



WIRC BULLETIN

EDITORIAL BOARD

Chief Editor:
CMA Harshad S. Deshpande

Editorial Team:
CMA Soumen Dutta
CMA S. N. Mundra
CMA Pradnya Y. Chandorkar

57th National Cost Convention 2016



Hon'ble Shri Arun Jaitley, Union Minister for Finance, Corporate Affairs and I & B inaugurating the 57th National Cost Convention on 30th Jan. 2016 at New Delhi by lighting the lamp.

WIRC Regional Cost Convention 2016



Shri Amar Sable, Member of Parliament & CMA P. V. Bhattad, President, ICAI inaugurating the Regional Cost Convention on 16th January 2016 at Pimpri, Pune by lighting the lamp.

In this Issue...

	Page
• From the Desk of Chairman	3
• GST Corner	CMA Ashok B. Nawal 4
• Roles & Responsibilities of the Auditor Under Companies Act 2013	CMA Ashok B. Nawal 6
• Role of CMA in implementation of Govt of India policies	CMA Rajendra Rathi 13
• Make in India	CMA Rajendra Rathi 13
• India requires unprecedented investments to achieve high growth rates	ACMA Dr. V. V. L. N. Sastry 14
• Report on WIRC Regional Cost Convention	15
• CMAs Dwajavandan on top of Rareshwar	CMA Ashish Deshmukh 16
• Chapter News	18

WESTERN INDIA REGIONAL COUNCIL THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.

Tel.: 2204 3406 / 2204 3416 / 2284 1138 • Fax : 2287 0763 E-mail : wirc@icmai.in • Website : www.icmai-wirc.in

Regional Cost Convention 2016



CMA L D Pawar, CMA Debasish Mitra, Chairman WIRC, Shri Amar Sable, Member of Parliament, CMA B.M. Sharma, Past President ICAI, CMA A.B. Nawal, CCM-ICAI and CMA P.V. Bhattad, President ICAI



CMA P.V. Bhattad, President ICAI felicitating Shri Amar Sable, Member of Parliament



View of audience



Shri Amar Sable, Member of Parliament addressing the audience



CMA P. V. Bhattad, President - ICAI



CMA Manas Kumar Thakur, Vice President - ICAI



CMA A.B. Nawal, CCM - ICAI



CMA Debasish Mitra, Chairman - WIRC



CMA B. M. Sharma, Past President - ICAI



CMA Pradip H. Desai, Vice-Chairman - WIRC



CMA Shriram Mahankaliwar, Hon. Secretary - WIRC



CMA L. D. Pawar, Treasurer - WIRC



CMA Kailash Gandhi, Chairman - PD Committee, WIRC



CMA Harshad Deshpande - RCM



Release of Souvenir at the hands of dignitaries



From the Desk of Chairman

Respected Members,

Hope this communication will find you with lot of energy and positivity in state of mind. There are lot of activities have been conducted during the month of January, 2016 both in our Region and all over India in Institute level.

Regional Cost Convention 2016 (RCC)

The Regional Cost Convention 2016 was a memorable and enjoyable event on account of quality of speakers, topics, hospitality and Food. Members participated in RCC from all over the Region. From the bottom of my heart, I wish to congratulate CMA Laxman D. Pawar and all Managing Committee members of Pimpri-Chinchwad-Akurdi Chapter of Cost Accountants for successful conduct of RCC.

The inauguration of the convention was done at the hands of Shri Amar Sable, Member of Parliament by lighting the traditional lamp. CMA P.V. Bhattad and CMA Manas Kumar Thakur, President & Vice-President of the Institute respectively were also present.

The theme of the RCC was "Make in India" and the sub-themes were 'Cost Competitiveness', 'Tax Reforms', 'Ease of Doing Business' and 'Digital India' were effectively and thoroughly handled by the Speakers.

There were lot of important technical deliberations by eminent speakers, which were enjoyed by all members present. The presentation by Mr. Sumit Dutt Majumdar, former chairman, CBEC, was remarkable. His lucid and elaborate discussion on GST was well appreciated even by the non-technical persons. Detailed report on the RCC has been published separately elsewhere in this Bulletin.

I express my sincere gratitude to other eminent speakers CMAs Narsimha Murthy, Chairman of the Expert Committee on Financial Ponzi Schemes of Govt. of Andhra Pradesh, C.S. Adawatkar, Practicing Cost Accountant, Ashim Mukhopadhyay, Head Business Planning, Tata Motors Ltd., B.B. Goyal, Former Addl. Chief Advisor (Cost), Ministry of Finance (Moderator) and Vivek Bhimanwar, PS to Chief Minister of Maharashtra, Shri Mandar Marulkar, CIO, KPIT Technologies Ltd., Shri Rajesh Pandey, Commissioner-Customs, CMA Ashok Nawal, Chairman Taxation Committee of the Institute, CMA Brijmohan Sharma, Past President of ICAI and CMA (Dr.) A.G. Anikhindi, Practicing Cost Accountant, and all Central Council members who were present and actively participated to make the convention successful.

I also express my highest gratitude and honors to all my Executive Committee members, Past Chairmen of WIRC, Past Presidents of ICAI from WIRC for extending heartfelt help to make the RCC a grand success.

57th National Cost Convention 2016

I got an opportunity to attend the 57th National Cost Convention 2016 held at Vigyan Bhawan, New Delhi on 30th & 31st January, 2016. The theme of the Convention was "Building Cost Competitiveness - Mission "Make in India". Hon'ble Finance Minister, Shri Arun Jaitley, was present at the inaugural session. Shri Arun Jaitley delivered a memorable speech, which thrilled all members present at the venue. During his speech, Shri Arun Jaitley narrated that the very concept of globalization has been changed. World has never seen such a low cost scenario. Oil price has come down, metal price has come down. Being a net buyer, India will be in most cost competitive condition to convert the make in India movement into success. Over and above consumption level is high in India since having a larger young generation. This National Convention will also be memorable for each and every arrangement including hospitality, documents / papers circulated containing program schedule, and details of speakers before and during the Convention.

I congratulate for the exemplary leadership of our beloved President, CMA P.V. Bhattad and Chairman of the National Convention, CMA Manas Kumar Thakur, Vice President and CMA Vijender Sharma, Convener, of the convention.

Continuing Education Programmes (CEPs):

WIRC also organized CEPs for the benefit of the members of our Profession during the month of January 2016. We have successfully organized CEP on "CMAs Role in Factory Compliance Management" on 23rd January, 2016 at Borivali SMFC, by CMA B. F. Modi and on "Recent Regulatory Changes in FDI & ECB" on 30th January, 2016 at Thane SMFC. The Speaker was CMA A. Sekar. Both programs were well attended by a good number of participants and also appreciated by them.

I am very happy to inform you that we have received overwhelming response for the Workshop on 'How to conduct effective Cost Audit' arranged at WIRC Office on Saturday, the 6th February, 2016. I am thankful to all faculties namely CMA Kishore Bhatia, CMA R. Parvathy, CMA Dushyant Dave and CMA Sukrut Mehta. I am also thankful to Shri Satya Parkash Kumar, Registrar of Companies, for sparing his valuable time as Chief Guest of the Workshop. I also express my highest gratitude to CMA Poonam Shah for her active participation to make the program successful.

Lastly I pray to Ma Sarasvati on the occasion of "Basant Panchami" to bless all of us with knowledge and wisdom.

See you in next month.

CMA Debasish Mitra

GST CORNER

By CMA Ashok B. Nawal

Contact: +91 9890165001 • Email: nawal@bizsolindia.com

Sector Wise Impact Analysis in brief

Power Sector includes:

- Generation
- Transmission
- Distribution
- Captive Power Plant
- Wind Mill Generation
- Solar Generation
- Non-Conventional Energy
- Nuclear Energy

At present there is neither service tax nor central excise duty applicable similarly VAT / CST is also not applicable. Supply to mega power project is considered as Deemed Exports and certain components and parts supplied to Wind Mill, Solar Generation, Non-conventional energy and nuclear energy is exempted from payment of central excise duty but not covered under exclusion under Rule 6 of Cenvat Credit Rules 2004.

Electricity duty will not be subsumed in GST but in the Business Process Reports as made available in the public domain provides the refund mechanism to supplies to Mega Power Projects being considered as Deemed Exports. Therefore, supplies to Mega Power Project will be beneficiary and the cost of power should come down in the GST era. Same treatment is expected for the power generation through wind mill, Solar Generation, Non-conventional energy and nuclear energy, otherwise power cost will go up in the GST Era.

Real Estate sector includes:

- Land
- Land development
- Construction on own land and sale of flats
- Construction on land under Development Agreement and sale of Apartments thereon
- Maintenance
- Rent
- Brokerage

Though land is initially excluded from the GST era but land development, Construction on land under Development Agreement and sale of Apartments thereon, Maintenance, Rent and Brokerage are subjected to provisions of service tax. However, Construction on own land and sale of flats, Construction on land under Development Agreement and sale of Apartments thereon, Maintenance etc. of works contract nature, where there is a cascading impact of tax in the present regime. It is expected that there is seamless flow in GST mechanism and hence it is expected reduction of cost in the GST Era.

Vehicle, Goods & passengers sector includes:

- Tours and tourism

- Rent a cab
- School bus
- Public transport system - Bus, Monorail, Metros, Rail, Trams, Auto rickshaw, Taxis etc.
- Air / Rail / Sea Travel
- Road Transport (Inter / Intra State)
- Transport Services + Agents

Though majority of the services are covered under Service tax but, restricted Credit Mechanism / no VAT Set off is available on inputs and capital goods in the present tax regime. It is expected to have the seamless flow of credit including CGST & SGST/IGST. Cost will be lesser in GST regime. However, whether the prices will be higher or lower, will be based on the Revenue Neutral Rate (RNR) as stated to be @18% as compared to 14.5% today. In other words, if such seamless flow of ITC is not allow then there will be inflationary trend in GST regime.

Financial Services includes:

- Banks / Financial Institutions and various services offered by them including interest
- Credit Society / Co-operative Bank and service offered by them
- Foreign Exchange Services including transactions
- Inter Corporate Deposits / Term loans / Group Companies Transactions / Personal Borrowing appear in Personal Balance Sheet
- Agricultural Loan
- NBFCs / Leasing Transactions / Mutual Fund / Shares / Investment Based Link Schemes / Stock Markets
- Brokers and Sub Broker / Portfolio Management
- Risk Management Services
- Chit Funds / Bhisssis and auctions thereof
- Money Lenders (licensed and unlicensed)
- Scheme like gold loans or market linked schemes

Definition of goods includes commodities and auction able claims but excluding money and services have been defined as anything other than goods. In other words, all the financial sectors will be covered under the GST Era. It is expected to have the seamless flow of credit including CGST & SGST/IGST. Cost will be lesser in GST regime. However, whether the prices will be higher or lower, will be based on the Revenue Neutral Rate (RNR) as stated to be @18% as compared to 14.5% today. In other words, if such seamless flow of ITC is not allow then there will be inflationary trend in GST regime.

Engineering and Automobile:

Issues faced by Engineering and automobile sectors includes:

- Line Rejections - whether every supply GST?
- Job Work - whether every supply and receipt - GST?
- NCCD, Automobile Cess, Entry taxes, Octroi / LBT,

registration charges, road taxes etc.

- Spare Parts - whether MRP based valuation will continue?
- Dealers Network in each state
- Moulds and dies - Clearance vis-à-vis sales / Free supplies / Amortization

Fate of engineering and automobile sector will be clear only when meaning of supply and place and time of supply rules have been specified. However, NCCD, Automobile cess, Entry taxes, road taxes etc will be still be prevailing in the GST Regime. Further, petroleum products are not covered under the GST and will be subjected to excise duty as well as any state tax. Further, expected GST rate for automobile may be at 40% and therefore, it is expected there may be negative impact in the GST regime. However, there will be positive impact in the GST Era for engineering sector.

Pharma, Chemical and Bulk Drugs

Issues faced by Pharma, Chemical and Bulk Drugs includes:

- MRP Based Valuation - whether will continue or not?
- Physician Samples - GST would be applicable on supply
- Samples in Stock - GST would not be applicable
- R & D activity - In R & D Centre, taxes paid on material received for testing / research and development becomes cost, since the output is a service. In GST Regime, for the taxes paid , credit would be available
- Material Destructed in Factory / Outside factory
- Quality samples
- FOC Material received for manufacture
- Production on Loan Licencing basis - Material Supplied and FG received
- Huge expenditure on Sponsorship - presently covered under reverse charge mechanism...
- Sales promotion - Gifts and other sales promotion material
- Honorarium to Doctors
- Patents

It has been clarified by then Special Revenue Secretary - Mrs. Rashmi Verma that there will be no MRP based valuation in the GST Era and therefore there will be a big relief in the Pharmaceuticals sectors. Physician sample and sales promotional items will be more costlier, since at present it bears only incidence of excise duty but in GST Era it will have the impact on cost, since GST rate will be much higher which will be composition of CGST and SGST/IGST and hence sales promotional cost will be much higher minimum by 6% to 7%. Manufacturing strategy of make or buy, production on loan license basis or principal to principal basis will have to be revisited in the GST regime. Pharma sector will have major impact for revisiting the strategies considering the proposed GST law and place of supply Rules.

HOTEL AND HOSPITALITY

Luxury tax will be subsumed and consumer will not pay dual taxes i.e. service tax and VAT. However, there will be a GST rate only on total value on the bill. Further, there will be seamless flow of credit and hence it is expected that hotel and hospitality industry will be benefited. However, whether the prices will be higher or lower, will be based on the Revenue Neutral Rate (RNR) as stated to be @18% as compared to 14.5% today. In other words, if such seamless flow of ITC is not allow then there will be inflationary trend in GST regime. Similarly, place of supply rule will determine eligibility of ITC on B2B transactions.

IT & IT Enabled Services

At present there is hardly any credit is allowed either on goods & services procured by IT and IT enabled services. However in GST Era it is expected to have the seamless flow of credit and hence IT and IT Enabled services will be benefited. Exporters of IT and IT enabled services will be highly benefited, since refund mechanism will be much better and streamlined with transparency than that of present one.

E-Commerce / Retail

The most beneficiary sector will be e-commerce and retail as compared to other trade and industries. There will be a drastic reduction in logistics cost and logistic time. Similarly, sales promotional cost will be higher in GST regime and therefore spot discount will be offered at E-commerce and consumer will be more benefited when transaction is done through E-Commerce. Therefore there will number of new players in the era of e-commerce in the GST regime and real benefit will come to the consumer. Place of supply rules also reduce the litigations arising out of present issues of jurisdiction and applicability of state taxes.

Infrastructure

Infrastructure includes Power, road, port, railways and mining.

At present,

- VAT is generally applicable on goods used for construction,
- Service tax is exempt on the actual construction of road.
- No indirect taxes on the output of the power sector
- All input taxes (such as capital expenditure on setting up power plants and duties and taxes on coal) are a cost to power companies
- Railway and port sector - construction, erection and commissioning services are exempt from service tax

However, in GST Era there will be a seamless flow of ITC and hence it is expected that cost of infrastructure will be come down. Further, majority of the work while developing the infrastructure is of works contract nature, where there is a cascading impact of tax in the present regime. It is expected that there is seamless flow in GST mechanism and hence it is expected reduction of cost in the GST Era.



Roles & Responsibilities of the Auditor Under Companies Act 2013

By CMA Ashok B. Nawal

Contact: +91 9890165001 • Email: nawal@bizsolindia.com

Companies Act 2013 has been enacted on 30th August 2013 and earlier 98 Sections were made effective from 12th September 2013 and now around 185 Sections are made effective from 1st April 2014. Moreover, numbers of rules have also been notified and therefore it is important to get updated on the same.

Chapter X read with Section 139 to Section 148 deals with provisions relating to Audit & Auditors as given below:

- Section 139 - Appointment of auditors
- Section 140 - Removal, resignation of auditor and giving of special notice
- Section 141 - Eligibility, Qualifications and disqualifications of auditors
- Section 142 - Remuneration of auditors
- Section 143 - Powers and duties of auditors and auditing standards
- Section 144 - Auditor not to render certain services
- Section 145 - Auditor to sign audit reports, etc.
- Section 146 - Auditors to attend general meeting
- Section 147 - Punishment for contravention
- Section 148 - Central Government to specify audit of items of cost in respect of certain companies.

Section 143 deals with "Powers & duties of auditors and Auditing Standards" of auditors and therefore it needs to be carefully examined. Provisions of Section 143 are reproduced below:

- (1) Every auditor of a company shall have a right of access at all times to the books of account and vouchers of the company, whether kept at the registered office of the company or at any other place and shall be entitled to require from the officers of the company such information and explanation as he may consider necessary for the performance of his duties as auditor and amongst other matters inquire into the following matters, namely:-
 - a. whether loans and advances made by the company on the basis of security have been properly secured and whether the terms on which they have been made are prejudicial to the interests of the company or its members;
 - b. whether transactions of the company which are represented merely by book entries are prejudicial to the interests of the company;
 - c. where the company not being an investment company or a banking company, whether so much

of the assets of the company as consist of shares, debentures and other securities have been sold at a price less than that at which they were purchased by the company;

- d. whether loans and advances made by the company have been shown as deposits;
- e. whether personal expenses have been charged to revenue account;
- f. where it is stated in the books and documents of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance sheet is correct, regular and not misleading;

Provided that the auditor of a company which is a holding company shall also have the right of access to the records of all its subsidiaries in so far as it relates to the consolidation of its financial statements with that of its subsidiaries.

- (2) The auditor shall make a report to the members of the company on the accounts examined by him and on every financial statements which are required by or under this Act to be laid before the company in general meeting and the report shall after taking into account the provisions of this Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of this Act or any rules made thereunder or under any order made under sub-section (11) and to the best of his information and knowledge, the said accounts, financial statements give a true and fair view of the state of the company's affairs as at the end of its financial year and profit or loss and cash flow for the year and such other matters as may be prescribed.

- (3) The auditor's report shall also state :
 - a. whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
 - b. whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;

- c. whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
 - d. whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
 - e. whether, in his opinion, the financial statements comply with the accounting standards;
 - f. the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
 - g. whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
 - h. any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
 - i. whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
 - j. such other matters as may be prescribed.
- (4) Where any of the matters required to be included in the audit report under this section is answered in the negative or with a qualification, the report shall state the reasons therefor.
- (5) In the case of a Government company, the Comptroller and Auditor-General of India shall appoint the auditor under sub-section (5) or sub-section (7) of section 139 and direct such auditor the manner in which the accounts of the Government company are required to be audited and thereupon the auditor so appointed shall submit a copy of the audit report to the Comptroller and Auditor-General of India which, among other things, include the directions, if any, issued by the Comptroller and Auditor-General of India, the action taken thereon and its impact on the accounts and financial statement of the company.
- (6) The Comptroller and Auditor-General of India shall within sixty days from the date of receipt of the audit report under sub-section (5) have a right to:
- a. conduct a supplementary audit of the financial statement of the company by such person or persons as he may authorized in this behalf; and for the purposes of such audit, require information or additional information to be furnished to any person or persons, so authorized, on such matters, by such person or persons, and in such form, as the Comptroller and Auditor-General of India may direct; and
 - b. comment upon or supplement such audit report: Provided that any comments given by the Comptroller and Auditor-General of India upon, or supplement to, the audit report shall be sent by the company to every person entitled to copies of audited financial statements under sub section (1) of section 136 and also be placed before the annual general meeting of the company at the same time and in the same manner as the audit report.
- (7) Without prejudice to the provisions of this Chapter, the Comptroller and Auditor-General of India may, in case of any company covered under sub-section (5) or sub-section (7) of section 139, if he considers necessary, by an order, cause test audit to be conducted of the accounts of such company and the provisions of section 19A of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971, shall apply to the report of such test audit.
- (8) Where a company has a branch office, the accounts of that office shall be audited either by the auditor appointed for the company (herein referred to as the company's auditor) under this Act or by any other person qualified for appointment as an auditor of the company under this Act and appointed as such under section 139, or where the branch office is situated in a country outside India, the accounts of the branch office shall be audited either by the company's auditor or by an accountant or by any other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of that country and the duties and powers of the company's auditor with reference to the audit of the branch and the branch auditor, if any, shall be such as may be prescribed:
- Provided that the branch auditor shall prepare a report on the accounts of the branch examined by him and send it to the auditor of the company who shall deal with it in his report in such manner as he considers necessary.
- (9) Every auditor shall comply with the auditing standards.
- (10) The Central Government may prescribe the standards of auditing or any addendum there to, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949, in consultation with and after examination of the recommendations made by the National Financial Reporting Authority: Provided that until any auditing standards are notified, any standard or standards of auditing specified by the Institute of Chartered Accountants of India shall be deemed to be the auditing standards.
- (11) The Central Government may, in consultation with the National Financial Reporting Authority, by general or special order, direct, in respect of such class or description of companies, as may be specified in the order, that the auditor's report shall also include a statement on such matters as may be specified therein.
- (12) Notwithstanding anything contained in this section, if an auditor of a company, in the course of the performance of his duties as auditor, has reason to

- believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company, he shall immediately report the matter to the Central Government within such time and in such manner as may be prescribed.
- (13) No duty to which an auditor of a company may be subject to shall be regarded as having been contravened by reason of his reporting the matter referred to in sub-section (12) if it is done in good faith.
- (14) The provisions of this section shall mutatis mutandis apply to-
- the cost accountant in practice conducting cost audit under section 148; or
 - the company secretary in practice conducting secretarial audit under section 204.
- (15) If any auditor, cost accountant or company secretary in practice do not comply with the provisions of sub-section (12), he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

Moreover, provisions of Section 147 (2) stipulates that, If an auditor of a company contravenes any of the provisions of section 139, section 143, section 144 or section 145, the auditor shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees:

Provided that if an auditor has contravened such provisions knowingly or willfully with the intention to deceive the company or its shareholders or creditors or tax authorities, he shall be punishable with imprisonment for a term which may extend to one year and with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

Each Auditor have to comply with the auditing standards and Cost Accountant have to comply with Cost Auditing Standards and Company Secretary needs to comply with secretarial standards. Otherwise, provisions of Section 143(15) read with Section 147(2) will be applicable.

In view of the same, it is important to understand such standards. The comparison of relevant auditing standards is given below:

S.No.	IAASB	ICAI	ICAI-CMA
1	ISA 300, Planning an Audit of Financial Statements	SA 300 (Revised), Planning an Audit of Financial Statements	CAS-101, Planning an Audit of Cost Statement - effective 11.09.2015
2	ISA 230, Audit Documentation	SA 230 (Revised), Audit Documentation	CAS-102, Cost Audit Documentation - effective 11.09.2015
3	ISA 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing	SA 200 (Revised), Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing	CAS-103, Overall Objectives of the Independent Cost Auditor and the Conduct of an Audit in Accordance with Standards on Auditing - effective 11.09.2015
4	ISA 315, Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment	SA 315, Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment	CAS-104, Knowledge of Business, its Processes and Business Environment - effective 11.09.2015
5	ISA 210, Agreeing the Terms of Audit Engagements	SA 210 (Revised), Agreeing the Terms of Audit Engagements	SCA-105 Finalized by the Board, approved by the Council and sent to MCA for approval
6	ISA 530, Audit Sampling	SA 530 (Revised), Audit Sampling	SCA-106 Finalized by the Board, approved by the Council and sent to MCA for approval
7	ISA 500, Audit Evidence ISA 501, Audit Evidence-Specific Considerations for Selected Items	SA 500 (Revised), Audit Evidence SA 501 (Revised), Audit Evidence-Specific Considerations for Selected Items	Approved by Board in 23rd meeting held on 10.12.2015; sent to Council for approval
8	ISA 320, Materiality in Planning and Performing an Audit	SA 320 (Revised), Materiality in Planning and Performing an Audit	Approved by Board in 23rd meeting held on 10.12.2015; sent to Council for approval
9	ISA 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	SA 240 (Revised), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	Approved by Board in 21st meeting dated 5/6.10.2015; ED issued on 16.11.2015; Being placed before Board in 24th meeting to be held on 24.12.2015
10	ISA 450, Evaluation of Misstatements Identified during the Audit	SA 450, Evaluation of Misstatements Identified During the Audit	Approved by Board in 22nd meeting dated 6.11.2015; ED issued on 27.11.2015; to be placed in 25th meeting

S.No.	IAASB	ICAI	ICAI-CMA
11	ISA 580, Written Representations	SA 580 (Revised), Written Representations	Approved by Board in 22nd meeting dated 6.11.2015; ED issued on 27.11.2015; to be placed in 25th meeting
12	ISA 610, Using the Work of Internal Auditors	SA 610 (Revised), Using The Work of Internal Auditors	Approved by Board in 23rd meeting held on 10.12.2015; ED being issued.
13	ISA 620, Using the Work of an Auditor's Expert	SA 620 (Revised), Using the Work of an Auditor's Expert	Approved by Board in 23rd meeting held on 10.12.2015; ED being issued.
14	ISA 260, Communication with Those Charged with Governance ISA 265, Communicating Deficiencies in Internal Control to Those Charged with Governance and Management	SA 260 (Revised), Communication with Those Charged with Governance SA 265, Communicating Deficiencies in Internal Control to Those Charged With Governance and Management	Under preparation
15	ISA 520, Analytical Procedures	SA 520 (Revised), Analytical Procedures	Under preparation
16	ISA 330, The Auditor's Responses to Assessed Risks	SA 330, The Auditor's Responses to Assessed Risks	Under preparation
17	ISA 600, Special Considerations- Audits of Group Financial Statements (Including the Work of Component Auditors)	SA 600 (AAS 10), Using the Work of Another Auditor	Under preparation
18	ISA 550, Related Parties	SA 550 (Revised), Related Parties	Under preparation
19	ISA 250, Consideration of Laws and Regulations in an Audit of Financial Statements	SA 250 (Revised), Consideration of Laws and Regulations in an Audit of Financial Statements	Under preparation
20	ISA 402, Audit Considerations Relating to an Entity Using a Service Organization	SA 402 (Revised), Audit Considerations Relating to an Entity Using a Service Organization	Under preparation
21	ISA 505, External Confirmations	SA 505 (Revised), External Confirmations	Under preparation
22	ISA 700, Forming an Opinion and Reporting on Financial Statements ISA 705, Modifications to the Opinion in the Independent Auditor's Report	SA 700 (Revised), Forming an Opinion and Reporting on Financial Statements SA 705, Modifications to the Opinion in the Independent Auditor's Report	Under preparation
23	ISA 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements	SA 720, The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements	Under preparation
24	ISA 560, Subsequent Events	SA 560 (Revised), Subsequent Events	Under preparation
25	ISA 800, Special Considerations- Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks	SA 800, Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks	Under preparation
26	ISA 710, Comparative Information- Corresponding Figures and Comparative Financial Statements	SA 710 (Revised), Comparative Information- Corresponding Figures and Comparative Financial Statements	Under preparation
27	International Standard on Quality Control (ISQC) 1, Quality Controls for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements	SQC 1, Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements	Guidance Manual for Audit Quality, prepared by the Quality Review Board (QRB); Audit Standard to be issued

S.No.	IAASB	ICAI	ICAI-CMA
28	ISA 510, Initial Audit Engagements-Opening Balances	SA 510 (Revised), Initial Audit Engagements - Opening Balances	Not relevant
29	ISA 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	SA 540 (Revised), Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	Not relevant
30	ISA 570, Going Concern	SA 570 (Revised), Going Concern	Not relevant
31	ISA 706, Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	SA 706, Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	Not relevant
32	ISA 805, Special Considerations-Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	SA 805, Special Considerations-Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	Not relevant
33	ISA 810, Engagements to Report on Summary Financial Statements	SA 810, Engagements to Report on Summary Financial Statements	Not relevant

It means, auditors / cost auditors have to maintain audit trends and such documents / records as prescribed in respective auditing standards.

Further, it is important to note the meaning of Fraud defined under :

Indian Penal Code, 1860

1.3 Indian Penal Code, which is the mother law concerning frauds has, as such, not defined the term 'fraud'. However, it has defined other related terms such as 'wrongful gain', 'wrongful loss', 'dishonestly', 'fraudulently', and 'reason to believe'. These are asunder:

Section 23 "Wrongful gain"

"**Wrongful gain**" is gain by unlawful means of property which the person gaining is not legally entitled.

"**Wrongful loss**" is the loss by unlawful means of property to which the person losing it is legally entitled.

Gaining wrongfully, losing wrongfully- A person is said to gain wrongfully when such person retains wrongfully, as well as when such person acquires wrongfully. A person is said to lose wrongfully when such person is wrongfully kept out of any property as well as when such person is wrongfully deprived of property.

Section 24 "Dishonestly"- Whoever does anything with the intention of causing wrongful gain to one person or wrongful loss to another person, is said to do that thing "dishonestly".

Section 25 "Fraudulently" - A person is said to do a thing fraudulently if he does that thing with intent to defraud but not otherwise.

Section 26 "Reason to believe"- A person is said to have "reason to believe" a thing, if he has sufficient cause to believe that thing but not otherwise.

Indian Contract Act, 1872 - Section 17 states as

follows

1.4 "Fraud" means and includes any of the following acts committed by a party to a contract, or with his connivance, or by his agents, with intent to deceive another party thereto his agent, or to induce him to enter into the contract;

- the suggestion as a fact, of that which is not true, by one who does not believe it to be true;
- the active concealment of a fact by one having knowledge or belief of the fact;
- a promise made without any intention of performing it;
- any other act fitted to deceive;
- any such act or omission as the law specially declares to be fraudulent.

Explanation- Mere silence as to facts likely to affect the willingness of a person to enter into a contract is not fraud, unless the circumstances of the case are such that, regard being had to them, it is the duty of the person keeping silence to speak, or unless his silence, is, in itself, equivalent to speech.

Reserve Bank of India

1.5 RBI had, per se, not defined the term 'fraud' in its guidelines on Frauds. A definition of fraud was, however, suggested in the context of electronic banking in the report of RBI Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds, which reads as under:-

"A deliberate act of omission or commission by any person, carried out in the course of a banking transaction or in the books of accounts maintained manually or under computer system in banks, resulting into wrongful gain to any person for a temporary period or otherwise, with

or without any monetary loss to the bank."

The Insurance Fraud Monitoring Framework

1.6 In the context of insurance business, Insurance Regulatory and Development Authority (IRDA) has defined fraud as:

"an act or omission intended to gain dishonest or unlawful advantage for a party committing the fraud or for other related parties."

The Companies Act, 2013

1.7 With reference to the provisions for punishment for fraud, Section 447 of the Act has explained the terms fraud, wrongful gain and wrongful loss as under:

"fraud" in relation to affairs of a company or anybody corporate, includes any act, omission, concealment of fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongfulness;

"wrongful gain" means the gain by unlawful means of property to which the person gaining is not legally entitled;

"wrongful loss" means the loss by unlawful means of property to which the person losing is legally entitled.

1.8 The above definition of fraud is so broad that it conceivably includes any act committed by anyone with wrongful intent.

1.9 Section 447 provides punishment for fraud, as below:

- **Criminal Liability (Imprisonment) - Minimum** of 6 months (3 years in case public interest is involved) and Maximum of 10 years
- **Civil Liability (Fine/Penalty) - Minimum** amount equivalent to the amount involved in the fraud and Maximum upto 3 times of the amount involved in fraud. Further, the penalty is non-compoundable

In other words, the definition of fraud is not restricted to fraud committed by employee to the

Management but it also includes any act, omission, concealment of fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss."

When the definition of "Fraud" is so large then it becomes imperative to read the proviso to Section 147(2), which clearly mentioned that :

Quote :

Provisions to Section 147(2) clearly mentions that

Provided that if an auditor has contravened such provisions knowingly or willfully with the intention to deceive the company or its shareholders or creditors or tax authorities, he shall be punishable with imprisonment for a term which may extend to one year and with fine

which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

Each Auditor have to comply with the auditing standards and Cost Accountant have to comply with Cost Auditing Standards and Company Secretary needs to comply with secretarial standards. Otherwise, provisions of Section 143(15) read with Section 147(2) will be applicable.

Un-Quote :

Rule 13 of the Companies (Audit and Auditors) Rules, 2014

2.6 The Central Government, through the Ministry of Corporate Affairs, vide GSR246(E) dated 31.03.2014, has notified the Companies (Audit and Auditors) Rules, 2014.

Rule 13 of the said Rules relates to reporting of frauds by auditor. Further, Ministry of Corporate Affairs, vide G.S.R. 972(E) dated 14.12.2015 has amended the Companies (Audit and Auditors) Rules, 2014 and completely substituted Rule 13 in the Companies (Audit and Auditors) Amendment Rules, 2015. The amended version of Rule 13 is reproduced below:

"13. Reporting of frauds by auditor and other matters.-

- (1) if an auditor of a company, in the course of the performance of his duties as statutory auditor, has reason to believe that an offence of fraud, which involves or is expected to involve individually an amount of rupees one crore or above, is being or has been committed against the company by its officers or employees, the auditor shall report the matter to the Central Government.
- (2) The auditor shall report the matter to the Central Government as under;-
 - (a) the auditor shall report the matter to the Board or the Audit Committee, as the case may be, immediately but not later than two days of his knowledge of the fraud, seeking their reply or observations within forty-five days;
 - (b) on receipt of such reply or observations, the auditor shall forward his report and the reply or observations of the Board or the Audit Committee along with his comments (on such reply or observations of the Board or the Audit Committee) to the Central Government within fifteen days of receipt of such reply or observations
 - (c) in case the auditor fails to get any reply or observations from the Board or the Audit Committee within the stipulated period of forty-five days, he shall forward his report to the Central Government along with a note containing the details of his report that was earlier forwarded to the Board or the Audit Committee for which he has not received any reply or observations
 - (d) the report shall be sent to the Secretary, Ministry of Corporate Affairs in a sealed cover by Registered Post with Acknowledgment Due or by Speed Post followed by e-mail in confirmation of the same.

- (e) the report shall be on the letter-head of the auditor containing postal address, email address and contact telephone number or mobile number and be signed by the auditor with his seal and shall indicate his Membership Number; and
 - (f) the report shall be in the form of a statement as specified in Form ADT-4.
- (3) In case of a fraud involving lesser than the amount specified in sub-rule (1), the auditor shall report the matter to Audit Committee constituted under Section 177 or to the Board immediately but not later than two days of his knowledge of the fraud and he shall report the matter specifying the following:-
- (a) Nature of Fraud with description;
 - (b) Approximate amount involved; and
 - (c) Parties involved.
- (4) The following details of each of the fraud reported to the Audit Committee or the Board under sub-rule (3) during the year shall be disclosed in the Board's Report:-
- (a) Nature of Fraud with description;
 - (b) Approximate amount involved;
 - (c) Parties involved, if remedial action not taken; and
 - (d) Remedial actions taken.
- (5) The provision of this rule shall also apply, mutatis mutandis, to a Cost Auditor and a Secretarial Auditor during the performance of his duties under section 148 and section 204 respectively.";
- 2.7 The significant provisions made in the aforesaid rules that, mutatis mutandis, apply to cost auditor and secretarial auditor performing audit under section 148 and 204 respectively, are summarized as under. Detailed interpretation and applicability of these provisions, in different circumstances, is made in the subsequent chapters.
- Each fraud involving amount of rupees one crore or above is required to be reported to the Central Government.
 - Each fraud involving amount less than rupees one crore is required to be reported to the Board or the Audit Committee, as the case may be.
 - All frauds reported to the Board or the Audit Committee is required to be disclosed in the Board's Report.
 - Maximum time to make a report to the Central Government is sixty two days [2+45+15] of the auditor's knowledge of the fraud.
 - First reporting is immediate but not later than two days of the auditor's knowledge of fraud.
 - Board or the Audit Committee is required to reply or make observations to the auditor within forty-five days.
 - The auditor is required to forward his report to the Central Government within fifteen days of receipt of reply or observations of the Board or Audit Committee.

- In case no reply or observations are received from the Board or Audit Committee within forty-five days, the auditor is required to forward his report to the Central Government.
- The report is required to be sent to the Secretary, Ministry of Corporate Affairs.

Key points to be noted are:

- The report must be in the specified Form ADT-4;
- It must be on the letter-head of the auditor containing postal address, email address and contact number;
- It must be signed by the auditor with his seal and Membership Number;
- It must be sent in a sealed cover;
- It must be sent by Registered Post with Acknowledgment Due or by Speed post; and
- Each such communication must be followed by an e-mail in confirmation.

In the context of cost accounting, Fraud & Misconduct, together fall into the following categories of risk that can undermine public trust and damage a company's reputation for integrity:

- Fraudulent Cost Reporting (e.g. overstatement of cost of goods sold, last minute adjustment that significantly affect cost results, missing inventory or physical assets of significant magnitude)
- Misappropriation of assets (e.g. embezzlement, payroll fraud, theft, procurement fraud, counterfeiting, wrong product mix)
- Revenue or assets gained by fraudulent or illegal acts (e.g. over-billing customer, deceptive sales practices, accelerated revenue, bogus revenue)
- Cost accounting policies that appear to be at variance with industry norms
- Tolerance of violation of the company's Code of Conduct
- Other misconduct (e.g. conflicts of interest, denial of access to records, facilities, certain employee, customer / vendor or other from whom cost audit evidence might be sought)
- Even wrongly certifying Indirect Tax reconciliation that tax payable, tax paid, tax collected is the same and thereafter subsequently detected by any revenue authorities of evasion of duties and agreed by the company, may also get classified under the heading of "Fraud" provided proper care has not been taken.
- Not furnishing the reasons for difference between the turnover as per financial accounts and as per excise & /or service tax turnover.

The cost auditor has got more responsibility than that of auditors under Companies Act 2013, since auditors are not certifying tax payable, tax paid and tax collected, as also are not required to give the reconciliation between the turnover as per financial account and turnover as per excise / service tax.

Role of CMA in implementation of Govt of India policies

CMA Rajendra Rathi



Inclusive growth can be achieved by inclusive monitoring mechanism involving ICAI (Cost) institute

Government of India has announced promotion of Make in India to generate job opportunities and increase GDP. Following important point can be considered for speedy achieving of inclusive growth targets:

- First of all we have to understand India's majority population is surviving on agriculture which is in rural area hence separate incentive to be planned for promotion of agriculture base industries like dairy farm, organic farming etc.
- To achieve swatch bharat mission our education system need to be changed accordingly to inculcate the habit from starting
- Whether for attracting foreign investment in make in India we have:-
 - (a) Sufficient infrastructure,
 - (b) Pool of utilities,
 - (c) Economical logistic
 - (d) availability of skilled and unskilled manpower
 - (e) availability of economic raw material and market for consumption
 - (f) Simplified labour compliance and pollution control compliance

- (g) Simple tax compliance
- Introduction of scientific monitoring mechanism by involvement of subject matter expert:-
 - (a) While implementing GST sector wise monitoring committee can be formed for ensuring passing of actual benefit to end consumers like drug price control authority.
 - (b) Format for valuation of goods and services to be decided as per CAS and compliance can be ensured as being ensured presently in Excise.
 - (c) When swatch Bharat cess is introduced from 15.11.2015 whether utilization of same is made uniformly preferably more in the area from where collection is more or not.
 - (d) Monitoring committee from public and private to be formed for providing periodical feedback with suggestion for improvement.

Suggestion:

CMA institute can become valuable partner in successful implementation of above important policy of Govt. of India as monitoring of cost and analysis of cost effectiveness can be done effectively by CMA who are expert in Cost Control and Cost reduction techniques. Further every ministry can keep one Cost Accountant for analysis and effective utilization of resources.

Make in India

CMA Rajendra Rathi

As is known, NAMO's Make in India slogan has been crafted with one singular objective which is this : to make India the manufacturing hub of the world challenging China's dominating position in the world of manufacturing. And if successful, India could very well get tons of Foreign capital which would be hopefully injected in setting up greenfield/brownfield projects which in turn will result in mass employment thus boosting GDP whilst taming socio- economic problems. Frankly India won't face much hurdles in attracting investments in traditional sectors like Handicrafts, textiles and agro-based activities but the billion dollar question is : does the young generation of India have the skill sets and capabilities necessary to get inducted into various manufacturing sectors?

There are 2 aspects that should be debated on with facts and figures before we start dreaming of Make in India becoming successful:

First aspect relates to cost-competitiveness: we need to have detailed industry-wise cost-benefit analysis [comparing same with China who happens to be lowest cost producer in several industries] in order to convince

foreigners to Make in India instead of Make in China/ Brazil etc

Second aspect: we need to expedite the implementation of GST actual benefits of which will start flowing only after each State rolls out the GST as is envisaged and this may very well take 2-3 years until then manufacturing companies will have to continue tolerating the current inefficient tax regime

Conclusion: Make in India can truly become a roaring success only if the Policy Makers ensure that we provide cheap power, make land acquisition fast and uncomplicated and present investors with tax-friendly incentives and scrap all frivolous legal hurdles that deter foreigners and Indians to invest in India. After all, capital will always flow to countries where capital is efficient and the ROI is highest. And yes, if we want to beat China then its high time we start thinking like the Chinese - China builds fantastic 8 lane roads and then builds cars/ vehicles whereas we Indians build millions of cars even as the roads in our cities and towns are full of potholes! CMA can be best expert in achieving this.



India requires unprecedented investments to achieve high growth rates

By **ACMA Dr. V. V. L. N. Sastry, Director**
Firstcall India Investment Banking, Mumbai.

Recently, some agencies have reduced their growth outlook for India, citing a slew of factors such as failure to pass reforms, deficit monsoon and poor external conditions. While announcing a cut in key lending rate by 50 bps last in September 2015, the Reserve Bank of India (RBI) downgraded its outlook for India's GDP growth to 7.4% in the current fiscal year.

According to RBI in its monetary policy report, lead/coincident indicators, the forward looking surveys and estimates from model-based forecasts warranted a downward revision of Gross Value Added (GVA) growth to 7.4 per cent in FY 16. The government's decision to lower the growth forecast has come after the Reserve Bank of India in September had already trimmed its growth projection to 7.4 percent from its earlier expectations of 7.6 percent.

The lowering of GDP growth rate does not come out of the blue. As of now all predictions about GDP are falling into line with the other leading agencies for future growth.

- In October, the International Monetary Fund (IMF) also lowered India's growth forecast to 7.3 percent for the current fiscal from 7.5 percent predicted in July.
- Asian Development Bank also lowered its projection for India's growth to 7.4% in 2015-16 from a previous estimate of 7.8%.
- India Ratings also scaled down its GDP growth forecast for this fiscal by 20 basis points to 7.5 percent, citing lower agriculture output due to deficient rainfall.

However, agencies like Fitch continue to expect an acceleration of growth to 8 per cent for fiscal years 2016-17 and 2017-18 due to favorable oil prices and strong expansion in the country.

In the first quarter of the current financial year 2016 (April-June), the economy grew at 7%, down from 7.5% in the preceding three months, mainly on account of deceleration in farm, services and manufacturing sectors.

India's economy picked up pace in the second quarter of the current fiscal as GDP rose 7.4 % in the second quarter of 2015-16 in line with expectations but faster than the 7% growth recorded in the preceding three-months.

The high growth was driven by a robust 9.3% rise in gross value added (GVA) in the manufacturing sector. Despite a poor monsoon, agricultural sector did better than expected with a 2.2% rise in GVA versus 2.1% YoY.

GDP at constant (2011-12) prices in Q2 of 2015-16 is

estimated at Rs 27.57 lakh crore, as against Rs 25.66 lakh crore in Q2 of 2014-15 showing a growth rate of 7.4%, according to data released by the Central Statistics Office, Ministry of Statistics and Programme Implementation. Quarterly GVA for quarter was estimated at Rs 25.80 lakh crore, as against Rs 24.02 lakh crore in Q2 of 2014-15, showing a growth rate of 7.4 % over the corresponding quarter of previous year. As per the official data, the economic activities which registered growth of over 7.0 % in the second quarter were trade, hotels, transport and communication and services related to broadcasting, financial, insurance, professional services and manufacturing.

The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply & other utility services', 'construction' and 'public administration, defence and other services' was 2.2 %, 3.2 %, 6.7 %, 2.6 % and 4.7 %, respectively, during this period. The stronger growth will definitely provide a boost to the Indian economy and expectations made by Fitch on India's GDP rising to 8% for fiscal 2017 would become true.

The government is increasing its capital expenditure, although it will have to reduce spending closer to the end of the fiscal year to meet the fiscal target. Indian consumer confidence rebounded strongly in November after dipping in October, buoyed by increased optimism about the country's economic outlook over the next 12 months. The recommendations of the Seventh Pay Commission, which has proposed 23.6% hike in salaries and pensions starting 1 January 2016, is expected to boost consumer demand. In the auto sector, Moody's expects retail sales volumes to grow 6% in 2016 on the back of sustained growth in passenger vehicle sales and a recovery in commercial vehicle sales.

India is focusing on investment-led growth and a pick-up in manufacturing activity which will be broadly supportive of business growth. The Indian government has made modest progress in several areas including raising the foreign direct investment limit and power distribution, but more needs to be done to launch the needed investment cycle. However, monetary transmission is limited given relatively weak banking sector health. A well-run central bank and improved external balance should help support growth.

In order to achieve high growth rates, India would require unprecedented investments in infrastructure, human and social capital.

Report on WIRC Regional Cost Convention

The Institute of Cost Accountants of India - Western India Regional Council along with Pimpri-Chinchwad-Akurdi Chapter has organized Regional Cost Conference 2016 on 16th and 17th January 2016 with a theme "Make in India through- Cost Competitiveness, Tax Reforms, Ease of Doing Business & Digital India".

CMA P V Bhattad, President-ICAI, CMA Manas Thakur, Vice President-ICAI, CMA Ashok B Nawal, CCM-ICAI, CMA Debasish Mitra, Chairman-WIRC. CMA P.H. Desai, Vice Chairman-WIRC, CMA Shriram Mahankaliwar, Hon. Secretary WIRC, CMA Laxman D Pawar, Treasurer WIRC, CMA Kailash Gandhi, Chairman P D Committee and CMA Harshad Deshpande, RCM had a brief discussion with Shri Amar Sable, Member of Parliament about the profession.

The Program started with lighting of lamp by the dignitaries. It was followed immediately with the speech of Honourable MP Shri Amar Sable. He offered help of his good offices for bringing to the notice of the authorities our suggestions as regards to the Budget & CMA profession. CMA Manas Thakur, Vice President-ICAI, CMA Debasish Mitra, Chairman-WIRC. CMA P.H. Desai, Vice Chairman-WIRC, welcomed and introduced the dignitaries and also explained the theme of the Convention.

CMA P V Bhattad, President-ICAI, assured CMAs that slowly but steadily we are moving methodically towards the goal. In first Technical session which was presided by CMA Vijender Sharma CCM. The session started with CMA K Narsimha Murthy on Kautilya-Principles of Costing. It was amazing to know that Chanakya has in his time touched and written on various subject like Defense, economics, accounts & costing etc.

CMA C S Adawadkar, in the second lecture in the session dealt on Activity Based Costing-ABC. He stressed that in the coming days the importance of ABC would increase.

In the second technical session, there was panel discussion under Chairmanship of CMA Raju Iyer. The subject was

"Ease of Doing Business". The Panelist were CMA B M Sharma, CMA Vivek Bhimanwar, Secretary to Chief Minister, CMA B B Goyal (former Advisor- Cost) & CMA Asim Mukhopadhyay, VP-Business Planning, Tata Motors. There was very useful discussion on "Make in India".

The Second lecture in the second technical session was on 'Digital India'. It was chaired by CMA Balwinder Singh. The speaker Mr. Mandar Marulkar, CIO-KPIT Infotech, explained in lucid manner the meaning of word Digital by giving simple examples.

On the second day there was one technical session -Panel discussion on GST. The panelists were Shri. Sumit Dutt Majumdar and CMA Ashok Nawal, CCM and Chairman of Taxation Committee of ICAI. While Shri Sumit Dutt explained the legislative journey of GST where CMA Nawal's focus was on opportunities for CMA in new regime of GST.

In Valedictory session there was small speech given by CMA Debashish Mitrain which he encouraged the members to take active part in WIRC activities particularly by sharing their experience & knowledge by writing in WIRC bulletin and CMA Shriram Mahankaliwar also had been anchoring

The Program was arranged at Beautiful Auto Cluster Auditorium & there was overwhelming response. It was "houseful" Program. It was attended by Central Council Members (Past & Present), Regional Council Members (Past & Present), Chapter delegates & Industry delegates.

In the evening of the first day there was Members meet / Chapters meet where the major concern was students & how to make chapters more vibrant. This was followed by cultural program. There was spontaneous response from students as well as young & younger CMAS

The entire convention (partwise) was anchored by CMA Dipak Borse, CMA Pradeep Deshpande, CMA Ashok Kundap and CMA Nutan Gurav & it was backed by WIRC & Chapter staff & Volunteers/students / young CMAs who had toiled hard day & night to make the function a grand success.

Inauguration of Oral Coaching Centres

WIRC inaugurated the Oral Coaching Classes on Monday, the 11th January 2016; Batch January to June 2016.

The following CMAs inaugurated the Oral Coaching Classes at the centre given below :

Sr.No.	Name of the Person	Centre
1	CMA Amit Sarkar	Sydenham College
2	CMA Akshay Shah	N. M. College, Vile Parle
3	CMA Kailash Gandhi	St. Francis Institute of Management
4	CMA (Mrs.) Shailaja Balmurali Raman	R. J. College, Ghatkopar
5	CMA K. Gopalkrishnan	Mulund College of Commerce, Mulund West
6	CMA Sukram Bisen	SMFC Thane

CMAs Dwajavandan on top of Rareshwar Fort

By CMA Ashish Deshmukh

Rareshwar Fort is say 120 Kms from Pune. The main attraction is holy Shrine of Lord Shiva. Here in the year 1645, young Shivaji (16 years old) along-with his loyal friends took oath of 'Swarajya'. Thus this was place where Maratha empire or dream of Maratha empire was conceived.

We around 40 CMAs started in the morning on say 20 motor cycles & reached at the base of the fort in noon. Enroute, we had taken 'Puneri Misal' on road side restaurant. Some part of the road was in really bad shape but we enjoyed it like Motocross race.



It was great feeling when we started to climb....We were little worried whether some senior members like CMA Gore would be able to make it but no problem we all reached within the given time. Once we all gathered we took a small break. It was time when CMA Gore narrated some interesting facts about Shivaji Maharaj.

We then proceeded to the temple had Darshan & then trooped to the site for Dwajvandan!! We were on top of the world Date 26th Jan Place In front of the Rareshwar

temple & event-Dwaj vandan!!! It was Golden movement everybody wanted to remember-so there were Photos to catch it !!!



We then enjoyed the lunch courtesy the organizing team the chapatis with subzi & chatani. As we did not want to create waste we did not used plates instead each one had taken chapaties on bare hand.

After moving around in fort we came down. In our return journey we stopped at Bhor to see the palace -palatial building having say 70 + rooms of the king of this place. It was the kingdom which started in Chatrapati Rajaram Maharaj & was merged willingly in free India. The king called 'Pant sachiv' were very progressive royal family who had helped the freedom fighters in the period by giving them support.

The great beautiful palace is many times used for shooting film like 'Bajirao Mastani' 'Katyar kaljat ghusali' etc It is really irony of the history that the Pant sachivs who constantly were opposing Bajirao the great warrior their palace was used for making film on the Bajirao!!!!



We returned back by night with full stomach & mind full of memories. We all were/ are grateful to the organizing CMA team CMA Mehboob Daudi CMA Atul Saswade and team.

Some Interesting facts narrated by Gore Sir about accountants in Maratha era who also led in battles-

In 1673, Anaji Datto & Kondaji Farzand conquered Panhala. This was a very famous conquest as the attack was so well planned that even before Killedar of Panhala could realize that he had been attacked, Kondaji's men had captured gates of the fort. Anaji was waiting for Kondaji's signal & immediately reached into the fort on Kondaji's signal. The Panhala was conquered successfully by this duo.

Now who was this Anaji Datto (Sabnis) = He was Accountant with Shivaji Maharaj at the start of his career!!

First Peshawa Balaji Vishwanath was also Accountant with Chandrasen Jadhav s/o Dhanaji Jadhav & was collecting / accounting the revenue of Daulabad parganas (areas near Aurangabad)

"Sadashivrao better known as Bhausaheb who led Maratha army at Panipat IIIrd battle was also very much involved in supervising accounts of Peshavas & his insistence that receipt from battles should be more than expenditure had made him unpopular with lot of Nobels of the Maratha army."



Bharuch Ankleshwar (Twin city) Gujarat CEP Study Circle organized a half day seminar on Role of CMAs in Companies Act 2013 & Better role in Internal Audit and Changes in Company law 03.01.2016 at Sarvodaya High School, Ankleshwar. CMA Satyanarayan Mundrain detail explained the Scope of CMAs in new Companies Act 2013 like pre certification & other matter under Company Law. CMA Kailash Sanklecha explained the scope in Internal Audit and area to be focused by CMAs as value addition. The question session was very interactive for new area and knowledge. Programme was coordinated by CMA R. K. Rathi. CMA R. A. Mehta, Rajesh Makwana, CMA Susanta, CMA Antresh Mehta were attended seminar and appreciated this. CMA D. C. Gupta proposed vote of thanks.

CEP REPORT

On **23rd January 2016**, WIRC organized CEP on CMAs Role in Factory Compliance Management at Borivali SMF Centre. CMA B.F. Modi was the speaker.

On **30th January 2016** WIRC organized CEP on Recent Regulatory Changes in FDI & ECB at Thane SMF Centre.

Large number of members attended the CEP.

NAVI MUMBAI CHAPTER

Announces

Seminar on Ind AS & The Companies Act, 2013 Accountants' Perspective

Date: Saturday, the 13th February, 2016

Time : 09.00 a.m. to 05.00 p.m.

Venue: Navi Mumbai Sports Association, Sec 1A, Vashi, Navi Mumbai 400 703

Chief Guest: CMA Shirish Ghoge, Senior Director Global -

Government Affairs India, Abbott Laboratories

4 CEP Credit Hours will be provided

For Details Contact:

CMA B. N. Sapkal, Chairman - 98330 97054

CMA B. K. Das, Secretary - 93214 47315

CMA Vivek Bhalerao, Chairman - PD Committee - 99671 70329

E-mail : seminar@nmcca.in

Congratulations



CMA Milind Kulkarni (M.No.22108) is been promoted as Head of Finance – South Asia. He is working with Aggreko Energy Rental India Pvt. Ltd. since 2009. Aggreko is worldwide leader in renting of power generators and temperature control equipment having its head quarter at Glasgow. Aggreko's business is spread across all continents including Asia. He is leading finance function for countries following under this region viz. Singapore, India, Thailand, Malaysia, Indonesia, Bangladesh, Nepal and Myanmar.

CHAPTER NEWS

AHMEDABAD

CEP Seminar on "Goods and Service Tax"

Chapter had organized a full day seminar on "Goods and Service Tax" on 09/01/2016 at Hotel Inder Residency, Ahmedabad. Seminar was inaugurated by Chief Guest Smt. Shalini Agarwal (IAS)- Additional Commission (Commercial Tax). CMA V H Savalia, Chairman of Chapter felicitates Chief Guest and CMA P. H. Desai, Vice Chairman WIRC by offering bouquet and memento. Smt. Shalini Agarwal in her inaugural speech emphasized the necessity for Goods and Service Tax which has the potential for improving GDP and provide better business atmosphere. It is good initiated "Is of Doing Business" under "The Make in India".

CMA D. S. Mahajani deliberated presentation in the 1st Technical session on "Over View and understanding GST". In the 2nd Technical Session, Mr. Shreeram Kaza, GM (Taxation) at Alembic Pharmaceuticals, Vadodara spoke on "Business Process Report and Place of Supply". In the Technical Session 3rd, CMA B F Modi deliberated on "Business Process Report - Returns". In the Technical Session 4, Shri Monish Bhalla, Director - Easy Tax / O / Legal Services India Pvt. Ltd, Ahmedabad deliberated on "Preparedness on GST".

All the sessions were inter-active and there was active participation by CMAs and delegates from UGVCL, Alembic Pharmaceuticals, Ingersol Rand, Zydus Healthcare Ltd, NDDB, Intas Pharmaceuticals Ltd and Investis Corporate Communication Ltd. The Program was concluded after an Inter-active session and valedictory session. CMA Manish Analkat, Secretary of Chapter proposed vote of thanks.

CEP Seminar on Cost Auditing Standard - CAS-101

Chapter had organized CEP program on "Cost Auditing Standard CAS -101" on 22/01/2016 at Chapter office, Ahmedabad. CMA Ashish Bhavsar discussed comprehensively on the Cost Auditing Standards on Cost Audit Documentation. More than 40 members participated in the program.

CEP seminar on Cost Auditing Standard - CAS 102

Chapter had organized CEP Program on "Cost Auditing Standards CAS 102" on 27/01/2016 at Chapter's office, Ahmedabad. CMA V H Savaliya, Chairman welcomed the faculty CMA Ashwin G Dalwadi & members present and gave brief introduction about the subject and faculty. CMA Ashwin G Dalwadi discussed on Cost Auditing Standard on overall objectives of the independent auditor and conduct of an audit in accordance with Cost Auditing Standard 102. More than 20 members participated in the program.

AURANGABAD

The result of the Institute of Cost Accountants of India (Kolkata) Foundation course for the December 2015 Examination has been declared recently. The result of the Aurangabad Chapter is very encouraging compared to the results of last few years. The result was 41 %.

Ms. Prerna Deepak Bhale, Mr. Sarvesh Sudhakar Kulkarni and Mr. Sopan Vishnu Gavad stood first, second and third respectively.

A student guidance program was organized at The Aurangabad Chapter. CMA Parag Rane, CMA Pravin Mohani and CMA Sunil Maniyar were guided the student.

All the members of Aurangabad Chapter congratulated and given best wishes for their future assignment.

SURAT SOUTH GUJARAT

Narmada Sugar Factory and Sardar Sarovar Dam visit on 8/01/2016

Chapter organized a Factory Visit to Shri Narmada Khand Sahakari Mandali Ltd. (Reputed Sugar Factory) at Dharikheda, Dist. Narmada on 08/01/2016. The team of 50 students and 10 members was led by CMA Manubhai Desai, Chairman of the Chapter. The first destination of the visit was Narmada Sugar Factory, which is a Sugar Co. Op. Society and one of the prominent sugar manufacturing units of Gujarat.

CMA Manubhai Desai met the Chairman of Narmada Sugar factory Mr. Ghanshyambhai Patel who extended all possible support to our students for their professional endeavors. CMA Manubhai, Chairman thanked the authorities for the warm hospitality and support. Senior member CMA Bhanwarlal Gurjar proposed formal vote of thanks. Students got a hand look of sugar industry

Students also visited Sardar Sarovar Dam, where they got insight about Dam, and how Hydro power was being generated. Sr. Engineer Mr. S. K. Sadhu explained about functioning of Dam

In the last phase of visit "Nilkanth Dham" the famous Swaminarayan temple was covered, where students enjoyed the spiritual peace along with delicious cuisine.

The whole visit was thoroughly appreciated by one and all and staff of the Chapter managed the whole event smoothly. Chapter Chairman thanked everyone for participating in the visit and expected the same support in future event also.

Career Counseling Programme and Quiz Competition

Chapter also held Career Guidance programme in 1) H. P. Desai Commerce College - Amroli on 18/01/2016. 2) Jivan Jyot Trust Amroli - Management and Commerce College on 19/01/2016 3) I. N. Tekrawala High School on 21/01/2016 4) C. J. Patel Commerce College, Variav, Surat on 23/01/2016 5) Sheth Shri P. H. Bachkaniwala School on 23/01/2016. Counseling was carried out by CMA Amish Parmar sub-committee members of the Chapter and Mrs. Mita Desai, Sr. staff of the Chapter. Principals of the schools and Colleges along with commerce teachers whole heartedly co-operated in our drive and approximately 2500 students were took benefit of it. Many students had shown their interest in CMA course.

Quiz Competition on "Make in India":

An interesting quiz competition were arranged on 23/01/2016 at 3.00 PM at Chapter's office on the subject of "Make in India". CMA Ravi I. Patel a lecturer of SPB English Medium Commerce College and our faculty, coordinate the whole Quiz Competition programme. About 20 students actively participated in it.

Regional Cost Convention 2016



CMA Ashish Deshmukh, Chairman,
Pimpri-Chinchwad-Akurdi Chapter



CMA B. B. Goyal,
Advisor, ICWAI-MARF



CMA Vivek Bhimanwar,
PS to Chief Minister



CMA K. Narasimha Murthy,
Faculty



CMA C. S. Adawadkar,
Faculty



Mr. Mandar Marulkar,
Faculty



CMA Sumit Majumdar
Faculty



CMA Asim Mukhopadhyay,
Head, Business Planning, Tata Motors Ltd.



CMA A. M. Tambekar, Faculty



View of Audience



Cultural Programme

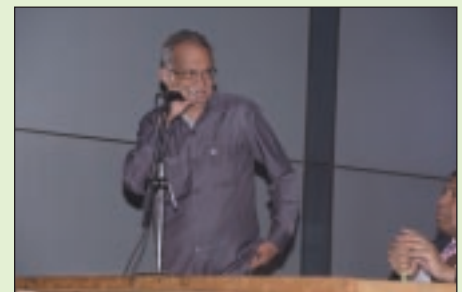
CHAPTERS' / MEMBERS' MEET



CMA P.V. Bhattad, President - ICAI
addressing Members



View of Chapters' / Members' Meet



CMA Manubhai Desai,
Chairman, Surat-South Gujarat Chapter



CMA Pradnya Chandorkar,
Vice-Chairperson, Nasik-Ojhar Chapter



CMA P. D. Modh,
Representative, Ahmedabad Chapter



CMA B.F. Modi, Secretary,
Vapi-Daman-Silvassa Chapter



CMA B F Modi, Founder Chairman of the Chapter addressing the participants during Talent hunt 2016 Competition conducted by Vapi-Daman-Silvassa Chapter on 24th January 2016



View of audience during Talent hunt 2016 Competition conducted by Vapi-Daman-Silvassa Chapter on 24th January 2015



CMA R B Kothari Offering bouquet to CMA P H Desai, Vice Chairman WIRC during Seminar of GST organized by Ahmedabad Chapter on 9th January 2016.



Mrs. Shalini Agarwal (IAS) - Additional Commission (Commercial Tax). addressing during Seminar of GST organized by Ahmedabad Chapter on 9th January 2016.



Felicitation function of Students passed Foundation course - Aurangabad Chapter



CMA B. F. Modi, Faculty is being felicitated by CMA Ashwin Solanki during CEP Organised by WIRC on 23rd January 2016

To



If undelivered please return to:

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
WESTERN INDIA REGIONAL COUNCIL,
Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.