable basis for apportionment.

ADMINISTRATION - Factory, Administration, Township (if any) - includes regular directly identified administration expenses, share of head office expenses, share of marketing expenses, interest and financing charges . These are generally apportioned to Production Cost Centres in the ratio of operating costs or any other suitable basis or through technical estimates, depending upon the details available. Service costs are taken directly (where identifiable) or apportioned on a fair and a reasonable basis to the Production Cost Centers .

DEPRECIATION - Compiled cost center wise . Assets allocated to cost centres on directly identifiable basis to the extent possible or on apportionment basis.

INTEREST AND FINANCING CHARGES - Generally this is to be disclosed distinctly separately in the product wise cost statements . Two components can be identified. Interest relating to working capital is apportioned to Production cost centers on the basis of operating cost . Interest on long-term borrowings is taken to Production cost centers on the basis of Depreciation amount.

CLASSIFICATION OF EXPENSES - Essential to classify the total operating expenditures in to following two(2) categories -

i. VARIABLE - Cost per unit will be the same or constant. But the total variable expenses will vary according to the level of production.

ii. FIXED - Cost per unit will vary depending upon the level of production / sales turnover. The total amount of fixed expenses will remain constant and fixed up to a level of production. 7

There will be some amount of Semi-Variable and Semi-Fixed expenses, which have to bifurcated between variable and fixed expenses on a fair and a reasonable basis.

COST ACCOUNTING SYSTEM

1. Production plan needs to be prepared based on techno-economic norms .
2. Financial figures will have to be taken on the basis of the classification of - Fixed and Variable - expenses .
3. Based on the norms and budgeted cost of products and services, standard cost is arrived at.
4. Non-cost items are to be excluded in this exercise for arriving at total costs and unit cost of finished products.
5. Actual costs are to be arrived at monthly for comparison with standard costs .
6. By comparison of actual costs with the standard costs, variances would have to be arrived and reasons are to be probed for major variances, for taking necessary actions.
7. Price and Volume Variances are to be derived for taking rectification actions.

CONCEPTS

a. BASIC CONCEPTS

i. Direct Costs ;
ii. Indirect Costs ;
iii. Gross Margin ;
iv. Net Margin ;
v. Rate of Return on Investment (ROI) ;
vi. Variable Costs ;
vii. Fixed Costs ;
viii. Break Even Point (BEP) ;
ix. Key Factor (Sales or Production) ;
x. Margin of Safety (Actual Sales minus Break Even Sales) .

SOME MORE CONCEPTS

i. All we spend is not cost .
ii. All cost reduction programs are not equally effective .
iii. Some products yield larger profits than others.
iv. Emphasis can be on long-term benefits than short-term.
v. Cost Control / Cost Reduction are not done by the Cost Accounting Department.
vi. Cheapness may ultimately lead to higher costs and land the company in losses.
vii. Nothing can do right if central direction is on wrong path.
viii. The company cannot reduce costs by avoiding directives / rules / taxes .
ix. Procedures are important as much as People, Product / Profit.
x. Intensify and take a clear drive for reducing costs and ensuring internal financial controls when PROFITS are good.
xi. Cost reduction is just not possible in one leap but it needs intensive drive and consistent follow-up by identifying, from time to time, relevant areas.
xii. Road to cost reduction is always a road under construction .
xiii. A squeezed towel will always have still some water.

DECISIONS BASED ON MARGINAL / DIRECT COSTS

1. Expand or contract the capacity for desired level of profit .
2. Discounted sales / fixation of selling price .
3. Retain or Replace or Major Repairs - decision . 9
4. Decision to shutdown the facilities .
5. Price to pay for inputs.
6. Adding a new Product to the existing Line of Production.
7. Alternate Method of Production .
8. Stopping the production at Intermediate level products - whether beneficial etc.

WHEN PROFIT IS IGNORED -

i. Introduction of New Product .

ii. Exploration and Penetration into Export Market .

iii. Sale of Perishable Goods.

iv. Inputs of Large quantities - Perishable.

v. To Eliminate Competitors.

vi. Labour force generally cannot be retrenched easily in our Indian circumstances.

vii. If Marginal Cost methods adopted for survival for short periods due to fall in demand.

COST CONTROLS -

i. Budgetary Control.

ii. Departmental Budgets.

iii. Inventory Budgets.

iv. Norms Budget. (Industry Norms may be adopted if available).

v. Variance Analysis.(with Standard Costs).

a. Price Variance - AQ (SP – AP).

b. Quantity / Usage Variance - SP (SQ - AQ).

AUDIT -

i. Cost Audit.

ii. Internal Audit.

iii. Operational Audit.

iv. Systems Audit.

v. Financial Audit. 10

vi. Management Audit on specific Activities - (Confidential)

vii. Special Audit of Computerised Systems – in Finance, Accounts and Internal Audit Departments .

Tracking of Inputs to Outputs.

RATIO ANALYSIS - MEASUREMENT OF PROFITABILITY. (EXAMPLES) (NOT EXHAUSTIVE)-

A. Gross Profit Margin Ratio (Production & Pricing). Gross Profit / Net Sales. =

B. Net Profit Margin Ratio (Production & Pricing). (Overall Efficiency).

Net Profit / Net Sales. =

C. Return on Investment (Inter-Firm Comparison.)

EBIT / Total Assets. =

D. Return on Equity (Productivity of Capital).

Equity Earnings / Networth.

Inter-Unit / Inter-Company comparisons would be helpful to the management if exceptions and scope for improvements are highlighted.

COST CONTROL - - COST MANAGEMENT -

EXAMPLES OF ACTION POINTS -

LIST NOT EXHAUSTIVE - BUT INDICATIVE ONLY - DEPENDS ON SITUATION IN EACH FACTORY AND THE MANNER IT IS BEING MANAGED – CONTINUOUS MONITORING NEEDED -

i. Zero - Based Budget concept for additional Manpower. – Special study needed for additions . Special attention also necessary for reduction where automation has been strengthened and where scope is there for reduction or redeployment with special training. (CMA can take initiative and play an effective role).

ii. Budget for sensitive items like Overtime / Demurrage etc.

iii. Maximise the Production in main factory and other production units like Mines etc.

iv. Bank Overdraft must be avoided to get some savings built-up.

v. Review of idle machines and other surplus manpower.

vi. Maximum utilization of Auxiliary Units.

vii. Low and High cost Projects and Benefits.

viii. Cut on Non-production and expenses.

ix. Spreading messages by sending for Cost Controls / Cost Reductions / Suggestion Schemes etc..

x. Reduce Procurement Costs.

xi. Purchase Holiday / Squeeze.

xii. Dispose Non-Moving Items .

xiii. Reduction in Marketing Expenses.

xiv. Township Committee Members .

xv. Township Amenities and Subsidies.

xvi. To get Claims settled with Transporters, Railways, Insurance Company etc.

xvii. Realization of Debts.

xviii. Controls on surplus stocks and action for early disposal, if not needed.

xix. Controls on Semi-Finished & Finished Stocks.

xx. Controls on shortages of Finished and Semi- Fished products.

xxi. Intensify Tax Planning.

xxii. Controls on Printing, Stationery, Guest House Expenses.

xxiii. Raw Materials / Intermediate Materials - Quality / Substitution with lower cost materials without affecting quality, procurement from new sources at competitive prices, staggering supplies to get discounts or rebates etc.

xxiv. Possibilities of getting orders for higher quantities by supplying to some States at somewhat higher prices. 12

xxv. In some townships attached to factories, outsiders are given facilities in hospitals, for transport, for education of children in company schools, admissions in clubs etc, outsiders are given the facilities ON PAR with the employees. In such cases subsidized facilities to outsiders i.e. non-employees, are to be withdrawn and charges should be at market rates.

COST CONTROLS - COST MANAGEMENT – EXTERNAL CHALLENGES -

Depending on the situations like below the company has to gear up its efforts to tackle such situations successfully. But it will have adverse effects on costs, income and profits or more losses.

i. SHORTAGES -

- Indigenous Raw Materials .
- Imported Raw Materials .
- Power .
- Transport.
- Adequate Finance.

ii. GOVERNMENT PRICE CONTROLS –

- Taxes.
- Duties.
- Change in Policy - Imports.
- Change in Policy – Exports / Incentives .
- Change in Policy - Bonus .
- Change in Policy – Provident Fund .

iii. MARKET RECESSIONS

iv. TECHNOLOGICAL ADVANCES .

v. WARS, IF ANY ARISE.

vi. BANDHS / STRIKES .

vii. NATURAL CALAMITIES - LIKE COVID -19 etc . 13

viii. ABNORMAL CHANGES IN WEATHER – LIKE – HEAVY RAINS / floods .

SICKNESS OF COMPANIES - BROAD CAUSES – (INDICATIVE BUT NOT EXHAUSTIVE) –

i. Inadequate study about technological advances,

demand forecasts etc.

ii. Locational Disadvantages.

iii. Outdated / Obsolete Production Process.

iv. High cost of Inputs.

v. Uneconomic Size .

vi. Cost and Time-Over-run Projects.

vii. Inappropriate Product Mix.

viii. Quality Control.(ISO-9000 could be suggested and highlighted in the Cost Audit Report where ISO certification taken.

ix. Pollution Controls – Inadequate.

x. Capacity Utilization.

xi. Inventory Control.

xii. Leakages and Wastages.

xiii. Inadequate Maintenance . – Preventive - Break-Down.

xiv. Excessive Manpower.

xv. Poor Labor Relations.

xvi. Absence of Training and Development facilities.

xvii. Defective Pricing.

xviii. Poor Sales Realizations.

xix. Customers / Marketing .

xx. Lack of facilities for Production Diversifications.

xxi. Unscrupulous Sales Practices.

xxii. Unscrupulous Purchasing Practices.

xxiii. Unable to optimize effective and result-oriented utilization of available Resources .

xxiv. Defective Costing Methods. 14

xxv. Absence of Adequate Internal Financial and Cost Controls .

xxvi. Inadequate Cost Consciousness.

xxvii. Over Centralization without appropriate Delegation.

xviii. Poor Quality of Management Information System.

xxix. Rampant Dishonesty / Corruption within the organization in certain pockets / Incompetency of management at certain levels, if any, without taking Necessary Remedial Measures - to be identified and pulled up by the top management taking suitable actions .

CONCLUDING REMARKS

I am sharing the above because I have personally felt that these aspects would be very helpful for those CMAs who are in service and those who are directly involved in the Cost Audit assignments.

Dear CMA Colleagues,

WIRC is sending only E-copy of the WIRC Bulletin from January 2022 onwards. If any member requires the Hard Copy in future, please write to WIRC (wirc.admin@icmai.in) with Name, Membership Number and Address to enable us to send the same.

With regards,

CMA Chaitanya L. Mohrir
Chief Editor
WIRC Bulletin

CHAPTER NEWS

AHMEDABAD

IOTP for Final Students

Chapter has organized Industry Orientation Program for final students from 23rd to 29th November 2022. CMA Malhar Dalwadi, Chairman of chapter inaugurated the program. Eminent faculties have delivered lectures on various topics. There were PowerPoint presentation sessions for all the students. Approx. 131 students participated as individually or in groups for Power point presentation.

CEP on Data Analysis & Dashboard Reporting MS Excel

Chapter organized CEP on "Data Analysis & Dashboard Reporting through MS Excel" on 15th December 2022. CMA Malhar Dalwadi Chairman of the Chapter welcomed & introduced speaker Mr. Bhavin Goklani. CCM CMA Ashwin Dalwadi felicitates the speaker by offering a memento. Mr. Bhavin Goklani, the speaker gave a detailed presentation and explained on subject to the participants. The presentation was very useful to the participants. CMA Malhar Dalwadi proposed a vote of thanks.

Pooling of Players for CMA Cricket League 2023

1st ever pooling of players for CMA Cricket League 2023 sponsored by IRM Energy was organized by Chapter on 18th December 2022 at the Club O7. In the inaugural session, the Chairman of Chapter CMA Malhar Dalwadi shared the dais with Sports Committee Chairman CMA Kushal Desai, Vice Chairman of Chapter, CMA Dakshesh Chokshi, Member of Sports Committee, Shri P. P. Dave and Chief Guest RCM & Secretary-WIRC CMA Ashish Bhavsar. The Chairman of the Chapter felicitated the Chief Guest by offering Bouquet. Sports Committee Chairman, CMA Kushal Desai, Mr. P. P. Dave Sports Committee Members, CMA Malhar Dalwadi, Chairman of Chapter, Secretary-WIRC, CMA Ashish Bhavsar gave an occasional speech and Vice Chairman of Chapter, CMA Dakshesh Chokshi proposed vote of thanks. There were Sponsors of the tournament, Managing Committee Members, Past Chairmen of the Ahmedabad Chapter, Captains of eight registered teams along with 4 retained players, and 45 individual registered players participated in the program.

Felicitation function of Students

Chapter organized Felicitation function of Foundation December 2021 exam pass students and Foundation Inter and Final of June 2022 pass out students. CMA Sushil Handa, Director, Flourish Food Products Pvt. Ltd. was the Chief Guest of the function. CMA Ashish Bhavsar, RCM, Secretary-WIRC had also shared the dais with Chief Guest. CMA Mitesh Prajapati, Secretary and Oral Coaching Committee Chairman welcomed dignitaries on the dais, members present, faculty members, students, and their parents. Chief Guest was felicitated by CMA Ashish Bhavsar, Secretary-WIRC. CMA Malhar Dalwadi, Chairman of the Chapter felicitates the RCM, Secretary-WIRC CMA Ashish Bhavsar. CMA Malhar Dalwadi, Chairman of Chapter Congratulate all the pass-out students and brief them about the various activities carried out by Ahmedabad Chapter and thanked CMA Marzun Jokhi, Dean of GLS University to provide their premises to organise a felicitation function. RCM, Secretary-WIRC CMA Ashish Bhavsar gave a brief about the activities carried out by Institute. He also shares his views and congratulates the entire pass-out students of Inter and Final. Chief Guest CMA Shushil Handa also congratulates the pass-out students and shared his views on hard work to succeed in the professional examination. Pass-out students were felicitated by the dignitaries on the dais, members, and faculties. The function was concluded by a vote of thanks by CMA Dakshesh Chokshi, Vice Chairman of the Chapter and National Anthem.

Revision Batch for Dec. '22 exam

Chapter organized the revision batch of Inter and Final course for December 22 exams from 19th December 2022. Major topics of the syllabus were covered to refresh the students by various faculties. A large number of students took advantage of the revision batch.

BARODA

INDIA TV CONCLEVE

Chapter Members visited INDIA TV CONCLEVE to be held at Ahmedabad at Hotel Hyatt on 26th November 2022. Many Members attended this Mega Conclave.

Incentives to MSMEs in Gujarat & Related Key Details

Chapter arranged webinar on "Incentives to MSMEs in Gujarat & Related Key Details" on 17th December 2022. CMA Mihir Vyas –Chairman Baroda Chapter welcome Mr. Ashishkumar Soni, speaker for the webinar. Large number of Members attended the session.

Making Cost Audits relevant for the Audit Committee Meeting

Chapter jointly with Ahmedabad Chapter organized webinar on "Making Cost Audits relevant for the Audit Committee Meeting" on 20th December 2022. CMA Mihir Vyas –Chairman Baroda Chapter welcome CMA Sandeep Wadhwa, speaker. CMA Malhar Dalwadi, Chairman, Ahmedabad Chapter introduced the speaker. Large number of Members attended the session.

Webinar on Investment Awareness

Chapter jointly with Ahmedabad Chapter organised webinar on "Investment Awareness" on 24th December 2022. CMA Mihir Vyas –Chairman Baroda Chapter welcome speaker Prakash Lohana & Introduce by Ahmedabad Chapter Chairman CMA Malhar Dalwadi. Large number of Members attended the session.

Career Counselling Seminar

Chapter organised Career Counselling seminar at Narayan School, Baroda for 11th & 12th standard Commerce students.

NAVI MUMBAI

Workshop for Students on Managing Anxiety and Stress

Chapter organized an Offline Workshop on 26th November 2022 for students at K B Patil College, Vashi, on Managing Anxiety and Stress by using Karmayoga concept of Bhagavad Gita. The speaker for this unique workshop was CMA Ramya Kannan, & currently a Ph.D. research scholar of Chinmaya Vishwa Vidyapeeth in Kochi having completed her Masters in Sanskrit recently. CMA Vaidyanathan Iyer, Chairman of the Chapter introduced the speaker and welcomed the students to the workshop.

A large number of students participated in the programme. CMA Sushant Ghadge, Secretary of the Chapter, CMA Remesh Babu, Treasurer of the Chapter and CMA Ajay Mohan, Managing Committee Member of the Chapter participated in the event. The splendid workshop came to an end with the vote of thanks being proposed by CMA Sushant Ghadge, Secretary of the Chapter.

Webinar on PLI Scheme in Pharma Sector

Chapter conducted a Webinar CEP programme on "PLI Scheme in Pharma Sector" on 27th November 2022. The speaker for this event was CMA Vaidyanathan Iyer, Chairman of the Chapter. CMA Vivek Bhalerao, PD Committee Chairman of the Chapter welcomed the audience and introduced the speaker and emphasized on delving deep into the intricacies of the PLI Schemes available in the Pharma sector to reap maximum benefits. The speaker deliberated on the various PLI schemes available in the Pharma Sector covering the areas such as PLI Scheme in Pharmaceuticals Sector, Operational Guidelines, Selection Process, Application requirements, Eligible Investment, Incentive Computation, Sample FAQ's Do's and Don'ts.

CMA Ajay Mohan, Managing Committee Member of the Chapter proposed vote of thanks.

Online Career Counselling at Pillai College Panvel

Chapter conducted Online Career Counselling Session on 1st December 2022 via Zoom Meet app at Pillai College, Panvel. The speaker for the event was CMA Vaidyanathan Iyer, Chairman of the Chapter.

The speaker articulated the salient features of the CMA Course and briefed the students and other faculties present, on the New Syllabus 2022, Admission formalities within the cut-off date of 31-01-23 for June 2023 exams, Oral Coaching course curriculum and Skills Training.

An Online demo of the Admission process on our portal www.icmai.in was presented to the students to enable them to enrol for admissions online by keeping the scan copies of the documents ready and selecting the relevant options.

PIMPRI-CHINCHWAD-AKURDI

Webinar on 'Global Taxation – US Taxation Indian Taxation and Comparison'

Chapter conducted webinar on 'Global Taxation – US Taxation Indian Taxation and Comparison' on 17th December 2022. CMA Pradeep Deshpande, Vice-Chairman of PCA Chapter welcomed the speaker Mr. Krishan Sharma and audience. CMA Pradeep Sahasrabudhe has introduced the speaker. Mr. Krishan Sharma started his speech with Global Taxation. He also highlighted on the US Taxation and Indian Taxation with examples.

Webinar on 'PLI Scheme in Pharmaceuticals Sector' on 24.12.2022

Chapter conducted webinar on 'PLI Scheme in Pharmaceuticals Sector' on 24th December 2022. CMA Dhananjay Kumar Vatsyayan, Chairman has welcomed the audience and speaker CMA Vaidyanathan Iyer, Practicing Cost Accountant and Chairman of Navi Mumbai Chapter and CMA Pradeep Deshpande, Vice-Chairman of PCA Chapter introduced the speaker.

Career Counselling Program

- 29th November 2022 at Valvan College of Arts, Science & Commerce College at Lonavla
- 30th November 2022 at Pratibha College of Arts, Science & Commerce College at Pimpri-Chinchwad.
- 9th December 2022 at SNBP Junior College of Commerce at Chikhali.

CMA Lalitha Deepak was the speaker for all the Counselling programme. All the students have solved their queries during the training period. There was huge response from the students.

PUNE

CEP on "Decoding CASH for Business Excellence"

Chapter organised CEP on "Decoding CASH for Business Excellence" on 25th November 2022 at CMA Bhawan, CMA Jayadev Mishra, CFO, ASAL was speaker for the programme.

CMA Nilesh Kekan, Treasurer, Chapter welcomed & introduced the Speaker. CMA Abhay Deodhar, Managing Committee Member, Chapter felicitated the speaker.

Lecture was very lucid and knowledge sharing. Large number of members attended the program.

CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter delivered vote of thanks.

Cricket Tournament

To enhance the importance of sports and fitness in one's life ICAI-Pune Chapter has organized Cricket Tournament on 26th & 27th November 2022 at SP College Cricket Ground, Sadashiv Peth, Pune. Tournament Inaugurated by CMA Amit Apte, Past President-ICAI, CMA Prasad Joshi, Chairman, CMA Nagesh Bhagane, Secretary, CMA Nilesh Kekan, Treasurer, CMA Abhay Deodhar & CMA Shrikant Ippalpalli, Managing Committee Members and Mr. Jaydeep H. Mane Deshmukh Student's Representative, Pune Chapter.

Total Sixteen teams consisting of more than 200 number of members and students were participated in the Tournament. Amongst these, "CMA Warriors" (Captain –Vaibhav Ghadage) won the tournament and Runner up Team was "CMA Game Changers 2.0" (Captain – CMA Nikhil Muley).

Best Batsman Trophy was awarded to Aditya Pavane and Best Bowler Trophy was awarded to CMA Vicky Munje.

Man of the Series Trophy was awarded to CMA Sachin Ajetrao and Man of the Match award of final match given to Vaibhav Ghadage.

Winning team was felicitated with the trophy. Winner and Runner-up team members were given medals at the hands of CMA Prasad Joshi, Chairman, ICAI- Pune Chapter and CMA Nagesh Bhagane, Secretary, Pune Chapter.

Managing Committee, Cricket Organization Committee, Volunteers and ICAI-Pune Chapter Staff members had taken lot of efforts for success of this tournament.

Webinar on "Reporting Critical transactions in GSTR 9 and 9C"

Chapter organised Webinar on "Reporting Critical transactions in GSTR 9 and 9C" on 21st December 2022. CMA Rahul Chincholkar was Speaker for the programme. CMA Nagesh Bhagane, Secretary, Pune Chapter welcomed & introduced the Speaker to the participants. CMA Shrikant Ippalpalli, Chairman, P D Committee of ICAI-Pune Chapter delivered vote of thanks.

CMA Ashwin Dalwadi, CCM-ICAI felicitating speaker Mr. Bhavin Goklani during CEP on Data Analysis organised by Ahmedabad Chapter on 15th December 2022.

CMA Malhar Dalwadi, Chairman of Ahmedabad Chapter Felicitating Chief Guest CMA Ashish Bhavsar, RCM, Secretary-WIRC during inaugural session of CMA Cricket League organised by Ahmedabad Chapter on 18th December 2022.

CMA Shushil Handa, Chief Guest Lighting of Lamp during Felicitation function organised by Ahmedabad Chapter on 19th December 2022.

CMA Mihir Vyas, Chairman Baroda Chapter alongwith Mr. Saurav Sharma INDIA TV and CMA Mohit Nagdev during INDIA TV CONCLEVE held at Ahmedabad on 26th November 2022

Ms. Ramya Kannan, Speaker is being felicitated by CMA Vaidyanathan Iyer, Chairman during Workshop for students on Managing Anxiety and Stress organised by Navi Mumbai Chapter on 26th November 2022

Dr. Kavita Joshi – Principal, SNBP Junior College of Commerce felicitating CMA Lalitha Deepak during Career Counselling Program organised by ICAI-Pimpri-Chinchwad-Akurdi Chapter on 9th December 2022.

CMA Prasad Joshi, Chairman and CMA Nagesh Bhagane, Secretary ICAI- Pune Chapter felicitating Winning team the 'CMA Warriors during Cricket Tournament organised by Pune Chapter

CMA Abhay Deodhar, Managing Committee Member, ICAI-Pune Chapter felicitating the speaker CMA Jayadev Mishra during CEP on "Decoding CASH for Business Excellence organised by Pune Chapter on 25th November 2022.

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Glimpses of seminar on "Manufacturing 4.0 - The Enabler for Value Creation organised by WIRC jointly with Pune Chapter on 17th December 2022

CMA Meena Vaidya – Past Chairperson & Advisor ICAI-Pune Chapter welcoming CMA Shrikant Ippalpalli – Chairman, P D Committee –ICAI Pune Chapter, CMA Vinayak Kulkarni-Vice Chairman WIRC-ICAI, Chief Guest Mr. Deepak Karandikar – Chairman MCCIA-Pune & CMA Chaitanya Mohrir –Treasurer WIRC-ICAI.

Lighting the Lamp : CMA Shrikant Ippalpalli – Chairman, P D Committee –ICAI Pune Chapter,CMA Vinayak Kulkarni-Vice Chairman WIRC-ICAI, CMA Dr.Sanjay Bhargave – Advisor ICAI-Pune Chapter, CMA Milind Date – Speaker, Chief Guest Mr. Deepak Karandikar – Chairman MCCIA-Pune CMA Rajesh Shukla – Speaker & CMA Chaitanya Mohrir –Treasurer WIRC-ICAI

CMA Milind Date felicitating to Speaker Mr. Pravin Deshpande

CMA Milind Date felicitating to Speaker CMA. Gopinath Jayraj

CMA Rajiv Shukla felicitating to Speaker Mr. Priydarshan Kshirsagar

CMA Rajiv Shukla felicitating to Speaker Mr. Amit Ghasas

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